



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 calendar of Charlemagne, September was known as the Harvest Month. For ancient Britons, it was Barley Month, the crop ready for harvest. It was in September that Columbus departed the Canary Islands, the last stop before crossing the Atlantic & landing in the West Indies. In September, the Pilgrims, seeking religious freedom, departed Britain for the New World. September is the beginning of meteorological autumn & as we have seen this year, the peak of hurricane season is in early September. September is back to school month, the kick-off of football season at all levels & the thrill of tight baseball pennant races!

See You in September: This 1966 #3 Billboard hit for The Happenings was written by Sid Wayne & Sherman Edwards. They were part of a songwriting group that was located in the Brill Building in Tin Pan Alley. The group included no less than Hal David, Burt Bacharach, Bobby Darin, Neil Sedaka, Neil Diamond, Gerry Goffin & Carole King. Mr. Wayne wrote many of the songs that were featured in Elvis Presley’s movies, partnering with other songwriters like Mr. Edwards, Ben Weisman & Abner Silver. Mr. Edwards wrote some early songs for Mr. Presley, but as the legend has it, walked out of songwriting session because of the demands of Mr. Presley’s manager, Colonel Tom Parker. Saying he was tired of Rock’n’Roll, Mr. Edwards did not know what he would do next! But on March 16, 1969 a play, with songs written by Mr. Edwards, opened on Broadway that would run for over 1200 shows & win the Tony Award for best musical, *1776!*

But back to September, where in our industry it is *#OrganicSeptember*. *Natural Grocers* will be raising \$100,000 during Organic September for the Organic Farmers Association. There are only 17,000 certified organic farms, while there are some 2M conventional farms! So make a visit to your farmers market & pick up some *fresh-from-the-harvest* local organic fruits & veggies!

Partnership Brand Update: This week, *Harvest Soul* announced a rebranding effort for its blended whole food, high fiber & low sugar organic fruit & veggie juices. You can read the story on BevNET at [Harvest Soul Organic's New Look](#) & check out www.harvestsoul.com to learn more!

Industry News: *Nestlé* is acquiring *Sweet Earth*, makers of plant-based meals, burritos, proteins & sandwiches. *Unilever* purchased U.K.-based *Pukka Teas* (\$40M in annual sales) adding to its *Lipton* & *Pure Leaf* tea brands. *Masienda*, which buys heirloom corn varieties directly from Mexican farmers for sale to restaurants & CPG producers, closed a \$1.35M round with *Village Capital* & other high-profile investors, like James Beard Award winner Rick Bayless. *Masienda* will launch *Masienda Bodega* tortillas in *Whole Foods* & other retailers. *DowDuPont* has completed its merger of equals & has established three divisions: specialty products, agriculture & material sciences. *Pipeline Foods* has created a global operation for sustainable non-GMO &

organic grains & oilseeds. Ecommerce retailer *Nature Box* will debut a dozen of its SKUs at some *Sprouts Farmers Market* stores & 220 California *Safeway* stores. *Thrive Market* will launch its own line of breakfast foods & single ingredient non-dairy milks.

ConAgra will be updating its frozen meal brands like *Banquet* & *Marie Calendar's* with quality ingredients & a modern artisan look. *Bulletproof* will launch a ready-to-drink version of its butter coffee in *Whole Foods*. *Coca-Cola* & *McDonald's* will partner to bring ready-to-drink *McCafé* frappes to retail. *Green Giant* will be adding corn & cauliflower *Veggie Tots*, *Cauliflower Risotto* along with new flavors of its *Mashed Cauliflower*. White chocolate was introduced 80 years ago. Now *Barry Callebaut* will introduce ruby chocolate sourced from ruby cocoa beans. The chocolate is reddish in appearance & not milky, bitter or sweet. *Pepsi* will introduce an organic *Amp Energy*.

Kroger continues to face challenges with earnings falling almost 8% despite a slight uptick in same store sales comparables. *Target* announced lower prices on many items, including groceries, in order to compete with *Amazon*, *Kroger*, *Aldi* & others. *Kellogg's* will focus on on-trend foods & snacking. *SuperValu* will use its supply chain & IT services to bring smaller distributors on board. *Flower Foods* will begin a renewed focus on its 4 key brands, *Dave's Killer Bread*, *Nature's Own*, *Wonder* & *Tastykake*. *Shamrock Farms* will be the official milk & protein beverage of the Arizona State Sun Devil athletic program. Former *Rite Aid* CEO Ken Martindale will be the new CEO of *GNC*. *Vitamin World* (345 stores) will file chapter 11 in an attempt to exit costly real estate leases.

Tyson Foods will build a new \$320M poultry complex in Kansas, capable of processing more than one million birds a week. The processing plant will include a hatchery & feed mill, employing 1,600 & contract locally for chickens. *Impossible Foods* has opened a 68K sqft. processing facility in order to move beyond foodservice into retail. *Impossible Foods* still may face some issues from the FDA concerning safety of one of its main ingredients. *Kosher Network International* reports that the kosher market is at \$24B & is expected to grow 11.5% by 2025. Lower supply & high demand has raised avocado prices 80% in the last year.

Market News: Stocks closed lower in a shortened week of trading as Hurricane Irma's approach to the Florida coast kept investors on edge. The addition of Hurricane Jose following on Irma's heels, with a path yet to be determined, added to investor concerns, along with a possible test of another North Korea missile.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund

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