



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



APRIL IS A BUSY MONTH. April is a holy month. Believers observe Passover & Easter, celebrations of Salvation & Faith. The National Pastime returns to the Elysian Fields; there is the Final Four, basketball & hockey playoffs. Winter sheds its gray coat. The sun warms, the days are longer & the yard must be cleaned. Flowers bloom & color returns to the Earth. Students begin to think about finals, proms & graduations, parents about summer vacations & schedules. Yes, there is much happening in our lives in April & a lot going on in the world, too! As busy as every April is & with all that is happening in the world today, it pales to what was happening 80 years ago in April, 1945.

APRIL 1945: On April 1, 1945, the United States Army, Navy & Marines launched Operation Iceberg, the invasion of Okinawa. This would be the last stop before the planned invasion of Japan, Operation Downfall. Okinawa would be an 82-day battle, one of the most ferocious, bloody & deadly of the war. The Japanese had convinced the local population that the USA troops would torture, rape & murder them. American soldiers watched helplessly as women & children hurled themselves from cliffs to avoid something that was never going to happen. American soldiers continued to free cities & villages in the Philippines. The Japanese battleship, Yamato, the largest & heaviest battleship ever constructed, was sunk by the US Navy. The Japanese launched kamikaze attacks against the *Enterprise* & *Missouri*. In Europe, the Soviets overran Nazi troops holding Vienna & Bratislava, the capital of the Slovak Republic, advanced into the outskirts of Berlin & 317K German troops surrendered in the Ruhr pocket. The Allies launched their last offensive in Northern Italy. The RAF destroyed the last two Nazi heavy cruisers. The Allies liberated Nazi death camps at Buchenwald, Dachau, Ohrdruf, Bergen-Belsen & arrived to liberate the village of Gardelegen just a few hours after the Nazis executed 1,000 German citizens. On April 9, Dietrich Bonhoeffer was executed & on April 18, war correspondent Ernie Pyle was killed by machine gun fire. On April 12, President Franklin Delano Roosevelt died, & the relatively unknown Harry S Truman became President. My Dad, in the Philippines, said he & his buddies wondered if they would ever get home. On April 25, USA troops & Soviet troops met at the Elbe River. On April 29th, all forces in Italy surrendered, the day after Benito Mussolini & his mistress were shot & hung by Italian partisans! The Ally leaders, much like today's climate change activists, cut Patton's gasoline ration to assure the Soviets would reach Berlin first. Meanwhile, Hitler's lieutenants were abandoning him. The head of the Gestapo & SS, Heinrich Himmler, tried to negotiate peace through the Red Cross & Hermann Goering pressed Hitler so hard to be named Hitler's successor that Hitler had him stripped of his position & removed from the Nazi Party. On April 30 Hitler committed suicide, 10 days after the despot's 56th birthday. Eight days later, Victory in Europe was achieved as Admiral Karl Dönitz, acting as the Reich president, signed the unconditional surrender of Germany. It would be more than four months before Japan capitulated, but May 8 was a momentous achievement, especially for the United States! The USA had begun sending military & other assistance to the Allies in September 1940. From that point on, besides supplying the Allies, America was building her own military & industrial strength. With her supply lines disrupted, America had to rely only on America - her natural resources, manpower & industry to save the free world. Besides mobilizing some 20M American men & women for the war effort, America supplied herself & all her Allies (despite losing 14.5M tons of supplies to enemy fire) with guns, ammo, planes, ships, tanks, bombs, torpedoes, food, gas, oil, coal, building supplies, precious minerals & steel; all of which was mined, drilled, grown & Made in America, with American supplies, with American man & woman power! And after the war, The Marshall Plan rebuilt Western Europe for approximately \$300B in today's dollars. America's goodness, greatness, generosity, kindness & benevolence was witnessed by the free world. And from that moment forward, much like George Orwell's closing quote in last week's **ALL EARS!!