



# The Consumer BizBuzz

*News That Makes Teeth Whiter, Clothes Brighter, and Life Just Plain Better*



## Transaction News

Trick or treat.

- **McCormick** paid \$4.2 billion for **Reckitt Benckiser's** food business. The notable brands are *French's* and *Frank's Red Hot*.
- **Unilever** is paying \$2.7 billion for **Carver**, a Korean skincare company. The sellers are **Bain Capital** and **Goldman Sachs**.
- **Post Holdings** is buying **Bob Evans**, the frozen foods company, for \$1.5 billion. Revenue is just under \$400 million.
- **Cott** sold their flagship soda business to **Refresco** of the Netherlands for \$1.25 billion. It focuses the private label company on categories such as coffee, tea, and water.
- **Church & Dwight** is buying **Water Pik** for about \$1 billion. The happy sellers are at **MidOcean Partners**.
- **Lactalis** (*Sorrento*, etc.) is paying \$875 million for **Stonyfield**, the organic yogurt maker. The deal enabled **Danone** to buy **WhiteWave**, forming what is now called **DanoneWave**. Seriously, that's the name.
- **Schwan Food** bought **MaMa Rosa's**, a leader in the frozen pizza market. The seller is **HGGC**, a PE firm.
- **Hormel** is buying **Fontanini**, a family-owned brand of meats and sausages. The price is \$425 million.
- **Farmer Brothers** bought family-owned **Boyd's Coffee** for \$59 million. They are mostly in foodservice.

■ Sticking with coffee, **Royal Cup** bought **Richgood Gourmet**. They make ready-to-drink *Icebox Coffee*.

■ **B&G Foods** bought the *SnackWell's* and *Back To Nature* brands for \$163 million. It is another success for **Brynwood Partners**.

■ **Newell Brands** is buying **Chesapeake Bay Candle** for \$75 million. Sales are about \$55 million.

■ **Heaven Hill Brands** (*Evan Williams*, *Deep Eddy*, etc.) is buying **TJ Carolan** from **Gruppo Campari**. The main brand is *Carolans Irish Cream*.

■ Sticking with booze, **Moët Hennessy** bought **Woodinville Whiskey**. It puts them in whiskey (as opposed to whisky) for the first time.

■ **Inventure Foods** sold their frozen fruit business to **Oregon Potato Company** for \$50 million. *Rader Farms* is the main brand.

■ **Cargill** invested in **Memphis Meats**, an early stage company that grows “clean meat” from animal cells. It is better for animal welfare and the environment, but a pound now costs nearly \$2,400.

*There is a clear push by big CPG companies to acquire emerging and growing brands:*

■ **Unilever** is buying **Pukka Herbs**, an organic herbal tea company. Revenue is about \$40 million.

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Continued.

- **Kellogg** is paying \$600 million for **RxBar**, a protein bar business that started with CrossFitters. Sales are about \$120 million.
- **A-B InBev** is buying **Hiball**, a maker of energy drinks and carbonated juice.
- **Nestlé** bought **Sweet Earth**, a maker of vegetarian foods. It is run by **Kelly** and **Brian Swette**, who were at **Pepsi** back in the day.
- **Nestlé** also bought **Blue Bottle Coffee**, a leading artisanal brand founded in 2002. The price was reportedly \$500 million.
- **Conagra** is buying **Angie's Artisan Treats**, makers of *Boomchickapop* popcorn. The proud seller is **TPG Growth**.
- **SC Johnson** is buying *Method* and *Ecover*, two eco-friendly cleaning product brands, from **People Against Dirty**.
- **Constellation Brands** bought **Funky Buddha**, the fastest growing craft brewery in Florida.
- Staying on the beer theme, **Lagunitas Brewing** is buying 20% of **Short's Brewing**, the largest craft brewer in Michigan. Lagunitas is part of **Heineken**.
- Okay, one more round before last call. **Carlsberg** bought **London Fields**, a craft brewery in the UK. They will operate it as a joint venture with **Brooklyn Brewery**.

