



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



"MANY ARE THE PLANS in a person's heart, but it is the Lord's purpose that prevails," is from Proverbs 19:21. We often hear this expressed as *"We make our plans, but God laughs!"* It's true, most people's plans, be it for the day, for a project or for their lives, rarely work out as they hoped. Daily life can be complicated; it comes at us fast & hard. Even though our plans may be spoiled, we try to muddle through each day, making the best of each & every situation we face, adjusting to pursue a successful outcome. Sometimes, the odds are stacked against us! But when we conquer the obstacles, it's time to chomp on a cigar butt & growl, *"I love it when a plan comes together!"*

THE PLAN COMES TOGETHER: You start with a master planner! Then you build an A-Team with the best people you can find! You give everyone the opportunity to do their best work, allowing them to adapt to the situation in the field. When things don't go as expected, they do the unexpected, & the plan comes together! The *A-Team* was one of the most popular TV shows of the mid-1980s! It was a merchandising bonanza & made a star of Mr. T, who played Bosco 'B.A.' Baracus! One of the shows popular catchphrases was delivered by George Peppard as team leader Hannibal Smith, when after all the explosions, gunfire, missteps & situational changes, he chomped on a cigar, smiled & said, *"I love it when a plan comes together!"* This week, much to the dismay, disappointment & destruction of the political & media naysayers who predicted a debilitating, devastating disaster, the President's plan came together, demonstrating his ability to develop & deliver bellringing ding-dong deals & directives; & in the process, destroying & demolishing the narratives of the naysayers! To have an effective plan, you need to have an end goal. Of course, in the case of Hannibal Smith, the goal was straightforward – bring down the bad guys or rescue the pretty woman. But if your goal is to return America to a Golden Age of Greatness & Prosperity, the plan could seem fairly complicated. Or is it? Of course, you must start with an A-Team. A group of people who understand the mission, know the job, are fearless & perhaps, most importantly, know how to shut down the lying dullards of the media & opposition party. Then, just like in any well run business, you stop money from draining out of the government & all the drains on your people's time & resources. So you start by shutting down illegal entry at our borders & deporting all the illegal criminal aliens. You smartly stop any wasteful spending & all the corruption that drains money from the system – be it the Treasury, Social Security, Medicare, Medicaid, Education, USAID – everywhere! You remove unneeded & unproductive workers from the payroll. You prosecute those corrupt individuals who have committed crimes or are still committing crimes, regardless of their place in government or society, to protect our Constitution & the rule of law. Next, to help American workers & businesses, you tell the world that the USA is open for business, but only on our terms! You reduce regulations to make it easier for Americans to start a business, build a business, do business & create jobs & wealth! You stop the flow of jobs & dollars out of America & protect our native businesses, you know, the ones that matter to us! You remove the regulations that raise prices – silly energy mandates, costly & time wasting approval processes & even let the chickens live! Then you negotiate - trade partner by trade partner - to make the best deal for America & bring investment to our Nation. But global business cannot grow amid worldwide war & strife. So you use the power of commerce & the beauty of shared success to force warring partners to the table – be it in Europe, South Asia or the Middle East – bringing peace to the world! Finally, you make everybody's lives & livelihood better – you improve the food system & food quality; lock up criminals; you remove depravity & racial hate from K-12 schools; you remove spies & genocidal maniacs at the colleges & universities; improve & modernize plane travel & then you give all Americans & American businesses, a big, bold, beautiful tax cut! For good measure, you do all this in less than four months, or maybe for kicks & grins (with apologies to Messrs. Bailey, Knebel, Lancaster & Douglas), over just *Seven Days in May!* Just like a well-orchestrated plan from Hannibal Smith, you do it unbelievably fast, so it looks chaotic, when actually each & every activity & action serves to help reach the goal. But because those naysaying dullards are not sharp enough to keep up with what is going on, they fall back onto all their old mantras – he's a dictator; he's corrupt; it's a Constitutional crisis, we must impeach; he will cause World War III; we are going into a recession; there will be no Medicare or Medicaid; people are going to die - or a simple *"He better not dare!"* Everything has happened so fast, that these naysayers of the opposition media & party – senators, congressmen, judges, governors, mayors, city council members - defend Chinese spies at Stanford; genocidal maniacs at Columbia, Harvard & elsewhere; gang members, murderers, rapists, thieves, women & child traffickers; support endless wars; want higher drug costs; want poisons in our food & water & cast aspersion on immigrants from South Africa fleeing racial hate & genocide. Some even hide illegal aliens under the living room sofa or worse – attack ICE officers guarding the worst of the worst! It does not matter what level of evil has been exhibited; they step up with a narrative that makes the offender sound like a newly hatched chick! Meanwhile, while all this is going on, the stock market has recovered & reentered bull status, inflation has dropped to its lowest level in 5 years, military recruitment is at an all-time high & more people than ever believe America is on the right track! Yet, there are those who suffer from a well-documented affliction that makes them unable to accept all of this success, only because of the man who is delivering it on a daily, almost hourly, basis. They double down on their naysaying, their support for criminals & genocide, their histrionics & lies about policy & programs & their war on women & children. We are about to witness, & happily be a part of, a truly Golden Age, an explosion of wealth & prosperity that America has never before seen! It is time for our non-drinking, non-smoking President to channel Hannibal Smith, chomp down a *Big Mac*, smile & growl, *"I love it when a plan comes together!"* Then, he should smile again, channel B.A. Baracus & growl toward the naysayers, *"I pity these fools!"*