**, the world has taken advantage of America. For eighty years, America has sent her money, her military, her charity, her help around the world, at an extraordinary cost to the American taxpayer, & worse, at an extraordinary cost in American lives! It is not just that these countries took American money & lives, these countries created trade barriers, using tariffs, licensing requirements, maximum quotas, currency & payments manipulation, harsh regulations or requirements they do not place on their own businesses & subsidized their own industries (sometimes with slave labor!) to create an artificial cost & price gap. These bad actors know they are weak, so they attempt to create an unfair relationship. Because of these practices, money & wealth has flowed from the United States citizen to foreign countries. Much of the money is then used to feed corruption, war, terror & crime! And many of these countries have sent legal & illegal aliens here to our country to spy on us, steal our technology, cause mayhem & also corrupt & endanger our youth with drugs & ideology. The USA is the biggest economy in the world! It is bigger than #2, #3, #4 (China, Germany & Japan) combined & only slightly smaller when you add in #5, India! The USA deserves to be respected & treated fairly. America has earned its position as the leader of the free world. But for decades we have had Presidents who disrespected this position in the world. Instead of leading *America*, they sold America's soul to *Globalists*! But now we see what happens when America has a leader who has the strength, wisdom, gumption, intestinal fortitude, ferocity & shall we dare say it - *the balls* - to put America First. Over the first nine days of April, those who paid attention received a masterclass in international policy, economic policy & trade policy. More than 75 countries have rushed to negotiate trade deals that create fair trade policies with the USA that allow all involved to prosper. This is because these other countries need America & access to America's markets much more than we need them & their markets. Meanwhile, our main foreign adversary, a bad actor in international trade, has lost respect & standing in the world economy & is fighting back by digging themselves into a deeper hole. They are becoming isolated, as Japan, Taiwan, South Korea, Vietnam, Thailand & others have reduced their tariffs to zero or are ready to negotiate. And while USA investors showed their bias, their lack of economic wisdom & understanding & became 'tariffied' to drive markets lower, foreign markets fell as their investors understood exactly what was going on - the free money of the past 80 years was over! Bringing about fairer trade policy is not just about restoring America's wealth, America's industrial might & American workers' opportunity & reward; it's about ensuring world peace. From James Forrestal, the first Secretary of Defense who oversaw America's military might after WWII as the Marshall Plan rebuilt Europe, "*By providing outstanding economic leadership, this country can wage its attack successfully & can thereby build the foundations of a peaceful world... For the only way in which a durable peace can be created is by world-wide restoration of economic activity & international trade.*"

