



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**HEIGHT, WIDTH, DEPTH.** The three dimensions of the space around us. These measurements define the world we perceive & in which we operate. Normally, we just use these dimensions to ascertain the size of the sofa that will fit into a living room, but they can actually touch us on a deeper level - whether it is the endearing smile of an infant held closely in our arms or the wonder of a twinkling star 16K light years away, the majesty of snowcapped mountains in the distant horizon or the gut-wrenching mountain of paperwork facing us on our desk. While these three Euclidean dimensions define our visual world, what affects us more deeply is the passage of time, the fourth dimension.

**THE FOURTH DIMENSION:** Back in the days when schools actually taught important things, there was a regular exercise in geometry class. An empty set has no subsets, & is therefore represented by a point, which has no dimensions – no height, no width, no depth. The set consisting of a single element, A, has itself & the empty set as subsets. This is represented by two points, connected by a line, very one dimensional. The set consisting of A & B has four subsets, AB, A, B, & the empty set. Four points, connected by lines, creating a square in two dimensions, height & width. It naturally follows that the set ABC, using the same model & connecting the dots of the subsets, creates a three dimensional box. Now this is where things are getting interesting! The set of ABCD creates a four dimensional figure that we can only view with our three dimensional perception. In physics, the fourth dimension is often considered to be time, generally considering the motion or movement of atoms, neutrons, protons, electrons, bodies in space, light & so on. There are theories in physics that rationalize that a single atom can exist in two places at the same time, because of the effects of time & motion. Someone, or something, that operated in the fourth dimension of time would not be confined by the linear time in which we humans operate. And like our model of the fourth dimension, which we can only view with three-dimensional understanding, this someone or something could affect our world without us knowing it & understand our world in a way we cannot conceive. Their perspective on the events & things around us would also be very different, as they would know if the simplest of events or things would eventually come to have a profound effect on the future, as time passes, or if something that seems meaningful at this time will be of no importance over time. As humans, we can only see what is in front of us, with no understanding of how important or profound these things will really be in our future. I think back to the summer I turned six in July 1965. I remember the month well, because we moved from Collinwood, a Cleveland neighborhood, to the suburbs. At the time, I didn't think much of it, as many of our aunts, uncles & close family friends had already moved from our changing urban neighborhood to the 'burbs. The reasons, even for someone my age, were easy to understand. Riots were frequent at the high school; prowlers, car thieves & break-ins in the neighborhood were on the rise. The schools in the suburbs would be better & the neighborhoods would be safer. My perception of the world went from narrow row houses with tiny backyards, tight noisy streets, a bedroom shared with my sister, a shared driveway loaded with cars between two duplexes & little place to play or run, to a wide-open yard, wider & less busy streets, trees, my own bedroom (*only 8'X6' but it was mine*) & lots of space to run & play ball. Little did I know how this event, moving to the suburbs, would change the future, my future, & the significant impact it would have on my life. Within weeks of being there, the 10-year old neighbor boy across the street taught me how to ride a two wheeler so I could keep up with the crowd, then 12 years later I graduated from an academically challenging high school & was on my way to college, so that I would not be left behind. Of course, our perhaps omnipresent, fourth dimensional time traveler would have had no interest in me if he arrived in July 1965. This person would have been more interested in events that would have significant impact on the future, such as the escalation of the Vietnam War or the passage of multiple pieces of legislation, much of which would lead this country astray & create many of the problems the new Administration is fixing today. This person would have known what it meant to our future human ambitions when a spacecraft was able to capture the first images of Mars that were not taken from a telescope on Earth. Our traveler would follow the speeches delivered across the country that July by Martin Luther King & see it with an understanding of what the future would hold for our society. These events were significant & garnered great attention at the time, but the importance of many other events that took place in July 1965 could only be conceived by our time traveler. Like a summer afternoon at Venice Beach when Jim ran into Ray, a classmate from UCLA, & showed him some songs he had written. The beach was probably crowded with people. Little did they know in a few years this chance meeting would soon have these two musicians *Lighting our Fires!* Or that in a studio in Hollywood, a producer would take a second run at a failed TV pilot with a new cast, & that very shortly we would *go where no man had ever gone!* Or that Bob Dylan bringing an electric guitar to the Newport Folk Festival & getting booed off stage would change folk & rock music forever! Or that a baby girl born in England would create a world of sorcerers, wizards, wands, dragons, beasts, monsters & spells; a place where good triumphs over evil! Humans see the world in just three dimensions & view time as linear. When we see something happen, we like to surmise or hypothesize its effect on our lives or the world & how it will unfold over time. But of course, only time will tell. We think we have the power to see the future, only to make our foolish predictions. Every person today seems to be an expert on tariffs, trade & the economy; & hypothesizes an eventual outcome. However, all the variables have yet to be seen, & all the cards have yet to be played. Our fourth dimensional time traveler would laugh at us! He probably met Shakespeare in his time travels (I certainly would have made a stop at the Globe Theater), who wrote, *"Thus we play the fool with time & the spirits of the wise sit in the clouds & mock us."* The truth is that we three dimensional living humans have no idea what will happen & only through the passage of time will we come to know. From Sophocles, *"Old age & the passage of time teach all things."* And more often than not, just like Jim meeting Ray on Venice Beach, we will not know if an event is significant when it happens. From 20<sup>th</sup> century novelist Edith Schaefer, *"The thing about real life is that important events don't announce themselves. Usually something that is going to change your whole life is a memory before you can stop & be impressed about it."* Moving to the suburbs certainly changed my life in ways I wouldn't have thought of in July 1965. And while moving to the suburbs had a significant impact on my life, the most significant & profound impact on my life arose from an event that occurred earlier in that pivotal year of 1965. When this event happened it would have been commonplace, as the same event occurred 3.8M times in 1965, more than 10K times every day, including this specific day in April. Lacking our fourth dimension time traveler's insight, I would not have known of this important event that would change my whole life, forever. But at least once a year, there is a chance to celebrate its importance in our three-dimensional universe!

