



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

“Early to bed, early to rise...!” Everybody knows Ben Franklin’s guide for health, wealth & wisdom. Dr. Franklin did not really invent Daylight Savings Time but did feel the French used less wax by rising & retiring with the sun! He proposed a candle tax to encourage folks to adhere to his proverb. In Autumn, the return to Standard Time provides partiers an extra hour of imbibing. But in Spring, most see DST as just a night of losing sleep & a week of adjustment. For romantics, it brings long slow red sunsets on warm summer nights. But Daylight Savings Time’s history is full of controversy, myth, legend & sometimes, *confusion!*

DST: Modern Daylight Savings Time was first proposed in the 1890s by an entomologist so that he could have more time to collect bugs. It was often used during times of war or crisis, believing DST reduced energy usage of coal & oil while lengthening the life of incandescent bulbs. In general, urban areas favored DST while agrarian communities disliked it. Farmers wanted the early morning hours for *work* before the kids went off to school & the weather got too hot for people & animals. DST was standardized in the U.S. & around the world by the 1960s but there are still problems. Indiana did not observe DST until 2005 & the state still lies in two time zones! Before 2005, sometimes all of Indiana was on the same time as Chicago, sometimes it wasn’t! There were certainly a lot of people late for church or work in the city! Today only Arizona & Hawaii do not observe DST. In winter, Arizona is appropriately on Mountain Time & ironically on Pacific Time in summer! In Arizona, the purported legend is that when DST began an influential politician owned most of the Phoenix area drive-in movie theaters! As no one wanted to wait until 10 PM to see a movie, he almost went bankrupt, ending DST in Arizona! Today, businesses like an earlier sundown as it brings the cooler evening. People leave the golf course & pool for the restaurants & bars! More importantly, the farmers can get to work early before the scorching afternoon sun! So no controversy in Arizona, *unless you have an appointment in Los Angeles.*

Industry News: *The Hershey Company* announced a 2,700 global job reduction (15%) to improve earnings. *Hershey* will, through innovation & acquisition, look to the growing snack market to spur growth. *Dunkin’ Brands* will remove all artificial colors from its restaurant products by 2018. With minimum wage hikes & union considerations facing many franchises, *Wendy’s* joined other fast food chains to introduce self-service kiosks to manage costs. *Costco* has become the leader in selling certified organic food, passing *Whole Foods Market*. *Sprouts Farmers Market* private label product sales have had a 25% increase over the past four years. *Earth Fare* will grow their private label non-GMO line by 200 SKUs, growing to 700 SKUs in the next 90 days. *Meijer* will invest \$375M in remodeling & improving stores. *Albertson’s* announced a relationship with *Range Me*, which provides on-line product discovery for retail buyers. Cacao prices are well

below previous highs & will continue to move lower over the next few months. The sales growth of products with carrageenan is slow as consumers worry about the health impact of the additive.

Kroger reported earnings in line with or slightly better than analyst projections. But for the first time in 52 quarters, *Kroger* experienced a same-store-sales decline, citing lower food prices. Management expects this to continue into 2017. *Kroger* did increase market share & cite the growth of its *Simple Truth* private label brand. Bucking the trend, *Publix* has strong full-year same-store-comparables. The company posted growth in revenue (up 3.5%) & earnings (up 3%). *Ahold Delhaize* posted better than expected results in their 4th QTR with a 2.8% revenue growth. *Monster* reported 4th QTR revenues rose more than 16% & topped analyst forecasts despite some production struggles & the problematic rollout of *Mutant*. Adjusted EPS was 35¢ coming in 5¢ higher than forecasted. Children's beverage maker *True Drinks Holdings* raised \$3.6M to fund 2017 growth plans. Protein enhanced *No Cow Bar* from *D's Naturals*, already in 10,000 locations, received an undisclosed investment from *301 Inc.* & *2X Consumer Products Growth Partners*. *Boulder Investment Group Reprise* led an \$8M investment round in *Bobo's* oat bars.

University of Rochester Medical Center reports that omega-3 can help reduce asthma symptoms & reactions in people with minor asthma issues adding to the many health benefits of omega-3. Omega-3's impact is negated when used in conjunction with steroids. More probiotic studies once again link gut-health & probiotics to brain health showing benefits for stress, memory, Alzheimer's & Parkinson's. In the *Journal of the American College of Nutrition*, a study shows that drinking tea regularly for six years or more lessens arterial thickening! A survey from *Truven Health Analytics* indicates people are eating less meat, citing health concerns & the cost of meat as the main reasons. Almost 90% of people eat meat once or more a week with 38% of those indicating they eat meat 5 or more times a week.

Partnership Brand Update: *Harvest Soul*, maker of 100% organic chewable, probiotic & blended juices is now in a new 28k sq. ft. Atlanta facility to support its growth & expansion. Read the full story on *BevNET*, [Harvest Soul's new facility!](#) Visit *Harvest Soul* at Expo West at Booth H213!

Market News: Markets were up for the week riding Wednesday's record setting day. The FED is indicating a March rate hike, which investors seem to be taking in stride. Growth for 2016 was well below 2015, with spending in certain sectors falling. Investors this week seemed to focus more on optimism for jobs & tax cuts. Apparently, investors are looking past Plautus, "You must spend money to make money" -- *Or perhaps the Romans never cut taxes!*

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund

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