



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 family dinner is under attack from busy family schedules & cell phones! But 50 years ago, in a family where both parents had to take whatever work shift was available, family dinner was reserved for Sundays! If times were tough, Sunday dinner was just pancakes or generic mac+cheese. If the fridge was full, the smell of Mom’s Italian cooking filled the house! But most days after school, dinner was in a pot on the stove, a tray in the oven or what we made ourselves! Amazingly, we didn’t burn down the house or let strangers in the door! We did our homework, cleaned up our messes & turned out pretty darn good!

Family Meals: Every trend we read & then share in *All Ears!!* indicates the emerging growth of meal kits, meal delivery & healthy, exciting-ingredient prepared fresh & frozen meals! These are indications that families, *especially millennials beginning families*, understand the importance of a nutritional *family meal*. But with busy schedules, *convenience* is a strong consumer driver, as just this week *HelloFresh* introduced precut ingredient meal kits that reduce prep time to 20 minutes, saving 10 minutes! It was also reported that *Albertsons* is looking at *Plated* to compete with *Amazon* in the meal kit space. The *Food Marketing Institute* has made September *National Family Meals Month!* So sit the kids down, take away the cell phones, let me know if you want the recipe for my Mom’s *gnocchi & meatballs* (my Sunday favorite) & remember the words of President Reagan, “*All great change in America begins at the dinner table!*”

Partnership Brand Update: *B’more Organic* announced a rebrand with a reduced bottle size & retail price for 2018! Read more about *B’more Organic’s* new look at BevNET: [B’more Organic Announces Packaging Change and Rebrand!](#)

Industry News: *POM Wonderful* has acquired *Ruby Fresh*, a leader in pomegranate processing & distribution. *Pilgrim’s Pride* purchased fellow Brazil *JBS* meatpacking subsidiary *Moy Park* for slightly more than \$1B & expects cost savings of \$50M. Subscription baby meal service *Raised Real* obtained \$5M from *Schwan*. *Mikey’s*, having just launched grain-free vegan tortillas, entered into a partnership with *Factory LLC* who also invested \$5M in the muffin maker. *Inventure Foods*, working toward streamlining costs & divesting its frozen business, sold the *Willamette Valley Fruit & Radar Farms* brands to the *Oregon Potato Co.* for \$50M. Protein beverage maker *Iconic Protein* raised \$8M. Led by *KarpReilly*, Bill Moses (former CEO of *KeVita*) also invested & will join the company as executive chairman. *Aunt Fannie’s*, maker of healthy, microbiome restorative cleaning & household products, completed a \$2.5M round with *RCV Partners* & others participating. Creating functional ingredients from mushrooms for food & beverage, *Myco Technology* closed a \$35M round led by *S2G Capital, Bunge Ventures & Emerson Collective* with *Kellogg’s eighteen94capital* venture arm & many others participating. *Corbion*

won the bid for bankrupt algae-ingredient company *TerraVia*. *Nestlé* took a 68% stake in premium coffee roaster & ready-to-drink retailer *Blue Bottle* for approximately \$500M. *Bhakti* received a \$5.1M strategic investment from *Cleveland Avenue*.

John Foraker joined baby food brand *Once Upon a Farm* as CEO, co-founder & investor. Actress Jennifer Garner also joined the team as an investor, co-founder & Chief Brand Officer. *Nature's Path* is expanding the *Love Crunch* granola line into the cereal category. *New Age Beverages* will open an ecommerce channel to sell all of its brands. Start-up *Organic Grains* launched a one-stop on-line shop for a large catalog of grains & flours, in 1 to 5 lbs. sizes. *Hampton Creek* was issued a patent for its machine-learning enabled discovery platform which will assist the company's exploration of multiple-use alternative proteins like the mung bean.

United Natural Foods, on the basis of acquisitions, beat analyst targets for its 4th QTR & fiscal year with a 9.5% sales & a 3.5% earnings increase while projecting 2018 growth at 4% to 8%. *UNFI* leadership, with future contracts in place, sees opportunity in the *Whole Foods* & *Amazon* merger. *Lidl* opened its 30th USA store in Augusta, GA & announced plans for stores in Alabama. *Walmart* will restructure to reduce divisions & regions to improve operation efficiency & respond to consumer needs. *Kroger* will open a 'comfort food' restaurant, *Kitchen 1883*, as retailers continue to find ways to reach customers through the food experience. After preliminary bench rulings, *Kroger* has withdrawn its lawsuit against *Lidl's Preferred Selection* private label trademark as being too similar to their own *Private Selection* label. *Hain Celestial*, focusing on its top brands, has marketing campaigns on track for *MaraNatha*, *Greek Gods* & *Spectrum*. *General Mills* seeks expansion & acquisition in fast growing food categories & geographies. *The Fresh Market* has hired Larry Appel, former COO at *Winn-Dixie*, as its new CEO. *Amazon* will deliver beer, wine & spirits within 2 hours to *Prime* customers in 12 cities, with 1-hour delivery for \$7.99.

A report from *inMarket* shows increased *Whole Foods* traffic in the first days of *Amazon* ownership while there was a decrease in competitors' traffic. *Google*, in a new report on the beverage sector, showed on-line searches for cold brew coffee, exciting flavors for matcha & kombucha & large container premium water trending. The *Organic Trade Association* filed a lawsuit against the USDA for delaying new organic livestock standards. Hurricane Irma not just damaged Florida crops but floodwaters have likely left behind dangerous pathogens.

Market News: This week the markets, like the *Cleveland Indians*, streaked to new records. Investor interpretation of recent economic data would suggest a possible delay in the next FED action on interest rates.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund

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