



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

The classic gothic horror story “Frankenstein” supposedly came about after a summer’s night on Lake Geneva of telling ghost stories! Mary Shelley & her poet husband Percy were dared by their guest Lord Byron to each write a ghost story. Mary Shelley then created perhaps the quintessential description of the *mad scientist*. As a child (in the days when 8 year olds were allowed to watch scary movies on UHF-TV) how can you forget Colin Clive as Dr. Frankenstein screaming “*It’s alive!*” But as adults, we must pay more attention to Geena Davis as Veronica Quaife in *The Fly* who warned us– “*Be afraid. Be very afraid!*”

Be afraid: Mary Shelley wrote her novel in 1818 when she was just 21 years old. This was more than 40 years before Darwin’s *Origin of the Species*, more than 80 years before the invention of motion pictures & the first medical text on plastic surgery, more than 120 years before DNA’s genetic link was demonstrated and 140 years before the first limb replantation! Did she, or did we as we watched Colin Clive, Vincent Price, Jeff Goldblum & yes, even Spencer Tracy & Gene Wilder portray mad scientists, think that one day the U.S. government would approve genetically engineered salmon safe for consumption!

Approving GE salmon to be farm-raised (and to not require a label as such) does not protect the consumer or the eco-system. It doesn’t require a hard-core Darwinist or even a self-proclaimed Deist to recognize that nature will take its own course, and that Frankenfish will eventually find its way into the general eco-system, long before the creature with the biggest, baddest, brightest & best mind on the planet even realizes! Soon our salmon choices may be Copper River, Wild Alaskan, & *Super-Freaky!*

Industry news: The non-GMO Project Verified label is the fastest growing label in the natural & organic food industry with now more than \$13B in sales. CVS continues to expand in healthy product offerings with GT’s Kombucha, Kevita, Evolution Fresh & Mamma Chia’s finding space on its shelves. Irish food company Glanbia purchased thinkThin, the maker of protein-packed food bars, for \$217M. Hershey will be attempting to offer its traditional *Kisses* with cleaner ingredients & more transparency.

Earnings News: Zoe’s Kitchen (**ZOES**) reported 3rd QTR earnings that beat analyst estimates & previous quarters. EPS came in at 5¢ with slight increases in revenue, margin improvements & better product mix offsetting slightly lower traffic. **ZOES** revised its full year outlook to be at the high range of previously forecasted revenue & same store sales growth. The company

announced that they have already reached the high-end of their forecasted fiscal year store openings with 33 stores this year, bringing their total store count to 165. However, the stock rose just 5% this week as provisions for income taxes & executive management transition along with coverage for hurricane damage eroded positive operating news.

Natural Grocers by Vitamin Cottage (**NGVC**) reported in-line fiscal 4th QTR with a 13¢ EPS on slightly higher than expected revenue & strong comparable same store sales growth (6%). For the year **NGVC** saw a 20% growth in net income. The grocer forecasted strong 2016 growth at 20% & the opening of another 23 new locations. The stock was flat for the week.

Portfolio News: Activist investors certainly helped lead to additional changes at ConAgra (**CAG**) who will now split itself into two independent public companies, ConAgra Brands & Lamb Weston, the frozen potato manufacturer. Analysts think this may be creating two 'digestible' takeover targets. Wunderlich initiated coverage on Boulder Brands (**BDBD**) with a BUY & a \$13 price target. Analysts expect an 8¢ to 11¢ EPS next quarter for the company. For the week, **BDBD** rose 8.5% as some analysts believe that **BDBD** is ripe for selling or spinning off parts of its business especially with activist investors involved & the recent **CAG** break-up.

Analysts suggest a rally for Whitewave Foods (**WWAV**) after a lengthy flat stock price, a high upside for Cal-Maine Foods (**CALM**) & Hain Celestial (**HAIN**), & Kroger (**KR**) having the ability to gain market share from Walmart. Meanwhile, General Mills (**GIS**) created a three-story free-standing *Honey Nut Cheerios* billboard made from the working hives of more than 100,000 honeybees and using the honey produced to spell out "Made with Real Honey"!

Finally, what's good for fish is not for supplements according to the U.S. Department of Justice. **GNC** will suspend sales of USPlabs' products after the U.S. DOJ announced lawsuits & criminal charges against several supplement manufacturers. The DOJ charges that the manufacturers advertised their products as produced from plant extracts but were actually synthetic.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund

V2issue23.11.21.15

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.