



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**THE TELEPHONE RANG.** Just 4-years-old, I pulled the chair from my sister's desk to leap up & answer the wall phone. (A year later I would do this, topple from the wooden chair & crack my head open! I was the only kid in kindergarten with a shaved head & stitches.) But on this day, November 22, 1963, it was my aunt. "Kennedy's been shot," she said, "Turn on the TV!" The President was special for us – A WW2 hero & the first Catholic president. Many pundits pinpoint that event 60 years ago as the day America lost its innocence. Perhaps true, it certainly serves as the demarcation point of America's Greatness. But for me, my age of innocence ended two days later, on November 24.

**AGE OF INNOCENCE:** Of course, there was no 24-hour news cycle or multiple sources to check for news & information. We watched the black & white television & the grainy footage that NBC or CBS could manage from Dallas. Yes, America had perhaps lost its innocence, lost its Greatness, as the Johnson administration brought to us the fiscal irresponsibility & civil unrest that plagues us still today. But less than 48 hours after Kennedy's assassination, on a Sunday morning, my own personal age of childhood innocence came to an end. My mom & my sister had walked to mass at our neighborhood parish church, St. Jerome, about 10 minutes from home. My dad & I were watching TV, me sitting on my dad's lap. But instead of watching cartoons or the Blondie, Sherlock Holmes & Tarzan movies we usually watched on weekend mornings, we were watching the news. Lee Harvey Oswald was being shuffled through the basement of the Dallas courthouse. Suddenly, a man with a gun, Jack Ruby we would come to find out, appeared on the screen & shot Oswald dead. My dad jumped from the chair. I fell to the ground, my personal age of innocence symbolically shattering as I hit the floor. There, live on TV, a man had just been shot & killed. From that point forward, TV was filled with news, footage & images of war, riots, shootings, protests, terror as well as corrupt & stupid leaders. By age 16, I had seen the Vietnam War, riots in major cities, more assassinations, shootings at Kent State, planes hijacked, athletes shot in Munich, a President resign & the USA ingloriously leaving Vietnam, a disgrace not surpassed until Afghanistan. Christmas is supposed to bring us back to our childhood, to revel in our age of innocence. When every snowfall was a mystery. When every Christmas light twinkled like a star. When pulling a favorite ornament from the box & finding the perfect spot on the tree for it was absolute elation. When a carol on the radio or record player made us use every breath we had in our puny lungs to sing as loud as we could. When joy was finding the time slot in the weekly TV guide when Charlie Brown or Rudolph would bring their magic into the home. When Christmas Eve filled us with a desperate anticipation. But the same curiosity that brings childhood innocence also brings about the end of innocence. Innocence is lost the more a child knows, sees & learns. We lose the wonder & joy of life that innocence brings, described by G.K. Chesterton (*"The greenhorn is the ultimate victor in everything; it is he that gets the most out of life,"*) when our wonder turns to why. From the actress Mary Astor, *"Once you start asking questions, innocence is gone."* My own age of innocence & the path away from it; from seeing the Christmas lights at Nela Park to watching USA soldiers clasp Vietnamese citizens in their strong hands as the last helicopters left Saigon, is best described by William Butler Yeats, *"The innocent & the beautiful have no enemy but time... [as]... Mere anarchy is loosed upon the world, the blood-dimmed tide is loosed, & everywhere the ceremony of innocence is drowned."* The path from innocence to knowledge is predestined, as 19<sup>th</sup> century theologian Lyman Abbott writes, *"Every life is a march from innocence, through temptation, to virtue or vice."* Once we gain that knowledge, innocence is lost forever & we can never get it back. Twentieth century Irish novelist Elizabeth Bowen writes, *"No, it is not only our fate but our business to lose innocence, & once we have lost that, it is futile to attempt a picnic in Eden."* Irving Howe, 20<sup>th</sup> century socialist & literary critic tells us, *"The knowledge that makes us cherish innocence makes innocence unattainable."* Perhaps this is why we cherish the nostalgia of Christmas, be it a futile attempt to revel in the innocence we had as a child. We try to distance ourselves from the daily news, the family & personal squabbles, the pressures of the sometimes daily dire decisions & responsibilities. We try to see the world again as a child, & perhaps that is why, even for a short few weeks, we see the best humankind can offer. From puppeteer Jim Henson, *"The most sophisticated people I know - inside they are all children."* That childhood innocence & wonder returns to us at Christmas, & we can imagine it to be real. From Mexican author Miguel Ángel Ruiz, *"Just imagine becoming the way you used to be as a very young child, before you understood the meaning of any word, before opinions took over your mind. The real you is loving, joyful & free. The real you is just like a flower, just like the wind, just like the ocean, just like the sun."* We can revel as a child once again, even if just for Christmas. We close with poet William Blake's apt description of the age of innocence: *"To see a world in a grain of sand & a heaven in a wild flower, hold infinity in the palm of your hand & eternity in an hour."*

