



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 English band *Paper Lace* had a mildly successful U.K. career but in the USA they were a one-hit wonder. Their 1974 hit, *The Night Chicago Died*, depicts a mythical shoot-out between the Chicago Police & members of Al Capone’s *South Side Gang*. Many think it is a reference to the final confrontation in the gang war that raged in the Roaring Twenties between Capone’s gang & the *North Side Gang* of Bugs Moran. That gang war culminated on February 14th, 1929 with the *St. Valentine’s Day Massacre*, aptly named, as most husbands might prefer to die in a hail of bullets than endure the wrath of forgetting a Valentine’s Day!

Valentine’s Day: The gangs of Moran & Capone had several shoot-outs during the 1920s. After several mutual murder attempts, Capone had finally had enough. Knowing a delivery of bootleg booze was to arrive at a Moran gang garage on North Clark Street, Capone ordered the execution. Members of Capone’s various gangs, dressed as police, entered the garage. They lined up Moran’s men against the wall & using Thompson sub-machine guns, murdered the rival gang members. Bugs Moran himself saw the phony police enter the garage & escaped unharmed. The sensational killing led to some public outcry to put these thugs out of business. Within a few years, Capone was in jail (for more see All Ears!! [What We Owe](#)) & Moran suffered enough losses to cede the North Side to rival gangs. The song by Paper Lace is fiction (*Chicago has no East Side*) but its rousing music & lyrics certainly evokes a sense of this tumultuous era & serves as a reminder as to the likely consequences of forgetting Valentine’s Day!

Industry News: *Tyson Foods* reported 1st QTR EPS of \$1.64, an almost 40% increase year-to-year, due to rising beef & pork sales. *Treehouse Foods* beat analyst expectations & its own guidance for 4th QTR sales & income due to the acquisition of *ConAgra’s* private label business. Both companies raised 2017 guidance. *The Hershey Company* reported 2016 EPS at \$3.45 compared to a \$2.40 EPS in 2015. Sales rose slightly with income growth being driven by lower cacao prices. *Mondelez* reported that due to extraordinary 2015 gains 2016 was a down year. *Archer Daniels Midland* reported lower income for 2016. *Whole Foods Market’s* 1st QTR EPS was lower than the same QTR last year, sales missed expectations & same store growth declined. *Whole Foods* lowered full year growth expectations, will close stores & take the focus off of store expansion. The retailer will also seek to reduce costs, speed its category management changes & create a better client experience.

David J. Colo, previously of *Diamond Foods*, has been named CEO of organic/non-GMO supplier *SunOpta*. In a BevNET article, *Dr. Brew Kombucha* anticipates sales growth to \$50M in the next few years. Ireland’s *Glanbia* purchased plant-based nutrition company *Amazing Grass* & the

performance nutrition business *Body & Fit*. The transactions totaled €181. *POM Wonderful* is suing *Bai Brands* over the use of the trademark name 'super tea'. *Whitewave Foods & Blue Diamond Growers* are the target of a lawsuit stating their plant-based beverages nutritionally mislead consumers. *5-Hour Energy* maker *Living Essentials* was ordered to pay a \$4.3M settlement for unfair & deceptive advertising practices from a lawsuit brought forth by the Washington State attorney general. *Kellogg's* will lay-off more than 1,000 employees & close 39 distribution centers to help manage costs.

University of Iowa researchers have proven that high doses of Vitamin C, given intravenously, fight & destroy cancer cells. *The Journal of Medicinal Food* states that blue corn fights the otherwise bad impacts of a fatty, obesity-prone, diet. A Tufts University study demonstrates butter has little effect on overall health, diabetes, heart disease & longevity. Butter may be a better diet choice than sugar or starch. The American Heart Association journal *Circulation* reported that eating breakfast & planning & eating meals at appropriate times helps maintain a healthy heart. Doing so allows the internal body clock to function efficiently. In other studies, B12 was shown to have an even greater importance for healthy microbes & that flies fed a high sugar diet die earlier!

Lundberg Family Farms is introducing tortilla snacks made with quinoa & red rice. *Grounded Snacks™* will debut in 5 flavors. *Nestle USA* is reformulating *Skinny Cow* with cleaner ingredients. *Way Better Snacks* is introducing new flavors, including a sprouted chipotle barbeque & two new flavors in a thin & crispy chip. *Muscle Milk* is launching a company, *Flavor Insights*, to develop a variety of flavor ingredients delivered in powders, liquids & sprays.

Partnership Brand Update: *Genius* (www.geniusjuice.com) experienced both sourcing & production problems as its wonderful coconut smoothie grew in distribution. *Smartly, Genius* has completed a reformulation & introduced a new almond beverage superfood smoothie line! In three flavors, Original, Vanilla & Coffee, this new delicious, clean beverage contains superfoods that will help you power along during your day. The drink nicely blends maca, pea-protein, quinoa powder & other ingredients that are good for your body & mind! Try some today & *Unlock Your Genius!*

Market News: Markets finished the week with record highs. Investors are buoyed by the administration's comments on expected tax cuts & its attitudes toward promoting a healthy business environment.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund

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