



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 Great American Novel! Whether we studied these works in high school American Literature class or just saw a movie adaption, we all know these stories. The Adventures of Huckleberry Finn, Moby Dick, The Wizard of Oz, The Grapes of Wrath, To Kill a Mockingbird, The Great Gatsby. These books touch something particularly unique in the American psyche. The never-ending spirit of adventure, the desire to see justice done, to find romance, to create a better life. We know the characters– the impish Huck, the self-destructing Gatsby, the obsessed Ahab, the heroic Atticus, & of course, there’s Scarlett!

Frankly, my dear, I do give a reservoir: Yes. We all know Margaret Mitchell’s Pulitzer Prize winning 1936 novel *Gone with the Wind* & its 1939 movie adaption. Scarlett & Rhett are part of the American Story. The novel & movie, now nearly 80 years old, & depicting a by-gone time 80 years before that, remain among Americans most favorite books & movies. Why? Rhett and Scarlett are hardly admirable characters. The time period portrayed; the antebellum south, the Civil War, & reconstruction; is a violent and in many people’s mind, an unforgiving era of racism. Even Scarlett’s *beau ideal* Ashley is hardly worth her adulation. The most stalwart characters are Mammy & Big Sam, and they certainly are just side characters in the story.

So what is it about this classic that captures the American spirit? First there’s Scarlett’s ability to survive! Years before Gloria Gaynor sang about it, Scarlett was all about adaption & change. She changes from a well bred, spoiled, naïve (“Fiddledeedee, I’ll think about that tomorrow”) to a smart, shrewd business women & temptress to protect herself & her family, & to regain her previously life. Yes, Scarlett was in some ways her generation’s Rachel Green!

But **The Litchfield Fund** finds a second theme of *Gone with the Wind* more apropos. It’s the land, the plantation Tara itself! Gerald O’Hara, Scarlett’s father & Tara’s patriarch, speaks to Scarlett about Tara early in the story. Because of his words, Scarlett keeps coming back to Tara in her times of trouble. He says to Scarlett, “Do you mean to tell me, Katie Scarlett O’Hara, that Tara, that land doesn't mean anything to you? Why, land is the only thing in the world worth workin' for, worth fightin' for, worth dyin' for, because it's the only thing that lasts.”

As we see the change in consumer demand; the desire to eat & live healthier, to have food grown without genetic modification or additives, to see farming in itself be sustainable, we think of Gerald. Today, more farmland needs to be converted to gain organic certification to meet the growing demand for organic produce & product. More organic farm land means more supply, better margins, & lower end price to consumers. It means healthier farms, land,

livestock & consumers! So yes, frankly, my dear, we do give a reservoir, one not filled with runoff from fertilized farm land!

Portfolio News: Hain Celestial (**HAIN**) received a BUY rating from Argus with a \$74 target price. Like many other companies, **HAIN** is dealing with class action suits focusing on its 'all natural' claims. **The Litchfield Fund** certainly feels that companies using the claim 'all natural' or '100% natural' do need to define that claim precisely to avoid any future consumer advocacy. Boulder Brands (**BDBD**) maintains a healthy \$14.78 target price. General Mills (**GIS**) announced a partnership with Kansas State University to conduct wheat research. **GIS** scientists will participate in studies to improve yield, nutrition, etc. **GIS** also reported on its progress at meeting its goal of sourcing 100% of its 10 top ingredients certifiably & sustainably by 2020. The company is about 20% complete on ingredients such as cacao, vanilla, wheat, corn, sugarcane, palm oil, etc. **The Litchfield Fund** finds **GIS** a model for how a large food company must focus on evolving to the change in consumer demand. Likewise, Hershey (**HSY**) reported that it will source enough sustainable cacao to meet the global production of its four top selling brands by 2016!

Lifeway Foods (**LWAY**) received a non-compliance letter from NASDAQ for not properly submitting its year-end 10K. **LWAY** is working to submit its report & expects no material reporting differences. Whitewave Foods (**WWAV**) continues to reach new stock price highs and received a \$55 target price from Argus this week. Technically, the stock price could reach a break out over \$50 per share, which it is quickly approaching, ending the week at \$46.36. **WWAV** also formally announced two new offerings in its Silk brand, chocolate & vanilla cashew milk. Whole Foods (**WFM**) provided a business loan to the 10 year-old *Shark Tank* entrepreneur of Austin-based BeeSweet Lemonade.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund

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