



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



WHAT'S IN A COMPANY'S LOGO? A lot! The great company logos all seem to evoke emotion & provide information! Who doesn't want a bite of *Apple's* technology, to eat beneath the *Golden Arches*, visit the whimsical *Magic Kingdom* above Walt Disney's signature or strut the Crown of *Rolex*? *Verizon* bounces its signals while *AT&T* & *Boeing* span the globe! *NBC* reminds us that they brought us color TV with the colorful Peacock while *Nestlé* creates the warmth of a mother nurturing her nestlings! René Lacoste simply won a bet involving alligator skinned luggage. *Coach* invokes a time of elegance & fine craftsmanship. And we all know nothing runs like a *Deere*.

THE LOGO: Look at the two logos on this page! They reflect our heritage, ethics & values & our respect for American farmers & American traditions! (To our disbelief, we heard disparaging & insulting remarks this week about American farmers.) **ALL EARS!!** has written many times of our respect for farmers & ranchers & we *can guarantee* this will not be the last time! As we have said before, it is more than farmers being hard workers, owning the ultimate work from home business, a business that runs 24/7. Farmers are among the smartest & most skilled people on this planet. They grow our food & share responsibility for soil & water conservation, animal welfare & food safety. A farmer must be a botanist, horticulturist, biologist, chemist, mechanic, engineer, technogeek, architect, carpenter, veterinarian, businessman, accountant, marketer & if an unfortunate accident occurs, medic! **THE LITCHFIELD FUND & ALL EARS!!** logos are a tribute to these amazing people & the hands-on, hard work ethic required to reap what you sow. They reflect our heritage, be it hauling a wagon of corn by tractor in Litchfield, OH or a wagon of milk by horse in Indiana County, PA! The NRA poster style pays homage to the men & women of the Greatest Generation that we humbly admire & respect, who fought their way through the Great Depression only to have to fight the totalitarian hate & evil of fascism & communism. The green & yellow depict our love for the land, the goodness of the bounty & harvest brought to us by American farmers & God's Good Grace. Yes, a logo can convey so much! For example, when you see a logo bearing a rocket, it naturally makes you think of speed! But it can also convey a sense for adventure, finding new horizons & reaching previously unscalable heights. Rockets represent advancement in technology & science, using physics & math to understand speed, thrust, inertia, mass & gravity, to follow a planned trajectory & break through barriers! It can evoke a sense of team work & the power & energy of a community of individuals with the variety of skills necessary, from the first space flights through to today, to successfully & safely launch & return a rocket to earth! And, as the rocket did for a generation of Americans, who watched the USA flag be planted on the moon & for a generation who will likely see our Red, White & Blue be planted on Mars, evoke pride in what can be accomplished when Americans work together toward a common goal!

INDUSTRY NEWS: *Liquid Death*, canned water, raised \$9M led by *Velvet Sea Ventures*. *Danone Manifesto Ventures* led an investment round in *Phenix*, French-based food waste management company, with *ETF Partners*, *BPI*, *Sofiouest* & *INCO* involved. *Equinom*, crossbreeding seeds for higher nutritional values, secured \$10M from *BASF Venture Capital*, *Roquette* & *Trendlines Group*. *Omnivore* led a \$5.5M raise for *Clover*, an India company that partners with small farmers to help market & sell their greenhouse grown fresh produce. *Berkshire Hathaway* has taken a \$550M position in *Kroger*, purchasing some 18.9M shares. *Dairy Farmers of America* will acquire a substantial portion of dairy producer *Dean Foods'* assets for

\$425M. *JBS USA* will purchase *Empire Packing*, its production facilities & *Ledbetter* brand, for \$238M. *Constellation Brands* acquired a minority stake in *Karma Culture (Karma Wellness Water)*. *Agrana* will expand its distribution activities in the starch segment by acquiring *California Marroquin Organic*. *Cooperative Elevator* will acquire the edible bean business of *Scoular*, based in Nebraska. *B&G Foods* paid an undisclosed cash amount for *Farmwise Foods*, maker of *Veggie Fries*.

Ecommerce grew 35% in *Walmart's* 4th QTR but revenues, comp growth & income missed estimates. *SpartanNash* returned to profitability with a 15¢ 4th QTR EPS on a 5.3% sales increase. Sales rose 3.2% for *Loblaw's* 4th QTR while EPS rose 9¢ to 70¢. *Nestlé* saw full year income jump 24% & sales rise 1.2%. The company will make acquisition a 2020 focus. *Treehouse Foods* saw 4th QTR sales fall 4.5% but turned in a 27¢ EPS after a loss a year ago. Yearly results were impacted by divestures & discontinued operations. Carne asada sales & other menu innovations drove *Chipotle* 4th QTR sales up 18% & adjusted net income up 68%. *Starbucks' Global Alliance* helped boost revenues 7% in 1st QTR & income 16%. Revenues rose 9% & net income was up 46% for *Yum! Brands* though slumping *Pizza Hut* performance weighed on full year results. *Dunkin' Brands* saw 4th QTR comparables rise 2.8% on its signature latte & *Beyond Meat* breakfast sandwiches, with revenues rising 5% & income almost 10%.

Big Y & Takeoff Technologies will partner on an automated eCommerce facility in Massachusetts. *Walmart* will phase out its concierge-style eCommerce platform *Jetblack* & absorb it into their general eCommerce operations. *AB InBev*, *Constellation Wines*, *Bacardi* & *Jackson Family Wines* are partnering with digital meal planner *eMeals* to promote alcohol recommendations with meals ordered through *Walmart*, *Kroger*, *Amazon*, *Instacart* & *Shipt*. Under a four-year pact, *Northwest Grocer* member retailers will leverage *KeHE's* national distribution programs. *Price Chopper* will invest \$54M in new stores & remodels. *H-E-B* opened a 95K sq. ft. kosher kitchen store in Houston. *Wegmans* will expand grocery delivery in New York City. Also, *Wegmans* will partner with seed company *Row 7* for new organic & non GMO produce varieties with enhanced flavors & nutrition. *Empire Company* (parent of *Sobeys*) has teamed up with CPG brand incubator *District Ventures* to support Canadian food entrepreneurs. *Bühler* & *Givaudan* will partner on a plant-based food innovation center in Singapore. *Sodexo* & container farming startup *Freight Farms* will partner to bring indoor ag to college campuses. *Sodexo* will add *JUST Eggs* to its plant-based offerings. *Tofurkey* will add dairy-free cheese shreds & dairy-free cream cheese spreads to its *MooCho* brand. *White Castle* will offer non-dairy cheese on its *Impossible Burgers*. *Silk* will launch two plant-based ready-to-drink lattes with almond & oat milks. *Back to Nature* has changed its logo to reflect a shift to plant-based snacks. *Barry Callebaut* will launch 100% dairy-free *Milk Chocolate* as part of its *Plant Craft Indulgence* offerings. The plaintiffs withdrew their lawsuit against *La Croix* for its claim that its water is 100% natural. Washington state will try to ban bottled-water companies from tapping natural water sources to stop the growth of the bottled water industry.

MARKET NEWS: Markets hit records midweek before pulling back on continued China virus impacts, treasury yields & PMI Market Index contraction. Building permits hit a 14-year high & along with consumer confidence, low unemployment & cheap credit, created a 0.8% rise in January's leading economic indicators. The Philly manufacturing index surged to a 3-year high, 4X higher than the experts predicted. In a *CNBC/Survey Monkey* poll, 64% of small business owners, an all-time high, approve of the current Administration's economic policies; the lowering of taxes & reducing regulations to create real growth!

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenjo*

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