



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 right person at the right time! There are points in history where this is so clearly evident. No one but George Washington could have had the integrity to walk away from the power of leadership in the Era of Kings! Only Abraham Lincoln could have mediated the path of the Civil War, relying on his firm belief that America was "*the last best hope of earth!*" And it took nothing less than the very embodiment of the English Bulldog -- offering only "*blood, toil, tears & sweat*" & vowing to '*fight on the beaches, the landing grounds, the fields, the streets, the hills*' to stand down pure evil & stand up his own citizens -- *Sir Winston Churchill!*

Leadership Day II: This is hardly the first time we have called for October 25th to be declared Leadership Day! The King Henry Pep Talk on St. Crispin's Day & the heroics of Cmdr. Ernest E. Evans off Samar at the Battle of Leyte Gulf ([All Ears!! 10/24/15](#)) are our inspiration for this specific date! So many elements of leadership are embodied in Sir Winston! He inspired his people! As he gave them comfort & hope, he gave them direction & empowered them to act! He brought out the very best that the English people had to offer! A country that had lost an entire generation of young men just two decades earlier, banded together to survive & *win!* They would follow Winnie to the *Gates of Hell*, which they not only did but also, with the help of a generation of young American boys, *knock down those gates!* Did the Prime Minister know during the war that fate had *tapped on his shoulder*, that this was *his time, his purpose, his destiny?*

"To each there comes in their lifetime a special moment when they are figuratively tapped on the shoulder & offered the chance to do a very special thing, unique to them & fitted to their talents. What a tragedy if that moment finds them unprepared or unqualified for that which could have been their finest hour."

- Sir Winston Churchill

Industry News: *Goldbelly*, online retailer who helps restaurants turn their famous dishes into packaged products for country wide delivery, announced a \$20M investment led by Danny Meyer's *Union Square Hospitality Group*, with *Intel Capital*, *500 Startups* & *645 Ventures* reinvesting. *Kettlebell Kitchen*, prepared meals & meal plans, raised \$26.7M led by *North Castle*. *Hearthside Food Solutions* is acquiring *Greencore USA* for almost \$1.1B, gaining production for fresh & frozen products, sandwiches, meal kits & salad kits. Software company *Mi9* acquired *MyWebGrocer*, grocery & consumer packaged goods industry solutions provider. *Cott* purchased Arkansas-based *Mountain Valley Spring Water* from *Great Range Capital* for \$78.5M. *Kettle & Fire*, bone broth, closed an \$8M round led by current investor *CAVU Venture Partners* with *Rocanà Ventures* participating. *Instacart* raised \$600M at a \$7.6B valuation led by the hedge fund *D1 Capital Partners*. *Riff Cold Brewed Coffee* raised \$1M in an angel round of investment with participation from tech-industry founders & CEOs. A *CNBC* report indicates *Beyond Meat* is exploring an IPO with *JP Morgan*, *Goldman Sachs* & *Credit Suisse*.

Albertsons reported 2nd QTR revenue up 1.4% to \$14.02B, with a significantly lower earnings loss than last year, \$32.4M. Ecommerce sales rose 113% & same store sales gained 1%. Private brands made up 25% of *Albertsons*' sales. *Supervalu* saw revenue rise 1.9% in their 2nd QTR while posting a \$57M loss. *Danone* posted 3rd QTR revenue of €6.2B (\$7.14B), a 1.4% increase, beating forecasts but lower than previous quarters. The company said North American yogurt, plant-based & probiotics sales showed growth for the 5th straight quarter. *Unilever* saw volume growth in its 3rd QTR but revenues fell 4.8%, impacted by currency transactions. *Nestlé* reported organic 3rd QTR sales growth of 2.9% with North American coffees showing momentum.

In partnership with *DoorDash*, *Grubhub*, *Postmates* & *Uber Eats*, *Subway* will begin delivery from 9,000 stores. *Albertsons* now has an online marketplace with over 40K specialty products with plans to have 100K products available by year end. *Ahold Delhaize* is opening a 200k sqft. meat-packaging facility in Rhode Island. Worldwide specialty food producer *Arzyta*'s largest investor, *Cobas Asset Management*, is challenging the company's €800 capital plan as insufficient. *Dole* is changing its logo to reflect more natural & fresh products while adding a new tagline, "Powering You." *Unilever* is introducing an ice cream with probiotic, protein, fiber & no artificial sweeteners. Plant-based beverage *Koia*, will be available in 400 *Walmart* stores in 14 states. *Coca-Cola's Fairlife* will offer *Smart Snacks* nutrition shakes with low-lactose, more protein & less sugar, flavored by honey & oats, strawberries, cocoa or vanilla.

TABS Analytics reports that 75% of USA consumers visit grocery stores & 57% visit *Walmart* more than 6 times a month for food & beverages. Brick & mortar accounts for 95% of all sales, with large stores getting 57% of sales & C-stores 35%. *Deutsche Bank* predicts online grocery sales will reach \$120B by 2025, 12% of total sales, with *Amazon*, *Instacart* & *Walmart* sharing almost 60% of the total market. The USDA & the *USA Meat Export Federation* reported that beef exports exceeded \$750M in August, a record high, while pork exports fell 3%. *The International Food Information Council* (IFIC) found about 75% of consumers understand the difference between dairy milk & plant-based milk. Less than 50% understand lactose-free & 62% only buy dairy milk. *Magid* reports that meal kit subscriptions have grown 67% in the last year. Almost 90% of USA consumers say they shop at discount retailers for food, clothing & other goods, per the *National Retail Federation*, with 50% saying they shop at retailers such as *Lidl* & *Aldi*. Pecan & cotton were the crops hardest hit by Hurricane Michael.

Market News: It was a seesaw week for the markets. Despite the already booming economy, job openings hit 7.1M, a USA record! Weekly unemployment numbers fell again. The *World Economic Forum* in Davos declared that the USA is the most competitive economy in the world.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund – *Tom Malenka*

V5issue18.10.20.18