



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



ZENO OF ELEA visited ancient Athens about 450 B.C. in the company of elder philosopher Parmenides. We know little of this pre-Socratic philosopher. What we do know comes from the writings of Plato & Aristotle who shared Socrates's story of the visit. Socrates was a young man, likely in awe of these established philosophers. Zeno is best known for his paradoxes. He designed more than forty, covering time, space & motion, though only a few survive, such as Achilles & the tortoise. If the tortoise begins with a lead, the speedier Achilles is never ahead, as each always makes a move at the same time! Plato & Aristotle credit Zeno with developing the *dialectic method*.

DIALECTIC HARD TO LIVE FREE: In the days when I managed large 24/7 operations in multiple locations across the country, there would naturally be problems. To correct these problems & fix the client impact, participation was required from across the organization: operations, application programming, the data center, client relationship managers, accounting, security, etc. When so many people are together in a room, they tend to display some natural human fallacies: Those who wanted to assign blame, those who denied culpability, those who only wanted to be the hero & fix the problem without consulting others or taking into consideration the client impact. Discussions like this quickly fell into chaos, a cacophony of finger pointing, proselytizing & panic. Usually being the senior person in the room, or at least the person responsible for getting the problem fixed, I had a trick up my sleeve I always kept ready. I would propose a *dastardly stupid* solution containing just a bit of truth, somewhat akin to Edmund Burke's & Zeno's *reductio ad absurdum*, that is, reducing it to the absurd! Now the conversation would start, people anxious to *not* do something stupid or others just wanting to 'show up' the boss! A dialogue formed, with questions like, "Why won't that work? What is the risk? How long will it take?" The dialogue led to a solution, an example of the dialectic method. Dialectics differ from debate. Debate is designed to win a point: A vs. B but only one can win. Dialectics is focused on improving the argument as people engage in a rational discussion, a back & forth dialogue of points & counterpoints with a progression of additive statements or suggestions that improve the argument. (The Socratic Method is a form of Zeno's dialectics that describes an education process with the teacher & student in a dialogue to better understand & improve the argument.) Plato & Aristotle created & used dialogues; but with the assumption that those involved were rational minded individuals with the joint purpose of better understanding the problem or issue. If today we watch the news on television or peruse social media or the internet, it becomes obvious that the dialectic method, commonly used by philosophers & theologians through the Middle Ages & into the Enlightenment, is dead & buried within the tombs of ancient Greece, the catacombs of Rome or the crypts beneath the cathedral floors. Instead, we see irrational & divisive people who refuse to enter debate, let alone a constructive dialogue. The purpose of the dialectic method is improvement & betterment & that dialogue is the basis of Freedom of Speech, a sacred right of our Nation. Without dialogue & the dialectic method, progress stops & freedom dies. This week, the USA 5th District Court determined this administration – the White House, CDC, DOJ, FBI & others – coerced, threatened & colluded with Big Tech's social media & internet companies to stifle "*truthful speech*" that did not agree with the government's position on covid, vaccines & more; a direct violation of the First Amendment! Censoring dialogue, debate & discussion is the first step to totalitarianism – fascism, communism, socialism & thugism. From there, as we can see, the toe merely slides forward to begin persecuting & silencing political opponents. Free & fervent discussion is not just how problems should be solved; it is how the truth can be found. From 19th century anthropologist Thomas Huxley, "...*truth is strength... free discussion is the very life of truth.*" Everything & anything should be open to discussion! From 19th century abolitionist Wendell Phillips, "*If there is anything in the universe that can't stand discussion, let it crack.*" So why do supposed leaders want to prevent discussion? Horace Mann, 19th century U.S. Congressman, offers a clear reason: "*On the face of it, it must be a bad cause which will not bear discussion. Truth seeks light instead of shunning it.*" Yes, my stupid proposed solutions were used to open a dialogue & reach resolution. But leaders who stifle discussion do not believe their power, prestige or plans should be questioned. From philosopher & member of Parliament John Stuart Mill, "*All silencing of discussion is an assumption of infallibility.*" Let's be open to dialogue on everything impacting our Nation, our freedoms & our sacred rights. French essayist Joseph Joubert reminds us, "*The aim of argument, or of discussion, should not be victory, but progress.*" To protect our rights, to move our Nation forward, we must be prepared to "*Dialectic Hard To Live Free!*"

INDUSTRY NEWS: *Hoplark* received a strategic Series A investment from *Brooklyn Brewery*. Celebrity backed *Goodles* raised \$13M led by *L Catterton*. *The Bettering Company*, cannabis edibles formulated with fruits, herbs, teas & spices, raised \$6.7M with

