MANWARD *letter*

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Controversy Inside: The "Inconvenient Truth" Behind a Huge Moneymaking Opportunity

Plus: A Good Old-Fashioned Money Grab That Could Double Your Money

Dear Reader,

One of the worst things to ever happen to this country is Al Gore.

Oh boy... it's a big statement. And if you're reading, Mr. Gore, please don't take it personally.

Perhaps the idea makes me sound like a bit of a bully. But keep reading. I have a point... a point that ties straight to how we invest and make money.

You see, it's no secret that Al Gore is the face of the global warming movement – one of the most controversial topics ever to plague our nation's conscience.

I hesitate to even write about it. But I've found an undeniable moneymaking opportunity.

Gore's movie, *An Inconvenient Truth*, brought the idea of a warming planet not only to the center of the nation's mind... but also to the center of its massive political divide.

Perhaps more to the point of the ideas ahead, the movie also showed just how lucrative the topic could be. The movie has become one of the highest-grossing documentaries in history – bringing in more than $50 million.

It turns out – as you'll see in the pages that follow – there's big money to be made in the topic.

But I'm worried many readers won't take the ideas in our second essay this month seriously. I'm worried they'll let their politics get in the way of a good moneymaking idea. It's an idea that I'm positive you have not heard anywhere else... and it has me more excited about the global warming conversation than ever before.

But there is a danger in me writing about it. The criticism may be fierce.

From that standpoint, it's a shame that Al Gore got involved in the topic. It could be the most important battle our planet has ever faced. Or it could be a farce.

We'll likely never know – at least in our lifetimes – because politics tainted the conversation and the government got involved.

But here's the thing. I'm convinced the idea has reached the point of no return.

That's what has me so excited this month. It means the asset class I've been studying has never had a better chance of seeing its value zoom higher.

Andy Snyder is the founder of Manward Press, the nation's premier source of unfiltered, unorthodox views on money. An American author, investor and serial entrepreneur, Andy cut his teeth at an esteemed financial firm with nearly $100 billion in assets under management.

Known for his outspoken market commentary, Andy's been a keynote speaker and panelist at events all over the world, from four-star ballrooms to Senate hearing rooms.

Today, Andy's dissident thoughts on wealth and investing can be found exclusively in *Manward Financial Digest*, as well as in the pages of *Manward Letter*. He also helms the award-winning investment advisory services *Alpha Money Flow* and *Codebreaker Profits*.

Inside...

Heating Up Your Portfolio

Lots of folks are hypocritical when it comes to the global warming mess. They'll tweet about saving trees as they sit at the airport, waiting for their just-for-fun flight to the Bahamas for the weekend.

They'll gripe about the flatulence of cows as they eat fake meat that has a far larger – but much more hidden – carbon footprint.

And they'll protest a new pipeline... but beg the National Guard to fire up huge diesel generators when a winter storm shuts down their local power plant.

But I don't want to get into any of that in this letter. That's not our point. Our aim is much simpler... to find the very best ways to make money and build personal freedom in a modern market that, well, seems to have gone crazy.

I'm convinced there's a better way to think about this whole debate.

Does it hurt to burn less fuel... plant more trees... and use less energy? No way.

But it does hurt – as our Joel Salatin loves to show – when the government gets involved and gums things up.

Does it hurt when politics push the free market aside? That's where Al Gore went wrong. He tied politics to science. The debate hasn't been the same since.

Fortunately, I've found a free market solution. It involves cryptocurrency... unshakable economics... and a brand-new way to make money while doing some good in the world.

I detail it all as I reveal what may be one of the most controversial investments I've ever found.

But before we get to the fun in that debate, I start the issue by telling you about a lucrative stock opportunity that is tied to a good old-fashioned money grab – a chance to double your money as Washington embarks on a spending spree like never before.

It takes advantage of one of the best – and most reliable! – moneymaking tactics of the last decade.

And then, we let Joel have the final word this month. His essay is certainly not something you'd find in any other financial letter. I'm pretty sure chickens are "icky" to the boys at Goldman.

Good. It means we have an advantage.

In my mind, Joel's piece slaps the faces of the complacent masses – who are affected by what is perhaps the most dangerous plague these days. He shows that the systems we rely on aren't what they appear to be... and that, by golly, the free market has a better, smarter and safer solution.

I've said it for a long time. It's gotten me in trouble. But the government is the most powerful force in our economy... and in science.

