



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!!!!!"



American icon Will Rogers, a favorite of ours, said, "*You've got to go out on a limb sometimes because that's where the fruit is!*" Taking risks is an intrinsic part of being an entrepreneur. There is an inherent downside to starting a business, product or brand! Yet there is something inside those who do that makes them want to take that leap! Author Ray Bradbury stated, "*You've got to jump off cliffs & build your wings on the way down.*" In most cases, that is what entrepreneurship is like. But tempering the risk taken is important, as General George S. Patton said, "*Take calculated risks. That is quite different from being rash.*"

Risk: There is something about America & capitalism that makes us take risks. As our society went from agrarian settlers to towns with merchants & shopkeepers; as the industrial revolution brought machinery, trains, ships, oil & steel while America expanded westward; during the 20th Century when the mass production of cars, electric appliances, radio & TV led to mass retailing by Woolworth, Sears & J.C. Penney & on into the age of computers, space exploration & the internet; there were entrepreneurs who stepped forth to try to achieve something & live the American Dream. Through these years the names of these risk takers are etched in our collective history & DNA: Whitney, Singer, Rockefeller, Edison, Bell, Getty, Morgan, Carnegie, Ford, Jobs, Gates & so many more! They risked it all, saw their fortunes rise, sometimes fall & often rise again. They built enterprises, often monopolies, went through risks & setbacks such as labor disputes, regulations, wars, market changes & still found ways to grow their businesses. But for each one of these companies & people, there are thousands & thousands of others facing all the same risks to their endeavors. These are the Smith's Dry Cleaning, Green's Landscaping, Four Brothers Plumbing, Mary's Accounting Services & Pete's Organic Deli, all reaching for their piece of the American Dream through rugged American individualism, amazing effort & working through the risks & setbacks. General Patton thought that life's great disappointments were the road to future success, saying, "*I don't measure a man's success by how high he climbs but how high he bounces when he hits bottom.*"

Industry News: Biltong meat snack brand *Stryve Foods* closed on \$10M led by *Meaningful Partners* & *Murano Group*. *Monogram Capital Partners* made a follow-on investment of \$10M in *Country Archer Jerky*. *Harris Tea Company* purchased the tea manufacturing assets of *Redco Foods* & a license agreement for the *Red Rose* & *Salada* tea labels in the USA. *Tiger Global* led a \$300M round in *Postmates* restaurant delivery service. *Amazon* & private equity company *Samara Capital* will acquire Indian supermarket chain *More*, reportedly for \$580M. *Milk & Eggs*, online perishable farmers market & delivery service, completed a \$6M raise from China's *Morningside Venture Capital*. *Improved Nature*, a plant-based protein/meat alternative, completed a \$3M convertible note led by *Concentric Capital*. *Yumble*, an ecommerce platform

to provide & plan children's meals, closed on \$7M in funding led by *Sonoma Brands* with *Danone Manifesto Ventures* & others participating.

Despite a drop in North American sales, *General Mills* posted an 8.6% 1st QTR revenue increase with earnings down 3.1%. Analysts appeared disappointed. *Vitamin Shoppe* will launch *KetoHQ*, a shop within their stores with keto diet options, with Dr. Josh Axe a spokesman. *Aldi* will expand *Instacart* service from 4 cities to 35 states. *Publix* will establish a *GreenWise Market* in Marietta, GA. *Sprouts Farmers Market* opened its first store in Pennsylvania at Philadelphia's Lincoln Square. *Wegmans* opened its 98th store in Pennsylvania & should reach 100 next year. Per the *Chicago Tribune*, *Kroger* will consolidate *Mariano's* into *Roundy's*. *Schnuck Markets* is buying 19 of *Supervalu's* St. Louis area *Shop 'n Save* stores. *Amazon Go* opened a store in Chicago this week. *Bloomberg* reported that those notorious anonymous sources say *Amazon* will open up to 3K more *Amazon Go* stores in the next 3 years. On-line beverage company *Dirty Lemon* will open its first store in New York City, with consumers able to pay using cell phones. *Peapod* will partner with family-owned meat company *Meatz by Linz* to provide a direct-to-consumer on-line platform. *Jackson's Honest* is introducing a new 3-SKU line of grain free puff snacks made from cassava root, sweet potatoes & yellow peas. *MegaFood*, is adding to its lineup of whole food supplements with four new lines; *Adult One Daily Multivitamin Powders*, *Acute Defense Tablets*, *Shelf Stable Probiotics* & condition-specific varieties of *MegaFood Gummies*. *CAULIPOWER* has a new umbrella brand, *Vegolutionary Foods*, which besides the *CAULIPOWER* pizza brand will house *Sweet PotaTOASTS*, frozen toast made from roasted sweet potatoes. *Tyson Foods'* CEO Tom Hayes will step down & be replaced as CEO & President by Noel White, their current beef, pork & international group president.

Coupons are still king as 93% of consumers say they are interested in using them. The study from *Valassis* also reports that 82% of consumers use coupons regularly & almost 50% say they would shop on-line more if there were more coupon deals. Analysts, in a study from *Fact.MR*, believe that sustainability & government regulations will slow the growth of coffee pods, which will grow at 2.2% through 2026. Relatively low concentrations of matcha inhibit the growth of breast cancer stem cells according to U.K.'s *University of Salford*.

Market News: The Dow & S&P rose to new record highs as the week ended. Investors weighed continued economic strength against the risks of a trade war. Per Gallup, for the first time in history, only 12% of Americans feel the economy is the nation's top problem, the lowest ever. First-time claims for state unemployment benefits fell again this week to 201K, once more confounding the analysis of expert economists who forecasted an increase.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund – *Tom Malenka*

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