



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**CHILDHOOD.** The carefree days of our youth. When everything was new, special, interesting. When we were completely unaware of the world, its problems, the ills of society. Trouble was a skinned knee. But that same skinned knee was also a badge of honor; it made us *playground cool!* While our behavior was monitored & corrected, we were given a break - after all, we were only children. But with proper parenting, good examples & serious schoolteachers, we learned proper behavior. And while just past the era of the hickory stick, a belt behind the toolshed & *wait-until-your-father-gets-home*; the threat was still real. We learned the difference between being childlike & childish.

**CHILDISH:** Opie has a new friend, Arnold Winkler. Opie & Arnold are two very different kids. But Opie admires Arnold because Arnold gets everything he wants & gets to do everything he wants. Arnold explains to Opie that this is because of his well-planned temper tantrums. He holds his breath, stomps his feet, screams his lungs out, cries & wails then throws himself on the ground, rolls around & flails his arms & legs until he gets what he wants. Arnold keeps riding his bike on the narrow sidewalk where it is not allowed, despite warnings from Andy & Barney. Fed up, Andy & Barney impound his bike. Opie tries throwing a temper tantrum to get what he wants, & despite using all those classic childish maneuvers, Andy just ignores him. Arnold shows up with his father to get his bike back. Arnold's father demands the bike back & keeps arguing despite Andy's warnings. Finally, Andy says he will jail Arnold's dad if he does not stop arguing. Arnold wants his dad jailed if it means finally getting his bike back. Arnold's dad finally realizes how spoiled his son is & on Andy's suggestion, takes Arnold out back behind a good old fashioned woodshed. Most parents are like Andy, they let a child carry on with their tantrum until the child falls into exhaustion & realizes this behavior gets them nowhere. By adulthood, most people have learned how to behave in public. They have learned appreciation, gratitude & decorum. Or so you would think! But in the last week, we have seen an enormous display of childish behavior, from supposed adults who not only should know better, but are older than me & probably watched Andy guide Opie, raising him to be a fine young man. First, a foreign leader arrives at the White House, dressed in his paintball playing clothes, with no appreciation or gratitude for the more than \$350B in American taxpayer money he is using to see his young men killed in a useless war. He stomps his feet, yells & refuses to make peace, only to be thrown unceremoniously from the White House! He was told, essentially, "*Go to your room until you learn how to behave!*" Then, more than 20 elected officials record the same lie-filled message, word for word, on social media. This is the ultimate, "*All my friends are doing it, so I should be able to do it, too!*" Then, they decide to band together in a fashion statement, all wearing pink! And much of America responded, "*And if your friends wanted to jump off a bridge, you would, too?*" Most adults learn how to behave in other people's houses, but this week, we saw elected officials who do not know how to behave in the People's House! When the President began to speak, they threw a childish fit, trying to scream & shout over him. One representative was so disrespectful, he was removed from the floor. Worse, he waved his cane at the President, a deadly weapon in any other setting. Like children, they stomped their feet & shouted "*Lies*" to truth. They held up little paddle placards that were supposed to make a statement but only seemed to indicate that after the speech, they were headed to a late night pickleball match. These people refused to applaud for the capture of the terrorist who had planned & carried out the Abbey Gate bombing, resulting in 13 killed USA service members, in the Biden administration's failed pull out from Afghanistan. These people refused to applaud a man rescued after 3 ½ years in a Russian prison & his 95-year-old mother who begged the President to return her son. These men & women, who out of hatred for the President & apparently a hatred for women, banded together to vote against bills to remove illegal alien sexual predators from the country & to keep men out of women's sports, locker rooms & bathrooms. So of course, these very childish people sat despicably on their hands as the President introduced the families of young ladies murdered by illegal aliens; a girl who stood her ground against social media revenge porn & a young lady who suffered brain damage & was partially paralyzed after being injured by a boy pretending to be a girl in a high school volleyball game. While the President read a list of wasted federal spending found by DOGE, senseless & pointless projects that serve no benefit to the American people, they again shouted "*Lie*" & waved their little cardboard paddles. But they did applaud for the waste of the \$350B+ sent to support their fellow foot stomping, fit throwing child - the kid down the hall, a brother from another mother, from across the ocean. Because of course, the kids need to stick together. (It seems I saw this episode of *Brady Bunch* - wait until Mike & Carol find out what the kids are up to!) But perhaps the worst display of childishness was when the President introduced two incredible young men. One, just 13-years-old, has survived since age 6 with brain cancer, after being given just 5 months to live. His dream to become a police officer was more than fulfilled when the head of the Secret Service gave him a badge to make him an agent of the President's Secret Service! But instead of applauding, these cruel people sat mum as this young man's eyes widened in delight, as only a dream fulfilled can do. Then the President introduced another young man, whose family has served the USA military for several generations, including his father who after his service was killed in his duties as a Los Angeles County Deputy Sheriff. An athlete & scholar, the young man's dream was to carry on the family tradition of service & to attend the USA military academy at West Point. His eyes blinked as the President announced his appointment to the Corps of Cadets! And yet, these hate-filled, uncaring, unpatriotic, unhappy with themselves people sat in silence. Even though we grow into adults, we are still human. We will get emotional & angry, even come to despise or hate certain people or things. But as adults, we learn to deal with it & still attempt to deal with the world, as hard as it might be & even when it may be unreciprocated, as we wish to be dealt with - the Golden Rule. We practice decorum & respect. To embed the hate & disdain we hold in everything we do in our lives & work is childish. For adults to band together in this behavior goes beyond childishness. It borders on pure evil. These people are an embarrassment to our country, to our citizens, to the people who somehow decided to vote for them & to themselves! These people could learn much from the classiest move of the night: When high school senior Jason Hartley received his appointment to West Point, 13-year-old cancer survivor, DJ Daniel, came over to share a high five! And by the way, DJ Daniel's congressman, the man that should have been there supporting this classy young gentleman, was not on the floor. You see, he had been removed for throwing a tantrum & waving his cane at the President. Like Andy, the American people will simply ignore the tantrums of these spoiled, elected to congress, childish brats. If these people do not exhaust themselves, at the next election, America will take them behind the proverbial woodshed!

