



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

This week the world lost rock icon David Bowie. Mr. Bowie's legacy goes far beyond his rhythmic tunes that bounce inside your head for hours after hearing them or his classic rock'n'roll lyrics -- loneliness, the desire to change, the thrill of success or the joy of love. Mr. Bowie was most importantly a rock'n'roll innovator -- rock'n'roll's first great showman! His performances went beyond the high-energy concerts of acts like The Rolling Stones or The Who, creating a whole new persona, Ziggy Stardust! He paved the way for '80s rock & influenced showmanship from Billy Idol & Madonna to Lady Gaga & Katy Perry.

Under Pressure: This 1981 collaboration between Mr. Bowie, Freddie Mercury & Queen has been labeled as the best bass line in music history, the best single release of the 1980s, the best rock collaboration of all-time and is an all-time **Litchfield Fund** favorite. While all of Queen & Mr. Bowie contributed to song, according to Queen's Brian May, Mr. Bowie was responsible for the lyrics. Those lyrics certainly apply to the current pressured state of the state of the stock market!! *Pressure pushing down on me...Pressure that burns...puts people on the streets.* And these triple digit market drops are making it feel like *these are the days it never rains but it pours.* Fearing the geopolitical concerns facing the market does indeed stem from *the terror of knowing what the world is about.* Some of our most knowledgeable investing *good friends are screaming "let me out"!* They want to *turn away from it all like a blind man* but realize if they just *sat on a fence [but] it don't work!* They are cracking-up because *insanity laughs.* And while Mr. Bowie's hopefulness & optimism may come about in an attempt to give a *slashed & torn love a chance* this market needs some common sense from leaders in both the U.S. & around the world to stabilize their social, political & economic environments.

On the other hand, Mr. Bowie's songs actually describe the natural & organic food industry & the prospects for the industry's future. After all, aren't these the *Golden Years* for our industry? And all because some *Rebel, Rebel* type *Young Americans* seek to make *Changes* in the world's food systems to create healthier products! These millennials are the real *Heroes* of our industry! Are there not a lot of entrepreneurs – *Absolute Beginners* - who believe in *Five Years* they will be *The Man Who Sold the World!* Then they will feel like *Dancin' in the Streets?*

Think of the AgriChemical concerns that do not understand this *Sound & Vision.* When they think of growing food organically they act like the *Queen Bitch* & say *This is not America!* They wonder who are *All the Young Dudes* looking to change the way they do business. To them it must feel like *Life on Mars!* They don't realize the impact their chemicals have on the environment because *Wild is the Wind* that blows these pesticides & fertilizers everywhere!

We constantly review our industry to ask *Where are We Now* & know that when the food system is fixed everything will be *Hunky Dory!* Then we can all shout *Let's Dance!*

Ziggy Stardust

R.I.P.

January 8, 1946 to January 10, 2016

Ashes to Ashes

Industry News: *Campbell Soup* became the first Big Food company to announce that they would begin to label GMO ingredients in their products. While other companies oppose the transparency efforts that are underway to have GMOs identified on product labels, *Campbell* said they would withdraw from any opposition groups. *Edible Ventures* is a new angel investing group that has recently been put together. It features a group of high net worth individuals who will hear pitches and invest in companies at the angel stage. *Tesemae* announced that they will reformulate their product offerings to obtain organic certification. Their recent completion of an investment round appears to be the catalyst for change. The parent company of *Red Bull*, Reignwood Group, purchased a majority stake in *Voss* water for a reported \$105M.

Portfolio News: ConAgra (**CAG**) brand *Hunt's* announced three new organic canned tomato offerings. Hain Celestial (**HAIN**) saw lower price targets & downgrades emerge after stating that earnings will be in the 7% to 12% growth range instead of 10% to 15% as reported in November. **HAIN** is struggling with increased competition. Management is looking at cost cutting & streamlining measures of approximately \$100M but with no specific timetable. General Mills (**GIS**) was the lead investor in a \$3M financing round for Rhythm Superfoods, maker of kale chips & broccoli bites. Lifeway Foods (**LWAY**) received a \$14 target price and a consensus BUY rating from analysts covering the stock. Whitewave Foods (**WWAV**) received upgrades this week & several reaffirmed BUY ratings. Carlson Capital, a major holder of Vitamin Shoppe (**VSI**) stock reached an agreement to add two representatives to **VSI's** board of directors. **VSI** announced the opening of its first 3 franchise stores in Guatemala.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund

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