This issue aims squarely at that idea and shows the many (free-market-driven) ways to sidestep the problem and profit handsomely in the process.

Enjoy it.

Be well,

Andy

THIS MONTH'S STOCK PICK

The PERFECT Way to Play Biden's $2 Trillion Spending Plan

Politics are a funny thing.

Nobody likes them. Everybody participates. And the smart ones make a ton of money playing the game.

It is no coincidence that Joe Biden debuted his $2 trillion-plus infrastructure spending bill in Pittsburgh... the one-time steel capital of the nation. It's also the place he kicked off his 2020 election bid.

It makes sense that the Pennsylvania native would choose the city for such monumental things. As Pittsburgh's no longer a steel town, its two largest employers are a couple of hospitals and insurance companies. After those, it's the federal government. And the fourth-largest employer? It's the state of Pennsylvania.

It makes for quite the friendly audience for a fellow who wants to spend trillions of dollars fixing things up.

But let's be clear... Pittsburgh went from making tremendous amounts of steel to being an economy that almost entirely depends on spending somebody else's money (through healthcare and government) because of a very simple fact.

It's a fact that I've written a lot about... **Money goes where money is treated best.**

Labor got expensive in Pittsburgh. Raw material costs surged. So instead of paying high prices there, companies sent production outside their borders. The jobs that remained were largely replaced with automation.

But it's not just Pittsburgh, of course. Biden chose the city because it mirrors the rest of the nation.

That's why I look at the package Congress will be fighting over throughout the summer not as a steel and concrete package... but as a high-tech automation and robotics package. The most valuable jobs it will create won't be construction roles. And the most meaningful profits won't go to the companies that are pouring asphalt on our roads.

No, they'll go to the high-tech engineering and automation firms that took over where the steel mills left off. One of those firms is doing something you know I'm a big fan of. It's buying back its own shares.

A Buyback King

Last year, **ABB** (ABB) purchased more than 128,000 of its own shares – roughly 6% of its total shares outstanding. It cost the company more than $3.5 billion to do it. But it's not done buying back shares yet. In fact, the company is not even halfway done.

ABB's board just approved another $4.3 billion worth of buybacks. The plan, which started just weeks ago, will run through 2022. It means another 7% or so of the company's shares will be permanently taken off the market over the next 12 months.

For investors, the timing is perfect.

Just as this buying spree comes to an end, Washington should be cutting some massive checks to companies like ABB in the name of rebuilding America. It will ensure share prices continue to rise.

If you're not familiar with ABB... just look around. It's one of the world's leading infrastructure, automation and technology powerhouses. And while most folks don't think of ABB as a household brand, they surely know the names stamped on the side of many of the products it makes. Out of the dozens of brands owned by ABB, perhaps the most iconic is Westinghouse.

Its foundation, of course, was built in Pittsburgh in 1886. In the century that followed, it became a giant in the electric industry. But over the years, as you know, things changed for America... and the industrial icon.

The cost of doing business went up, and Westinghouse split up most of its business. It sold much of its high-power electric business to ABB. Now the Swiss-based company will reap the spoils of Washington's big spending plans.

Going through the company's list of acquisitions in recent years, I could tell dozens of similar tales where the company picked up strong assets from struggling businesses for pennies on the dollar.

It's bought multiple businesses from **General Electric** (GE). It bought a major Chinese electric vehicle (EV) charging company. It gobbled up an automation software firm. The list goes on and on.

As the world's economy has evolved, ABB has eagerly used its more than a billion dollars in annual free cash flow to strategically acquire some of the best and most forward-looking businesses on the planet.

I am convinced it is about to pay off in the form of the company's biggest growth spurt ever.

Thanks, Biden!

Looking through Biden's infrastructure proposal, I see there's room for ABB to profit from nearly every item the president laid out.

Take the rather broad idea of upgrading our highways and bridges. You might think it's a pretty simple, low-tech process. It's not. It goes far beyond concrete and guardrails. Modern highways require modern equipment.

ABB's automation solutions are in use across the country and the globe. They monitor things like traffic volume and communications between signals... and, when it comes to bridges and tunnels, they provide a wide variety of safety systems.

Throughout the upcoming spending debate, I want you to think of ABB every time you hear the words "bridges" and "tunnels." They should be synonymous with the company's profit potential.