**INDUSTRY NEWS:** Love Corn raised \$6.29M from Puma Growth Partners & others. Ryl Tea received \$15M in funding from its celebrity investors. Culture Pop raised \$15M from its current investors. Prebiotic soda startup Xoxo secured £4M led by Lever VC & Slingshot Ventures. Producer Mezcal raised \$1M from investors. SG Credit Partners provided a credit facility to non-alk functional drink Hiyo. Swiss plant-based seafood maker catchfree raised

€1.3M led by *FortyOne Group & Stiftung Startfeld*. Finnish functional mushroom elixir developer, *KÄÄPÄ Biotech* raised €900K from *PeakBridge's FoodSparks* fund, which also invested in plant-based ice cream maker *GanEden*; culinary digitization platform *SOUS* & gut-friendly botanicals firm *Evinature*. Vertical farm *Nature's Miracle Holding* established financing with *Big Lake Capital* for \$2M with initial funding of \$600K. *ClearCOGS*, restaurant supply forecasting platform, raised \$3.8M led by *Closed Loop Partners' Venture Group*, with additional participation from *Myriad Venture Partners & Level Up Ventures*. In Sweden, *OlsAro*, resilient crop development, raised €2.5M led by *Future Food Fund & PINC* with participation by *AgFunder*, *FLORA Ventures*, *Mudcake* & others. Indonesia-based *Eratani* raised \$6.2M for its ag marketplace that helps farmers digitize their operations, boost productivity & better meet demand for rice; *Clay Capital* led the round with participation from *SBI Venture*, *TNB Aura*, *AgFunder*, *Genting Ventures & IIX*. *Grain Craft*, the third largest flour miller in the United States, will acquire the North American dry corn milling assets of *Bunge*, including seven processing & milling locations. *Arla Foods & DMK Group* will merge to create Europe's largest dairy cooperative with a combined revenue of €19B. *Vermont Farmstead Cheese* added artisanal cheese brand *Grafton Village Cheese Company* to its portfolio, acquiring the brand from the *Windham Foundation*. *Müller* bought UK-based kefir brand *Biotiful* for approximately \$150M. *The Gellert Global Group* (owner of *Atalanta*) acquired Wisconsin-based *Heartisan Foods*, a manufacturer & distributor of branded & private label specialty & flavored cheese products, from *Ronin Equity Partners & Landon Capital Partners*. *KKR* is buying *Karo Healthcare*, European maker of consumer healthcare products (*Lamisil*, *E45*, *Nutravit*, *Proct*, *Paracet* & others) for around €2.5 billion. *Bain Capital* acquired 750-unit franchisee operator *Sizzling Platter* (including *Little Caesars*, *Jamba*, *Wingstop*, *Dunkin'*, *Jersey Mike's*, *Cinnabon*, *Red Robin*, *Sizzler*) for more than \$1B, including debt. Commodities services firm *StoneX Group* will acquire *R.J. O'Brien & Associates*, the nation's oldest futures commodities brokerage & clearing house, for \$900M. Family-owned independent grocery supplier *Laurel Grocery Company* will cease operations after 103 years. Plant-based nut butter bar producer *Super Pop Snacks* is ceasing operations. French insect producer *Ynsect*, which had filed for insolvency, received an offer for its pilot plant & secured €10M in bridge funding from existing investors for temporary operations. Chicago-based VC firm *11 Tribes* closed its second fund to deploy \$46M to early-stage CPG brands. *JBS* plans to begin listing on the NYSE in June.

*Albertsons* saw revenue & same store sales increase in 4<sup>th</sup> QTR but income dropped 31%. Sales were up 5.5% & operating income 5.0% for Canadian grocer *Metro* in 2<sup>nd</sup> QTR.