INDUSTRY NEWS: Tosi Snacks added \$10M in capital to its Series B raise. In India, snack brand Farmley raised \$42M led by L Catterton with participation from DSG Consumer Partners & others. Champagne company Frerejean Frères raised \$10.2M. In Spain, Heura raised €20M from the European Investment Bank to expand its plant-based meat & dairy platform; the company believes it will be profitable in 4th QTR. Shore Capital Partners invested in its portfolio company Sweetmore Bakeries through a special purpose vehicle. In Sweden, Lantmännen invested in local, plant-based, milk-alternatives business Sproud, acquiring 10% of the company. In India, Motilal Oswal Financial Services founders invested \$100M in quick-commerce

platform *Zepto* ahead of an expected \$5B IPO. In Australia, *Bovotica* raised \$3.4M on the ruse that cow farts & burps will destroy the world!!!! (*Oh my, what will we ever do!!!*) *Chobani* acquired ready-to-make smoothies, pasta & breakfast bowl producer *Daily Harvest*; *Daily Harvest* has yet to settle the 2022 lawsuit associated with tara seed use & those still experiencing health issues. *A Dozen Cousins*, RTE beans, rice & seasoning sauces, was acquired by *Verde Valle Foods*. *Danone* will acquire a majority stake in specialty formula maker *Kate Farms*. *Grupo Bimbo* acquired *Karamolegos Bakery*, a bread baker based in Bucharest, Romania. Chocolate manufacturer *Chocolate Works* acquired 150-year-old specialty manufacturer *Thompson Chocolate*. *Everwell Health* acquired *American River Nutrition*, manufacturer of vitamin E (from annatto) products, from *Designs for Health*. *Darling Ingredients* will partner with *Tessenderlo Group* to deliver its collagen & gelatin business in a new joint venture company called *Nextida*. Chinese brewer *Tsingtao* will purchase grain-based winemaker *Jimo Yellow Wine* for \$92M. *StoneX Financial Europe* will acquire *Plantureux et Associés*, a Paris-based brokerage firm specializing in agricultural commodities. *Nestlé* has engaged *Rothschild* to help sell their \$5B water division. *VMG Partners* closed its sixth fund at \$1B. In the UK, *Reuters* reports that convenience food manufacturer *Greencore* has agreed on terms to be acquired by *Bakkavor Group* for £1.2B.

Walmart beat 1st QTR estimates on an uptick in digital sales; the retailer hinted it will raise prices instead of buying from USA suppliers or using their buying power to avoid tariff costs. *US Foods* reported across the board increases in 1st QTR. *Dole* raised guidance despite a 1st QTR earnings miss; revenue hit targets. *JBS* beat 1st QTR estimates on strong pork & poultry sales. *Post Holdings* had lower 2nd QTR income & sales. *Utz Brands* had an up 1st QTR & confirmed full year guidance, indicating tariffs would not be an issue. *Lifeway* reported earnings growth in 1st QTR but missed on revenue estimates; it was the probiotic company's 22nd straight quarter reporting growth.