It's the same story with railroads. ABB not only designs and makes the systems that propel trains... but also electrifies the rails, controls traffic on them and even automates train stations. In other words, when you hear "invest in railways," I want you to think "invest in ABB."

One of the biggest and most aggressive pieces of Biden's proposal relates to green energy. (I debut a unique investment opportunity related to it in the pages ahead.) The president wants the nation's energy to come from 100% renewable sources by 2035. It's a tall order considering less than 20% comes from green sources today.

Just getting the transmission infrastructure in place will take nearly a decade and cost as much as $90 billion. Again, it's good news for ABB. Through a long line of strategic acquisitions, it now offers everything from high-voltage products, transformers and substation automation to the software that runs it all.

Coming to America

In a preview of where things are headed here in the States, ABB recently sent electricity beneath China's miles-wide Yangtze River for the first time ever.

In a similar effort to wean itself off of coal power, China set out to stretch 1,000 kilovolt lines from a green power plant in Suzhou to Nantong – a distance of about 60 miles.

Under normal circumstances, it wouldn't have been all that tough. But in this case, a major river lay in the way. To tackle the undersea problem, ABB developed first-of-their-kind gas-insulated powerlines that significantly reduce power loss.

I'm convinced you'll soon see the technology coming to the States.

Again... when you hear "grid upgrades," think ABB.

The Real EV Leader

But here's the biggest opportunity in all this... and what few other analysts are looking at. There's little doubt the electric car industry is about to go from startup mode to full-on industry dominator. In fact, Cathie Wood, the oh-so-popular fund manager famous for calling **Tesla**'s (TSLA) big rise, says EV sales will rise by more than 80% per year over the next five years.

Lots of folks will hear about Washington's spending plans and want to invest in the winners from it all. They'll immediately think of companies like Tesla or perhaps **Nio** (NIO) or even the slew of super-speculative EV firms that popped onto the scene last year.

That's fine... but ABB is a much better play.

Get this... ABB just teamed up with **Amazon** (AMZN) to develop a system that allows real-time management of a fleet of electric delivery vehicles. You can bet the company's Terra HP charging stations – which are already part of the largest EV charging network in the U.S. – will be a big part of the solution.

From en route charging of buses and fast-charging roadside stations to home and work charging solutions, ABB – and not the many other "story stocks" you hear so much about – is at the center of the green transportation revolution.

Bottom line... when you hear EV, don't think of anybody but ABB. No matter who wins the race to have the best and cheapest cars... ABB will be the heart of the industry.

This is an ideal way to play Washington's big infrastructure push.

But it's not just a bet on another multitrillion-dollar spending spree. This is a stock that perfectly fits the theory behind our Modern Asset Portfolio.

Interest rates are dirt cheap. The company is using the opportunity to not just buy back massive amounts of its own shares but purchase big players throughout the industry. Thanks to ultra-cheap money, the company is poised to do very well over the next few years.

If a few trillion dollars in government spending comes its way... all the better!

Action to Take: Buy shares of **ABB** (NYSE: ABB) at the market's price. We will use our standard 25% trailing stop. The company will fall under "Buyback Dominators" in our Modern Asset Portfolio.

The Most Lucrative (NEW) Asset Class of the 21st Century

There's a new asset class in America. It has the potential to be extremely lucrative. It trades almost entirely off the books. The government hardly regulates it... and yet Uncle Sam is gearing up to pour billions of dollars into it.

Unfortunately, it involves perhaps the most controversial subject on the planet – which is why you've likely never heard any other financial expert talking about it.

Politics and controversy aside... I'm convinced this new asset class will make folks rich.

The concept behind it isn't all that new. (In fact, I'm taking part in it now.) But new technology is bringing a fresh and lucrative angle to the investment opportunity. Let me show it to you in action...

$300,000... for Nothing

If things go as planned, an army of engineers and contractors will soon set up shop on my 50-acre property and commence a job that will cost as much as $300,000. They'll be on-site for months, using specialized equipment brought in from across the region. And – the best part – I won't pay a penny of it.

You see, thanks to decades-old laws, when a company, government organization or even a private citizen disturbs a wetland or other sensitive natural area, they must take a loan from a "bank" that deals solely in this asset class.

For every acre they mess with, they must restore an acre somewhere else. In other words, they take out a loan and pay it back... often with hefty interest in the form of bringing additional acres back to life.