RXBAR founder Peter Rahal & other cannabis investors. *Molson Coors* increased its minority stake in *ZOA Energy*; terms not disclosed. *Momofuku Goods*, restaurant-grade pantry essentials, raised \$11.5M led by *Alliance Consumer Growth*. Researchers from Germany, Israel & the UK received €1.8M in funding from *EIT Fund* to solve the barriers to creating cultivated meat at scale. France-based *Toopi Organics* raised €16M for its human urine into agriculture biostimulants, led by *VisVires New Protein* with participation from *Edaphon*, *Noshaq*, *MAIF Impact* & *BNP Paribas Développement*. *Biodel AG*, crop protection ingredients, raised undisclosed series A from *Pangaea Ventures* & others. Israel's *Treetoscope* raised a \$7M seed round for its AI-powered irrigation tech led by *Chempel Capital*. *Krucial* raised €3.45M to monitor salmon farms via space satellites; the round was led by *The Scottish National Investment Bank*. *altM* raised \$3.5M led by *Omnivore* to develop sustainable materials from agricultural residue. Crop biologicals company *Biobest* will acquire 85% of *Biotrop* for \$569.4M. *J.M. Smucker* will purchase *Hostess Brands* for \$5.6M. PE firm *Fiera Comox* purchased *Innoliva*, traditional & extra virgin olive oil, from *Cibus Capital*. Canadian sports drink brand *BioSteel* will be for sale after parent *Canopy Growth* ends its investment support. *Bacardi* bought mezcal brand *Illegal Mezcal*; terms not disclosed. *Splash Beverage Group* bought gin, bourbon & vodka producer *Western Son Distillery*. Specialty & flavored cheese manufacturer *Heartisan Foods* will buy *North Country Packaging*, tripling its manufacturing capacity. *GrubMarket* acquired *Mendez International*, a NY-based provider of fresh tropical fruits & vegetables sourced primarily from Central America. *Butternut Box*, fresh dog food, raised \$351.7M from *General Atlantic* & *L Catterton*. Alt-meat companies *Hooray Foods* & *Nowadays* will cease production. *Instacart* will offer 22M shares between \$28 to \$30 per share, raising up to \$660M at a \$9.3B valuation. *Kellogg's* board approved its separation plan.

Kroger recorded a 2nd QTR loss & an all-around down quarter; the dissolution of its pharmacy contract depressed sales & its loss was due to the nationwide opioid settlement. *Dollar General* will take a \$95M profit hit as it clears inventory. Volatile pork prices, slow demand recovery for turkey products & weak demand in China led to a down quarter for *Hormel* & led management to reduce full-year sales guidance. *General Mills* leadership said they will not use promotions to offset recent volume declines. *Hain Celestial* will restructure its business to improve growth & generate annualized savings of up to \$150M by its fiscal 2027.

Sprouts Farmers Market, after opening 30 stores in 2023, plans to open 40 in 2024. *Walmart* will lower the hourly wage of some new hires. To differentiate itself, *Walmart* will offer late night delivery on grocery orders made by 9:30 PM. *Uber Eats* will partner with *The Save Mart Companies* & *The Fresh Market*. *Kroger*, appealing to budget-conscious consumers, expanded its assortment of everyday staples priced under \$3. *Kroger* will not build any new eCommerce sites with *Ocado* as it analyzes the business path of its current centers. *Albertsons* now offers 30-minute grocery delivery with its new *Flash* pickup & delivery available across its banners. *PepsiCo* will offer a plant-based *Muscle Milk*. *Coca-Cola* launched AI developed *Y3000*, a new flavor from the company's *Creations* platform & focused on younger consumers. *Kraft Heinz* will introduce a pouch that makes a microwaved grilled cheese crispy. *SOMOS* debuted burrito bowl kits. *Maine Crisp* rebranded as *Better with Buckwheat*. The *Paqui* one chip challenge is being retired after a teenager reportedly died. Israel's *BioBetter* opened a molecular farming plant to use tobacco to help grow cultivated meat. *Upside Foods*, cultivated meat, will build its first large-scale production plant in the Chicago area. *General Mills* will invest \$12M to build a second *Pillsbury* baking mix plant in India. *Factor*, RTE meal delivery, will open a new production center in Goodyear, AZ. Several employees were injured in an explosion at an *ADM* processing plant in Decatur, IL. Frictionless checkout company *Grabango* is laying off 40% of its employees. *Meati* will shed & move employees as part of a restructure. *Danone* joined the *Farm Powered Strategic Alliance* which redirects food waste away from landfills to produce energy. In an example of government overreach, Perris, CA is banning junk food from the checkout aisle of grocery stores. *Walgreens* will reportedly pay \$44M to settle *Theranos* fraud claims.

The USA online grocery market grew 8.7% YOY with \$9.3B sales for August 2023, per *Brick Meets Click/Mercatus*. *Bain & Co.* is forecasting slow holiday retail sales with the lowest growth rate since 2018. From *84.51°* research, 45% of consumers are worried inflation will impact their holiday plans with 38% planning to limit eating out. From *OnePoll* & *Fresh Express*, 36% of Americans say Mexican is their favorite food, followed by Italian (32%) & Chinese (25%). From *Casey's* & *FleishmanHillard*, 52% of USA adults wish pizza was considered a more traditional breakfast food & 57% would eat breakfast more often if they could get a breakfast pizza. From an *FMI* study, taste remains the barrier to plant-based product acceptance. The CPI for food & foodservice were much higher YOY as inflation remains sticky in the current economic disaster. From Nagoya University Graduate School of Medicine in Japan, diets containing either an extremely high or low amount of carbohydrates were associated with a higher risk of all-cause & cancer-related mortality. Corn output is expected to be higher.

MARKET NEWS: Markets were mixed this week. Consumer prices were 3.7% higher in August, well above the 2017 to 2020 average. Oil, due to this administration's reckless management, reached a YTD high at \$89 a barrel.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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