



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



AN ANCIENT KNIGHT IS ON HIS KNEES, reading from the Bible. Before him are dozens of golden & bejeweled chalices. The knight senses an intruder. With his last ounce of strength, he draws his broad sword & takes a swipe at the intruder. This Knight Templar has sworn to protect the most sacred of relics, the Holy Grail. To drink from the grail will bring immortal life, more importantly, eternal life. The intruder is Indiana Jones; followed, as he usually is, by a Nazi. Indy wants the grail to save his mortally wounded father. The Nazi seeks the grail for world domination. But to drink from the wrong cup means immediate death! The ancient knight utters a warning, "Choose wisely."

CHOOSE WISELY: From the *Perils of Pauline* in 1915 until television became America's pervasive form of entertainment in the 1950s, movie serials brought patrons to the theater to see if the hero survived the prior week's cliffhanger! These shorts, just two to three reels totaling only 20 to 30 minutes in length, were released weekly on Saturdays just before the matinee feature. There were sci-fi heroes like Flash Gordon & Buck Rogers & western heroes such as The Lone Ranger, Buffalo Bill & Kit Carson. Moviegoers followed the adventures of Tarzan & Zorro. G-men, Dick Tracy & the Secret Service fought crime & spies. There were superheroes like Superman, Batman, Captain Marvel & Captain America & spooky mysteries with The Phantom & The Shadow. Each episode found the hero or the stereotypically 'Damsel in Distress' in mortal danger. At the beginning of the following week's installment, there would be a miraculous escape! But then, after much sleuthing, fisticuffs or gunplay, once again the episode would end with an onrushing locomotive, a building on fire or the hero actually hanging from the edge of a cliff! *Raiders of the Lost Ark* & the sequels that followed were nothing more than Saturday morning serials strung one after another in a blockbuster feature film. In 1940 we would have left Indy in a cliffhanger - being chased by natives; about to be shot by a Mongol henchman in a burning saloon; ready to eat a poisoned date; in a pit of vipers with his torch flaming out or ready to choose a life giving or deadly chalice! This year is ending with a cliffhanger - what will 2024 & beyond hold for us? The decisions we make in 2024 will be more important than ever, & just like Indy, we must choose wisely.

Making good decisions isn't necessarily easy, with so many variables & possible outcomes involved. We might think of decision making a bit like Newton's Third Law - for every action there is an equal & opposite reaction - or we can employ Game Theory, most fully developed in the mid-20th century by von Neuman & Morganstern. Actually, Game Theory appeared some 400 years earlier & in the mid-17th century, polymath Blaise Pascal used Game Theory to prove that the belief in God's existence was rational. In *Pascal's Wager*, Pascal suggests that if God exists & you believe in God & live your life as such, you receive infinite happiness. On the opposite end, if God exists & you do not believe in God & live your life in that way, you will find yourself with eternal misery. If God does not exist, but you live your life as though God does exist, you miss out on a finite number of pleasures; & if you live your life in as way believing God does not exist, you find yourself with a finite number of pleasures. Thus, the risk/reward - infinite happiness versus eternal damnation, makes believing in God perfectly rational.

The new year will be a year of choice. This year we will be asked to make a choice about how the future should be approached & each of these choices have a similar risk/reward proposition - either a path towards happiness or a path towards ruination. (Now, that's a real serious cliffhanger, isn't it?) Let's apply Game Theory in the way Pascal did, to the belief in an unproven nonscientific mantra that is overwhelming our daily lives. If we choose to believe this mantra & act as the obnoxious know-it-alls demand, in the long term, there is a minimal possibility in the infinite number of possibilities possible that sometime in the many future several centuries the average temperature of the world might drop by one-eighth of a degree. But in the most immediate term, we see higher gas prices & higher energy costs that are destroying the economy. We have the government subsidizing entire industries such as electric vehicles, solar power, wind power, etc., that have had zero impact & zero financial return. We see farm & ranch land being wasted, even sold to our enemies & nutty billionaires, because we have waged a war on two of humankind's most basic forms of nutrition, dairy & meat. The war on dairy, meat & fossil fuels has also driven up the price of fertilizer & transportation & put our most important supply lines, food & energy, not just at great risk, but in the control of our enemies. The war on fossil fuels has us enriching our enemies by buying oil from nations that fund terrorism & buying minerals for inefficient batteries from nations that use child & slave labor to mine those minerals. Clearly, the immediate risk of believing this mantra is not worth a microscopic decrease in the world's temperature in some long off possible future.