In our case, they will pay for damage they did elsewhere by restoring nearly a mile of creek that previous generations of neglect have left in rough shape.

The amount of money that flows in and out of this system is huge. It's billions of dollars each year... and yet few folks know how to tap into the stream. That's why when I recently dug through President Biden's proposed climate initiatives, I smiled when I read the words "carbon credits."

It means big money is at stake... and investors who know how to play it (and can put politics aside) stand to make some very good money.

As you know, Biden's campaign trail plans were big... very big. The president wants carbon-free electricity by 2035 and net-zero energy by 2050.

It's a lofty and very expensive goal. The "get started" price tag is $2 trillion. The price will rise from there. And I am absolutely convinced this carbon credit system will be a key part of it. At least, if the intent of the plan is to truly reduce pollution... and not just get votes.

The free market incentives created by carbon credits are the only way to make real progress happen.

Regardless of the politics or the deserved debate around global warming... this could turn out to be a massive moneymaking opportunity.

And thanks to new technology, you have a way to get in on the action in a way that was never before possible. Blockchain-based carbon credits could very well turn out to be one of the best investments of the next decade.

Follow These Leaders

There is an immense social, commercial and political tailwind pushing the value of carbon credits higher. Such schemes have been contemplated in past decades, but none has ever had such a widespread push or today's technology.

The pressure is perhaps most acute in the commercial space. Big companies are not only getting pressure in the form of new environmental laws but also getting immense pressure from consumers to reduce their footprints. It's forcing them to take action.

In 12 countries, a total of 43 major companies – names like **Apple** (AAPL), Amazon, **Nike** (NKE) and **Microsoft** (MSFT) – have committed to becoming "carbon neutral." Some have even pledged to erase their historic carbon footprints.

As part of a recent "climate pledge," they agreed to purchase credits for any carbon emissions they are unable to – or choose not to – eliminate. But the truth is their businesses are going to change very little.

Amazon is not going to stop flying packages in huge, fuel-guzzling jumbo jets. Apple isn't going to stop manufacturing microchips. And Nike isn't going to ditch plastics in its shoes.

No way. There's too much money in it.

They'd much rather buy their "Get Out of Jail Free" cards… and slap a green label on their products.

It's a lot cheaper… and a lot more profitable.

You see, thanks to the carbon credit market, these industrial giants can purchase the good works of others.

Say somebody restores a few miles of stream. They can get a massive amount of credits for the good deed. Those credits can then be sold to a polluter as a way of reducing their carbon footprint.

Pretty slick, right? It's not hard to see how these credits could soar in value as companies get more and more pressure to produce a "green" product.

Ironically (or is it hypocritically?), the consumers who are doing so much of the pushing aren't changing either. Again, many folks fail to match their actions to their mouths.

In recent years, some of the biggest consumer-facing companies have tried to turn the pressure back on consumers. They've regretted it ever since.

Take **Unilever** (UL), for instance. Two-thirds of the greenhouse gas emissions it is charged with come not from its manufacturing process… but from the actual use of its products.

In 2010, it set out to halve the emissions per consumer over the next decade. That decade has come and gone… and emissions have risen by 2%.

The same stories can be found all across the consumer sector. It proves that consumers want to *buy* the most ecologically friendly products… but don't want to change their own habits. It's why carbon credits offer the very best market-based solution. They create a strong economic incentive and allow brands to claim carbon neutrality cheaply and quickly.

Amazon Wants In

Jeff Bezos is jumping headfirst into this idea. He recently handed $10 million to small family forest owners in Vermont and Pennsylvania as a way of getting them into the carbon credit game.

Part of the money will go to solving a big problem… how to track carbon credits and reward the folks doing the real work. That's where technology comes in.

The reason folks are excited about the idea of carbon credits right now (despite similar plans that have gone bust in the past) is the new digital technology involved… specifically, blockchain.

It's incredible to report that the realm of crypto will provide the ultimate solution to this problem.

Under the current carbon banking system, tracking and rewarding folks is quite tough to do. Issuing credits and keeping track of who owns what is hard.

Several groups and even a major exchange have failed. But they didn't have blockchain technology on their side.

That's where a company like Uphold comes in. In December, the crypto exchange launched the first-ever tradable carbon token on a public blockchain. It's called **Universal Carbon** (UPCO2).

The creation of this digital coin unleashed a huge opportunity for investors... especially for those of us who much prefer the free market over some government-contrived mess.