INDUSTRY NEWS: Sauce maker *Monte's Fine Foods* raised \$2M from consumer venture studio *Night. Reframe*, cannabis-infused spirits brand, raised \$460K from undisclosed investors. Clean infant formula manufacturer *ByHeart* raised \$72M from undisclosed investors. *Branch Venture Group* invested an undisclosed amount in veggie burger company *Abbott's*. UK-founded premium soda brand *Something & Nothing* raised \$2.5M led by *Source Ventures*, with participation from *Venrex*, *Anotherway* & private investors. Seoul-based alt-protein company *INTAKE* raised KRW13.5B from *HB Investment*, *CJ Investment*, *Woori Venture*

Partners, KDB Sanyeon Capital, JCB Investment, Wonik Investment Partners & IBK. In Iceland, First Water, land-based salmon farming, raised €39M. In Canada, AdvancedAg, producer of microbial agricultural products, secured \$2M from Raven Indigenous Capital Partners. Swedish Algae Factory, manufacturing with diatoms, a microscopic algae with silica shells for beauty & personal care products & ingredients, raised €3M from investors including Chalmers Ventures. SeafoodAI, real-time biometric data & AI traceability for seafood, raised an undisclosed amount from NEC X. AI-brand generator Starday raised \$9M led by Slow Ventures & Equal Ventures & a \$2M credit facility from Silicon Valley Bank. Glimpse, an AI deduction management service for CPG brands, raised \$10M led by 8VC, with YCombinator, Origin Ventures & Informed Ventures involved. In India, AgroStar, agricultural data platform, raised \$6.7M led by Accel India with Bertelsmann, Evolve India, Chiratae Ventures & Hero Enterprises involved. In Canada, Prime Drink Group acquired Relax Downlow, a functional recovery beverage. Cal-Maine Foods will acquire breakfast foods maker Wisconsin's Echo Lake Foods in a \$258M deal. Italian egg producer Eurovo Group acquired a majority stake in UK-based liquid egg white brand Two Chicks. The Schwabe Group increased its shares in Braineffect & now holds the majority in the Berlin-based developer of nutritional supplements & functional foods. The Quality Group (ESN & More Nutrition) acquired Raw Nutrition & BUM Energy. Wilding Brands (Denver Beer Co., Stem Ciders, Cervecería Colorado & others) acquired the craft beer company Great Divide Brewing. Diageo is trading its ownership of Sean Combs' Ciroc Ultra-Premium Vodka, due to his bad image, for a majority stake in LeBron James' Lobos 1707 Tequila, which ain't much better! The Wine Group will buy seven of Constellation Brands' wine brands, including three facilities & 6,600 owned & leased California vineyard acres. Lineage acquired three warehouses totaling about 24M cubic feet & 85K pallet positions from Bellingham Cold Storage in Washington. Quirch Foods, part of Palladium Equity Partners' portfolio, acquired a 146K sq. ft. dry, chilled & frozen warehouse, its 23rd, in Opa-Locka, FL. GrubMarket acquired Delta Fresh Produce in Nogales, AZ, a distributor of tomatoes, cucumbers, peppers, grapes, watermelons & various other fresh produce. Scotts Miracle-Gro will transfer its wholly owned subsidiary, the Hawthorne Collective, to an independent strategic partner; the Hawthorne Collective invests in the cannabis industry. Taylor Farms acquired weed & thinning robotics company FarmWise. In Great Britain, CNH Industrial will acquire the assets & intellectual property of robotic apple picking maker Advanced Farm. Crisp & Green, a 46-unit fast-casual salad & bowl chain, will buy back its franchised locations to be a company-owned model. In the UK, vertical farm Jones Food Company entered administration. Kroger spent \$1B on the failed merger with Albertsons.

Seven & i Holdings had 4th QTR profit fall 15%, which could prevent it from fending off a takeover attempt by Canada's Alimentation Couche-Tard. Walgreens reported 2nd QTR revenue & adjusted earnings that topped estimates, narrowing its loss to \$2.85B, as it prepares to be taken private later this year. Walmart expects its USA eCommerce business to be profitable for the first time in 2025. Costco reported sales growth of 8.6% in March.

