



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



LITCHFIELD

GROWING UP IN NORTHEAST OHIO, the unicycle team of St. Helen of Newbury Grade School was a holiday parade viewing treat! These grade-schoolers weaving around suggested the precision of Tchaikovsky's *Swan Lake* or the United States Marine Corps' *Silent Drill Team*! On small or very tall unicycles, the riders avoided each other, did quick stops & starts, spun around & headed in the opposite direction. Yes, occasionally there was perhaps a back & forth wobble, a slight moment of indecision or hesitation, before taking off in another direction at top speed! This is not dissimilar to taking the dog for a walk in our neighborhood during this era of *Social Distancing*.

VERY RANDOM THOUGHTS: With "nothing" to do but work, order supplies, wipe down counters, cook, walk the dog & wash our hands, this week **ALL EARS!!** shares a few random, *mostly inconsequential*, thoughts! *USA eCommerce & delivery systems seem surprisingly efficient considering the extreme stress! If higher eCommerce volumes remain after this, will the system be more cost effective & efficient in the future?* Why does the Waylon Jennings' song, *It's a World Gone Crazy Cotillion*, keep going through my head? *All entrepreneurs & small business owners should check the CARES Act for the SBA programs available!* With all these stay at home mandates Waldo & Carmen Sandiego should be easy to find! We may even be able catch Kilroy at home!

The response of Big Business to the current environment validates a main premise of Adam Smith's capitalistic free market philosophy. Businesses will be moral because it is in their best interests to be moral! Also, isn't it interesting what can be accomplished when government bureaucracy (in this case, the FDA) gets out of the way or does its job efficiently!

So many heartwarming stories! In Colorado, a resident collects shopping lists & delivers groceries to elderly residents & shut-ins. This Good Samaritan is Sunny, a Golden Retriever.

Virtual meetings & events may become a future standard to reduce travel-related expenses & risks. Zoom users rose from 10M to 200M in just a few weeks! Therefore, building & maintaining strong social media relationships will be even more critical! So don't forget to check out [Brandjectory!](#)

Our dog, DJ, usually has a few adventures each week. Now limited to just neighborhood walks, we have tried DOGTV! Scientifically designed, it has helped him to stay calm & focused! We highly recommend it! It seems like a good time to ponder life's big questions (apologies to René Descartes)! Deep dish or thin crust? Marinara or Al Fredo? Mary Ann or Ginger? Jennifer or Angelina? Does anybody really know what time it is? Who put the boss in the Bossa Nova? (Spoiler, it was Stan Getz!) What really is new, Pussycat? For native Clevelanders, who actually did steal the kishka?

Heroes! The doctors, nurses, med-techs, first responders & others who are on the front line in this war! Our Navy, who readied its hospital ships in record time! Our National Guard reservists, activated to join the fight! Let's not forget the farmers, the food manufacturers, the grocery workers, the factory workers producing drugs, medical equipment & toilet paper, the workers at Walmart, Target, Kroger, Amazon & more who are stocking shelves & filling orders! And those White Knights of the highway, the truckers & delivery people bringing hospitals the needed supplies & the goods to our front doors!

The ingenuity of the American people! Closed restaurants have opened markets to sell the goods they get from foodservice to consumers! Colleges & school cafeterias are preparing meals for the needy! Grocers are using *Open Table* to reserve shopping times!

With the disruption to our supply lines, was it a mistake accepting goods manufactured (cheap, critical or otherwise) offshore? George Washington in his Farewell Address warned of "foreign entanglements."

Neighbors are putting teddy bears & American Flags by their front doors & scattering painted rocks among the landscape that say *Be Brave, Share Love, Do Good!* One cul-de-sac shared dinner, each family unit sitting by themselves on the road on folding chairs with ice chests!

Any worries I harbored about going bald were totally unfounded!

Online education should be the future, reducing costs & the risks/liabilities of housing young people on campus. How about partnerships with hi-tech companies for required but remote real-world lab work?

Bill Kelly, a 95-year old WWII vet, survived the Great Depression, the South Pacific jungles & despite a kidney & heart condition & high blood pressure, just survived COVID-19. This; The Greatest Generation!

Here in Scottsdale, the air usually has the scent of smoked or barbequed meat from the restaurants. With restaurant volume down we instead can smell the citrus blooms & wild flowers!

And that makes us think of Abraham Lincoln, "We can complain because rose bushes have thorns or rejoice because thorn bushes have roses."

INDUSTRY NEWS: *Coefficient Capital* raised its first fund, \$170M, to invest in omnichannel brands. *Grays Peak Capital*, owner of baby food brands *Healthy Mama* & *NuturMe*, acquired *Nosh Foods*, organic baby & toddler food. India's health & fitness startup *CureFit*, online meals & groceries, raised \$110M from *Temasek* & *Unilever*. *DFA* will acquire 44 of *Dean Foods'* facilities for \$433M. *Prairie Farms Dairy* & others will acquire the remainder, while *Harmoni* won the *Uncle Matt's* business.

Among the winners of several closed *Earth Fare* locations was an investor group that included *Earth Fare's* founder, Roger Derrough, that gained 4 locations. After closing all its stores in 2019, *Dean & DeLuca* has filed for Chapter 11 bankruptcy. *Lidl* opened its 700k sq. ft. regional headquarters & distribution center in Perryville, Md. *Kroger* saw a 30% identical store sales increase in March & announced a bonus for all frontline employees. *Reed's* is using their beverage sampling truck to deliver donated products to hospitals, fire stations & medical centers. *Stop & Shop* is distributing meals to NYC & Boston hospitals. Workers at *Amazon*, *Instacart* & other businesses are expressing concerns over their healthcare benefits, warehouse cleaning, sanitizing routines, etc. *Instacart* will distribute health kits to its workers. *DoorDash* is partnering with grocery retailers & eCommerce providers to waive delivery fees on orders it fulfills for people ages 60 & older. Also, *DoorDash* is offering delivery from C-stores such as *7-Eleven* & *Wawa*. Growth rates were lower than normal at *Uber Eats*, *DoorDash*, *Postmates* & *Grubhub*, in the most recent period per *Earnest Research*, suggesting a shift from restaurants to grocery. *SnackNation* launched *Work-from-Home Wellness Boxes*, curated to help energize & nourish remote teams. *Papa John's* estimated a 5.3% same store sales growth for 1st QTR.

USA youth diets improved by 27% between 1999 to 2016, per a new *JAMA* study. Sweetened beverage consumption fell with increases of whole grains, fruits, vegetables, poultry & eggs. Other categories were mostly stable. Alcoholic beverage sales rose 55% YOY during March week 3, after rising 28% the week before, per *Nielsen*. Soft red winter wheat harvest is up 19% this year.

MARKET NEWS: Markets continued on a wild ride. Unemployment continued to rise due to the economic shutdown but oil rebounded as the Saudis & Russia appeared to settle their disputes & reduce output.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malengo*

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