



# 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**

**"We never repent of having eaten too little,"** were the words of no less than Thomas Jefferson. With meals based on salted & stewed meats, like ham, rabbit or squirrel, perhaps the Sage of Monticello would have felt differently if he had a favorite pizza place, taqueria, barbeque joint or Sunday buffet! But who hasn't repented while suffering a night of indigestion? It should not take a genius to realize the obvious importance of eating healthy, yet we close with Thomas Edison who said, *"The doctor of the future will no longer treat the human frame with drugs, but rather will cure and prevent disease with nutrition."*

**Nutritional March:** The month of March brings us warmer sunnier days, new blooms & the first red, red robin that comes bob-bob-bobbin' along! We hope our favorite team survives *The Madness* or finishes Spring Training in championship form! Many find hope & renewal in the Easter & Passover seasons! And there is of course, as allowed by changing modern social norms, the turn of a young man's fancy! March also brings us [National Nutrition Month](#), sponsored by the [Academy of Nutrition and Dietetics](#)! *Go Further with Food* is this year's theme. The campaign will focus on making informed food choices & developing sound eating & physical activity habits. While here at **The Litchfield Fund** we know a lot about eating healthy & well, we look forward to learning more from our nutritionist & dietician friends [@NEDPG](#) throughout the month.

Treating your body well is not a new concept. Proverbs like an *apple a day*, or from the Chinese, *"The more you eat, the less flavor; the less you eat, the more flavor,"* have been around for centuries! Philosophers, physicians, authors have all expounded on the benefits of healthy, mindful eating -- Hippocrates, Plato, Cicero, Buddha, Franklin. Shakespeare thought *our bodies were our gardens*. Like [Dr. Joel Fuhrman](#), we try to eat for our ultimate health & longevity. We eat organic & grass-fed while avoiding additives & hormones. We monitor our carbs, sodium & sugar. We prefer homecooked to processed. But eating is one of the true joys in life, so while we seek moderation, we do enjoy a good meal! For as Virginia Wolfe said, *"One cannot think well, love well, sleep well, if one has not dined well!"*

**Industry News:** *Bear Squeeze*, a ketogenic meal shake that will be sold on-line, raised \$715K in a pre-revenue round with *AccelFoods* & others participating. *Siren Snacks* (protein bites) closed a \$1M convertible note led by *Pear Ventures*. *Temasek* led a \$24.7M round in additive yeast protein developer start-up *Perfect Day*. *First Beverage Ventures* led an investment round in vitamin enhanced single-cup coffee & tea maker *VitaCup*.

*Pinnacle Foods* saw a 2.9% increase in 4<sup>th</sup> QTR sales & a large increase in earnings due to a one-time benefit from tax reform. *Pinnacle's Boulder Foods* segment led the growth. *Dean Foods' 4<sup>th</sup> QTR* sales fell 4% & adjusted EPS missed targets. The company announced a rightsizing program

to improve earnings. *The Vitamin Shoppe's* 4<sup>th</sup> QTR sales fell 6.5% with a 17¢ EPS loss as CEO Colin Watts announced he will step down. *B&G Foods* missed 4<sup>th</sup> QTR analyst projections despite a 14.5% jump in net sales & an increase in earnings, due mostly to tax reform. *B&G Foods* will continue to explore acquisitions. Net sales for *Ahold Delhaize* rose 1.6% in 4<sup>th</sup> QTR as net income increased by 318% mostly due to USA & Belgium tax reforms. *Hostess* showed a 4<sup>th</sup> QTR gain of 13.3% on post tax reform adjusted earnings & sales jumped 9.7%, beating analyst expectations. *Anheuser Busch InBev's* 4<sup>th</sup> QTR also exceeded expectations as revenue rose 2.8% & earnings more than doubled on growth. *Publix* said its 4<sup>th</sup> QTR 13-week adjusted sales increased 5%, comparable-store sales increased 3.2% & tax-adjusted earnings were relatively flat.

*Amazon* may try to expand *Whole Foods'* customer base by offering products that do not meet the grocer's standards for artificial ingredients & sweeteners. With success of its first *Amazon Go* store, there are reports *Amazon* plans more stores in Seattle & Los Angeles. To compete with *Amazon* on ecommerce, retailers are reducing on-line prices. There is now only a 1.8% price differential for *Walmart*, while *Target* & *Jet.com* are about 6% higher than *Amazon*. *Walmart* has introduced a new tech-oriented process to improve the tracking & quality of its perishable foods business to eliminate waste & cost in distribution & transportation. Named *Eden*, the company believes it will save millions. *Instacart* will refund customers (about 1% of users) who were impacted by a recent system glitch that charged a waived service fee. They will also pay some workers who did not get their tips. *Sam's Club* will partner with *Instacart* in 3 cities for same day grocery delivery. Meal-kit delivery *Sun Basket*, following 280% growth & a \$57M capital raise, will open a larger New Jersey distribution center which will allow the company to reach \$500M in revenue. *Ford* will test driverless delivery in Miami-Dade county. New grocery store openings fell almost 30% in 2017 as retailers focused attention on improving their own stores' operations, service & cost.

As deli areas expand with grab & go & prepared food offerings, *Hormel's* James P. Snee sees deli as the company's next growth area. *Hormel* will continue to seek expansion opportunities. *Chipotle* added quinoa to its New York test kitchen to grow its menu. *Kraft Heinz* will introduce *Just Crack an Egg*, adding an egg to a microwavable meal cup filled with veggies, meat & cheese. *Halen Brands* is introducing *From the Ground Up*, a line of lentil & cassava flour, veggie powder pita chips, pretzels & crackers & *Joyfuls*, an artisan confectionary chocolate. Sometime this year, *Aldi* will test ten grocery stores inside *Kohl's*. *ProYo* has rebranded its high protein, low fat ice cream pint brand as *Swell Ice Cream* & discontinued its novelty line in favor of pints.

**Market News:** Economic & political factors weighed on the markets this week. Two consumer confidence indices came in at record highs. Weekly jobless claims fell below 1969 levels.

**Seeds, Sprouts, Grow, Harvest!**

The Litchfield Fund

V4issue37.03.03.18

The Litchfield Fund is a family owned & operated joint venture. We do not solicit or accept investment from outside individuals or entities. Opinions contained in *All Ears!!* are ours and should not be considered investment advice or recommendations.