



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

"What goes around, comes around!" This age-old phrase has two very different meanings! It refers to *karma* & we all know about that! The Bible says, "As you sow, so shall you reap," & there is an old expression, "As the call, so the echo." Just a nice way of saying a revengeful, "You'll get yours!" But its second meaning, refers to the boom, bust, boom, bust of economic markets. This includes the oft-changing consumer desires for products & fashion; a product or service returning to vogue years later! Assuredly, somewhere a kitchen is being remodeled in Brady Bunch peach Formica countertops & avocado green cabinets!

Come Around for Dinner: Sometime in the late 1980s or early 1990s, vinyl records disappeared. Cassettes soon followed as CD players became standard in cars. But CDs got their *comeuppance*, as downloads became the largest source of sales & iPhones, iPads, other tablets & phones became the common playback method. To top it off, the corner record store (*Peaches, Coconuts, Record Theater, Record Rendezvous, JP Snodgrass, etc.*) disappeared from the landscape, with the help of *Walmart*. Every so often, an artist will release a vinyl album, or a classic album is re-released on vinyl, to appeal to the few remaining *originalists*. The e-reader has caused an almost complete destruction of another late 20th century icon, the independent & chain bookstore. This week, the last 2 remaining *Blockbuster* video stores in Alaska closed! There is one remaining store, in Bend, Oregon, of what was once a 9K store chain that consumed everyone's weekend activity in that time period. We have oft-lamented the demise of the iconic 1950s evening dinner, valuable for the academic & social development of children & family relations, due to modern busy schedules! This week, *NPD* reported that more consumers are making meals at home than a decade ago, with 4 out of 5 meals now prepared at home. *Reuters/Ipsos* reports that 33% of Americans are dining out less in just the last 90 days! We assume this has to do with the time it takes to dine out, the cost, special diets & advent of meal-kits. English novelist William Makepeace Thackeray said, "Dinner was made for eating, not for talking!" But we propose for all to use dinnertime wisely -- put down the phones & tablets, turn off the TV & *talk!*

Partnership Brand Update: Watch the new [Supereats advertisement](#) to see if Mittens gets out of the tree! Use promo code MITTENS here <https://goo.gl/dKf4Ej> for 25% off your order of these great tasting protein rich, low-carb Supereats Puffs!

Industry News: Kimbal Musk, Maria Shriver, *Acumen* & *TOMS Social Enterprise* fund invested \$5.3M in *Everytable*, a lower-priced, health conscious & fast casual restaurant. *J.M. Smucker* will sell its baking unit (*Pillsbury, Hungry Jack, etc.*) for \$375M to *Brynwood Partners*. *PepsiCo* will launch *The Hive*, an incubator that will help nurture its niche portfolio products & look at adding other brands. *Grubhub*, organic food delivery sourced from farmers, closed a \$32M round from

GGV with *Fusion Fund* (formerly *New Gen Capital*) & *Great Oaks Venture Capital*, already investors, participating. *Grubhub* maybe planning an IPO for late 2019.

PepsiCo beat 2nd QTR estimates with a 2.4% revenue increase but a 14% decrease in net income, though adjusted core earnings were good. Beverage sales are still lagging, while snacks gained. *Cargill* doubled its 4th QTR earnings & revenue grew 7%, leading to fiscal year increases of 9% for earnings with a 5% revenue jump, due mainly to their Animal Nutrition & Protein segment.

Albertsons & *Instacart* will partner to launch *O Organics Market*, an e-store for customers to find & purchase better-for-you food, beverages & groceries from *Albertsons' O Organics* & *Open Nature* private labels, as well as other organic & natural brands. *Target* will introduce a low-calorie, high-protein ice cream in six flavors, under its private label Archer Farms, while continuing to sell similar *Halo Top*. *Dang Foods* will introduce a low-carb, good fat keto-friendly food bar, *Fatbar*. *US Foods* will remove or replace more than 80 unpronounceable ingredients in more than 1,000 private label products. *The Fresh Market* will close 15 of its 174 stores, in 9 states, that are not performing. *Kroger* will launch a \$17M expansion at its Florence, KY distribution center, adding 250 new jobs. *Dean Foods* will close two Midwest dairy plants, the likely cause being loss of business to *Walmart's* new Indiana plant & the growth in plant-based beverages. *Walmart* expanded its test concept C-store to a third location. *Amazon* will build a larger new *Go* store in Seattle located within a mile of its current location. *Jet.com* will open a fulfillment center in the Bronx. *Starbucks* will ban plastic straws by 2020. *IHOP* admits to creating *fake news*, changing its name to *IHOB* to promote its burgers, tweeting that they are still *IHOP* & offering 60¢ pancakes to promote their 60th birthday. Mark Rampolla will depart as CEO of *Beanfields* & will be replaced by former *Califia Farms* executive Arnulfo Ventura. *S2G Ventures* announced that former *Whole Foods* co-CEO Walter Robb will join as executive-in-residence to identify new investments & help entrepreneurs grow.

Zion Market Research reports that the USA sports nutrition market will grow from \$28.4B in 2016 to \$45.3B by 2022. *NBJ* reports that supplement sales grew at 5.4% in 2017, slightly below 2016, with annual sales now at \$43.4B. Per *Nielson*, the first week of summer saw \$15.2B in sales of fast-moving consumer goods (FMCG) edging up 1%. Researchers at Columbia's *University of Cartagena* found adding the probiotic *lactobacillus bulgaricus* to aloe vera ice cream at a specific processing step resulted in a 44% longer shelf life.

Market News: Tariff concerns appeared to lessen as investors focused on corporate earnings, driving the market up for the week.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund – *Tom Malenka*

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