



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 Commodore Theater opened in 1927 in Cleveland’s Collinwood neighborhood, a true example of everything a *Golden Age of Hollywood* theater should be: gaudy architecture, plushy seats & an enormously large screen. When my parents took us there in the 1960s, the theater, as well as our neighborhood, certainly were showing signs of age & decay. But there we saw all the era’s kid movies -- *Mary Poppins*, *Pollyanna* & *The Sword in the Stone*. In that ‘only PG’ era, we also watched our parents’ favorite stars: *America’s Sweetheart*, Doris Day; the *King*, Elvis Presley & the hysterical antics of the *Clown Prince* himself, Jerry Lewis!!!

Antic! The Marx Brothers surely were the icons of antic comedy! But Mr. Lewis brought sheer moronic, zany, idiocy complete with pratfalls, sight gags & facial expressions while always adding in a touch of naïve innocence! He had to be inspiration for every zany comedian that followed him to the silver screen. After being part of one of the biggest entertainment duos of all-time, he had a long, well-publicized feud with his partner, Dean Martin. He was loved by the French & by many for his relentless support of the Muscular Dystrophy Association. His annual telethon brought out the true icons of the entertainment industry! So, settle in one evening this week, pop some organic corn & laugh to *The Bellboy*, *The Geisha Boy* or *Cinderfella!* R.I.P., Mr. Lewis.

Litchfield Fund Partnership Brand Update: *Genius*, now with a new manufacturing relationship, is relaunching its coconut smoothie! (*BevNET* article: [Genius relaunches the Coconut Smoothie!](#)) *BevNET* also featured [B'more Organic steers skyr mainstream](#), detailing *B'more's* recent expansion in conventional supermarkets! Congrats to both Alex & Andrew & their great teams!

Industry News: *Brynwood Partners* has agreed to sell *Back to Nature Foods Company*, which it developed with *Mondelez*, to *B&G Foods* for \$162.5M. *B&G* brands include *Pirate’s Booty*, *Snackwell* & *Green Giant*. *Farmer Brothers* acquired *Boyd Coffee* for \$58M. Colorado’s *Flagship Food Group* has acquired *Glutenfreeda Foods*, including its Seattle area manufacturing facility. *Caribou Coffee* has acquired *Breugger’s Bagels* for an undisclosed amount. *Caribou* is the 2nd largest U.S. coffee house & part of *JAB Holdings*, which owns *Panera Bread* & *Krispy Kreme Doughnuts*. *Revive Kombucha* announced a \$7.5M funding round led by *Peet’s Coffee*, which will be used to grow operations, add staff & expand national distribution. *Encore Consumer Capital’s* recent investment in *The Veggie Noodle Co.* was \$14M. *Cargill*, Bill Gates, Richard Branson & other venture firms invested \$17M in animal cell meat grower *Memphis Meats*.

Whole Foods Market shareholders & the FTC have approved the *Amazon* acquisition. *Amazon* announced that as early as next week, *Whole Foods* will lower prices on many staples. *Amazon Prime* will take over *Whole Foods’* loyalty programs. *Whole Foods* brands will be on *Amazon*

ecommerce & Amazon pick-up lockers will be added to *Whole Foods'* stores. *Amazon* is also launching *Instant Pickup* so that *Amazon* members can shop hundreds of items including food, cold drinks & other essentials for quick, two-minute pick-up at an *Amazon* locker location. *Walmart* has expanded *Uber* delivery to Dallas & Orlando. *Walmart* & *Google* will partner to allow *Walmart* customers to use *Google* apps & devices to order products through *Google Express* for fulfillment. *Target* has ended its relationship with *Hampton Creek*. *Bloomberg* reports that *Cargill*, *ADM* & others are seeking to make stevia (now a \$4B industry) tastier.

First quarter EPS fell over 20% on 4% lower sales for *J.M. Smucker* with *Folger* coffee performance being a factor. *Hormel* was slightly lower in 3rd QTR due to several factors, including a weak turkey market & rising pork costs. *Tyson* opened a state-of-the-art 75k sqft. antibiotic free chicken hatchery in Arkansas, replacing two older hatcheries. *Foster Farms* will invest \$30M to expand its poultry processing plant in Louisiana. *Smithfield Foods* will construct a new distribution center & expand cold storage at its North Carolina processing facility, investing \$100M & adding 250 jobs. *Kind* is introducing *Fruit Bites*, made only from real fruit, with no added sugars. *Panera* will begin to list sugar & calorie information on its fountain drinks. *RangeMe*, the on-line new product discovery platform for retailers, will partner with *Rite Aid* in a major product innovation effort. *Crowd Cow*, an on-line cowsharing start-up, allows consumers to purchase quality meat, by cut, directly from small independent ranchers, with annual sales expected to be \$7M to \$10M.

The *GNT Group* is working to use the blue-green algae spirulina in place of blue #1 & turmeric in place of yellow #5 or yellow #6. Researchers at Harvard are trying to isolate & reproduce the beneficial gut probiotics, for commercialization, that help make athletes elite. The FDA has filed papers in support of a lawsuit trying to stop the upcoming enforcement of New York City nutrition labeling rules until the FDA completes its own rule changes. The USDA announced \$35M in grants to develop non-wheat, non-corn specialty crops such as fruits, vegetables, tree nuts, dried fruits & other nursery crops, including floriculture. A study by *FAIR Health* reports severe allergic reactions to food has increased 377% from 2007 to 2016. In a report from *Category Partners & Beacon Research Solutions*, less than 50% of consumers eat produce daily, with high prices & fear of spoilage contributing to consumers' produce purchasing decisions. In a study from *Natural Grocers*, the top three reasons consumers purchase organic is to avoid pesticides, avoid GMOs & find nutritious food options. The Spring wheat harvest is 12% ahead of the 5-year average.

Market News: Markets this week rose with little economic news. Durable goods shipments rose, a sign of positive future business spending. Hurricane Harvey caused a rise in oil prices as it bears down on oil production on the Texas coast.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund

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