



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



A PLANT'S ROOTS SERVE MANY PURPOSES! The roots anchor the plant firmly in the ground. Roots pump water & nutrients into the shoots & stems. The roots support a plant's growth! The roots are, in many ways, the heart of a living plant! Strong roots allow a plant to grow & spread its branches & leaves. The worse the weather, the stronger grows a plant's roots! Welsh poet George Herbert wrote, "*Storms make the oak grow deeper roots.*" From the smallest flower to the mightiest sequoia, everything a plant is, each inch it grows & all it dreams of being, is due to its roots. American poet Theodore Roethke wrote, "*Deep in their roots, all flowers keep the light.*"

STRONG ROOTS: As this week ends, we celebrate the 5th anniversary of **THE LITCHFIELD FUND & All Ears!!** & the astute reader will note a few changes to this weekly offering! Taking M. Hugo's advice from last week's newsletter ([Local Flavor 06/08/19](#)), we have made a few changes to our leaves, well, *make that our logos*, but kept our roots intact! Our roots come from our families' heritage. Our family trees have deep roots in the land, with ancestors who farmed on the branches; some for a living, some for sustenance. From the *stories*; olive orchards in the old country, horse & wagon milk delivery to the city & tractors pulling corn to the town silo; to the *visits*; filled with homemade meats, cheeses & breads; to the *chores*; cleaning chicken coops, spreading manure, stoking the coal furnace; these roots run deep within us! When we had an opportunity to step back from corporate life, we could have done nothing, or something simple, like investing & doing nothing to make that investment grow. But that would not have been true to our roots. Farming is the *most honest profession*: You *do* reap what you sow! But you also need to nurture, feed, water, worry & at times, pray! Farming is a 24X7 profession! There are no off days, little down time & there is never *nothing* to do! This is the work ethic we were endowed with, even after our parents left the farm, be it a move to the executive office or to the coal mines & factory floors. So, we approach our business with a passion, not just to succeed, but to help, nurture, grow & share. Jamaican publisher Marcus Garvey said, "*A people without the knowledge of their past history, origin & culture is like a tree without roots.*" Our refreshed logos remain true to our roots. As for the WPA art flavor; we consider that to be a tribute to the past generation, the *Greatest Generation*, who fought to survive during the Great Depression, fought to save the world & then fought to assure their children had a better life than they did. The **LITCHFIELD** logo reflects our work ethic while the greens & yellows of the *All Ears!!* logo indicate our loyalty to the land! We believe, as Jianzhi Sengcan, Third Chinese Patriarch does, "*Return to the roots & you will find the meaning.*" And recognize, like Chilean author Isabel Allende, "*Roots are not in landscape or a country, or a people, they are inside you.*"

INDUSTRY NEWS: Germany's *InFarm*, portable vertical farms, completed a \$100M raise led by *Atomico*, with *Astanor Ventures*, *Cherry Ventures* & *TriplePoint Capital* involved. *Ocado* acquired a 58% stake in *Jones Foods*, a European vertical farm, with intentions to use *Ocado's* automated systems to create operational efficiencies & offer herbs on its same-day platform. *Greenoaks Capital* led a \$16.5M round for *Misfits Market*, an eCommerce provider of ugly produce. Georgia-based, grass-fed, *Hart Dairy* closed on \$10M led by Sydney-based *Alium Capital*, for product expansion. *Gabriella's Kitchen* will acquire the parent company of *Lulu's Chocolates*. *Grocery Outlet's* IPO will raise \$250M (after expenses), selling 17.2M shares priced at \$15 to \$17 under the *Nasdaq* symbol GO. *PetSmart* will take *Chewy.com* public at

a \$7B valuation after an ownership battle between *PetSmart's* creditors & equity investors, raising \$700M at \$22 per share. *Chewy* opened at \$36, likely based on how much we have spent with the e-Tailer since adopting our own puppy ([Warm Puppies 06/01/19](#))!

Following a wave of acquisitions, *IFF (International Flavors & Fragrances)* is restructuring into three divisions: nutrition/ingredients, taste & scent. *KeHE* has been selected by *INFRA (Independent Natural Food Retailers Association)* to become its primary USA distribution partner for almost 400 stores in 40 states. *Anheuser-Busch InBev* is opening an Israeli-based cybersecurity unit to protect itself from increasing cyberattacks. *Publix* will launch a mobile payment app allowing customers to pay for groceries using their smartphones. *Spoon Guru & Jet.com* will partner on platform technology to help customers find products based on dietary needs. *Walmart* will absorb the operations of *Jet.com* into its own eCommerce unit. *Amazon* is closing its restaurant delivery service that was operating in 20 cities. *Target* shoppers no longer need to be a *Shipt* member for same-day delivery, paying just \$9.99 a delivery through *Target.com*. The service is still free with an annual \$99 *Shipt* membership. Over the next five years, *Sobey's* plans to convert 60 locations to its *Fresh Co.* discount format. Led by *Aldi*, discount retailers will open 1,800 of 2,800 planned new retail locations this year, per *Coresight Research*. *Lidl* is opening stores in southwest England in the battle for the British market. A report from *CBRE* suggests the grocery industry will see check-out lines disappear as in-store apps & technology increase, more C-stores & an emphasis on remodeling to remain competitive during the next 10 years. *Whole Foods*, since acquired by *Amazon*, saw a 3.6-point customer experience score increase, one of the biggest in a *Forrester* study. *Kroger* will offer CBD items (lotions, balms, oils & creams) in 945 stores in 17 states. *Caliva* will distribute THC-infused drinks from *mood33* at California adult use dispensaries. *Albertsons* has ended the use of unagi (freshwater eel) in its sushi offerings to promote sustainably sourced seafood. Per the *Wall Street Journal*, *Monster Beverage* will expand its portfolio into other categories, including alcoholic & nonalcoholic beverages. *Coca-Cola* will launch its first coffee product, an RTD canned coffee, since acquiring U.K.-based *Costa Coffee*. *Tyson* will introduce *Raised & Rooted*, an offering of plant-based pea protein nuggets & blended burgers of Angus beef & pea protein. *Perdue*, in partnership with *The Better Meat Co.*, will introduce new *Chicken Plus*, (nuggets, tenders & patties) a half cup of cauliflower, chickpeas & plant protein blended with white chicken meat. Canada will ban single use plastics by 2021. *Caulipower* reported \$45M in USA sales during 2018, expecting \$100M million in 2019. Melanie Boulden, *Reebok* marketing executive, has been appointed president & general manager of *VEB*.

Researchers at Queen Mary University of London found that drinking up to 25 cups of coffee a day is not as harmful to heart health as previously reported. *Innova Market Insights* indicates 50% of baby-boomers are reducing sugar intake, purchasing more reduced-sugar products & some 40% are cutting back on sweets. *Zest Labs* examined packaged strawberry, hearts of romaine lettuce & salad mixes at eight major USA grocery chains, finding significant differences in shelf life & spoilage before the use by dates.

MARKET NEWS: Markets rose on economic health. Small business optimism reached a 7-month high in May. More people were hired in the month of April than ever before in USA recorded history. There are 1.63M more positions available in the USA than qualified workers to fill those jobs! Inflation remains under control as May Core CPI & the Producer Price Index rose at just 0.1%. Industrial output rose to a six-month high on pickup truck manufacturing.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenjo*

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