**INDUSTRY NEWS:** 4<sup>th</sup> & Heart obtained a \$10M growth equity investment led by existing investor *Cambridge Companies SPG*. *Yerbae* garnered a \$5M celebrity-led investment & will partner with Penn State's *Happy Valley United NIL* collective. *Ripple* raised \$49M in a new round, its total funding is now more than \$274M. *Iris Ventures* invested £5.5M in *Biomel*, a producer of plant-based beverages promoting gut health. *Liberation Labs* secured a \$25M government-backed loan using taxpayer money for its first precision fermentation facility. AI biotech startup *Cradle* raised \$24M to design & engineer proteins faster; *Index Ventures* led the round. Italy's *Soplaya* raised €12.5M, led by *Sinergia Venture Fund*, for its digital restaurant supply platform. Irish start-up *NanobOx* raised €900K for its aquaculture aeration technology led by *The Yield Lab* with *DeepE Ventures* & *Growing Capital* involved. *AgroSpheres*, crop delivery protection technology, raised \$25M with *FMC Ventures*, *Lewis & Clark AgriFood*, *Ospraie Ag* & others participating. Indonesia's *Jala* raised \$13M for its end-to-end aquaculture management system with *Intudo Ventures* leading the round & participation from *Sinar Mas Digital Ventures*, *Mirova* & *Meloy Fund*. *Vesper*, aquaculture commodities data insights, raised an undisclosed Series A from *Keen Venture Partners* & *Piton Capital*. *Aquarech*, mobile agribusiness platform for fish farmers, raised \$1.7M led by *Aqua-Spark*. In Chicago, *Foxtrot Market* & *Dom's Kitchen & Market* will merge under a new entity called *Outfox Hospitality* with 34 locations. *Price Chopper/Market 32* acquired five Albany, NY, *ShopRite* stores. *Pro Food Systems*, foodservice & food solutions, acquired *Show Me Oil Company*, operating c-stores & eight grocery stores under the *Moser's* banner. *South Mill Champs* acquired specialty provider *World Fresh Produce*. *EagleTree Capital* acquired flavor & ingredients company *Summit Hill Foods*; then sold several *Summit Hill* businesses to *Homegrown Family Foods* & *Mennel Milling*. Logistics provider *Lineage* is reportedly pursuing an IPO of \$30B.

*Kroger* reported 3<sup>rd</sup> QTR earnings that beat Wall Street estimates, but comparables fell. While sales were up at *Ingles Market* in 4<sup>th</sup> QTR, income & margins took a hit from inflation. Sales grew in 3<sup>rd</sup> QTR for *Dollar Tree* but earnings missed, dragged down by the *Family Dollar* banner; the company may close *Family Dollar* outlets. *Hostess*, in its last independent quarterly report, saw increases in sales & units, but flat adjusted earnings. *Hormel* finished a down year with 4<sup>th</sup> QTR income impacted by costs & demand; the company will speed turnaround efforts.

*Kroger & Kitchen United* will end their ghost kitchen partnership & close seven *Kroger* locations; *Kitchen United* is closing all its locations to focus on its proprietary software. *Sprouts* will open a third store in Pennsylvania in York County. *Sam's Club* will add four new locations in early 2024. *Rite Aid* has plans for an additional 31 store closing. *Amazon* is now the largest delivery company in the USA. *Walmart* created a new streamlined supplier platform with enterprise retail technology solutions company *Bamboo Rose*. *Kraft Heinz* & *NotCo* will debut a plant-based macaroni. *Beyond Meat* pepperoni will be available at *Pizza Hut* in the U.K. Formulated for canines in collaboration with veterinarians & dog owners, new *Jones Craft Dog Soda* combines all-natural human-grade functional ingredients in flavors that dogs love. *Tyson* opened a new \$300M high-tech chicken nugget factory in Virginia. *Anheuser-Busch* will invest \$13M to upgrade its Cartersville, GA craft brewery facility. *Foremost Farms* will partner with *Ginkgo Bioworks* to develop a new platform for upcycled dairy products. Also, *Vivici BV* will expand its partnership with *Ginkgo Bioworks* to add production of alternative dairy proteins produced using precision fermentation. A *Pilgrim's Pride* truck driver was arrested for stealing 33,000 pounds (\$80K worth) of chicken in Georgia. *General Mills*, *Kellogg*, *Kraft Heinz* & *Nestlé USA* all will receive damages from *Cal-Maine Foods*, *Rose Acre Farms*, *United Egg Producers* & *United States Egg Marketers*, who were all found by a jury to be fixing the price of eggs. Hypocritically (as usual) the current administration is granting \$196M to strengthen farmer & rancher supply chains while spending billion or trillions to support green initiatives that are destroying supply chains for beef, pork & healthy real proteins. The FTC is investigating social media influencer practices & campaigns. The FDA expanded the cantaloupe recall. The USDA reports 3 commercial flocks, 90K turkeys, have been impacted by avian flu. The Bangladesh government committed \$56.2M million to establish an agtech center focusing on crop research & training. Joachim Creus will lead *JAB Holdings* as the new CEO.

From *Grabango*, self-checkout experiences a 3.5% sales loss (shrinkage rate), 16X higher than traditional checkout lines. From *PYMNTS*, men use online grocery delivery & pick-up more often than women. From *Circana*, center-store multipack cookie sales jumped 43.9% & units surged 39.9% in the past year; in-store bakery multipacks were up 13.9% in sales & 4.2% in units. From *Circana*, bacon generated \$5.96B in sales during the past year with volume totaling more than 958M pounds. USA consumers consumed a record amount of cheese this past year. Potato volumes & prices are projected to remain stable for the remainder of the season.

**MARKET NEWS:** Markets rose midweek as investors saw signs of a possible easing of rates & prices held through the week's end. Black Friday online spending was \$9.8B & Cyber Monday topped \$12B in sales. Inflation jumped 3% in October YOY & the average American family is spending \$11.4K more per year under this current failed administration.

### **SEEDS, SPROUTS, GROW, HARVEST!**

**THE LITCHFIELD FUND** – *Tom Malenka*

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