*Private equity firms buy companies because they want to sell them:*

- **Swander Pace Capital** sold **Lavo**, a detergent and household products maker, to **KIK Custom Products**. They are owned by **Centerbridge**.
- **North Castle Partners** sold cosmetics company **Mineral Fusion** to **BWX Limited**.

*Other private equity firms started the buying cycle anew:*

- **Court Square Capital** bought **PlayCore**, the playground equipment leader, from **Sentinel Capital Partners**.
- **Riverside** invested in **LILLÉbaby**, a leading brand of premium baby carriers.

■ **Centre Partners** invested in **Golding Farms**, a maker of sauces and condiments.

■ **Mason Wells** bought **King Juice**, the family-owned maker of *Calypso* flavored lemonades. They are also a co-packer.

■ **Encore Consumer** invested in **Veggie Noodle**. They make spiralized vegetables sold in the produce section.

■ **Birch Hill Equity** is buying the *CCM* hockey brand from **Adidas** for \$110 million.

■ **Brynwood Partners** bought **Cold Spring Brewing** from the family owners. The \$60 million company is primarily a co-packer, including for Brynwood's **Harvest Hill**.

■ **Sunrise Strategic Partners** bought a minority stake in **Kill Cliff**, makers of recovery and hydration sports drinks. Sunrise is backed by **Trilantic**.

■ **Kelso** bought **Popcorn, Indiana** to combine it with **Eagle Foods**. (Frankly, we never realized the name has a comma.) They make ready-to-eat popcorn.

■ **Peak Rock Capital** bought **Gold Coast Bakeries**, a California-based producer of organic baked goods.

■ **CircleUp** enabled fundraising by **Grayl** water purifiers, **Evy Tea** cold brew tea, **Heavenly Organics** honey products, and **Banza** chickpea pasta.

*You may have seen the "For Sale" signs:*

■ **Eden Creamery** is exploring a sale they hope will bring \$2 billion. Their *Halo Top* ice cream (think low calorie but really good) is reportedly #1 in pint sales, above *Ben & Jerry's* and *Häagen-Dazs*.

■ **Kind** is exploring the sale of a minority stake. They hope the snack bar company will be valued at more than \$3 billion.

■ **Pfizer** wants to sell or spin off their \$3 billion consumer business. Key brands include *Advil*, *Centrum*, and *ChapStick*.



## Courtrooms and Bureaucracy

We have met some lawyers we actually like.

■ More and more women are suing **J&J** over a potential link between ovarian cancer and talcum in their baby powder. The count is now up to 4,800 plaintiffs. In the most recent decision, a jury in LA ordered J&J to pay damages of \$417 million.

■ Congress wants to give the **FDA authority over beauty products**, with most companies supporting the move. A driving issue is the use of potentially unsafe formaldehyde in hair straighteners.

■ **Nestlé** has been sued by 11 get-rich-quick consumers. They claim *Poland Spring* is a "colossal fraud" because the product is "common groundwater." We disagree.

■ **Honest Company** will pay \$7 million to settle a suit that claimed they falsely labeled some products as "all natural."

■ **P&G** (with *Gillette*) sued **Edgewell** (with *Wilkinson Sword*) in the UK. They claim patent infringement by private label razors that fit the *Mach 3* handle. Apparently P&G won a similar suit in Germany.

## Expanding and Contracting

Unfortunately, more are doing the former than the latter.

■ **Lego** is cutting 1,400 jobs. Their success in movies and with licenses has not offset a decline in traditional toys.

■ **Tyson** is cutting 450 jobs, partly because of synergies as they integrate newly-acquired **AdvancePierre Foods**.

■ **Snyder's-Lance** is cutting 250 jobs. It is part of a restructuring program to improve financial results.

■ **TreeHouse** is cutting 375 jobs as they close some private label factories.

## People News

Time to update your scorecards.

### CEOs

■ **Steve Cahillane** is joining **Kellogg** as CEO. He was at **Nature's Bounty** and **Coca-Cola**.

