



# 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**

**Imagine sitting on a desk chair in a 6-foot circle.** Then imagine a 10-foot tall cone covering that circle, creating a capsule. A small, small window allows you to see beyond the electronic equipment surrounding you. Then you are launched into space to travel around the earth for almost 5 hours at speeds of over 17,000 mph with no control over the flight. What if you had been told there was no way to know if you would return from the flight; no way to know if you would not burn up with this small capsule as you returned to Earth. Would you make that trip? The men who did, like John Glenn, were indeed made of *The Right Stuff!*

**Godspeed John Glenn:** As a young Ohio boy in the early ‘60s there were names in our house that were spoken only with the greatest of reverence – *Eisenhower, McArthur, Kennedy, Glenn*. I was likely too young to remember the actual launch of Mercury-Atlas 6 (MA-6) & the capsule Friendship 7, but there was never a time in my life that just the mention of the name John Glenn did not bring about a feeling of pride for American Exceptionalism. A true member of America’s Greatest Generation, Mr. Glenn was a WW2 & Korean fighter pilot, flying 149 missions; then a test pilot. He became a public servant, our Senator from Ohio. Eventually, he was the oldest man in space joining the Discovery crew in 1998 at age 77. Emerson said, “A hero is no braver than an ordinary man, but he is brave five minutes longer.” It seems that Mr. Glenn far exceeded the 5-minute mark.

**Could we B’more proud?** Our partnership brand *B’more Organic*, with its line of delicious skyr smoothies, was one of 3 finalists (out of more than 900) that competed on the Rachael Ray Show for an investment & coaching assistance with Shark Tank’s Barbara Corcoran. We are thrilled that *B’more Organic* was a winner! See *B’more* founder Andrew Buerger in this clip! ([http://www.rachaelrayshow.com/celebs/24057\\_shark\\_tank\\_barbara\\_corcoran\\_ondock\\_seal\\_of\\_approval\\_contest/](http://www.rachaelrayshow.com/celebs/24057_shark_tank_barbara_corcoran_ondock_seal_of_approval_contest/))

**Industry News:** *Amazon* will build brick & mortar convenience stores called *Amazon Go* that do not require customers to check out. Instead, *Amazon* would utilize proprietary technology that allows customers to take items & be billed later. This adds to customer convenience while saving *Amazon* the cost of check out. *Hain Celestial* announced several changes across its leadership team. *General Mills* announced global restructuring along with job eliminations. *GNC Holdings* agreed to pay a \$2M fine & do more investigation on the supplements they sell as part of settling the *OxyElite Pro Advanced Formula* complaint. *Coco-Cola* CEO Muhtar Kent will step down in May 2017 to be replaced by president & COO James Quincey. Deflation & the expansion of natural/organic products to conventional stores slowed *United Natural Foods’* growth in its 1<sup>st</sup> QTR. *UNFI* missed estimates with a 58¢ EPS, 4¢ below estimates & 2¢ below

the same QTR the previous year. Net sales slightly lagged estimates but increased over last year's QTR by almost 10%, mostly attributed to acquisitions. *B&G Foods* acquired *Victoria Fine Foods*, with a portfolio of some organic & gluten-free sauces, condiments & spreads, for a reported \$70M. Following its investment in *Beyond Meat*, *Tyson Foods* launched a \$150M capital fund, *Tyson New Ventures*. *Tyson's* focus will include alternative proteins, food waste, food security & the food chain.

*Information Resources, Inc.* reported Greek yogurt now has a 38% volume share, growing 4% this year, with an offsetting decline in non-Greek yogurt. Yogurt drinks grew 9% with indications of ongoing growth projections. Sales of whole-fat milk volume rose 5% holding a 34% share of sales. Meanwhile, reduced-fat milk sales fell 3% (37% share). Low-fat milk sales fell 5% (18% share) & fat-free sales were down 13% (10% share). But lactose-free milk sales rose 17.5% (19% growth in 2015) with 16M households currently buying lactose-free milk. The Healthy Fats Coalition has been formed to promote education & knowledge of how fats are part of an overall healthy diet. A recent medical study shows a few walnuts a day could reduce the chances of colon cancer. *Pew Research* finds that 55% of Americans believe organically grown produce is healthier but 41% say there is no difference between organic & conventionally grown produce. Only 39% consider GMO foods worse for their health than other foods. Forty-eight percent believe there is no difference between GMO & more natural foods. The Purdue University/CME Group Agriculture Economy Barometer reached its highest level in the last 12 months. Increased demand for coconut & poor weather may result in a supply shortage.

After testing 2 types of loyalty programs, it appears *Whole Foods Market* will use a members-only reward program versus a loyalty-points program. *Kroger* reports across category growth of its private label brand *Simple Truth*, outpacing overall sales growth. *Sprouts Farmers Market* seeks to expand its *Amazon* delivery partnership. *Lucky's Market*, which opened 8 new stores in 2016, announced plans to open a similar number in 2017. Although adjusted EPS missed estimates, *Costco* reported strong earnings, noting an increase in millennial & Gen Z members.

**Market News:** The markets continued on an unprecedented historic rally as indices rose setting lifetime records. It may be exuberance, anticipation, fear of missing out or acknowledgement that a return to business basics will bring about prosperity. Consumer Confidence indexes reported new highs. Italy took a step toward an EU exit as voters rejected a referendum on increasing the powers of the executive branch. Oil prices settled above \$51.

**Seeds, Sprouts, Grow, Harvest!**

**The Litchfield Fund**

V3issue25.12.10.16

**The Litchfield Fund** is a family owned & operated joint venture. We do not solicit or accept investment from outside individuals or entities. Opinions contained in *All Ears!!* are ours and should not be considered investment advice or recommendations.