



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



FORD MOTOR ACQUIRED THE JOHN R. KEIM CO. in 1911. Working for the bicycle & auto parts maker was 31-year old William Knudsen, who had migrated from Denmark in 1900. In his next 10 years at *Ford*, Mr. Knudsen became an expert on mass production. He moved to *General Motors* in 1921. He became president of *Chevrolet* in 1924; in 1937, president of *GM!* In 1940, at the urging of Bernard Baruch, FDR appointed Mr. Knudsen Chairman of the Office of Production Management. A month after Pearl Harbor, Mr. Knudsen was put in charge of the USA's wartime production! He was commissioned as a Lt. General, the only civilian ever so highly commissioned.

THIS MEANS WAR! America was just coming out of the great depression in 1940 as industry revved up to support the Allied war effort. But what Hitler feared & the Japanese did not understand, was the sleeping giant of America's manufacturing capacity! In 1939, America had produced just 3,000 airplanes for the military. In June, 1942, after the Battle of Midway, America had one, just one – *ONLY ONE* – serviceable aircraft carrier, the legendary *USS Enterprise (CV-6), The Big E*, who stood alone against a Japanese invasion of the USA mainland! Under Lt. Gen. Knudsen's leadership during WWII, the USA produced 300K planes, 1200 large ships (including more than 100 aircraft carriers), over 2.5M vehicles (including tanks, trucks & the legendary *Jeep*) & more than 3 million heavy weapons (mortars, artillery, machine guns). Among the countless number of weapons produced, the USA produced 5.4M *M1 Garand* rifles, which no less than General Patton, *who commanded tanks*, called the greatest battle weapon ever made! So great was America's production, that the Nazi soldiers actually believed that every GI on his enlistment was issued an M1 & a *Jeep!* But America also supplied every need for America's 20M+ service members, their ships, planes & bases including food, clothes, housing & other supplies, construction materials, fuel & of course, ammo! American businesses pulled together & famous business tag lines changed! *Body by Fisher* became *Armament by Fisher!* Not producing cars, *Buick's* classic slogan became *When Better Tanks are Built, Buick will Build Them!* And even if you asked the man who drove a *Packard* what he thought of his car, there were no *Packards* available to be purchased. *Packard* was producing the USA's version of the amazing *Rolls Royce Merlin V-1650* aircraft engine, that distinctive roar of the *Spitfire*, the *P-40 Warhawk* & the ruler of skies, the *P-51 Mustang!* *Packard's* WWII slogan? *Ask the Man who Flies One!* Today, we see industries banning together to fight this invisible enemy. In our industry, retailers are working with foodservice, not just for merchandise, but also to hire displaced employees! Retailers are also reaching out to hire restaurant workers, hotel workers & theater workers! Retailers are setting up testing centers! Drug companies are ramping up production! Automakers are building ventilators! Distilleries are producing hand sanitizer! The always advertising *My Pillow* & MLB jersey manufacturer *Fanatics* are making face masks! But during WWII, it was not just businesses that worked together, it was the *American People!* Women went to work in war plants, my Mom in a macaroni factory making pasta for the GIs! Americans volunteered to be Air Raid Wardens & Coast Watchers! They accepted rationing of food, gasoline & other essentials & blackout conditions, gathered scrap metal & paper & planted Victory Gardens for fresh vegetables! This was America at her very, very best, everything our Founding Fathers, Alexis de Tocqueville & so many others believed what America was & was to be; a *country that protects the rights of its rugged individuals, who then readily band together for the common good!* The *Greatest Generation* survived a depression & fought a Fascist evil, only then to be called on *with their children* to

fight Communism. The next generation fought terror around the globe, for our safety & the safety of the world! Today we, the sons, daughters, grandchildren & great-grandchildren of these Americans, are being asked to rise to this moment. It's our test, to see if we can be as exceptional as the generations that preceded us! Since we are Americans, we can, *we will*, do this!

INDUSTRY NEWS: Alternative protein company *Nature's Fynd* (previously known as *Sustainable Bioproducts*) gained \$80M in new funding, led by *Breakthrough Energy Ventures & Generation Investment Management*, with *ADM & Danone* involved. *Your Super*, organic superfood powder mixes, raised \$10M led by *PowerPlant Ventures*. *Bolthouse Farms* will acquire *Tolleson, AZ Rousseau Farming's* carrot operations. *Rise Baking* will acquire the North American frozen manufacturing business of *Dawn Foods*. *Yum! Brands* completed the acquisition of *The Habit Restaurants*. *Dairy Farmers of America* is no longer the lead bidder for the assets of *Dean Foods*, due to creditor concerns, though *DFA* may still make a bid.

Lucky's Market, through its bankruptcy settlement, will sell 23 stores & its distribution center for approximately \$29M to 10 winning bidders, including *Publix, Aldi, Southeastern Grocers, Schnuck Markets, Dollar General & Lucky's* founders. *Amazon* was among the buyers of *Fairway Market* locations, purchasing two locations out of bankruptcy. *Grocery Outlet* topped all 4th QTR estimates to finish off a strong year of across the board growth. *Darden Restaurants* had a strong 3rd QTR, but has gone into survival mode as 4th QTR same store sales have dropped 60%. *Target* will delay some remodels & store openings to deal with the sudden sales surge. Groceries are seeing mid-teen same store sales comps in 1st QTR due to the high demand. Retailers are installing plexiglass between cashiers & customers & banning reusable bags. Many retailers are limiting in store customers. *Kroger* piloted a pick-up only store location. Several drive-thru restaurants are changing menus & hours to accommodate high volume. States are classifying grocery workers & other food workers as emergency personnel. *Brick Meets Click & ShopperKit* report 31% of USA households used online grocery services (home delivery & pickup) in the last month, almost double last August's usage. *Yum! Brands* will close 7K restaurants worldwide in compliance with those governments' restrictions. *Kerry* is investing \$125M in a 360K sq. ft. facility in Georgia. Foodservice *Fuchs NA* launched *The Next Level Vegan Collection* including creamy garlic sauce, matcha vegan ice cream, a mango-blend for dairy-free yogurt & a meatless burger.

The *EWG* reported its *Dirty Dozen*, with raisins, strawberries, kale & spinach among the usual culprits. The *Clean Fifteen* was topped by avocados, sweet corn & pineapple. The *FMI, Consumer Brands Association & the American Bakers Association* believe food suppliers will continue to meet this much higher demand while encouraging consumers to only keep no more than a 14-day supply. In a March 17 & 18 survey by *Dataessentials*, cleanliness is more important to restaurant goers than taste, value or venue. Meat prices are rising due to demand. The *FDA* is delaying new nutritional labeling standards for prepared foods.

MARKET NEWS: Markets rose through most of the week, despite an historic rise in jobless claims, as investors hoped for a spending bill to support healthcare, businesses, workers & their families. Shamefully, the final \$2.2T bill was filled with pork & pet projects that have nothing to do with saving lives, restoring the economy or protecting families. Our representatives (who work for & our paid by us) who included these provisions should know that when Lt. Gen. William Knudsen came to Washington in 1940, he asked for & received an annual salary of \$1!

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenjo*

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