



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

Will Rogers was born in Oklahoma & grew up on the family ranch. He left as a young man to be a cowboy in Argentina & South Africa, returning to the USA to be a rope twirler in rodeos & circuses. That led him to a career in vaudeville; then on stage with the famed Ziegfeld Follies; then to silent & talkie movies & eventually, radio. He wrote books & had a regular newspaper column. His wit & wisdom was the voice of the common man in the prosperous ‘20s & depression ‘30s. An adventurer, he died in a 1935 plane crash trying to create a USA to Russia mail route. As we like to say in *All Ears!!*, he led a most American Life!

Bunk: One of Mr. Rogers’ favorite topics for his comedic remarks was politics. He supported both Coolidge & Roosevelt. He felt all political campaigning was *bunk* so in 1928 he ran for President on the *anti-Bunk* platform. At a time when our nation’s future hangs in the balance, we might perhaps find some comfort in Mr. Rogers’ wit & wisdom. These comments apply today as much as they did then, so we will just let them stand without comment!

*I don't make jokes. I just watch the government & report the facts.
The only difference between death & taxes is that death doesn't get worse every time Congress meets.
It's easy being a humorist when you've got the whole government working for you.
Be thankful we're not getting all the government we're paying for.
Everything is changing. People are taking their comedians seriously & the politicians as a joke.
If Stupidity got us into this mess, then why can't it get us out?
I bet after seeing us, George Washington would sue us for calling him 'father.'
If you ever injected truth into politics you have no politics.
One Ad is worth more to a paper than forty Editorials.
The farmer needs a punch in the jaw if he believes that either of the parties cares a damn about him after the election*

Industry News: *Hain Celestial* is launching *Cultivate Ventures* to invest in & incubate its smaller brands & acquisitions. Among the brands under *Cultivate Ventures’* watch are *Blueprint*, *DeBoles*, *Sunspire* & *Tilda*. The *T. Marzetti Co.* (subsidiary of *Lancaster Colony Corp.*) has reached an agreement to acquire Wisconsin-based *Angelic Bakehouse* for an undisclosed amount citing *Angelic’s* on trend sprouted & non-GMO baked goods.

In a record-setting \$18M penalty, the Grocery Manufacturers Association (GMA) has been found to have intentionally violated campaign-finance laws by concealing the identities of corporations that gave \$11 million to defeat a 2013 food-labeling initiative in Washington. *Campbell Soup* launched a public benefit corporation to fight hunger in local communities through sales of hot cereal cups. The Soulfull Project has four varieties of multigrain hot cereal, sold on-line & in 14 *Wegmans* stores. For every cup purchased, the company donates a serving to a regional food bank.

Walter Robb will depart as co-CEO of *Whole Foods Market* & John Mackey will become the sole CEO. Robb will remain on the board. *Whole Foods* reported 4th QTR EPS of 28¢ beating estimates by 4¢. For 4th QTR, sales increased 2% to \$3.5B but comparable store sales fell. For the year, total sales increased 2.2% & comparable store sales were weaker. *Whole Foods* will continue its 2017 streamlining efforts by rolling out its rewards program & improving its purchasing & category management structure. *Sprouts Farmers Market* reported a 15% increase in 3rd QTR net sales, reaching \$1B for the quarter. EPS (16¢) was down, 1¢ lower than estimates, due to promotions & increased payroll. Same store comparable growth grew 1.3% & 3.4% year-to-date. Sales growth is tracking at 15% for the year. *Publix* 3rd QTR sales increased by 2.4% to \$8 billion but same store comparable sales improved just slightly. Net earnings rose 2.1%. *Inventure Foods* had a 13¢ 3rd QTR loss, a larger loss than same quarter last year. *Kellogg's* saw lower 3rd QTR sales, as cereal sales continue to drag, but improved earnings. *Kellogg's* raised its full year guidance. *Andronico's* stores will reopen as *Safeway Community Markets*. With disappointing grocery sales, *Target* is replacing its grocery director.

Calavo Growers acquired a 128K sq. ft. production facility in Riverside, CA to grow the national presence for the company's *Renaissance Food Group* business segment; expanding its capacity to meet growing demand for the company's fresh, value-added prepared food offerings. The facility previously was owned & operated by the closed *Fresh & Easy Neighborhood Markets*. Sandy Lerner, co-founder of tech giant Cisco, is opening a café, retail & grocery store, *Gentle Harvest*, in Virginia. She has plans to create a chain featuring a drive-through window, take-home meals & a \$5 organic hamburger. The Council for Responsible Nutrition's supplement registry, called the Online Wellness Library or "OWL," is designed to boost transparency in the industry by having products listed with ingredients & additional information. Whole grain sales are soaring, but whole wheat sales are not enjoying the ride.

Market News: The job report for October was once again disappointing. Falling short of estimates, pundits attempted to find a bright spot in slightly higher earnings. This is more than misleading as 94.6M adults are not in the workforce & both poverty levels & food stamp usage are at all-time highs. Most families are experiencing skyrocketing health care. Critical working age demographics are near depression-era-level unemployment rates. High percentages of Americans do not have \$1,000 saved nor would be able to find \$400 to cover emergencies. Since NAFTA was signed, America has closed 70,000 factories. The markets are said to be jittery because of the election, the potential of FED interest rate hikes & oil prices falling about 10%. The markets *are* jittery because of this failed economic recovery.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund

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