



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

With one final flourish, the artist completes his masterpiece! With a last burst of energy, the maestro waves the baton to close a symphony! The opera singer musters something deep in her soul to hit that long, last, high note! With exhaustion near, the rock band makes the rafters shake & rattle as their concert ends! And somehow, the competitive swimmer has one final kick to reach the wall ahead of everyone! The canvas, the music, the competition builds in excitement, the pace grows faster & our expectations await a fantastic & stirring finale, until reaching -- just like a well-crafted mystery novel -- *The Finishing Stroke!*

The Finishing Stroke: In 1928, two young cousins from Brooklyn (to be known professionally as Frederic Dannay & Manfred Lee) entered a magazine contest for first-time mystery writers. Their novel won & was subsequently published as *The Roman Hat Mystery*, featuring amateur detective & author Ellery Queen, the pseudonym the cousins would use for the remainder of their long & distinguished careers. Ellery Queen soon became the most popular fictional detective in the golden age of American mystery novels appearing in movies, radio, magazines & TV. Anthologies of mystery stories gathered & published by Ellery Queen were annual best sellers & are still published in 2018. Early on, Ellery was a priggish, Harvard intellectual with pince-nez glasses, but as he aged, he became much more affable. The early novels (*The Roman Hat Mystery*, *The French Powder Mystery*, *The Egyptian Cross Mystery*, etc.) were unique in that at a point in the novel, the authors would challenge the reader to solve the mystery; having presented all the clues! The plots & clues were intricate, but unlike many other mystery novels, the claim was accurate. In 1957, Ellery Queen published a flashback novel that takes place over the 12 days of Christmas in 1929, with Ellery’s ego bloated from the success of his first novel. A young man will receive his inheritance on his 25th birthday, January 6th, Epiphany; his parents having died in a strange accident in 1905! Ellery & a group of friends are invited to a snowed-in upstate mansion. The 12-day celebration suddenly becomes embroiled in mysterious gifts, puzzling messages & of course, murder! The police & Ellery are baffled. Ellery is humiliated & his failure haunts him for the remainder of his successful career. But in 1957, he reopens the case & the clues, determines the culprit & confronts the murderer: *The Finishing Stroke* (the novel’s title)! And as we bring a *finishing stroke* to *All Ears!!* for 2018 & look forward to 2019, we want to thank our readers. We know you really ‘tune-in’ for the weekly summary of industry happenings & we appreciate your patience for our opening musings! The story lines we were following in 2018 ([Rain & Arks 12/30/17](#)) provided an abundance of news! The economy is strong & vibrant despite the FED’s growth-inhibiting interest rate hikes. Consumers are doing well, wages are growing, spending power is up, preferences are changing, some product shake-up is happening, the retail landscape is evolving & industry investment continues! We look forward to the new year, sharing our stories, our thoughts & the clues (*we mean news*) & like Ellery, we challenge the reader to solve the mystery of what will happen in 2019!

The Litchfield Fund wishes you a healthy, happy, prosperous & blessed 2019!

Industry News: *Hippeas*, chickpea puffs, completed a \$8M round led by CAVU with *barkTHINS* founder Scott Semel & others participating. *Peet's Coffee* has taken a majority stake in *Revive Kombucha*, in which it had previously invested. *Coca-Cola* will purchase a minority stake & lead a \$15M round in functional beverage brand *Dirty Lemon*. The round includes former baseball star Alex Rodriguez. Cooperative partners *InterContinental Beverage Capital* (advisory & investment services) & *BevNology* (product design, innovation, supply & manufacturing) will merge their business interests beginning in 2019. *Novamex*, an importer & marketer of Mexican food & beverage products, acquired cold-soup *Tio Gazpacho*, for an undisclosed sum. *Conagra*, after an antitrust ruling stopped the sale of the *Wesson* brand to *J.M. Smucker*, will sell the brand to Canadian agribusiness *Richardson International*. *Dairy Farmers of America* reached an agreement to acquire the St. Paul, Minn., dairy facility of *Agropur*, which processes fresh, extended shelf life & aseptic dairy products for retailers & organic milk brands.

Kroger will expand its autonomous delivery program after a successful test using *Nuro* technology at the company's *Fry's Food* Scottsdale, AZ location. *Target* has grown the *Shipt* platform to 200 markets in 46 states reaching 70M households while offering 55k products that *Target* carries. *Starbucks* will offer delivery at 25% of its USA stores through a new partnership with *Uber Eats*. *Giant Eagle* will deploy *University of Pittsburgh Medical Center's AnywhereCare* telemedicine kiosks in several stores. Per a report in *Bloomberg*, *Impossible Foods* will need to obtain USDA approval to enter retail & sell uncooked *Impossible Burgers* directly to consumers. *Chew*, under the incubator *Nursery*, will not take over the *Pilotworks* facility.

Per *Nielsen*, 48% of consumers seek products that meet environmentally sustainable standards. Per *Brick Meets Click*, consumers order groceries more often from *Amazon's* competitors & spend significantly more per order. They also suggest on-line grocery delivery & store pick-up will grow significantly. Also, by several statistics, *Packaged Facts* labels *Walmart* as the leader in omnichannel grocery preference. A study published in the *American Journal of Clinical Nutrition* concludes that magnesium helps the body maintain proper levels of vitamin D. Researchers at *McGill University* (published in *Applied & Environmental Microbiology*) found that concentrated maple syrup, rich in phenolic compounds, helps fight antibiotic resistant bacteria. The New York AG office has found significant retail fraud & mislabeling of fish species, including wild salmon.

Partnership Update: Organic coconut smoothie *Genius Juice* has launched a new on-line store at www.geniusjuice.com & will introduce two new SKUs next year, *Coffee Coconut Smoothie* & *Turmeric Coconut Smoothie!* Read more at *BevNET*: [Genius Launches Online Store!](#)

Market News: The investing grinch stole the market on Christmas Eve but an investor with a red nose led the way through the fog for a holiday week rally. For 2018, 92% of USA manufacturers had a positive outlook on their company's future (the highest ever in the NAM survey) with more than 90% expecting to increase workers' wages by 3% or more in the next year. Per the *University of Michigan*, consumer sentiment hit 98.3% in December, the highest level since 2000. Historically, only twice has the index had a higher average than in 2018.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund – *Tom Malanga*

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