As I noted, many of the world's largest companies – for many reasons – are diving into the nascent carbon credit market. Knowing they can't easily reduce their environmental footprint, they buy credits from the folks who have succeeded in cleaning things up.

It gives them the ability to advertise an environmentally friendly brand... without changing their ways.

Hypocritical? Maybe.

Lucrative? You betcha.

It creates a huge – and growing – incentive for folks who truly want to do good... and rewards the investors who fund that incentive. And now that Biden is pushing to expand the market through increased incentives, early investors are poised to do extremely well.

Problem... Solved

Traditionally, the market has been quite fractured. There has not been one centralized type of credit nor a single way of buying and selling the offsets. Companies may buy credits from one source, while consumers looking to offset a long, gas-guzzling trip may buy credits from another.

One of the biggest problems – a true market destroyer – has been the double counting of credits.

In most government-sponsored carbon-trading markets, it's quite possible (and very likely) to count a credit twice. The creator of the credit says he reduced his output... while the buyer of the credit claims he reduced his. Or a state may claim the same credit a farmer created and owns.

With this accounting flaw, it's possible to actually record a growth in credits *and* carbon emissions.

Not good.

It's what happens when the free market is pushed aside and governments and their corporate lobbyists get involved for all the wrong reasons.

The solution is simple – traditional accounting rules and the free market. A simple system of debits and credits has proven to eliminate the issue. But, as our accountant readers know, double-ledger systems require one side of the books to rise while the other falls. Under current national agreements, few countries (and the politicians who run them) are willing to publicly record what could look like a not-so-environmental trend – even though it actually goes a long way toward solving the problem.

Again, it's the hypocrisy that comes when politicians make promises. It's more words than action.

As usual, though, the free market has a solution. And this one is driven by the blockchain.

Making Money!

Crypto-based carbon credits – lead by UPCO2 – have the very real potential to become the most *important* new asset class of our generation.

I'll let you decide the environmental aspects of the idea. That's not my gig.

My gig is money. And I know these new tokens may be one of the most *lucrative* investments of our lifetimes... especially as calls for major global climate initiatives grow from whispers to shouts. One sweep of the legislative pen – as Biden is hinting – could put these credits in huge demand.

They work just as you'd expect. Each token is backed 1-to-1 by a carbon credit. It represents 1 ton of carbon dioxide – roughly the equivalent of what is used by a jumbo jet's voyage from New York to Paris.

Currently, the credits behind Universal Carbon are generated by efforts of the highly trusted REDD+ program. It's a protocol that issues credits for beneficial work in the Amazon rainforest. The economic incentives are quite powerful. The credits bring much-needed money to the folks in the rainforest region and create an investable asset for folks across the world.

The simple aim of the project is to create enough of a financial incentive for the folks in South America to make it more lucrative for them to conserve forestland than to develop it.

Of course, if this effort is to be successful and these tokens are to truly be one of the most lucrative investments of our lifetimes, they must go beyond distant projects and feel-good economics.

This needs to be about more than the rainforest. To reach their full potential, carbon credits must be part of our everyday lives.

They soon will be... like it or not. Reading the political and social tea leaves, I have no doubt it's coming.

"Soaring" Demand

I mentioned a trip between New York and Paris for a reason: The airline industry is one of the biggest players in all of this. It knows it is a huge source of pollution... and so do its customers and the politicians they vote for.

The problem has grown so much in recent years that "flight shaming" is now a large (and growing) hurdle for airlines. It's now becoming taboo to fly when a simple Zoom call would suffice.

Passengers are fighting their environmentally minded antagonists by purchasing carbon credits that offset their travels.

There are now several major websites that buy up a slew of carbon credits and sell them to environmentally minded travelers.

Airlines are buying a slew of credits too. They are working overtime to get ahead of the bureaucrats. The industry wants to go carbon neutral before the lawmakers force them to. It's a race to see who wins.

That's where the math starts to get very appealing... and the profit potential of buying into this admittedly speculative asset becomes quite clear.

If airlines want to offset their carbon emissions, they will need to purchase more credits all the time. With demand already outpacing supply by more than 4-to-1, it's not hard to see that a shortage caused by widespread industry adoption will send prices much higher. It's coming.

Recently signed international treaties force the industry to offset emissions beyond their 2020 levels. And the industry just made the move to adopt REDD+ credits as an eligible offset tool. It's great news for early investors in Universal Carbon tokens.

