



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



IN 1820, CONGRESS WAS DEBATING Missouri's statehood. It was a long, hard debate, resulting in the Missouri Compromise. The compromise admitted Missouri as a slave state, Maine as a free state & restricted slavery to territories south of latitude 36°30'. During the debate, North Carolina Rep. Felix Walker spoke; he promised a long, dull, irrelevant speech. He hoped his hometown Buncombe County newspaper would find something he said interesting enough to print to prove to his constituents that he was hard at work. He supposedly said, "*I shall not be speaking to the House, but to Buncombe.*" The nonsense he spoke soon was called bunkum - just a lot of bunk!

A LOT OF BUNK! When I started in the corporate world in the early '80s, there was an expression, "*On green & white, must be right.*" In those days, the assumption was the computer was always right & computer-generated reports were printed on green & white lined paper. When a problem was discovered, it would take hours with an adding machine & hand calculator to correctly recalculate, like in 1984 when the program failed to calculate interest for February 29. Today, the assumption is *Google* is always right & *Google* tells us that the internet holds 64 zetabytes of data, each a trillion gigabytes. A simple mathematical calculation tells us there are 450T pieces of information – articles, blogs, websites, financial records, music, video, cats playing piano, dogs sleeping upside down, celebrity ranting posts, etc. - for every single second of every day since this pile of rock took up residence in the universe some 4.5B years ago. If you consider just the time period of recorded history, the pieces of data stored for every second of recorded history is a million times greater than 450T! Many people use the data & theories on the internet to form their positions & arguments on important issues without determining the data's veracity. Should someone refute this position, they will just spout more nonsense, information gathered from the nebula & displayed on the screen before them. This could continue endlessly, because much of what is on the internet is just a lot of bunk! Many words in the English language describe such nonsense! Often, people spew nonsense to divert the listener, much like a magician uses misdirection to confuse his audience! Hence the word '*hokum*,' a combination of the words *hocus-pocus* & *bunkum*. Upon hearing such hokum, worthless words being spread about, one might shout "*Balderdash!*" The word balderdash may originate from the late 16th century, an unappealing mixture of liquors, from the Danish *balder* meaning noise or clatter & *dash* meaning to sprinkle about. Of course, all bunk & hokum is just *hogwash*, which originated in the 14th century, describing the left over & otherwise useless kitchen swill fed to the pigs, sheep & horses! Like Felix Walker, many politicians rant on, hoping that their *claptrap* gets a response from their followers. The word claptrap originated around the turn of the 18th century, referring to an over dramatic stage actor who tried to use quick, sharp, striking – *clap* - words or phrases to *trap* their audience into applause. As we know, most politicians just *blather* & are full of *baloney*! *Blather* is from the Old Norse, meaning to '*wag the tongue*' & it was NY Governor Alfred E. Smith who popularized the expression *full of baloney* when in 1933 he wrote a newspaper editorial calling FDR's plan to go off the gold standard a *bunch of baloney*! (The invention of sliced bread in 1928 helped, too.) Over the next few years, official USA government documents began to use the garlicky sausage blend from Bologna, Italy to describe a variety of proposals & projects. Politicians are full of hot air, so when they speak it is just *guff* & *piffle*, which both refer to a bad smell in a puff of air! But perhaps the most common word we use to describe such nonsense is *bull*, which comes from the Old French *bole*, meaning fraud or deceit. Interestingly, in WWI, Australian & New Zealand trench troops thought the British commanders were overly concerned with *the bull*, that is the dress & deportment of the troops. The troops thought this focus during the war was, shall we say, excrement, thus giving the world perhaps the most ever used word for nonsense! Referring to nonsense as excrement is not a 20th century phenomenon. In Old England, a tom-fool was the jester, court or village idiot & what the tom-fool spoke was rot – all the waste that left the house. Thus, we have the English expression *tommyrot*! Of course, the waste was removed from the home in a large *crook*, likely full of *poppycrock*, which is Danish for soft dung. What's the point? People have been speaking nonsense to influence the young, the naïve, the weak of mind & the weak of conviction for many centuries. It did not take the internet, with its pseudo-science *drivel* or the *malarkey* of social media celebrities & influencers to indoctrinate people's minds & souls! We need to be alert to such nonsense, for as polymath Bertrand Russell warns, "*There is no nonsense so errant that it cannot be made the creed of the vast majority by adequate governmental action.*" Nonsense works, for as George Santayana points out, "*Nonsense is so good only because common sense is so limited.*" Let's use our common sense to determine what is *hooley*, *horse feathers*, *fiddle-faddle* & *twaddle*!

INDUSTRY NEWS: Kaley Cuoco's pet care brand *Oh Norman!* secured \$3M from *Midnight Venture Partners*, *Everywhere Ventures*

