



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

Cole Porter, born June 9, 1891, was raised in a Booth Tarkington patrician-dominated family. His grandfather, J.O. Cole, was a lawyer, supposedly the richest man in Indiana. He doted on his daughter, Mr. Porter’s mother, who in turn, dominated her son’s life. His musical training began early & included violin, piano & composing! His grandfather sent him to prep school to prepare for a career in law. But by bringing an upright piano along, he found his entertaining made him popular. Later at Yale, he wrote some fight songs that are still played today. He chose a music career over law, which *got under his grandfather’s skin!*

Anything Goes: From the late 1920s to the 1950s, Cole Porter was one of the USA’s most popular Broadway composers. He had a long list of Broadway hits such as *Anything Goes*, *Can-Can*, *Silk Stockings* & *High Society* to name a very, very few. He was one of a small number of composers who wrote both his music & lyrics, getting his lyrical side from his father, an amateur poet. And his songs, like those of Gershwin, Berlin, Rodgers, Hart, Cahn & others, make up a large part of the Great American Songbook, American Culture & American jazz standards; songs like *I Get a Kick Out of You*, *What is This Thing Called Love?* & *You’d Be So Easy to Love*. Others became iconic performances & recordings, the song & artist combination becoming historic. Frank Sinatra crooned his version of *I’ve Got You Under My Skin* for more than 50 years! Roy Rogers roamed around & sang *Don’t Fence Me In!* *Begin the Beguine* made Artie Shaw a Swing Era star! Dinah Shore won many a WWII G.I.’s heart with *You Would be So Nice to Come Home To!* In *Let’s Make Love*, Marilyn Monroe pouted her way through *My Heart Belongs to Daddy!* We take inspiration from two of Mr. Porter’s classics, because like every family business, we work *Night & Day* but *Wake Up Every Morning & Dream!*

Shout out to Kraft Heinz! A few weeks ago, *All Ears!!* ([Small Business Week](#)) discussed the American DNA for entrepreneurship, using lemonade stands as a prime example. Today, crabby municipalities are fining & shutting down kids’ lemonade stands! After learning this, *Kraft Heinz*, makers of *Country Time*, has created a “Legal-Ade” unit to pay fines & provide legal assistance for kids fighting this clear overreach of government! We commend *Kraft Heinz* for standing with the American Entrepreneurship Spirit!

Industry News: *Trimino Brands*, protein-infused water, raised \$6M led by *Vineyard Point Associates*. *HeatGenie* (self-heating aluminum can) completed a \$6M raise led by *ARTIS Labs*, with *Almanac Investments* participating. *Molson Coors’ Tap Ventures* unit announced its first non-alcohol acquisition, *Clearly Kombucha*. Frozen baked good company *Soozy’s* closed a \$2.5M raise from *BIGR Ventures* & *AccelFoods*. *Lawless Craft Jerky* has entered into an equity partnership with *Monogram Foods*. *Monogram* brings meat snack manufacturing to the deal &

adds a premium, craft brand to their private label offering. Private Equity firm *Kohlberg & Co.*, in partnership with *J. Fraleigh*, purchased *Sara Lee Frozen Bakery & Van's* from *Tyson Foods*, for an undisclosed amount. *Tyson* acquired *Tecumseh Poultry*, parent of organic *Smart Chicken*, along with two Nebraska plants & live-chicken supply.

HelloFresh meal kits will be available at 581 *Giant Food & Stop & Shop* stores as the company seeks to expand its retail presence. *Southeastern Grocers* will remodel 100 stores as it exits Chapter 11 bankruptcy, reducing its \$1B debt to \$400M, some amount exchanged for equity. *MOM's* opened its 19th location. The grocer has plans to halt expansion for the next 12 to 18 months to focus on growth before restarting expansion. *KPMG* reported that *H-E-B, Publix & Wegmans*, made their list of 10 companies with the best customer service. Howard Schultz, after 40 years, will step down as executive chairman & board member of *Starbucks* at the end of the month. *Impossible Foods* added *Hoolihan's* to its 2,000 restaurants serving its plant-based burger. *Clif Bar* will introduce *Clif Energy Granola*, an organic granola, *Clif's* first cereal offering.

Costco's earnings rose for net sales (12.1%), income (6%), traffic (5.1%), comps excluding fuel (7%) & ecommerce (35.5%) in its 3rd QTR. *United Natural Foods* posted net 3rd QTR sales of \$2.65B, beating 93¢ estimates by 11¢. *UNFI* projects to top \$10 billion in annual sales, though margins slid on higher freight costs & customer mix. *J.M. Smucker* missed on revenue & disappointed investors, as changing consumer preferences impacted its legacy brands.

A study from the *American Journal of Preventive Medicine* found that higher sugar in the diets of pregnant women led to children with lower cognitive scores for memory, verbal & motor skills. Artificially sweetened drinks produced the same result, but consumption of fruit led to better cognitive scores. Michigan & Arizona have signed bills preventing local governments from levying taxes on food & beverages. A survey from InMarket reports that *Vons, Publix Super Markets, Sprouts Farmers Market, Kroger & Whole Foods Market* are the top grocery chains for vegetarians to shop. In a study by *Acosta*, shoppers prefer national brands over private label brands, especially for personal care products. Despite the almost 5 to 1 sales domination of national brands over private label brands, the growing private sales segment requires retailers to have a strategic mix of both offerings.

Market News: The Atlanta GDPNow 2nd QTR forecast has reached 4.8%. There are a record number of job openings, well surpassing the number of unemployed, reflecting employers positive view of the economy. Jobless claims remain at historic lows. As a result, markets rose this week, the Russell & Nasdaq hitting midweek records!

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund – *Tom Malenjo*

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