



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



ON MEMORIAL DAY, at the Arizona National Memorial Cemetery, an old gentleman sits in the front row of the audience tent, shaded from the hot desert sun. When the Parade of Flags starts, with honor guards from the various local military bases, veterans' groups & military service organizations, he stands & proudly salutes; recently, leaning on a walker. Then comes the National Anthem, the Pledge of Allegiance, the speeches & prayers for the absent. Afterwards, a line forms to shake this gentleman's hand; those who served offer a sharp salute. With tear-filled eyes, it's a humble honor to shake the hand of a remaining *Bataan Death March* survivor.

THE BLAME GAME: The Bataan Death March was one of the most horrific events in human history. After Pearl Harbor, the Japanese launched a series of attacks across the South Pacific. The defenders of Bataan gallantly struggled, but with no help on the way, surrendered on 9 April, 1942. Some 80K American troops, Filipino troops & citizens were marched 70 miles through the jungle to a train station for transportation to a prison at Cabanatuan. Along the march, in the jungle heat & humidity, they were starved, beaten & wantonly, brutally, tortured & killed. The torture & brutality did not stop at Cabanatuan or the other camps where the POWs were sent. When the USA Army Rangers liberated Cabanatuan in 1945, there were only 500 prisoners left. But Bataan was far from the most horrific event in human history. In our 1960s/1970s east side Cleveland Italian & Jewish neighborhood, there were many older folks with numbers tattooed on their arm. I wish I had been older when talking with these folks, had heard what they were willing to share with more mature ears, knowledge & understanding. Christine was one of those folks, an older lady living quietly with her husband, a frail small man & her adult son who remained hidden from the world, an alcoholic who stayed in the basement of their small brick bungalow on Parker Drive. Until 1938, Christine & her family were prominent members of the Austrian business class, but on a night in early November, *Kristallnacht*, mobs stormed their home, tossed them on the street & destroyed all their possessions. They were eventually sent to concentration camps, her husband & older boys separated from Christine & the younger children. Only she, her husband & one son survived, reunited after liberation. They were Jewish, blamed for all the ills of Germany, an easy scapegoat for German society's own failings. Blaming others led to destruction & the death of more than 6M Jews & millions of others among the groups targeted with blame & hate by the National Socialist Workers' Party. C.S. Lewis explains why blaming others leads to hate, "*Hell begins with a grumbling mood, always complaining, always blaming others.*" American critic & essayist Lionel Trilling tells us why blaming others is easy, saying, "*Our culture peculiarly honors the act of blaming, which it takes as the sign of virtue & intellect.*" John Spence, founder & posthumous inspiration for the pop band *No Doubt* said, "*You will never become who you want to be if you keep blaming everyone else for who you are now.*" As humans, we constantly fail, but as coach Bum Phillips tells us, "*You aren't a failure until you start blaming someone else.*" But Theodore Roosevelt reminds who is really to blame, "*If you could kick the person in the pants responsible for most of your trouble, you wouldn't sit for a month.*"

INDUSTRY NEWS: *New Age Meats* raised \$2M led by *TechU Ventures*, along with *ff Venture Capital*, *SOSV*, *Sand Hill Angels*, *Siddhi Capital*, *Losa Group* & *San Diego Tech Coast Angels*. E-commerce marketing & insights platform *MikMak* raised \$10M led by *Wavecrest Growth Partners*. *Narya Capital* led a \$28M raise

for *AppHarvest* which plans a 2.76M sq. ft. greenhouse in Kentucky & has raised \$150M in the past two years. London-based start-up *Weezy* raised \$1.3M from *Heartcore Capital* for its 15-minute delivery service featuring hyper-local fulfillment & electronic mopeds. *7-Eleven* will buy *Marathon's Speedway* C-store chain for \$21B in cash, gaining 3.9K stores in 35 states. *Vital Farms'* stock price rose 60% upon its IPO.

Publix saw 2nd QTR comparables rise 19.9%, revenues 21.8% & net earnings 56%. *Ahold Delhaize* saw a 78% net income jump as strong USA sales drove a 17.1% sales increase in 2nd QTR. *Keurig Dr Pepper* beat 2nd QTR revenue forecasts & posted a 10% jump in adjusted EPS. Sales fell 10% for *Monster's* 2nd QTR on weak C-store sales but net income rose 6.5% as other sectors performed well. For *Danone's* first half, convenience water sales fell 21%, resulting in flat YOY sales with net income dropping 10%. *J&J Snacks* took a \$5.1M impairment charge that led to a \$12.65M loss in 3rd QTR, with net sales down 34%. *Utz Quality Foods* had record 2nd QTR sales, with earnings up 15% & sales up 11%. Net income fell 22.1% in *Tyson's* 3rd QTR with a 7.5% revenue drop. *Beyond Meat* beat 2nd QTR estimates recording a 2¢ EPS loss. *Hostess* beat expectations with 2nd QTR income up 4.2% & sales up 6.3%. *B&G Foods* rode consumer spending shifts to a 38% gain in 2nd QTR sales as net income rose 146%. *Yum! Brands'* sales fell 8.5% in 2nd QTR & net income fell 27%. *Bunge*, with strong execution, saw 2nd QTR income rise 141%, sales fall 6.1%.

Publix will close two *GreenWise Markets* in South Carolina. Also, *Publix* has partnered with container hydroponics firm *Brick Street Farms* to grow, pack & harvest hydroponic lettuce outside one of its *Greenwise Market* locations. *7-Eleven* will pilot fresh bakery offerings. *Dollar General* will open at least four fresh distribution centers to support its strategy shift to fresh; each facility will create 65 jobs & support 1500 stores. *Giant Foods* has expanded its fresh distribution center in Maryland by 95K sq. ft. to support demand. *Walmart* will open drive-in theaters in 160 of its parking lots. *DoorDash* will kick off *DashMart*, delivering grocery convenience items. *Shipt* will partner with managed care services *WellCare* to offer free delivery for eligible seniors. *Wakefern Food* will use *Inmar Intelligence's Retail Cloud*, an integrated suite of marketing technologies & services to drive shopper engagement through targeted media for its brands. *Conagra* is investing \$100M & adding 200 jobs to expand its Ohio meat snacks processing plant for *Slim Jim* & *Duke's Smoked Sausages*. *Beyond Meat* has launched in *BJ's Wholesale* & *Sam's Club*. *Kraft* is pushing Mac & Cheese for breakfast after learning 56% of parents have been serving more Mac & Cheese for breakfast in the recent months. *SodaStream* introduced the world's first certified organic, shelf-stable *Kombucha Concentrate* to its product lineup. Willie Nelson will support regenerative farming startup *TerraPurezza* on his 500-acre East Texas *Luck Ranch*. Roman Heini has resigned as head of *Lidl USA* after nearly 16 months & *Walgreens Boots Alliance* CEO & largest shareholder Stefano Pessina resigned after 5 years. Industry veteran Bart Adlam has joined *Good PLANeT*. Dean Banks was named CEO of *Tyson Foods*.

Per *Nielsen*, non-alcoholic beverage sales grew more than 12% in July, with increases across all segments. In the *J.D. Power 2020 U.S. Pharmacy Study*, supermarket pharmacies achieved the highest overall average rating with *Wegmans*, *Publix* & *Winn Dixie* leading the way. Average banana prices have increased 2¢, but there are weekly & regional price swings.

MARKET NEWS: Markets rose, with the Nasdaq hitting record highs, as earnings continued to surpass analyst predictions, jobless claims came in lower than expected & July job growth beat expectations.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – Tom Malenjo

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