& *Freedom Trail Capital*. *West Hill Capital* led a €6.3M round for *Bioomi* to develop natural, microbial products for agriculture, food & health. Biotech startup *Triplebar* raised \$20M to expand its biomanufacturing platform, led by *Synthesis Capital* with participation from *Essential Capital*, *Stray Dog Capital* & others. Germany's *Tupu* raised a \$3.2M seed round to scale its indoor farming systems for mushrooms; *FoodLabs* & *Zubi Capital* were co-leaders. Mexico's *Verqor* raised \$7.5M for its agrifinance platform that connects farmers with credit options; funding included a \$4M investment led by *Yara Growth Ventures* & a \$3.5M loan from *Co-Capital* & *Addem Capital*. *In Ovo* received a €40M loan from the *European Investment Bank* to expand its technology that determines the sex of hatching eggs & makes culling day-old male chicks unnecessary. Beverage manufacturer *AG Barr* purchased soft drink brand *Rio Tropical* from *Hall & Woodhouse* for £12.3M. Food manufacturer *Premier Foods* acquired protein-enriched breakfast brand *Fuel10k* for £34M. Plant-based food retailer *Veganz* bought vegan cheese spread brand *Happy Cheeze*, terms not disclosed. *FreshEdge*, backed by *Wind Point Partners*, acquired produce entity *Greenberg Fruit Company*. *Smithfield* will acquire a 50.1% stake in Spanish meat producer *Argal Group*. *Grupo Bimbo* acquired Denver based QSR *Mile Hi Bakery*. *Ahold Delhaize* will acquire 100% of Romanian grocery *Profi Rom Food SRL* from *MidEuropa* for €1.3B. PE firm *Rhône* acquired a 30% stake in food & ingredients company *Orkla Food Ingredients*, at a \$1.4B valuation. Australian plant-based meat businesses *All G Foods* & *Fenn Foods* merged & are now *The Aussie Plant Based Co*. *Benson Hill* sold its Seymour, IN, soybean crush facility to *White River Soy Processing* for about \$36M. Shuttered one year ago, vertical farm *Fifth Season* entered Chapter 7 bankruptcy liquidation, owing about \$50M in liabilities.

Sprouts' 3rd QTR saw growth in comparables (3.9%), sales (8%) & adjusted earnings (7%); the retailer will open 35 stores in 2024 instead of a planned 40. *Publix* had a 3rd QTR sales increase of 7.2%, comps rose 4.3% & net earnings jumped 111.4%. *CVS* recovered from a year ago loss with a strong 3rd QTR, beating estimates. *Mondelez* raised its forecasts after a strong 3rd QTR as volume increases, despite price hikes, drove sales & profit. Despite a down 3rd QTR, *Kraft Heinz* raised its full year guidance. *AB InBev* beat revenue targets in 3rd QTR but sold less beer due to the massive consumer boycott; profit rose slightly. *Beyond Meat* missed 3rd QTR targets, reduced guidance & will initiate cost-cutting opportunities, including a 20% layoff. *Grupo Bimbo* saw lower net sales & income in 3rd QTR but feels pressures are easing. Despite a bumpy 3rd QTR, *Bunge* raised full year guidance. Price increase drove posted results for *McDonald's* in 3rd QTR despite lower volume.

Amazon has deployed more than 750K robots to work with its employees & a new robotics system, *Sequoia*, to speed processing during the busiest retailing season. *Walmart* will add additional pick-up & delivery preparation space to many of its stores. *Walmart* will grand re-open 117 stores nationwide, a \$500M upgrade investment, as part of *Walmart's* Signature Experience. *Gelson's* opened a store in West L.A. & *Natural Grocers* opened its 45th store in Colorado. *BJ's* is opening its first location in Alabama. *Wawa* plans to expand into North Carolina with 8 stores in 2024. *Publix* has been sued over claims of not paying overtime properly. Independent grocer *Geissler's* will roll out *Instacart's* *Caper Carts* chainwide. *Harps Food* will implement *Upshop's* inventory control platform. *Save Mart* will use *SymphonyAI* for category management. *Kehe* will partner with *CVS* to bring the retailer fresh, healthy food. *Target* is promoting a Thanksgiving meal under \$25. *Whole Foods* sees a trend for plant-based food cleaning up the ingredient list. *Sprouts* debuted holiday private label products. *D'Amelio Foods* debuted its first product at *Walmart*. *Total Wine & More* will begin selling THC infused beverages at some of its locations. *Tillamook* will release two new limited-time ice cream flavors for the holiday, *Peppermint Bark* & *Holiday Sugar Cookie*. *Wesson* debuted plant-based butters, its first refrigerated product. *Ocean Spray* will introduce a zero-sugar juice line. *Nestlé* launched three new plant-based fish items: vegan filets, fingers & nuggets to increase sales of healthier foods. *Doritos* is using AI & machine-learning to remove the crunch, an annoyance for online gamers. *Kerry* opened a manufacturing facility in Tanzania. *JBS* opened two new facilities in Brazil. Global bakery ingredients manufacturer & distributor *Dawn Foods* opened the *Dawn Seattle Inspiration Hub*. *DPH Biologicals* & University of Illinois partner to study crop residue decomposition & management on high-yield USA farms. Wisely, New York prohibited diet pills & weight loss supplements from being sold to minors. A federal court approved a preliminary injunction against three California poultry companies for violating a range of child labor.

Online grocery carts tend to include less variety & fewer fruits & vegetables than from a trip to a brick & mortar supermarket, but online shoppers are less susceptible to unhealthy impulse buys, a Cornell study found. From *Shipt*, boomers prefer the turkey, Gen Z the side dishes. USA sales of soft drinks containing prebiotics & probiotics increased 210% from April 2022 to April 2023, according to *SPINS*. For the second consecutive quarter, fresh produce grew slightly in 3rd QTR, according to the *Organic Produce Network* & *Category Partners*. Tropical Storm Norma is bearing down on western Mexico's vegetable crop.

MARKET NEWS: Markets rose on hopes of a Fed rate pause, a poor October job report & a downward revision of September jobs. The *World Bank* says current economic & geopolitical issues could drive oil prices above \$150.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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