You can buy the tokens today and sell them at a much higher price to an airline that will need them not long from now. As the industry gets back to work in the wake

Get In on This Booming Asset Class for Just $10

It's a volume trader's dream come true... $10 pre-IPO opportunities. Thanks to one of the biggest and most successful trends on Wall Street, regular investors finally have a shot at opportunities that were once reserved for the rich and well-connected.

This year has seen a flat-out boom in SPACs – that's special purpose acquisition companies. I've written about them before. But in just the few months since I first debuted them to you, the amount of money flowing into the space has exploded.

So far in 2021, we're seeing two new SPACs launching every single day. That's $1.5 billion in value each day. At that rate, we'll hit more than 700 SPACs this year. That's 700 chances for regular investors to see returns that were once available only to venture capitalists.

SPACs are quickly becoming the preferred (and most lucrative!) way for startups to go public. I'm very excited about them and have been doing a lot of research. The opportunity is obvious.

With most of these plays, we can get in for $10 or less. And – get this – thanks to a unique feature of this booming asset class... your initial investment can be returned if an IPO doesn't happen.

Try that with a traditional play. I've got a whole lot more to come on the subject... Stay tuned.

of the COVID panic, those UPCO2 credits that are selling for $10 right now will be in hot demand.

Buy Now

While they're not an official recommendation that we'll put in either of our portfolios, I do think it is wise to invest a few bucks in this brand-new asset class.

It's not hard to do. Simply go to Uphold's website and create an account. Click "Utility tokens" in the "Markets" section and then click "Universal Carbon."

But there's another reason I'm writing about this rather oddball topic this month. **I want you to understand the immense power of the blockchain and the sorts of things we will soon be seeing from it.**

Thanks to the blockchain, the double counting that has plagued the carbon credit market will come to an end. With it, each token can be owned by only one entity. No longer can an airline and a country claim the same credit.

And thanks to blockchain and the cryptos that rely on it – such as artificial intelligence and unique coins that incentivize the Internet of Things – carbon credits can be created, tracked and issued without the aid of government or even humans.

It pushes the political hot air out of the conversation and focuses on pragmatic solutions that will live or die of their own accord – the very basis of the free market.

It's the sort of thing we must celebrate. It's still unclear what shape the market will take. Much consolidation still needs to happen. But the evolution is underway.

And as each credit is just $10 or so, the opportunity is undeniable. Thanks to the crypto market and the power of the blockchain, a brand-new market has come to life. Anybody can now buy, sell and invest in carbon credits in the open market.

Investors who buy them are buying an asset that industrial and commercial polluters are desperately going to need in future years. As mandates become stricter and offsets become harder and harder to produce, the value of those credits will rise.

Watch this sector. Invest in it if you have a few bucks to play with.

If folks are as serious about climate change as they say they are... we're looking at the No. 1 asset class of the future. It's the birth of a brand-new "banking" system.

For us capitalist-minded fans of the free market, it's great news. Good will be done... and big money will be made.

Manward contributor Joel Salatin calls himself a Christian libertarian environmentalist capitalist lunatic farmer. Others call him the most famous farmer in the world, the high priest of the pasture and the most eclectic thinker from Virginia since Thomas Jefferson. He's been featured in radio, TV and print – everything from Food, Inc. *and* The Omnivore's Dilemma *to* National Geographic *and* The Washington Post.

How Scorched-Earth Government Regulations Punish Small Business

Joel Salatin

Most folks are under the impression that food safety regulations are created objectively. That the goal is for no one to get sick from the food they eat.

In other words, food quality is the goal.

You would assume then, that the food is, well, *inspected* as part of the inspection process. Wrong.

While food safety laws sound like they would ensure the quality of the end product, it's not how they work in practice.

These regulations do not measure the *food*... They stipulate the infrastructure *around the food*.

Out in the Open

That point was made painfully clear to us several years ago, when inspectors told us that our on-farm, open-air chicken processing facility was illegal.

We'd been using this simple bootstrap shed for many years under Public Law 90-492, known as the Producer-Grower Exemption.

This federal law allows a farmer to grow and process up to 20,000 head of poultry per year without an inspector looking at every carcass.

The only rules are that the chickens must be sanitary and unadulterated. That seems straightforward enough... but in reality, it's highly subjective.