**INDUSTRY NEWS:** *Supergut* raised \$22M in its latest round, led by *Full Frame Growth Partners* with *Access Capital*, *LiveWell Ventures*, *Rocano Ventures*, *Alpha Edison*, *Cultivian Sandbox*, *Strand Equity* & *The Production Board* among the investors. Chocolate & snack maker *GoodSAM* raised \$9M led by *Alive Ventures* & *Desert Bloom*, with additional participation from *LATAM Impact Fund Promotora Social Mexico*, *One Small Planet (Peterffy Family Foundation)* & *Connecticut*

*Innovations.* Cold brew *Wandering Bear* raised \$4M from undisclosed investors. *Protein Pints*, high-protein ice cream, raised \$1.9M from *ACG Venture Capital*, *Red Cedar Ventures* & others. *Boyne Capital* made an undisclosed investment in *Blue Monkey Beverages*, tropical fruit juice & coconut water products. *Once Upon a Coconut*, coconut water, received an undisclosed celebrity investment. Natural energy drink company *MISSION* raised €2.3M. In the UK, *Citizens of Soil*, olive oil from regenerative agriculture, raised £1M, co-led by *FIGR Ventures* & an undisclosed family office. Germany's *KoRo*, plant-based snacks, received an undisclosed investment from *Kharis Capital*. *BIOHM*, a probiotic supplement, raised \$1.5M from undisclosed investors. *Konscious Foods*, plant-based sushi & seafood, received a \$3.5M grant from the government of Canada. In India, plant based nutrition company *Earthful* raised \$6.6M. *Nitricity*, organic nitrogen fertilizer made from air, water, & recycled almond shells, raised \$10M from *Elemental Impact*, *Trellis Climate* & others to build a fertilizer plant in Delhi, CA. In Finland, *Solar Foods*, maker of protein ingredient *Solein*, produced by feeding microbes in the air, secured a €10M grant from *Business Finland*, part of the Finnish government. In Italy, *Arsenale Bioyards* raised €9.5M to scale its AI precision fermentation process; the raise was led by *Planet A Ventures* & *byFounders* & included *CDP Ventures*, *Acequia Capital*, *Plug N Play*, *Grey Silo Ventures* & other family offices. *Steakholder Foods*, alternative proteins & 3D printing technologies, raised \$1.25M in a private placement with *Alumni Capital LP*. In Malaysia, *Seadling*, sustainable seaweed, raised \$1M with *Toyo Seiken Group*, *Yield Lab*, *Katapult Ocean*, *AgFunder* & others. *Avalo*, AI to develop more resilient crops, raised \$11M co-led by *Germin8 Ventures* & *Alexandria Venture Investments* with participation from *Coca-Cola Europacific Partners*, *Trust Ventures*, *Trailhead Capital*, *AtOne Ventures*, *Better Ventures*, *SOSV* & others. *Decibel Bio*, another crop resilience platform, raised \$12M from *Breakthrough Energy Ventures*, *Future Ventures*, *Bayer* & *Syngenta*. *Gripp*, mobile agricultural operations management platform, raised \$1.5M led by *Ag Ventures Alliance*, with participation from *Two Ravens*, *Infinity Holding Ventures*, *C2 Ventures*, *Tundra Angels*, *Countryside Angels*, *DMM Holdings* & *Glen Haven Farms*. *Odeko*, operations & technology for coffee shops, cafes & food & beverage businesses, raised \$126M comprising of \$96M in equity led by *B Capital* & a \$30M million credit facility from *Banc of California*. Crop spraying technology *AgZen* raised \$10M. In Vietnam, *Techcoop*, agritech export supply chain platform, raised \$70M led by *TNB Aura* & *AVV*. *Walgreens* will become a private company in a \$10B buyout by *Sycamore Partners*. PE-firm *New Water Capital* acquired Lancaster, PA., honey producer *Dutch Gold Honey* & its other companies *Gamber Container*, *DGH Logistics*, *McLure's Honey* & *Maple & Bacon Jug*. *80 Acres Farms* acquired three indoor vertical farms previously owned by *Kalera*; the farms are located in Georgia, Texas & Colorado. *Colavita USA*, Italian specialty food products, acquired *Vitelli Foods*, high-quality pasta & tomatoes. Bottler *Eco-Growth Strategies* acquired the assets of *Hawaiian Isles Water*. *MNG Brands* bought *WellBeing Brewing Company*, a non-alcoholic beer brand. Specialized food distributor *GS Foods Group*, which is owned by *Highview Capital* & *A&M Capital Partners*, acquired foodservice distributor *The Daniels Company*, based in Chico, CA. *KKR* will sell Japanese retailer *Seiyu* to *Trial Holdings*, who will also acquire *Walmart's* remaining 15% share. *Centric Software*, AI replenishment platform for retailers, brands & manufacturers, will acquire *Contentserv*, product management platform, for \$230.6M. *Frisco Baking*, family-owned bread baking company, filed for Chapter 11. *General Mills* will shut its *G-Works* in-house incubator & cease new investments via its *301 Inc* venture capital arm; *General Mills* will open a new *Strategic Growth Office*. At the same time, *Kraft Heinz*, *Hershey* & *Molson Coors* are reported to be looking for small-scale deals to boost sales & get exposure to fast-growing categories. Global agrifoodtech investment was \$16B in 2024, down 4% YOY, a continuing trend over many years, per *AgFunder*.

Digital sales continued to show double-digit growth at *Kroger* in 4<sup>th</sup> QTR, but overall sales were down 8%; identical sales were up 2.4%, EPS fell 15% & operating profit fell 24%. *Costco's* 2<sup>nd</sup> QTR results missed on earnings but beat on revenue; comparable sales rose 6.8%. *BJ's Wholesale Club* posted a 16% earnings drop in 4<sup>th</sup> QTR, though better than expected; revenue beat expectations, dropping only 1.5% while same-store sales rose 4.3%. *Publix's* 4<sup>th</sup> QTR earnings were flat, but revenue was up 5.5% & comparable-store sales increased 4.1%. *Target* had a down 4<sup>th</sup> QTR but beat some estimates as traffic & comparables were higher. *Campbell* struggled in 2<sup>nd</sup> QTR due to lower snack sales & weak organic sales (down 2%) driven by net price realization with flat volume/mix; net earnings were down 15% & net sales increased 9% driven by the acquisition of *Sovos Brands*. *Hormel* reported a slight 1<sup>st</sup> QTR revenue drop but a 22% drop in EPS as the company seeks a 2025 turnaround. Alcohol pulled down *Monster* in 4<sup>th</sup> QTR, sales rose 4.7% & net income fell 26%. *MGPI* ended a down year with 4<sup>th</sup> QTR adjusted net income down 6% & revenues falling 16%.