■ **Dirk Van de Put** is joining **Mondelez** as CEO. He was at **McCain Foods**, **Novartis**, **Danone**, **Coca-Cola**, and **Mars**.

■ **Annie Young-Scrivner** joined **Godiva** as CEO. She was at **Starbucks** and **PepsiCo**.

■ **Jeff Boutelle** joined **Pharmavite**, makers of *Nature Made* vitamins, as CEO. He was at **Beech-Nut**, **Abbott Nutrition**, **Nestlé**, and **P&G**.

■ **Niels Christiansen** joined **Lego** as CEO. He was at Danfoss, an industrial technology company, after starting at McKinsey.

■ **John Foraker** is joining **Once Upon A Farm**, an early stage baby food company, as CEO. He ran **Annie's Homegrown**.

■ **Paul Sturman** joined **Nature's Bounty** as CEO, effective with the purchase by **KKR**. He was at **NJOY Electronic Cigarettes**, **Pfizer**, **J&J**, and **Warner-Lambert**.

■ **Patricia Lopez** joined **High Ridge Brands** as CEO. She was at **Estée Lauder**, **Avon**, and **P&G**. The personal care company is now owned by **Clayton, Dubilier & Rice**.

■ **Ken Wilkes** joined **World Kitchen** as CEO under the new owners, **Cornell Capital**. He was at **Anchor Glass**.

■ **Dimitri Panayotopoulos** joined Coveris, a plastic packaging company, as CEO. We care because he was at **P&G** for 37 years.

■ **Val Stalowir** joined **Reed's**, the soda company, as CEO. He was at **International Harvest** (good for you snacks), **Emigrant Capital**, and **Coca-Cola**.

*Continued*



REED'S



High Ridge  
Brands



Mondelēz,  
International



UNCLE  
DOUGIE'S



HMA

HERBERT MINES ASSOCIATES  
SEARCH FOR LEADERSHIP

## People News

Time to update  
your scorecards.

### CEOs *continued*

- **Rob Johnson** joined **Uncle Dougie's**, an early stage maker of sauces and marinades, as CEO. He was at **Conagra**.
- **Rick Anderson** joined **Gold Coast Bakeries** as CEO. He was at **Little Lady Foods, Aryzta, La Brea Bakery**, and **Maple Leaf Foods**.
- **Greg Longstreet** joined **Del Monte Foods** as CEO. He was at **Hormel** and **Dole**.
- **David Klavsons** joined **King Juice** as CEO. He was at **Glanbia Nutrition, Hess, Kraft/Nabisco**, and **Frito-Lay**.

A couple of moves failed to utilize a highly-skilled executive recruiter.  
Or our competitors:

- **LVMH** appointed **Philippe Schaus** as CEO of **Moët Hennessy**, their wine and spirits subsidiary. He ran DFS (Duty Free Shops).
- **KidKraft** promoted **Lawrence Writer** to CEO. He joined as CFO last year.
- **Bacardi** promoted **Mahesh Madhavan** to CEO. He has been there over 20 years.
- **Acushnet**, makers of *Titleist* and other golf brands, promoted **David Maher** from COO to CEO. **Wally Uihlein** is retiring.

### Presidents and GMs

- **Sharon Leite** joined **Godiva** to run North America. Her background is mostly retail.
- **Craig Shiesley** joined **Amplify Snack Brands**, the *SkinnyPop* company, as COO and president of North America. He was at **WhiteWave** and **SCJ**.
- **Brian Huff** joined **Merisant** as president of North America. He was at **Kellogg** and **SunTree Snack Foods**.
- **Lesya Lysyj** joined **Welch's** as president of the US. She was at **Weight Watchers, Heineken, Cadbury**, and **Kraft**.
- **Tom Flocco** joined **Utz** as president and COO. He was at **Beam** and McKinsey.
- **Andrew Stanleick** joined **Coty** to run their European beauty business. He was at **Coach, L'Oréal, and Unilever**.
- **Susan Jerevics** joined **Shiseido** as president of **Bare Escentuals**. She was at Pottermore, **Mattel**, and Nickelodeon.

