



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

A favorite memory is the smell of warm bread in my Mom's or Nona's kitchen. As little kids we punched the dough with enthusiasm & watched it rise in hopeful anticipation. We agonized as the dough was placed in loaf pans, made into rolls or artistically braided, knowing it had to rise again before baking! As it baked, its warm goodness filled the house & whetted our appetites. Close to finish, Mom would open the oven door to use butter or olive oil on the top to brown the loaf. The worst was waiting for it to cool on the table; the butter, olive oil, salami & cheese at bay. *The reward?* A warm buttered slice from the center!

Patience: No less than Sir Isaac Newton, Leonardo Da Vinci & Michelangelo believed that patience contributed to their genius. Bishop Fulton Sheen, Leo Tolstoy & William Prescott believed *patience was power*. Colonel Prescott, the commander at the Battle of Bunker Hill, practiced what he preached, as he told his American troops, "*Don't one of you fire until you see the whites of their eyes!*" Every entrepreneur is impatient, they want their company & brand to grow quickly. As kids we waited for that delightful, *warm-from-the-oven* bread restlessly, probably whining a bit, *wanting it now!* Dr. Joyce Meyer said, "*Patience is not simply the ability to wait - it's how we behave while we're waiting.*" And patience does not mean simply waiting quietly, for as Tolstoy said, patience is "*Not passively waiting. That is laziness. But to keep going when the going is hard & slow - that is patience.*" And what child has not been told, since the 5th Century A.D., what Latin poet Prudentius said in *Psychomachia: Patience is a virtue!*

Industry News: *Hershey* has purchased *Pirate Brands (Pirate's Booty)* from *B&G Foods* for \$420M. *Farmer's Fridge*, with 186 smart refrigerator prepared meal vending machine locations in Illinois & Milwaukee, received \$30M in financing led by *Innovation Endeavors*, with *Danone Manifesto Ventures* participating. *High Road Craft Ice Cream* is acquiring *Ciao Bella Gelato*, terms not disclosed. *Prospectors Cold Brew Coffee* acquired fellow Grand Rapids based *Bloom Ferments Kombucha*. *Swander Pace Capital* acquired *Fine Choice Foods*, manufacturer & retail/foodservice distributor of fresh & frozen Asian appetizers. *MidOcean Partners* has acquired *Florida Food Products* (healthy, natural, clean label veggie & fruit-based ingredients) from *Kainos Capital* for an undisclosed amount. *Third Point*, having recently expanded its stake in *Campbell Soup*, is seeking to replace the entire board of directors.

Kroger beat 2nd QTR earnings estimates (41¢ EPS) with revenue rising slightly & comparable same store sales gains, however, investors were disappointed. *Walmart* is testing an automated kiosk for consumers picking up on-line orders, packed by employees & placed in an 11X127 foot kiosk for the customer to retrieve. *Walmart* will up its spending on its truckers due to the impacts of the trucker shortage. *Raley's* is eliminating conventional candy at the checkout stand & replacing

it with snacks having nutritional value & less sugar. *Ahold Delhaize's Peapod* will introduce 40 new meal-kits through next spring. *AmazonGo* will place a store in New York City. *Green Zebra Grocery*, with three stores in Portland, OR, will expand along the west coast. *Hy-Vee* will add 12 stores to its current seven stores in the Minneapolis area by the end of 2019. *Aldi* is adding over 1,000 permanent positions at 380 stores in eight states as part of its overall expansion. And a special congrats to *Aldi*, named by *Supermarket News* as the Retailer of the Year. *Stater Brothers* sold all 22 of its pharmacies to *CVS* & will close its *SuperRx* sites by end of September. Industry veteran Jim Donald (*Haggen*, *Starbucks*, etc.) has been promoted to president & CEO at *Albertsons*, replacing Bob Miller. Jason Ackerman, *Fresh Direct* co-founder, CEO & Chairman is stepping down to be replaced by co-founder David McInerney. *Kraft Heinz* will invest in brands that can grow geographically, cross food & beverage categories & expand in C-stores, club stores, etc. *Nestlé* will remove stabilizers from two of its major milk brands sold in Brazil. *Nestlé* is launching *Wildscape*, frozen foods with unique ingredients, developed within its *Foundry Foods* innovation hub. *Lundberg Family Farms* will offer new frozen entries with *Organic Grainspiration Rice & Quinoa Bowls*. *Sonoma Brands* launched *Peckish*, five packaged SKUs with two fully cooked, organic, free-range eggs along with toppings intended for breakfast or throughout the day. *B&G Foods* will expand *Green Giant* offerings with frozen cauliflower crust pizza & grain bowls. Per *Bloomberg*, *Perdue* is considering adding vegan items with plant-based protein & vegetables into its portfolio. *Temple Turmeric* will rebrand as *Temple* to broaden its appeal beyond a turmeric-centered brand. *Sunniva Super Coffee* rebranded as *Kitu Life* with new packaging & formulation of its MCT oil & protein coffee.

Per *Wells Fargo*, non-alcoholic beverage sales rose 5.2% through Labor Day, helped by major brands' price increases. The FDA may start to crack down on vaping sales to minors, citing ease of access & flavors that appeal to youngsters. The FDA warns of skin & internal organ burns from consuming liquid nitrogen products.

Partnership Brand Update: Watch [this new video](#) from *Genius Juice* & hear more of the story of this delicious, organic whole coconut smoothie!

Market News: Markets rose this week. The *NFIB Small Business Optimism Index* jumped to 108.8 in August, up from July, the highest level ever recorded in the survey's 45-year history, beating a record set in 1983 under President Reagan. EIA's *Short-Term Energy Outlook* reveals that the USA has outproduced both Saudi Arabia & Russia oil output for the first time in 20 years. Jobless claims fell again, to 204K, as the experts predicted an increase. The number of people on the unemployment rolls fell to the lowest level since 1973.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund – *Tom Malenka*

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