Dollar Tree has surpassed 9,000 stores in North America. *Kroger* is hiring 15K employees. *Lidl* wants to open 80 new supermarkets in Belgium by 2038. *Aldi* plans to open in three former *Big Lots!* locations. *Meijer* lowered prices on store brand summer essentials. Non-profit grocer *Daily Table* is closing its four Boston locations. *Market 32/Price Chopper* will team with health care company *NationsBenefits* to give eligible members access to healthy foods. *Kroger* shut down its third-party marketplace. In the UK, *Amazon* will partner with *Gopuff* for rapid delivery. *Amazon* introduced *Vulcan*, a robot with a sense of touch to understand how firmly to grip an item. *DoorDash* & *Wing* will partner on drone delivery in Charlotte, NC. *Lidl* launched its largest private-label relationship with *Butcher's Specialty* for organic & grass-fed beef, antibiotic-free chicken, all-natural pork, lamb & veal. *Albertsons* also launched a private label meat offering, *Chef's Counter*, a line of ready-to-cook marinated meats. *Danone* will offer an *Oikos* protein smoothie. *Nestlé* launched a new *CPK* dill pickle pizza. *MrBeast* & *Jack Link's* will partner on jerky meat sticks for children. *General Mills* will launch a line of refrigerated cookie dough under its *Pillsbury* baking brand called *Big Cookies*. *Kellanova* & *Golden West* will bring *PopTarts* to the ice cream sandwich shelf. *Hewitt Foods USA* launched a new brand, *The Organic Meat Co*; USDA certified organic, grass-fed & finished beef line. *New Primal* announced launched *Rotisserie-Seasoned Chicken Sticks*. *Pop Secret* is entering the RTE category with three popcorn flavors. *Nestlé* will raise some chocolate prices. *Ardent Mills* has developed *Cocoa Replace*, a wheat-based, clean label alternative to cocoa powder, able to replace 25% of the cocoa powder needed in baked goods. *Brown-Forman* will terminate its sales & distribution partnership with winemaker *Korbel Champagne Cellars*. *In-N-Out* is removing artificial food colorings for its shakes & lemonades & is replacing the corn syrup in its ketchup with real sugar. *Dutch Bros.* will continue to roll out its food menu. *Shake Shack* is planning to add 12 stores in Panama. *TGIFriday's*, which declared bankruptcy last year, will try to offer a revamped menu with new flavors on old favorites. *McDonald's* announced 375K hirings across its USA locations; the new Labor Secretary was in attendance. Saudi Arabia had a mobile *McDonald's* available for our President's visit to the kingdom this week. *Kraft Heinz* will add to the rebirth of America's Golden Age with a \$3B investment in its USA manufacturing. *Anheuser-Busch* will invest \$300M to add manufacturing jobs at its USA facilities in 2025 through technology advancements & worker training programs. *Conagra* will expand its manufacturing facility in Macon, MO, to accommodate higher demand for frozen meals. *Seaboard Foods' Daily's Premium Meats* will invest \$95M to expand its bacon processing facility in Saint Joseph, MO. *Performance Food Group* opened a new 60K sq. ft. processing plant in West Salem, WI. *The Giumarra Companies*, an international network of fresh produce growers, distributors, packers & marketers, opened up their second Arizona support center in Scottsdale, AZ. *Osf Flavors* opened a 20K sq. ft. research & development center in Windsor, CN. Sugar trader *Verax Commodities*, consultant *Bizos Cavallo Enterprises* & PE firm *Vera Ventures* will jointly invest \$1B to boost the USA domestic sugar supply. In Minneapolis, 3K union grocery workers are threatening to strike against *Cub*, *Knowlan's* & *Haug's* over wages & benefits. In a historical French tradition, employees from *Pernod Ricard* & *LVMH Champagne Houses* went on strike over wages & job uncertainty. *Dunnhumby* will partner its customer data science platform with *Bridg's* shopper intelligence platform to expand its retail offerings. *Instacart's* new *Fizz* app has been sued for trademark infringement from a college social media platform, *Fizz Social Corp*. *Walmart* will pay tech company *Zest Labs* \$222M over trade secret misappropriation. *Kroger* is objecting to the Washington AG's request to reimburse the state for more than \$32M in legal costs incurred by the state to challenge the *Albertsons* merger. Indiana put a two-year ban on cell-cultured meats. The FDA approved three new color additives made from flowers, algae & other natural sources to help the food industry move away from artificial dyes. The Secretary of Agriculture has halted live cattle imports through the southern border to protect livestock from the screwworm pest. Ben Cohen, founder of *Ben & Jerry's* (where a pint of ice cream has 1200 calories, 67 grams of fat & 97 grams of sugar) was removed from a Congressional hearing with Robert F. Kennedy, Jr., protesting the FDA's plans to improve children's health through food quality & shouting support for genocidal terrorists - *where is B.A. when we need him?*

From *Brick Meets Click/Mercatus*, online shopping continued growing, 15% for April, reaching \$9.8M in sales; delivery sales rose. Per the *Organic Trade Group*, organic sales jumped 5.2% in 2024, 2.2% when adjusted for inflation. From *IFIC*, while a majority of consumers prefer foods that taste sweet, 78% want to reduce their sugar intake. From *Circana*, fresh produce sales grew 4.7% in April; egg & dairy sales rose due to lower prices & an uptick in at-home cooking. Grocery price inflation was the lowest in five years; eggs, baked goods & cereals were among categories decreasing. USA corn output is forecasted to be 6% higher, sugar was forecasted lower. Soybean oil futures are falling as buyers worry about future volume needs.

MARKET NEWS: Markets soared this week on the President's Middle East trip, deal-making & lower inflation. On a trip through the Middle East, the President secured \$3.6T in the USA investment, bringing the investment this Administration has orchestrated in less than 4 months to well over \$12T. Markets surpassed Liberation Day levels; we are now in bull market territory with the Dow & S&P positive for the year. Once again, the President silenced the non-believers as an early stage tariff deal with China was put in place as part of a coming complete deal. The President also signed an executive order to lower prescription drug prices so the USA will stop subsidizing drugs for other countries! The Labor Department has found the Biden era job growth numbers were overstated, no surprise there! The service sector continued expanding, with April surpassing all targets. April CPI came in at 2.3%, below the forecast! The last time inflation was this low was February 2021, before the previous administration could begin to do its damage to America. Core CPI came in at 2.8%, as expected. April PPI, the Producers Price Index, came in at a negative 0.5%, well below the 0.2% increase expected. Year-over-year, PPI was below expectations. So, as the wise people already knew, tariffs did not impact prices! April retail sales posted a 5.2% gain.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND — *Tom Malanga*

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