



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

One is the loneliest number! Two, we are told, can be as bad as one! *Why?* It’s the loneliest number since number one! However, three is most certainly a crowd! Unless of course it is 1977 & you are hanging out with Jack, Janet & Chrissy, likely involved in one of their many, many misunderstandings! Then, three is definitely company! Before the Surgeon General’s report on smoking, a generation knew that three on a match brought bad luck! Which brings us to four. Four is a grand number! Perhaps not Sheldon’s perfect 73, but four is a fun integer! So, *four* what is it worth, we offer our thoughts on the number four!

Four! Nobody duck - this isn’t the tee box at Shinnecock Hills! No, we just want to talk about the number 4. Perhaps the mystic of 4 comes from 4 sides of a square, such a basic building block! But there are Four Directions (East, West, North & South) though they never reached the popularity of One Direction, but the Four Seasons sold a lot of records! We do wonder if Earth, Wind & Fire would have been even more popular if they had added Water & called themselves the Four Classical Elements! Though they would never have been as popular as the Fab Four! And common time in music is a 4-beat!

There are the Four Corners of the Earth (shout out to the Flat Worlders!) which means far reaching! In our solar system, there are 4 gas/ice planets & 4 rocky planets, with poor Pluto still trying to get into this exclusive & elusive *have-to-be-a-planet* club! There are Four Truths (Buddhism); Four Gospels & Four Rivers in the Garden of Eden (Christianity)! There are 4 blood types (A, B, AB, O) & 4 nucleobase types for RNA & DNA. There are 4 chambers to the heart, 4 chambers to a cow’s stomach & 4 is the most common number of limbs for mammals & reptiles! All insects except flies have 4 wings! Baseball has 4 balls, 4 bases & a Grand Slam scores 4 runs! In many sports, getting a Grand Slam means winning the 4 major championship events! The Olympics & World Cup, like leap years, occur every 4 years. There are 4 suits in a standard deck of playing cards. Colonel John Boyd’s famous & omni-used OODA Loop has 4 stages: Observation, Orientation, Decision, Action. The United Kingdom is made up of 4 Nations (England, Wales, Scotland & Northern Ireland). There are 4 Estates (political, administration, judiciary, journalism). Mao Zedong led a Gang of Four to control China. During WWII, FDR expressed the Four Freedoms (Speech, Religion, Want, Fear) which Norman Rockwell painted & in 1943 shared on 4 consecutive issues of the *Saturday Evening Post!*

Being a mathematics major, 4 was always special! The number 4 is the only even square of a prime, 2^2 , which also is $2+2$ & 2×2 ! Any number of any length whose last 2 digits are divisible by 4 makes the entire number divisible by 4! *Knowing this can win you many a drink!* Before we leave the field of mathematics, let’s mention *Lagrange’s Four-square Theorem*, which says every

number can be expressed by the sum of four squares: $1342=25^2+22^2+13^2+8^2$! *FOUR* those of you we did not put to sleep talking about math, the BEST thing about the number 4 is that today is **The Litchfield Fund's** 4-year anniversary!

Industry News: *L Catterton* invested \$200M in *The Honest Company*. After *Necco's* deal with *Spangler Candy* fell apart, the *Metropoulos* family won the bid. The *Metropoulos* family has turned around other troubled brands including *Hostess*, *Utz*, *Chef Boyardee*, *Pabst Blue Ribbon*, *Bumble Bee* & *Vlasic*. Due to the competitive environment, *Kroger* will close 14 stores in the *Raleigh-Durham, N.C.*, market, with 9 stores under contract for sale. *Weis* has begun a plant-based health & wellness program, named *Plant Powered*, focusing on the chain's private label & national plant-based food & beverage products. *SpartanNash* debuted their private label heat & eat meals named *Good to Go!* *NadaMoo* (vegan coconut ice cream) opened up its first scoop shop in *Austin*. *L.A. Libations* will work with *Halen Brands* as a broker to grow the retail reach of *OWYN*. *Steaz* entered into a new brokerage agreement with *Presence Marketing/Dynamic Presence* in several regions. *Chef'd* will add a retail presence in 22 *Walgreens & Duane Reade* retail outlets in the *New York City* market. *Ben Mand*, previously the SVP of brand marketing & innovation for *Plum Organics*, is the new CEO of *Harmless Harvest*. *IHOP* is now *IHOB*, making burgers as its flagship. *Bayer* will retire the *Monsanto* name as it completes the takeover.

Price wars continue as the Bureau of Labor reports that in May prices on meat, poultry, fish & eggs increased 2.3% but prices fell for all other categories. Per the *OTA's 2018 Organic Industry Survey*, organic beverage sales rose 10.5% in 2017 to \$5.9B. The *Specialty Food Association* reports that specialty food sales rose 11%, 10X faster than all other retail food sales between 2015 & 2017, capturing a record \$140.3B. Also, the fastest growing categories were water (76%), rice cakes (64%), refrigerated RTD coffee & tea (63%) & meat snacks (62%). Per a *Nielson* study, 67% of consumers want to know everything that goes into the food they buy & 46% say claims of organic, natural & free-from are important. A study from the *IFIC & Abbott* found that heart health (80%) muscle health (75%) & brain health & energy (74%) were the top health concerns for adults over 50. More than 85% of adults are trying to eat better, selecting nutrient dense foods & healthier protein options. The *Senate Farm Bill*, which is not finalized, doubled the funding for organic farming, oversight & research.

Market News: Markets were mixed, though the *Nasdaq* hit a record! Small business optimism rose to heights not seen in more than 40 years. Overall retail sales rose (0.8%) twice what the experts projected, per the *Commerce Department*, with *April* revised upward to 0.4%. Continuing claims for unemployment benefits dropped to 1.7M, the lowest in almost 45 years.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund – *Tom Malenka*

V4issue52.06.16.18

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.