



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

Entrepreneurs are basically one-person shows, in charge of everything & likely doing it all themselves. They see to every detail of sales, operations, finance, social media, marketing & more! It all falls on their shoulders. It takes focus & concentration to work through these overwhelming details. Golfer Jack Nicklaus thought concentration reduced his anxiety. The last 'good' Roman Emperor, Marcus Aurelius, offered sage advice for today's entrepreneurs, saying, "*Most of what we say & do is not essential. If you can eliminate it, you'll have more time, & more tranquility. Ask yourself at every moment, is this necessary?*"

Focus & Concentration: American folk legend, bank robber & frequent prison escapee Willie Sutton (see *All Ears!!* 6/20/15 *Where the Money is...*) said, "*Success in any endeavor requires single-minded attention to detail & total concentration.*" As Mr. Sutton spent more than half of his adult life behind bars, we suppose he had plenty of time to concentrate. Of course, Mr. Sutton did not have phones ringing; texts coming in; sales, broker & distributor calls to make; Instagram to update; chargebacks to resolve; promos to plan; demos to do...*whew....we need sleep just talking about it!* But most entrepreneurs don't get enough sleep either! Marcus Aurelius was the last emperor of *Pax Romana*, Rome's relative era of peace – its Golden Age! Apparently, the emperor knew which details were important & necessary! It may be unfair to compare an empire covering one-third of the world's population to a Jenny's Jarred Jam & Jelly in Jackson or Bill's Berry Buns & Biscuits in Brooklyn. But for entrepreneurs, it probably feels like the barbarians are at the door & the peasants are revolting! With so many open items to handle, it is difficult to prioritize & recognize which are most important. We suggest, just like a doctor diagnosis, start with the obvious! This is known as *Sutton's Law*, named for our intrepid criminal who, when asked why he robbed banks, said, "*Because that's where the money is!*"

Industry News: *Keurig Dr Pepper* will acquire premium water brand *CORE Nutrition* for \$525M. *ReGrained*, ingredients & food bars, closed \$2.5M in funding for growth led by *Griffith Foods*, with *BLU1877* & *Telluric Foods* participating. The parent company of Canada's *Sobey's*, *Empire Company*, will purchase Ottawa-based fresh grocer *Farm Boy* for \$800M Canadian. *Nestlé* may sell its skin health unit, including brands *Cetaphil* & *Proactiv*. Analysts believe the price may fall in the \$4.1B to \$6.8B range.

UNFI reported a 10.7% 4th QTR revenue increase to \$2.59B but earnings of 78¢ missed analyst expectations, as higher than expected freight costs & a change in mix away from higher margin retail customers caused margin pressure. *Darden Restaurants*, (*Longhorn*, *Olive Garden*) posted EPS of \$1.34, up 40% from the previous 1st QTR as net sales increased 6%. *Conagra* reported that 1st QTR net sales rose 1.7% with a net income increase of \$25.7M to \$178.2M but missed analyst

expectations. *McCormick* saw a 3rd QTR sales increase of 14% to \$1.34B with an EPS increase to \$1.30 from 85¢. *Cargill* ended its 1st QTR with a 5% increase in net earnings & revenue.

Dunkin' Donuts will drop the word "Donuts" from its name & simply be *Dunkin'* to align with the company's emphasis on coffee & other offerings. *Foster Farms* is using QR codes to give consumers more information using a technology called *DORI*, an acronym for deals, origin, recipes & information. *Walmart* is deploying virtual reality headsets for training into all of its stores. *Instacart* is looking to expand in Canada, after announcing plans with *Walmart*. *Walmart* is looking at a possible on-line pickup-only facility, *Walmart Pickup*, in Illinois. *Kroger* renamed *ClickList*, its on-line order & pickup service, to *Grocery Pickup* for consumer clarity. *Weis Markets* will expand its relationship with *Shipt* in October. Per *Bloomberg*, *Morgan Stanley* reports that *Aldi* is gaining more new consumers who are changing stores than *Costco*, *Target*, *Kroger* & *Amazon*. *Ahold Delhaize* is developing a cashier-free store app & a tap-and-go card. Consumers can tap the card on a shelf tag & their bank account will be debited. *Schnuck Markets*, due to recent acquisitions, plans to add 1,000 jobs. *Hormel Foods* will expand its Iowa *Burke Marketing* facility, doubling the size of its plant & adding more than 200 new jobs. *Ingredion* will invest \$60M in its Asia-Pacific specialty food business to expand its starch production & wastewater treatment. *Monogram Food Solutions*, maker of meat products & meat snacks, will spend \$30M to expand its Tennessee plant & create 300 jobs. *80 Acres Farms* is building a fully automated, 150K sqft. indoor farm in a Cincinnati suburb to supply leafy greens to *Whole Foods Markets*, *Dorothy Lane Markets*, *Jungle Jim's International Market*, *U.S. Foods* & others. To support its growth, *Publix* plans to expand its Lakeland, FL, corporate headquarters & add 700 jobs through 2027. *Dang* will introduce keto-certified *Dang Bar* (formally *FATBAR*), a plant-based bar with up to 10g protein, 15g fat, 4-5g net carbs & no sugar added. *Thrive Market* will have a partnership with *KeHe* through 2023. *JUST* announced an incubator partnership with Hong Kong-based global venture accelerator *Brinc*, who will invest \$60K each in chosen teams that will have access to *JUST*'s R&D capabilities.

The FDA announced it will publicize the retail locations that may have sold or distributed recalled food or animal food products to warn consumers of serious health consequences. A high-profile professor & researcher at Cornell University's Food & Brand Lab resigned as the *AMA*, *JAMA Internal Medicine* & *JAMA Pediatrics* retracted six associated articles.

Market News: Markets were slightly lower this week, though the S&P had its best quarter in 5 years. The FED raised the interest rate but projected 3 more years of economic growth. Consumer Confidence rose to 138.7 for September, an 18-year high & beating experts' forecasts.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund – *Tom Malenka*

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