Kroger is building three stores in the Ohio & Kentucky area & will spend \$160M to renovate 16 stores in the area. BJ's will open their first New York City store on Staten Island. Sam's Club plans to open 15 new locations per year for the foreseeable future & will remodel all of its 600+ existing locations. Discount retailer Variety Wholesalers will begin reopening 219 of its newly acquired Big Lots! locations. Yesway will open four new Allsup's c-store sites in New Mexico & Oklahoma. Lidl is opening a new store in Freehold, NJ. Instacart will partner with Missouri's Dierbergs Markets for same-day delivery. Southeastern Grocers will lay off support staff as it goes through a restructuring. DoorDash will extend its Coco Robotics partnership to offer sidewalk robot delivery for DoorDash customers in Chicago & Los Angeles. Nestlé will debut Maison Perrier sparkling non-alcoholic cocktails in the USA. PepsiCo's Life cereal will launch Mighty Life, cereal for the whole family to support immune system health & strong bones. Tate's will introduce its first soft baked cookie line. Elmhurst 1925 will launch its Pistachio Barista Edition, Unsweetened Coconut Cashew Milk & Maple Walnut Barista Edition in select Whole Foods Market locations. Darigold will launch RTD protein shakes with 30g of protein. Starbucks expanded RTD beverages with Starbucks Iced Energy & Starbucks Frappuccino Lite. General Mills Foodservice launched a collection of flatbread recipes. DTC meat seller ButcherBox's products will be available on Target's third-party digital marketplace, Target Plus. Hero Bread will launch in Albertsons. It's Skinny will launch RTE pasta meals. Johnsonville's Vermont Smoke & Cure will expand its meat snack products in more of Costco's Northeast Division. J.M. Smucker will send its Munchie Mobile to cannabis festivals & shops to promote Hostess brands like Twinkies, Ding Dongs & Donettes to the stoned populace. Ring Pop (Bazooka Candy) opened 120K sq. ft. facility in Pennsylvania. Mondelēz International will invest about \$79M in its Toblerone manufacturing facility in Bern, Switzerland. Post Holdings will shut cereal production plants in Cobourg, ONT & Sparks, NV, by year end, impacting 300 employees. Monster Brewing will cease operations in Utah. Treehouse Foods will lay off 150 employees amid restructuring efforts. Fortrex will lay off 72 employees at Quality Pork Processors in Austin, MN. MANE, global supplier of flavors & fragrances, opened a new manufacturing facility in Woodlawn, OH, making liquid flavors for various beverage categories. Procurant launched Procurant Fresh AI, an AI management & data analytics solution platform for perishables. In Europe, BioCraft Pet Nutrition & Prepera Petfood will produce hypoallergenic faux cat food made from lab-grown mouse cells. Perdue Foods' Petaluma Poultry division is taking legal action against the animal rights group Direct Action Everywhere for deploying alarming, illegal & harassing tactics against an employee at their home. Texas is investigating Kellogg's healthy cereal claims. In a lawsuit, flavored tequila 21Seeds alleges Diageo's 2022 acquisition perpetuated fraud. Johnsonville recalled nearly 23K pounds of brats due to contaminants. Some Frito-Lay chips were recalled over an undeclared allergen. Boar's Head will pay \$3.1M in class action settlement pertaining to the listeria outbreak the company caused. Lab grown quail startup Vow received regulatory approval in Australia & New Zealand, though a #7 shot shell is still more cost effective! The European Union has dropped bourbon tariffs, capitulating to the President's plan! Baldor Specialty Foods appointed former CEO & co-founder of FreshDirect, David McInerney as president.

The USA online grocery segment ended up 21% YOY with \$9.7B in monthly sales, according to the Brick Meets Click/Mercatus. The National Retail Federation predicts Easter holiday spending will rise, topping \$23B in sales. From Consumer Edge's Insight Flash, sales of canned goods, jarred goods, coffee & other staples were higher on April 2 & 3 as the media 'tariffed' consumers. A new study shows that GenZ has discovered what many previous generations knew, coffee can be made & enjoyed at home without going to a trendy & expensive café! Fresh fruit & vegetable prices dropped 0.9% YOY & 1.1% from February to March. Peru's mango production is more than 500% greater than a year ago. The PPI for food was down 2.1%!

MARKET NEWS: Markets rallied back this week as more than 75 countries lined up to negotiate trade deals or removed existing tariffs, while the new Administration paused tariffs to finalize negotiations. Meanwhile, China is painting itself into a corner by raising tariffs in an attempt to protect their weak economy. The new Administration is already correcting the inflation problem created by the incompetence of the Biden administration. March CPI came in BELOW expectations, with CPI DOWN 0.1% for the month of March & at 2.4% YOY. Core CPI was BELOW expectations at 2.8%. March PPI was 0.4% LOWER, well below expectations. Energy PPI was 4.0% LOWER. Gasoline prices DROPPED 11.1%. Core PPI was just 0.1% higher; 2.7% YOY.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – Tom Maloney

V11issue43.04.12.25

The Litchfield Fund is a family owned & operated limited liability corporation. We do not solicit or accept investment from outside individuals or entities. Opinions contained in All Ears!! are ours & should not be considered investment advice or recommendations.