



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

Every culture, ethnicity & religion has its wedding traditions & superstitions! For good luck, Romans broke bread over a bride’s head. That led to medieval couples trying to kiss over a tall stack of cakes, doing so meant a prosperous marriage! It was this wedding game that brought the first tiered modern wedding cake, credited to the Duke of Albany’s 1882 nuptials! Queen Victoria’s wedding gave us the white icing & white dresses. “*Old, new, borrowed, blue*” is steeped in symbolism; continuity of past to future, friendship & blue to bring good luck. For luck, Czechs throw peas instead of rice, *hopefully non-GMO & not frozen!*

Historic Weddings: While this week’s Royal Wedding added fodder to the tabloid chatter for the last few months, it hardly will have the historic impact of some other weddings & marriages! Imagine if founding father John Adams had not had the lovely Abigail for advice & counsel? *Would Independence have been won?* The marriage of Louis XVI to Marie Antoinette, whose *fondness for cake* continued after the wedding, led to revolution, tyrants, dictators, emperors, restorations, republics (5 & counting) & a lot of wars! What if Marie Skłodowska had not returned to Paris from Warsaw to marry Pierre & work together to discover radioactivity? *Madame Curie* fits much better on a Nobel Prize than *Miss Skłodowska!* If Edward VIII had not married Wallis Simpson, then be forced to abdicate the throne, would WWII have had the same outcome? Edward was enthralled by Nazi Germany, advocating an alliance between the two countries! The highest profile Hollywood wedding ever, two film legends who were at the peak of their box office draw, took place quietly at Louis Bromfield’s *Malabar Farms* in Ohio, 73 years ago this week, when Bogie married Bacall! It was Grace Kelly’s marriage to Prince Rainier, though, that led to a *mountain* of media attention, including her wedding dress made with 125-year old lace! By far, the most historical significant wedding of all time was Henry’s marriage to Anne Boleyn & divorce from Catherine D’Aragon. *The Defender of the Faith* cut ties with Rome & the Catholic Church, leading to the English Reformation, & *giving Henry the whole idea about cutting ties!*

Industry News: *Vegan Hu Chocolate* closed an investment from Jon Sebastiani’s *Sonoma Brands*; Dr. Mark Hyman, Dr. Peter Attia, author Tim Ferriss & billionaire Nelson Peltz participating. E-grocer *Good Eggs*, received \$50M in funding, led by *Benchmark* with *Index Ventures*, *Obvious Ventures*, *S2G Ventures*, *DNS Capital*, *Uprising* & *Collaborative Fund* involved. *High Brew Coffee* closed a \$20M investment from current investor *Charles Street Partners*, several celebrities participating. *Rebbl* closed on \$20M from *CAVU Venture Partners*. *Tyson Foods* continues buying with the \$850M purchase of *American Proteins* & *AMPRO Products*.

Nestlé has raised its goal for salt, sugar & saturated fat reduction in its processed foods. *Kellogg* will discontinue its cereal business in Venezuela due to its political situation. *Albertsons* will close

two marginally profitable Seattle stores citing Seattle city regulations, including the soda sales tax & the recent head tax per employee, as reasons. *HEB* will build a new 1M sq. ft. distribution center in San Antonio & plans to invest \$130M over the next three years. Both *Southeastern Grocers* & *Tops Friendly Markets* were approved to proceed with their reorganizations, with some store closings likely for both retailers. *Raley's* opened *Market 5-ONE-5* (Organic, Nutrition, Education) a healthier, wellness-focused 11K sq. ft. store in downtown Sacramento. *Kroger* will partner with British e-grocer's *Ocado* for its automated fulfillment capabilities in the USA market. After a significant pilot period, *Target* has rolled out *Target Restock* nationwide, providing next-day delivery on 35K items. *Amazon Go* has plans for stores in Chicago & San Francisco. *Amazon* will rollout discounts at *Whole Foods Market* for *Prime* members, including an additional 10% off hundreds of sale items & special weekly deals. As *Amazon* expands its *Prime Now* grocery service, it will no longer sell third-party products on its *Local Market Seller* program. *Hello Fresh*, with an increase in USA sales, customers & usage, has surpassed *Blue Apron* as the leading USA meal-kit provider. In a press release, *RangeMe*, the online platform that matches brand's new products with retailers, now has 125k product suppliers on its platform.

Denise Morrison retired unexpectedly from *Campbell Soup*, as the company lowered full year earnings projections due to a poor 3rd QTR & announced a strategic review. She will be replaced by board member Keith McLoughlin. For 1st QTR, *Walmart* beat analyst projections for sales & earnings as same store sales rose 2.1% & e-commerce sales were up 33%. *Pilgrim's Pride* saw 1st QTR net sales increase 10.8% & net income 27.1%. *Flower Foods'* sales rose 1.6% in 1st QTR on strong *Dave's Killer Bread* sales but net income fell 15.2% due to operational & supply costs.

Per *IRI* & *FMI*, non-antibiotic meat sales grew 45% between 2016 & 2017. Also, more than 30% of consumers want fresh food that is antibiotic, hormone, pesticide & fertilizer free. *IFCF's* 13th annual *Food & Health Survey* found 36% of USA consumers followed a specific eating pattern or diet last year. Intermittent fasting accounted for 10%, followed by low-carb diets: paleo (7%), low-carb (5%), Whole30 (5%), high-protein (4%) & Keto (3%). In a study from *New Hope Network* & *NMI*, consumers expect to increase their ecommerce use in the future across all categories, except pet food. Despite carbonated sales falling for 13 straight years, soda sales accounted for \$81.6B of the \$135.7B total beverage sales, increasing 3% with the help of price increases. This report by *Beverage Digest* shows increases in bottled water consumption, now at \$24.1B of the market. A survey by *Ingredient Communications* found that in the USA & UK, 29% of consumers would try lab-grown meat, 38% would not & 33% were not sure.

Market update: Stocks were mostly lower though small-cap stocks showed strength. March retail sales growth was revised upward & April retail sales showed continued growth.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund – *Tom Malenka*

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