Think about how different folks keep house. One thinks the house is clean... but someone else may not, according to their standards.

The wording of this regulation – "sanitary and unadulterated" – means different things to different people, including inspectors.

When we received our Virginia facility number, #1001 (we were the first one in Virginia to utilize this exemption), the head of inspection for Virginia visited. He was impressed with our pastured poultry operation and the overall cleanliness of our little processing shed.

He gave us his blessing, and all was well for a couple of years. Then he retired, and his replacement paid us a visit. The new inspector was young and not impressed. Even though his predecessor had given us praise, the new guy said we'd have to shut down. Same department... same law... different inspector.

Idiocy Beyond Imagination

When we asked what we'd have to do to comply with his idea of clean, he said we first needed changing lockers for employees.

In fact, we needed 12. Not three... not five... 12. At the time, we didn't have any employees except my wife and me. Our little processing shed was right in our backyard. Not to mention my mom lived in a house adjacent to ours.

So we had two houses within about 50 feet of the processing shed that had two bathrooms apiece plus bedrooms.

The idiocy of the locker requirement was almost beyond imagination. We simply put on our processing clothes, walked out the back door and went to work.

Along with locker rooms, he said we needed a fly-tight building. He said that if a single fly entered the processing shed while we were working that it would render the chickens adulterated and not safe for human consumption.

Of course, such a building would cost thousands of dollars, which our fledgling small-scale operation could not finance. Compliance would have put us out of business.

(Besides, if a fly lands on your hot dog at a picnic, do you immediately throw it away? Our bodies are made to handle a certain amount of wildness.)

Pass the Test

Fortunately, we had at the time also sent our chickens to a lab at James Madison University.

Graduate students took swab tests of our chickens and went to the store and purchased federally inspected chickens for comparison. To be sure, these store-bought chickens were processed in a facility specified, licensed and demanded by these same inspectors looking at our simple facility.

The lab cultured several chickens to get a measure of colony-forming units (CFUs) of bacteria. The birds from our little backyard shed, which, unlike the store-bought birds, were not subject to chlorine (inspected birds often have as many as 40 chlorine baths during processing), were *far cleaner than the inspected birds*.

How much cleaner?

Ours averaged 136 CFUs, and the supermarket birds averaged 3,600 CFUs.

When the inspector looked at this lab report, he was unimpressed and sniffed, "Well, that's not the only thing that's important."

You would think that if the real goal were clean food and an inspector found someone able to beat the conventional bacteria amount by 2,500% that he'd call the powers that be and demand all slaughtering to stop until it could be brought more in line with this outlier.

If the goal is clean food, why isn't an empirical test good enough? I asked him what else mattered besides a clean carcass. "You need bathrooms in the processing facility," he offered.

I couldn't believe it. Again, our little facility was 50 feet from our back door. Between my mom's house and our house, we had four bathrooms within a few feet. Why would we need bathrooms in the backyard?

My argument was that if it's clean, it's clean. Who cares how it got clean? If I can eviscerate a chicken in the kitchen sink and it meets criteria for cleanliness, who cares? Is the goal not simple cleanliness? And that's when the truth came out.

The inspectors had no standard of cleanliness. In fact, they did not seek empirical data, or what we would call the "science." No, the system simply demanded infrastructure that supposedly created cleanliness.

The Irony

About the same time as our farm was in the crosshairs of the inspectors, I conversed with my local state senator, who lamented that the big poultry processing plants' biggest cleanliness problem was getting workers to wash their hands after going to the bathroom.

With millions and millions of dollars in concrete, stainless steel, thermometers and cleaning agents, their biggest hurdle was simple personal hygiene of the workforce. No wonder they used up to 40 chlorine baths per chicken.

In our outdoor facility, we processed chickens only about four or five days a month. The rest of the time, the space sat idle, with fresh air blowing through it and morning sun bathing it in sterilizing rays of sunshine.

This whole operation was so far out of the inspector's frame of reference that he couldn't fathom how it worked.

With the help of our elected legislators, the inspector backed off and agreed that we met the minimum requirements of "sanitary and unadulterated." (But he did so only under duress.)

Good Intentions Go Wrong

Over the years, consumer advocates have discovered this lack of empirical data in the food safety bureaucracy and have demanded testing.

While this may sound like a good thing, it's highly prejudicial against small-scale outfits. In fact, virtually all the regulations are prejudicial against small-scale outfits.