*Other moves failed to support the vital head-hunter sector of our economy:*

- **PepsiCo** promoted **Ramon Laguarta** to president, a vacant #2 position. He was running Europe and sub-Saharan Africa.

- **Kraft Heinz** promoted **Paulo Basilio** to president of the US. He is succeeded as CFO by **David Knopf**, who is all of 29.
- **Bacardi** promoted **Ignacio del Valle** to president of Latin America and the Caribbean. He has been there 21 years.
- **Brown-Forman** promoted **Lawson Whiting** to COO. He is a 21-year veteran.
- **Hormel** named **Lisa Selk** to run **Cytosport**, the subsidiary that makes *Muscle Milk*. She has been at the parent company 19 years.
- **General Mills** named **Carla Vernon** as president of **Annie's**, an organic subsidiary. She has nearly 20 years at the company.
- **Smucker** promoted **Joe Stanziano** to SVP and GM of consumer foods. He was running the US consumer business.
- **Tyson** reorganized around product categories, naming new group presidents. **Sally Grimes** will run prepared foods, **Doug Ramsey** will run poultry, and **Noel White** will run beef, pork, and international.
- **Blue Apron** named **Tim Smith** as GM of consumer products. He joined the home delivery food company last year from **Tyson**.

- **NuZee**, the maker of *Coffee Blenders* single-serve coffee products, promoted **Travis Gorney** to president and COO. Previously he ran sales and marketing.

Continued.

- **MaryKay Kopf** is joining **World Kitchen** as CMO. She was at **Electrolux** and **DuPont**.
- **Matt Bruhn** is joining **Pabst Brewing** as CMO. His relevant experience was at **Diageo** in the US, Asia, and Australia.
- **Bobby Chacko** is joining **Ocean Spray** as chief growth officer. He was at **Mars**, **Coca-Cola**, and **InBev**.
- **Dan Magliocco** joined **DanoneWave** to run marketing in Canada. He was at **Mondelez**, **Kraft**, and **Nabisco**.
- **Stephen Koven** joined **Hormel** as VP of digital experience. He was at **Dogswell**, **Dial/Henkel**, and **Clorox**.
- **Richard Greenberg** joined **Sovos Brands**, an acquirer of food and beverage brands, as chief customer officer. He was at **Sun Products** and **Kellogg**.
- **Mark Cieslinski** is joining **Yoobi**, a maker of school and office products, as chief commercial officer. He was at **Moleskine**, **Mentholatum**, and **General Mills**.
- **Liz Nordlie** joined Target as VP of product design and development for food and beverage. She was at **General Mills**.
- **Scott Lewis** joined **Evolution Fresh** as VP of customer business development. He was at **Coca-Cola**, **Monster**, and **Naked Juice**.
- **Mark Schreiber** joined **Utz** as chief customer officer. He was at **Pepperidge Farm** and **Frito-Lay**.
- **Shakeel Farooque** joined **Campbell Soup** as VP of digital and e-commerce. He was at Kohl's, eBay, and Amazon.
- **Julie Bowerman** is joining **Hain Celestial** as SVP of e-commerce and digital engagement. She was at **Coca-Cola**.
- **DeLu Jackson** joined **Conagra** as VP of precision marketing, a role focused on digital, insights, and analytics. He was at **Kellogg** and McDonald's.

*Yada yada yada about promotions from within:*

- **Dr Pepper Snapple** promoted **Andrew Springate** to CMO. He joined the company in 2000, and most recently ran sales.
- **Post Holdings** promoted **Roxanne Bernstein** to CMO of their consumer brands unit. She joined in 2016.
- **Bacardi** promoted **John Burke** to global CMO. He is a 24-year company veteran.
- **Ocean Spray** named **Daniel Crocker** as chief customer officer. He has been there 10 years.
- **Snyder's-Lance** named **John Maples** as chief customer officer. He joined the company in 2015.
- **L'Oréal** promoted **Jackie Madsen** to SVP of sales. She has been there over 15 years.

