



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 phrase wheeling & dealing (and wheeler dealer) may have arose in the mid-20th century, likely referring to car buying negotiations! But it could be attributed to the crafty Old-West traveling gamblers, showing up with a wheel of fortune, a deck of cards & a derringer; then moving on to the next town after they fleeced the townsfolk & before they got run out of town on a rail! Or perhaps it is a reference to the shrewd businessman who owned the land with water wheel & negotiated a deal before allowing much needed water to flow out to farmlands. Whatever the origin, everyone from time to time *wheels & deals!*

Strike a Deal! Little kids trade baseball cards & attempt to make deals at bedtime with their parents & then, as teens, for their Saturday night curfew! Every adult wants to brag about the great deal they got on their new car or house! Dealing seems to be part of the human DNA! Philosopher & economist Adam Smith thought so ([A Dog Tale: All Ears!! 6/11/16](#)) stating that *dogs don’t barter for bones!* The board game *Monopoly*, played around the world by kids & adults, is the ultimate wheeling & dealing game! Buying or trading for every Atlantic City property, then building high-rent hotels, until you finally *financially crush* your opponents! Ironically, *Monopoly* was actually invented in 1903 as an education tool to teach the globalist economic & tax policies (*land belongs to everyone*) of Henry George. Charles Darrow supposedly saw this version (called *The Landlord’s Game*) in 1932, redesigned the game & sold it to *Parker Brothers*, who produced it in 1935. In another bit of irony, by 1935, the Sherman Antitrust Act (1890) & the Clayton Act (1914) had long been used by the government to break non-competitive monopolies & cartels. And this week, Democrats in Congress pushed for a hearing on *Amazon’s* reach, acquisition of *Whole Foods* & the impact on smaller grocery stores! Meanwhile *Albertsons’ Jewel-Osco* pulled out of bidding for the bankrupt *Central Grocers’ Strack & Van Til* stores, fearing possible anti-trust concerns! Perhaps these companies should have just bought Boardwalk!

Industry News: *Keen Growth Capital* has invested in *O’Dang* & *The Jersey Tomato Co.* for undisclosed amounts. *Echo Capital* placed investments in *Back to the Roots*, *Nona Lim* & *Wilde Brands*. *Care/of*, a personalized on-line vitamin & supplement company, completed a \$12M raise with several venture firms participating. In total, *Care/of* has raised \$15M. *Svoboda Capital* has placed \$10M into *Sonoma Creamery* to build out new products & grow staff & production. *Acon Investments* took a stake in *Borden Dairy*. Ready-to-drink *Evy Tea*, now in 500 northeast stores, landed a \$1M investment from *Notudis Ventures* & *Campitor*.

Pepsi reported a 2% revenue growth on higher prices offsetting lower volumes with a \$1.50 EPS for 2nd QTR. *Pepsi* will continue to innovate as sugary & high caloric drink sales continue to be weak. *Cargill* reported on its fiscal year with a 2% increase in revenue & a 19% increase in net

earnings, with growth across all its segments. *Nestlé* has launched a beverage on-line order & delivery service, *Ready Refresh*, in Atlanta. *Aldi* has opened its 100th store in the great state of Texas. *Whole Foods* supposedly had other suitors before the sale to *Amazon*. *Albertsons*, in light of the *Amazon/Whole Foods* deal, has once again delayed their IPO offering. A group formed with the Strack family purchased at auction the remaining 19 Strack & Van Til stores. Former *Bai Brands* employees have filed a lawsuit claiming they were dismissed before company's take-out to prevent them from collecting their ownership shares. A listeria outbreak, possibly linked to a Canadian nut & dried fruit producer, has led to recalls for 10 companies.

Kroger's private label *Our Brand* has introduced a lighter, eco-friendlier milk container which when rolled out to *Kroger's* 15 dairy plants (by 2019) will reduce annual plastic consumption by 5M lbs. *Land O'Lakes* has launched a dairy entrepreneurship accelerator program. Participants receive a \$25K stipend & assistance in all aspects of product & brand development, production, marketing, etc., but must produce \$200K in annual revenue.

The supplements lutein & zeaxanthin may protect from harmful blue light exposure, reduce headaches, eye strain & promote sleep. According to a 2016 Food & Health Study from the *International Food Information Council*, Boomers have a very different view of how they approach their healthy food intake. More than Millennials & the general population, Boomers view whole grains, plant proteins & omega-3s as important to their healthy diet. Boomers seek more moderation & portion control in their diets, find certain foods to be healthy & seek foods with no added sugar. Boomers are also less trusting of fitness professionals, bloggers & farmers. Other studies indicate consumers still have varying understandings & definitions for 'Clean Label'.

Per a *Natural Foods Merchandiser* study, natural/organic sales in stores were \$141B in 2016 with conventional stores accounting for 44% of sales & natural channels accounting for 39%. Growth occurred in all channels with conventional growing the most, over 10%. Sixty-nine percent of stores reported sales growth. According to Technomic Inc., restaurant burger consumption is down due to higher prices & more in-home preparation. Prices are also higher because of gourmet burgers offering up pricy toppings to attract customers.

Market News: Markets continued to hit highs with the Dow, S&P & the broader Russell 2000 closing Friday at new all-time records. The Nasdaq flirted with its record close but ended just shy. Key drivers included the FED chairman signaling moderate rate increases to coincide with a strengthening job market & possible inflation, low inflation in China, a widening market for USA energy & Warren Buffet's reported interest in *Sprint*.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund

V4issue04.07.15.17

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.