*Whole Foods* will discontinue its reusable bag credit after 17 years, a whopping 10¢. *Ollie's* has continued to acquire *Big Lots* store leases & now has 63. *Wawa* will enter the Midwest with its first store opening in Liberty, OH. *BJ's Wholesale Club* plans to open 25 to 30 club stores over the next two years. *HEB's Favor* delivery will introduce a new premium subscription program. The teamsters came to an agreement with *Stop & Shop* to avoid a possible strike. *FreshDirect* has joined the *Uber Eats* platform, the first time that *FreshDirect's* offerings will be available for delivery on a third-party app. *Grubhub* laid off 500 employees as part of its integration with its new owner *Wonder*. *Lifeway* will debut probiotic salad dressings. *Talking Rain* debuted a probiotic soda. *Misfits Market* launched a private label upcycled bread under its *Odds & Ends* label. *Kevin's Natural Foods* will launch stir-fry kits. *Diageo* launched a *Baileys* cream liqueur with oat milk. *Kraft Heinz* is launching a *Crystal Light Vodka Refresher*. *Impossible Foods* launched soy-based, pre-cooked, pre-seasoned, frozen *Impossible Steak Bites*. *Arethusa Europa* repeated as champion at with USA Cheese Championship with an aged gouda. *Ingredion* will invest \$50M to upgrade its facility in Cedar Rapids, Iowa, the company's second such investment in a month. *WK Kellogg* will spend \$200M on supply chain updates in 2025. Precision fermentation platform *Pow.Bio* has opened a new facility that will allow clients to produce fermented proteins on a larger scale. Data analytics platform *SPINS* will partner with *Stackline*, a retail intelligence & commerce technology platform, to provide brands with an integrated sales view. *GrubMarket* updated their AI-technology. *Publix* is being sued for allegedly overcharging for weighted items. Following a years-long battle, the European Commission appears to have ditched plans to enforce its Nutri-score policy already used by several countries. *Kroger* chairman/CEO Rodney McMullen resigned after an internal investigation concerning personal conduct & executive Ron Sargent was appointed interim leader. *Seven & i Holdings* president Ryuichi Isaka is expected to step down to be replaced by Stephen Hayes Dacus, an outside director of the retailer. At *Albertsons*, Susan Morris will take over as CEO when Vivek Sankaran retires.

Per the *National Confectioners Association*, confectionary sales passed \$54B in 2024; chocolate accounts 51.9% of sales. From protein snack *Chomps*, consumers want a protein snack at 36% of all snack occasions; protein snacks make up 19% of retail snack sales category. In a survey for the bakers industry, *Cypress Research* showed that 50% of bakers expect their capital investments to increase in 2025 & 38% expect investment to remain the same. *Rabobank* predicts contraction in beef production despite growing demand. USA farmer sentiment continues to rise. Peruvian blueberries registered a YOY drop in January 2025 with a 15% decline in volume & 41% in value; meanwhile Chilean blueberry exports have risen 11% this season. Cocoa prices fell after the *International Cocoa Organization* projected a surplus. If you trust anything from the UN, global food commodity prices rose in February, driven by higher sugar, dairy & vegetable oil prices; sugar prices remain volatile.

**MARKET NEWS:** Markets were volatile for the week on the overhyped fear of tariff issues. Misleading, intended-to-scare headlines continue to scream trade war, instead of looking at what the genius of tariffs as a negotiation tool (even with delayed implementation) have already caused – a reduction in fentanyl trafficking & trillions of dollars of investment in the USA! Markets were down for the week. S&P Manufacturing & Services Indexes were higher. Jobless claims were below expectations. Factory orders & productivity rose. There was a trade surplus as the USA exported more than it imported. Job growth was just 151K, with 10K jobs lost in government in just a few weeks of the DOGE efforts!

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