- **Mindy Mackenzie** joined **Carlyle Group** as chief performance officer for their portfolio. She was at **Beam**, **Campbell Soup**, and Walmart.
- **Amy Thompson** joined **Mattel** as chief people officer, coming from Tom's Shoes. And **Joe Euteneuer** joined the company as CFO, coming from Sprint.

- **Jonathan Donner** joined Amazon as director of executive development. His CPG cred comes from **Unilever** and **Altria**.
- **Bruce Wacha** joined **B&G Foods** as EVP of corporate strategy and BD. He was at **Amira Nature Foods** after 15 years in investment banking.
- **Greg Christenson** joined **Amplify Snack Brands**, the **SkinnyPop** company, as CFO. He was at **WhiteWave**, **Oberto Brands**, and **Kraft**.

### *Other Functions* continued

- **Matt West** is joining **Griffith Foods** as CFO. He was at **Nature's Variety**, **Kraft**, and **P&G**.
- **Jay Thompson** joined **Utz** as CFO. He was at Armstrong, **Chobani**, **TPG**, and **PepsiCo**.
- **Lee Wise** joined **TreeHouse Foods** as treasurer. He was at **Mead Johnson**.
- **Daniel Ramos** joined **Coty** as chief scientific officer. He was at **Revlon**, **Reckitt Benckiser**, and **P&G**.
- **Steve Liedtke** joined **Hain Celestial** as CFO. He was at **WhiteWave**.

- **Michael Kingston** joined **L'Oréal** as CIO of the Americas. He was at Neiman Marcus, Ann, Coach, **LVMH**, and **Castrol**.

*Enough with the internal moves already:*

- **Dr Pepper Snapple** promoted **Jaxie Alt** to EVP of HR. She joined the company in 2001, working mostly in marketing.
- **Philip Morris International** appointed **Martin King** as CFO, succeeding **Jacek Olczak** as he becomes COO. King ran Asia.

### *Board of Directors*

- **John Rehg** joined **Beautycounter**'s board. He is the CEO of **Seventh Generation**.
- **Jim Snee** added the chairman title to his CEO role at **Hormel**. Former CEO **Jeff Ettinger** retired from the role and the board.
- **André Hawaux** and **Hala Moddelmog** joined the board of **Lamb Weston**, the frozen potato company. He was at Dick's and **Conagra**; she is the CEO of Metro Atlanta Chamber.

- **Tony Vernon** joined **McCormick**'s board. He is the retired CEO of **Kraft**.

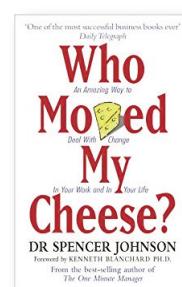
- **Rob Vitale** joined the **Energizer Holdings** board. He is the CEO of **Post Holdings**.
- **Susan Johnson** joined the **Constellation Brands** board. She is the CMO of SunTrust.
- **Nelson Peltz** is not joining **P&G**'s board. The activist investor narrowly lost history's most expensive proxy fight (\$60 million!).

### *Obituaries*

- **Hicks Waldron** died at 93. He ran **Heublein** and then **Avon** in the 1980s.
- **Jeff Brotman** died at 74. He co-founded **Costco**, which has driven lots of CPG growth.
- **Alan Peckolick** died at 76. After being kicked out of art school, he designed classic logos for companies such as **Revlon**, GM, and **Pfizer**.

- **Bo Pilgrim** died at 89. He turned a small feed and seed store into **Pilgrim's Pride**, one of the biggest poultry producers.

- **Spencer Johnson** died at 78. He wrote *Who Moved My Cheese?*, the best-selling parable about change management. He also co-wrote *The One Minute Manager*.



## Marketing & Strategy

When in doubt, try something.