Among the choices we have in 2024 will be to continue to believe the mantra that everyone in the world deserves, for any reason, access to America's bounty. Once again, applying Game Theory & Pascal's Wager, let's explore the reward & risk of this belief. There is the possibility that a finite number of individuals who are deserving of asylum for being persecuted in their own country for political or religious reasons get access to America. This is the only legal reason to enter the USA without following proper immigration & visa laws. But by allowing people to enter our country unchecked & unlawfully, we are opening our society to escalating crime, drug trafficking, human trafficking & disease. People enter our country just to take advantage of our generosity, draining our wealth by increasing government spending, utilizing our taxes unnecessarily, burdening our family wealth & swamping our already strained educational, healthcare & welfare systems. Many people entering our Nation are not looking to become part of America's society. They do not share in our values. They are simply coming to take advantage of our hard-earned bounty & milk the system while recreating their own society here. Worse, there are those coming to America with the intent to do damage & harm. These are not just criminals; they are young, healthy men of military age from enemy & terrorist countries, often showing up in World War II division strength of 15K in just a few days. Clearly, the finite advantage of believing this policy is massively outweighed by the risks this policy has to our economy, society, safety, security & wellbeing.

But these are not the only beliefs that we need to question as we make choices in 2024. There is another belief that children, from an early age through college, should be indoctrinated not just with the beliefs mentioned earlier but also be exposed to information well beyond their years & then, offered the right to choose their future. Believing in this mantra once again offers a very finite reward, a few children for which this information is helpful. But the risk is that we now see a rise in the number of children depressed & young people fighting with mental struggles; often confused, questioning the very sense of their own being & nature. They then feel isolated if they disagree with these mantras & teachings. Those educational leaders who believe this mantra feel a child has the right to make choices for which they are not intellectually or emotionally ready & that their parents do not even have a right to know the child's choice. Hypocritically, the same people who believe the youngest child has the right to make this choice unbeknownst to their parents also believe the child has no rights to choose life before being born. Again, believing in this educational mantra has an infinitesimal reward, but a massive risk to the wellbeing of our children - their mental & emotional health - as they grow.

Finally, there is a belief that almost all criminals are treated unfairly by our justice system. The reward for this belief is that a finite number of people are prevented from being unjustly treated. The risk is a massive crime increase on our streets, organized crime looting our stores & businesses, massive increases in product prices & unsafe city streets. Clearly, belief in this mantra has too much risk to even be considered credible or rational.

Yes, 2024 is a cliffhanger. Our choice in 2024 will be to continue to give credence to these unproven mantras or work toward solutions for the real problems we have such as stabilizing the economy, fighting drugs & human trafficking, teaching our children properly, fighting crime & securing our nation, domestically & internationally. In the *Last Crusade*, the Nazi & his cohort picked the most beautiful, most bejeweled & shiniest chalice from which to drink. The Nazi says, "This is the cup of the King of Kings," but after one drink, he ages in seconds & disintegrates into dust. The ancient knight utters, "He chose...poorly." Indy chooses a cup, the most beat up, dingiest, ugliest cup he can find, the cup of a carpenter. He drinks, turns to look at the ancient knight who says, "You have chosen wisely." Years from now, when future generations turn back to look upon history, when they look back upon us & at those who came before us, living or dead, whose sacrifice helped us create America's Greatness, let's hope they & history will find we chose wisely.

INDUSTRY NEWS: Hong Kong-based *DayDayCook (DDC Enterprises)*, acquired American food brand *Yai's Thai*. *Where Food Comes From*, independent, third-party verification of food production practices, acquired the *Upcycled Certified Program* from the *Upcycled Food Association*. *White River Soy Processing* will develop an oilseed processing plant near Hershey, NE. *Kwik Trip* will invest \$151M to enhance operations, including dairy, commissary & baking facilities, in support of its 865 locations. Due to California's minimum wage law, two *Pizza Hut* operators will lay off 1200 delivery drivers. *London Dough's Doughlicious*, a frozen gelato treat, will debut in the USA. Researchers at Kansas State have used gene-editing to produce a lower gluten wheat variety. *Mission Produce* showed a strong 4th QTR with a return to positive net income. USA beer sales are at a 24-year low. Peruvian avocado exports grew 9% through September to almost \$1B. Bell pepper prices are on the rise as supplies are impacted by cold weather & rain. Rain also cut Chile's cherry production by 50%. Cooler temperatures have lowered the asparagus harvest output. Hog farm inventory increased slightly YOY in 3rd QTR & cattle & calves on feed is up 3%.

MARKET NEWS: Markets rallied post-Christmas. Home sales remain at a 22-year low despite a small drop in rates.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND — *Tom Malenka*

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