These tests cost about $300 apiece, which doesn't sound like much if you're a major processor doing 50,000 birds a day. But if you're doing only 100 birds a day, it adds $3 to the cost of each chicken. Fortunately, this requirement has not passed, but well-intentioned consumer advocates continue to press for these kinds of tests. The government doesn't want to pay for the tests, even if they're mandated.

And most businesses think a government mandate should be paid for by the government.

In reality, the industry doesn't want the tests because they would show just how dirty these big processors are. For them, it's not about the money. For an outfit like ours, it's all about the money.

Good Bugs, Bad Bugs

In recent years, empirical tests have been required from time to time. But here's the thing... They make no distinction between harmful bacteria, like superbugs, and historically normal bacteria that is all part of a healthy microbiome and food system.

We don't want to eat sterile food... We just don't want harmful bacteria. Certainly the bacteria that ferments wine is beneficial, as is the bacteria that ferments sauerkraut, kimchi or cheese.

But in burn-and-destroy fashion, these modern test routines make no distinction, pushing the industry into a scorched-earth protocol for compliance. Fortunately, these requirements have not filtered down to PL90-492 operations like ours.

And because our farm uses no antibiotics in production, by definition, we don't create these mutated superbugs like the industry does.

The thing that petrifies food safety inspectors is not even an issue in a model that uses no antibiotics. But the inspectors don't ask about procedures... and they make no concessions for less risky production.

Anytime someone says, "There ought to be a law..." I cringe because, in my experience, a new law usually creates more problems for the good guys and gives the bad guys a pass.

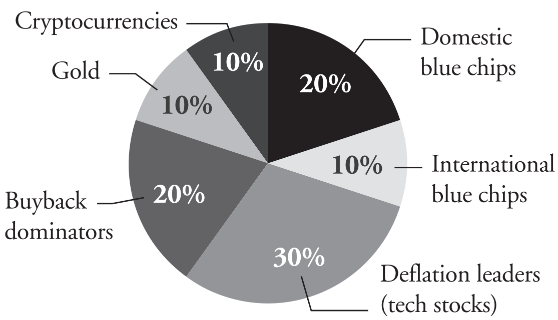
Small performers run into these kinds of asinine requirements, like changing lockers, walls and bathrooms, every day.

This is just one little story on one little farm, but it happens in similar fashion across thousands of small businesses... businesses that dare to be different and have no desire to build an empire. ■

Modern Asset Portfolio — Negative Real Interest Rates

Company/Symbol	Rec. Date	Rec. Price	Curr. Price	Rating	Trailing Stop	Total Gains	Category
ABB (NYSE: ABB)	**May-21**	**New**	**New**	**Buy**	**25% TS**	**New**	**Buyback Dominators**
Alarm.com (Nasdaq: ALRM)	Aug-20	$67.09	$93.24	Buy	$80.77	38.98%	Deflation Leaders
CSX Corp. (Nasdaq: CSX)	Mar-21	$91.80	$97.80	Buy	$73.96	6.54%	Buyback Dominators and Domestic Blue Chips
KBR (NYSE: KBR)	Apr-20	$21.45	$39.05	Buy	$29.29	83.96%	Domestic Blue Chips
Monero (XMR)	Oct-20	$95.52	$327.18	Buy	$163.84	242.52%	Cryptos
Qiagen (NYSE: QGEN)	Apr-21	$49.78	$52.03	Buy	$39.02	4.52%	International Blue Chips
Scotts Miracle-Gro Co. (NYSE: SMG)	May-20	$122.53	$240.22	Buy	$189.47	102.12%	Buyback Dominators
Physical Gold							Gold

MAP Allocation — Negative Real Interest Rates



Interest Rate Monitor

This Month	Last Month
-0.69%	**-0.83%**

10-Year Real Interest Rate

Dow 100K Portfolio

Company/Symbol	Rec. Date	Rec. Price	Curr. Price	Rating	Trailing Stop	Total Gains
CME Group (Nasdaq: CME)	Jun-20	$178.90	$205.86	Buy	$159.86	18.40%
Fiserv (Nasdaq: FISV)	Sep-20	$99.85	$124.50	Buy	$93.38	24.69%
Logitech (Nasdaq: LOGI)	Jul-20	$65.22	$109.49	Buy	$88.97	69.22%

Last Update: 04/13/21. Gains include dividends.