■ We were **waiting breathlessly** to see what color would replace *Dandelion* in **Crayola's** 24-pack of crayons. It is called *Bluetiful*, which reportedly scientists at Oregon State developed while working on electronics.

■ **Mattel** is catching heat because some videos on the *Barbie* mobile app are – brace yourself – actually ads. In our opinion, a kid old enough to have a smartphone is old enough to watch an ad.

■ Meanwhile, **Mattel** responded to advocacy groups by deciding not to introduce *Aristotle*, a device that was essentially *Alexa* for kids. The sky-is-falling alarmists had raised concerns about “corporate snooping” in kids’ bedrooms.

■ **Red 40, Blue 1, and Yellow 6** are rejoicing **General Mills**. The artificial colors are back in *Trix* cereal – along with high-fructose corn syrup – after being killed with fanfare last year. Apparently some shoppers do not want an all-natural product colored with radishes, carrots and turmeric. As one consumer said, “It’s basically a salad now.”

■ **Kraft Heinz** is partnering with **Oprah Winfrey** to launch a refrigerated food brand called *O, That's Good!*



■ For 80 years there have been three kinds of chocolate: dark, milk, and white. But now **Barry Callebaut** has introduced **ruby chocolate** as the fourth. It is said to have a berry-fruitiness and a reddish color.

■ Halloween and Thanksgiving haven’t moved, but **pumpkin spice comes earlier** each year. In August we saw limited-time flavors from *Cheerios*, *Dunkin' Donuts*, and *Pepperidge Farm*. At least Starbucks held their latte until September 1 this year.

■ **Dannon** (oops, **DannonWave**) dropped **Cam Newton** as a spokesperson for their *Oikos* brand. He made sexist comments to a female reporter at a news conference.

■ Spurred on by a letter from an 8-year-old girl, **Hasbro** updated their “Star Wars” version of *Monopoly*. It now includes a female character, Rey.



■ Movies often feature CPG brands, partly to generate placement revenue. In a twist, the current “Kingsman” sequel features a new bourbon, *Statesman*, that **Brown-Forman** launched after it appeared in the script.

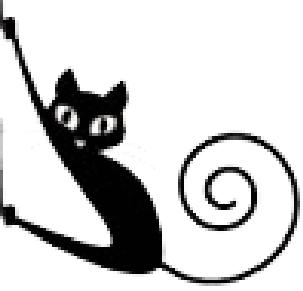


■ You’ve seen the ads, but **Coca-Cola** has replaced *Coke Zero* with *Coke Zero Sugar*. It is more than a name change, with the formula having done well internationally.

■ The **new Android operating system** from Google is named *Oreo*. Naming it after the cookie follows a precedent set by their 2013 version, which was named *Kit Kat*.

■ **Patrón** has a new augmented reality app for its tequila. It probably involves stumbling around and doing things you regret later.





## Free Thoughts

*Frightful filler and fits  
of fearless feats.*

- As an **All-Name Hall of Fame** nominee, the new Starbucks president is Rosalind **Brewer**.
- For the first time since 2005, more than half (51%) of **US workers are satisfied** with their jobs. But researchers say it may be because of lowered expectations.
- **Mars** is stepping up as the US withdraws from the global climate accord. They will invest \$1 billion to cut greenhouse gas emissions by 67% across the value chain.



- Along those lines, **AB InBev** signed a deal to buy power from a wind farm. Their goal is to buy all their electricity from renewable sources by 2025.



- We hate to wish ill, but we hope **Brandless** falls flat. We suppose the online retailer has a right to sell 115 generic staples for \$3 each, but the “no brands” concept goes against everything we hold dear.
- If you haven’t noticed, **big companies are struggling** in the food and beverage world. A.T. Kearny says market share of the 25 biggest companies dropped **from 66% to 63%** in four years. That is worth \$15 billion.
- There’s a fringe group in the tech world called **MGTOW** (Men Going Their Own Way). They espouse no children, no marriage, and limited involvement with women. That is pretty much how tech nerds live anyway, but now they get to act like it’s a choice.

