



ALL EARS!!

*The Litchfield Fund
Weekly Newsletter*

"We just don't hear it on the street, we have our ears spread across all the fields!!!!!"



Litchfield

In the 1984 Democrat primary debates, early leader Gary Hart repeatedly touted his platform of *New Ideas!** Opponent Walter Mondale, tired of this mantra, shouted in his best Clara Peller "*Where's the Beef?*" the iconic Wendy's tag line sweeping the country in 1984! The public loved it & Mondale won the nomination!** The 56-year old Senator was undone debating President Reagan when he, along with the entire country, chuckled as the 73-year old 'Quipper' diffused the age issue saying, "...I will not make age an issue of this campaign. I am not going to exploit, for political purposes, my opponent's youth & inexperience."

Where's the...er...Bison? Why right here in America of course! Both the Plains & Woods Bison are native to North America, distinct from the European bison & only distantly related to buffalo, how many people refer to them! On a trip across the Great Plains, from the Dakotas & onto Yellowstone & the Grand Tetons, bison are a common site. These animals are massive, noble & *dangerous!* No one forgets their first sighting or even subsequent ones! *One time at Yellowstone*, returning to my buddy's 1976 Regal, we found a bison leaning against it, sleeping! Another time we woke to find one standing on the cabin porch! Whether rumbling across an open plain, lounging in a mud pit or standing in the road staring straight at you through your windshield, the bison *is America*, part of our history & a fridge staple for **The Litchfield Fund!** Besides being leaner than grass-fed beef, bison meat is tasty & has been shown to have great health benefits! It is high in protein, B vitamins & zinc, rich in antioxidants & fights inflammation! This week the *National Bison Association*, capitalizing on the bison's notable shoulder hump, introduced a campaign to make Wednesdays '*Bison Hump Day*' to promote eating bison meat! They seek to increase bison herds two-fold, believing a greater population will also help spur the growth of important native grasses. With Ms. Peller gone, "*Where's the Bison?*" might not work, but maybe Sam Elliot & the New York Philharmonic could do a new ad: *Bison. It's What's for Dinner!****

Industry News: *First Beverage Ventures* closed its second fund (which will focus on alcoholic beverages) at a total of \$65M. *Bevi*, the smart water cooler, raised \$16.5M from *Trinity Ventures* on a reported \$1M in revenue. The *Anheuser-Busch InBev* venture group acquired organic *Hiball Energy* & sparkling juice & water *Alta Palla* for undisclosed amounts. Offering direct-to-consumer personalized pre/post workout mixtures, *Revere* raised \$2M in seed funding from *Lerer Hippeau Ventures*, *Sterling Partners* & *Brand Foundry*. Plant-based *Koia* raised \$7.5M from several venture companies & *Kevita* founder Bill Moses took a board seat. The *Indiana Grocery Group's* winning bid for the remaining *Strack & Van Til* stores in bankruptcy was \$72.7M, plus additional

*In the race for the 1988 Democrat presidential nomination, Senator Hart's New Idea (not necessarily a good one) was an extramarital affair with fledging actress Donna Rice!

**Senator Mondale also had help from the superdelegate structure!

***Robert Mitchum did the original 1992 commercial. Mr. Elliot was the voice in the 1999 version!

monies for the warehouse, the headquarters & up to \$30M for the remaining inventory. The group includes current & former CEOs of *Stack & Van Til* & members of both families.

The *Food Marketing Institute* reported grocery store sales are down 2% while on-line only ecommerce is up 6%. Packaged food sales have fallen 11% as fresh food purchases continue to climb. *SPINS* reports that produce sales in the natural channel rose 17.7%, twice the climb in conventional outlets. Dairy is 7% of sales in the natural channel with 67% of dairy sales being organic, second only to fruit & vegetables. An *IRI* survey projects that 11% of CPG sales will be in the ecommerce channel by 2022. Total channel sales will reach \$88B with almost \$7B of that in click & collect programs. An *NFM* survey of retailers found supplements & vitamins to be experiencing the most growth. Turmeric & curcumin are up 30%! Per several studies, gluten-free should now be considered mainstream, with sales reaching \$1.6B in 2016 following 35% growth & continuing upward to \$2B over the next few years. As a note, *Subway* is introducing gluten-free bread options, along with self-order kiosks & digital pick-up. The *Food Marketing Institute* & the *National Restaurants Association* have filed a *premature enforcement* lawsuit against New York City for introducing new foodservice labeling standards ahead of FDA regulations. A class action suit against *General Mills* for the use of the word 'natural' was tossed out of court, the judge citing that the lawsuit was seeking lower residue standards than the FDA requires. According to *Perkins Coie*, the FDA is reporting an 8% drop in such lawsuits.

Meal kits appear to be on the forefront of *Amazon's* going forward strategy. *Jana Partners*, activist investors who took a role in *Whole Foods* prior to its sale to *Amazon*, made \$300M on the transaction. *The United Food & Commercial Workers International Union* has asked the FTC to scrutinize the deal. The union's fears include higher supplier prices, fewer consumer choices & job loss. Likely in response to the deal, both *Campbell* & *Hain Celestial* announced strategies to increase on-line sales. *Campbell* is seeking to reach \$300M in ecommerce sales over the next 5 years. *Hain* wants ecommerce to be 5% of total sales by 2020, growing from 1.5%. For unspecified reasons, four board members resigned from *Hampton Creek*. To reduce cost, *Juicero* is cutting staff by 25% as CEO Doug Evans steps back from daily operations. The company will focus cost cuts on all aspects of production & sourcing. *Unilever* has introduced *I Can't Believe it's Vegan* & *I Can't Believe it's Organic* to its *I Can't Believe it's not Butter* product line.

Market News: All market indices hit new record highs during the week. Coming off mid-week records, the S&P & Nasdaq finished up for the week with the Dow ending slightly below last Friday's record close. The Fear Index reached its lowest level since 1993. Forecasters are betting on the December FOMC for the next rate hike, forecasting a 52% likelihood of a rate hike.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund

V4issue05.07.22.17

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