*Wegmans* will open locations in Connecticut, Charlotte & Pittsburgh. *Whole Foods* is opening a Las Vegas location in the Sumerlin neighborhood. *Plum Market* will open its 2<sup>nd</sup> Florida location in Palm Beach Gardens. *Mom's Market* has opened another Washington DC location. *PCC* will open *Corner Market*, a downsized store in a previously closed *PCC* location in downtown Seattle. *Vallarta Supermarkets* will open a new Los Angeles location in a former *Ralphs*. *T&T Supermarket* added a second location in Mississauga, Ontario. *Save Mart* has introduced substantial price reductions, cutting costs on more than 4,000 grocery items in *Save Mart & Lucky* stores in California & Nevada. *Walmart* opened a new distribution center in Jacksonville FL. *Schnucks* will partner with *DoorDash* for grocery delivery. *Ahold Delhaize* confirmed a cyberattack on its USA operations & they are now being blackmailed to prevent the release of sensitive data. Communist & socialist organizations are planning a weekend economic boycott of *Walmart & Target* to protest corporate greed & Easter. *Lidl* will build two new customer-centric innovation hubs, called *Lidlabs*, in Portugal. Several *Tops Markets* locations in western New York are implementing *Chudy Solution & Supply's* new *Cenobot* autonomous floor-cleaning equipment. *Target* will begin selling wine using *Frugalpac's* paper wine bottles. *Kraft Heinz* will introduce an oat milk *Jell-O* pudding. *Flower Foods* launched a new line of *Dave's Killer Bread* sandwich rolls. *Barry Callebaut* efforts deal with high cocoa bean prices by creating non-cocoa products through precision fermentation & by sourcing cocoa from South America. *Eat Just*, plant-based egg alternatives, will enter the European market in partnership with the *Vegan Food Group*. *The Ferrero Group* is investing \$319.7M to expand & upgrade its production facility in Brantford, ONT, to support the manufacture of new products. *ADM* will close its soybean crush plant in Kershaw, SC, as part of its cost efficiency strategy. An ammonia leak was reported at a *Tyson Foods* facility in Monroe, NC; it was contained after an emergency evacuation. *Bakery Express Midwest* opened a new 50K sq. ft. baking facility in Florence, KY, to produce & distribute donuts, cookies, cakes, pastries, muffins & more. Ingredient manufacturer *BENEQ* opened a new pulse-processing facility in Obrigheim, Germany. French startup *Standing Ovation* will produce recombinant milk proteins from *Bel Group's* whey waste. American tomato farmers applauded the announcement that this Administration will enforce laws preventing Mexico from dumping tomatoes into the USA. *Wendy's* took to social media to poke fun at pop icon Katy Perry's hammy return to Earth from a non-space trip, posting "I kissed the ground & I liked it!" *Hermes* passed *Moët-Hennessy* owner *LVMH* as the world's most valuable luxury brand. Singer Jewel is suing *Kroger* claiming the company took control of the *Wellness Festival* she co-founded after the event became profitable. The *Organic Consumers Association & GMO/Toxin Free* are suing *Perfect Day* alleging its precision fermentation-derived "Animal Free" whey product is not remotely similar to cow's whey or milk as claimed. Arizona's radical governor did something right by signing legislation banning 11 ingredients found in ultra-processed foods from federally & state assisted school food programs. *Campbell* has promoted Elizabeth Duggan to president of its Snacks division. *Molson Coors* CEO Gavin Hattersley will retire at the end of the year. *Reed's* appointed Cyril Wallace as its new CEO.

Natural & organic sales are expected to grow 5% annually through 2028, reaching \$348B, according to *Acosta*. Also from *Acosta*, 65% of consumers using weight loss drugs increase their consumption of produce. Fresh bakery dollar sales fell 3.3% In March YOY to \$1.6B & unit volume slipped 2.7%, according to *Circana & 210 Analytics* due to the late April Easter holiday. The *Alaska Seafood Marketing Institute* reports there are more than 41M refrigerated salmon buyers in the USA & salmon remains the most-consumed finfish in the country. In a survey from *Tillster*, USA restaurant loyalty is shifting as consumers seek pricing, value, convenience & services. Nearly 75% of all restaurant traffic now happens off-premise - restaurant orders taken to go - per the *National Restaurant Association*. USA ethanol exports passed the 1B gallon threshold halfway through the 2024-25 marketing year, increasing 27% YOY. The Colombian blueberry industry projects current cultivation of 650 hectares to reach 3K to 5K hectares by 2026. Egg prices are down 47% since the new Administration ending the Biden egg inflation initiatives & almost 60% from a February peak, even though industry trade magazines continue to harp on high egg prices in a futile attempt to cover up one of this Administration's many wins for the USA!!

**MARKET NEWS:** Markets were mixed for the week with the broader industry indexes showing gains. Retail sales came in above expectations & higher than the previous month. Manufacturing indices showed contraction. Housing starts were below expectations & building permits were higher. Initial jobless claims were lower than expected.

**SEEDS, SPROUTS, GROW, HARVEST!**  
**THE LITCHFIELD FUND** — *Tom Malanga*  
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