



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



THERE MAY NOT BE PARADES, fairs, bands, barbeques & fireworks this Independence Day, but that does not change the meaning of this special holiday. Just like Christmas, this holiday is about a birth: the concept of self-government. Our constantly growing Nation has fought to preserve that idea, for all of humankind, for 244 years. Thirteen years after our birth (& six years after the Treaty of Paris confirmed for the world that the USA was an independent, sovereign nation among the world's countries), the Founding Fathers, in their wisdom, saw there was something missing in this *loose configuration of states*. What Americans needed was a *More Perfect Union*.

TAKING LIBERTY: When the Founding Fathers gathered in 1787 for the Constitutional Convention, they knew exactly what kind of government *they didn't want!* The Articles of Confederation gave many powers to the states, but the central government was much too weak to deal with international (security & trade) & domestic (Shay's Rebellion) issues. The Founding Fathers had a healthy fear & disdain for a powerful central government. Why? Because throughout human history (& even today) most people lived under despotic, totalitarian regimes. Think about our caveman friend, Thuk! His tribe was ruled by the biggest, meanest individual, or by someone who could get the most followers, through fear & intimidation, to follow him. Monarchies ruled by divine right! Emperors in Japan & Rome & pharaohs in Egypt were viewed as absolute gods. Marauding warlords like Alexander & Genghis Khan tried to conquer the known world. Barbaric tribes, Vandals & Visigoths, murdered, destroyed, plundered & pillaged as they saw fit. Totalitarian forms of government have all the control in a strong centralized authority, either in one person or a small group, *a select party of ins*, that make all laws & decisions. These forms of government, like communism, socialism & fascism, dictate what you can do & say, how you can live & how you can worship. Our Founding Fathers wanted no part of that! The American people who won the Revolution were *rugged individuals*. They left totalitarian regimes to establish their own way of life, to do what they believed was best for themselves & their families, while realizing the need to be part of a decent society. The Founding Fathers wrote a Constitution that defined the power & operation of the central government, but ensured our individual rights, freedoms & liberties in the first ten amendments, the Bill of Rights. The 1st Amendment guarantees freedom of speech, religion, press & the right to peacefully (*repeat, peacefully!*) assemble. This means the government cannot suppress your thoughts or speech, even if decent society should deem you an ass. To allow the press to say just about anything, we purposely have weak libel & slander laws. And of course, the government cannot prevent you from gathering on Sunday morning, Friday evening, Saturday morning or five times a day to worship as you desire. The 4th, 5th & 6th amendments prevent the government from spying on you, taking or searching your private property & records, knowing your affairs or making you incriminate yourself! These amendments guarantee due process, fair bail, a speedy jury trial & the exposure of exculpatory evidence. The government can't just pick someone up & throw away the key, as happens in totalitarian regimes! The 9th (& later the 14th) amendment basically says that no federal or state law can deny a citizen these individual rights. The 10th amendment is important, as it states that any power not explicitly given to the federal government is retained by the individual or the states. The Founding Fathers knew that the first thing totalitarian regimes do to gain control is to suppress all of the rights in these amendments, rendering the people impotent. This is exactly what was done by the communist Soviets & Maoists, the fascist Nazis & the strongmen of

Asia, Africa & South America. These despots did one other thing, they disarmed the citizenry, which is why the Founding Fathers created the 2nd amendment. They gave Americans the right to protect themselves, their families, their property & most importantly, their sacred freedoms & liberties from an overreaching government.

The Constitution details the functions, powers & operation of the central government, allowing for 3 branches, each now having equal power with a set of checks & balances, in a mere 4,543 words! With the 27 additional amendments, it is just 7,591 words, equal to about six issues of ***ALL EARS!!*** The Constitution is a fragile document & not because it was written on 4 sheets of parchment, each about 2 ft by 2.5 ft. We have all seen just how easily our rights & liberties can be trampled upon, even taken away. This is what makes the Constitution so fragile! America is unique because we are a country of individuals; individuals of different opinions, religions, races, sexes, beliefs, attitudes & backgrounds, that have come together to form a decent society. America is also unique because we have a Constitution, a short simply-worded straightforward document, that protects our individual rights & protects us from our very own government! *We the people* are the caretakers of this fragile document, to ensure, as Abraham Lincoln said, “*That a government of the people, by the people, for the people, shall not perish from the earth.*”

INDUSTRY NEWS: *Outstanding Foods (PigOut Pigless Pork Rinds)* closed on \$5M led by *SternAegis Ventures*. UK-based baby food start-up *Mia & Ben* raised £2.5M from *Blue Horizon Ventures*. *Coca-Cola* has shut down the *Odwalla* juice business & will divest its associated refrigerated distribution network. *Albertsons* reduced the price of its IPO to \$16, below the \$18 to \$20 expected.

Publix was #1 on *Newsweek's 2020 America's Best Customer Service* list in the national supermarket category & #9 overall, the only supermarket in its top 10. *Raley's* opened its first *O-N-E Market* (35K sq. ft. & designed to resemble a ski lodge) offering organic & natural foods while serving as a new product & consumer test store. *Kroger* will partner with *Gravity Diagnostics* to provide its employees FDA approved at-home COVID testing kits with the ability to process 60K tests a week. *Giant Food* has merged all its e-commerce platforms, including the former *Peapod* platform, onto one new e-commerce platform. *Chipotle* has introduced *Chipotle Virtual Farmers Market*, which enables farmers in their supply chain to offer their own improved e-commerce websites. *Walmart & Sam's Club* have hired more than 265,000 veterans. Per *Consumer Reports*, *Whole Foods' Starkey Spring Water* has concerning levels of arsenic.

Rabobank International forecasts online grocery sales, spurred by stay-at-home consumer habits, to reach 6.4% of total grocery sales by the end of 2021. Without the recent conditions, the forecast would have been 4.6%. *Kelton Global* reports that 81% of in-store shoppers want to know if a store is safe, 64% are trying to touch as few items as possible, 59% of shoppers would rather use self-service & 74% remain on a strict budget. Per the *Retail Feedback Group*, 50% of consumers are shopping in-store & on-line, with younger consumers doing more of both. The digestive health segment will reach almost \$4B by 2021, per *Nutrition Business Journal*. *RBC Capital* sees a strong 2021 for food brands.

MARKET NEWS: Markets had an upbeat week as the historic USMCA went into effect on July 1, replacing NAFTA. The S&P posted its best quarter since 1957 with a 19.9% increase. The unemployment rate fell on a record setting blowout jobs report, with 4.8M Americans returning to work, besting all expectations.

SEEDS, SPROUTS, GROW, HARVEST!
THE LITCHFIELD FUND – *Tom Malenka*

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