



LAKE SHORE

FOOD ADVISORS



Weekly Update

Monday, April 16, 2018

Global Tensions Hover As Investors Watch Trade

U.S. stock benchmarks wrapped up a solid week on a down note as better-than-expected first quarter earnings failed to stir buying appetite, underlining concerns about lofty quarterly expectations for American corporations, high valuations, and geopolitically anxiety.

The **Dow Jones Industrial Average** increased 1.8% on the week, finishing at 24,360.

The **S&P 500** rose 2.0% on the week, finishing at 2,656.

The **NASDAQ Composite** gained 2.8% on the week, finishing at 7,107.

Yield on the **10-year Treasury** increased six basis during the week, ending at 2.83%.

Crude oil increased 8.5% on the week, ending at \$67.33 per barrel.

Corn decreased 0.6% on the week, ending at \$3.95 per bushel.

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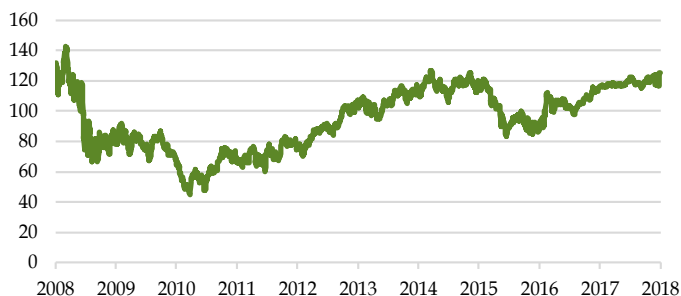
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NASDAQ Highs: Village Super Markets, Inc. **Lows:** Lifeway Foods, Inc.

NYSE Highs: The Boston Beer Company, Inc., Flowers Foods, Inc., Lamb Weston Holdings, Inc., Monsanto Company
Lows: The Hershey Company

Featured Stocks of the Week:

Goodbye Monsanto (NYSE: MON) 10-Year History



Sanderson Farms (NASDAQ: SAFM) 10-Year History



The Lakeshore Food Chain

Company Name	Price	Price	52-Week Range		Price as Compared to		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM
	4/13/18	Compared to 4/6/18	High	Low	YE: 2017 2016			Revenue	EBITDA	
Dow Jones Industrial Average	24,360	1.8%	26,617	20,269	(1.5%)	23.3%	23.2x			
S&P 500	2,656	2.0%	2,873	2,338	(0.6%)	18.6%	16.9			
NASDAQ Composite Index	7,107	2.8%	7,588	5,849	2.9%	32.0%	NA			
Sector Average:					0.3%	24.6%				
AGRICULTURAL LAND HOLDINGS										
Farmland Partners Inc.	\$8.04	(2.2%)	\$11.15	\$7.15	(7.4%)	(28.0%)	160.8x	22.43x	34.2x	17.0x
Gladstone Land Corporation	12.59	(1.5%)	14.29	10.77	(6.3%)	12.0%	NM	20.81	28.3	17.8
Limoneira Company	23.51	0.4%	26.06	18.21	5.0%	9.3%	36.9	3.78	23.4	5.8
Sector Average:					(2.9%)	(2.2%)	18.4x	15.67x	28.6x	13.5x
INPUTS										
American Vanguard Corporation	\$22.10	6.5%	\$24.00	\$15.20	12.5%	15.4%	26.5x	2.04x	14.8x	1.6x
CF Industries Holdings, Inc.	38.43	4.3%	45.00	25.04	(9.7%)	22.1%	42.1	3.84	14.2	4.2
DowDuPont Inc.	66.17	3.9%	77.08	61.27	(7.1%)	NA	16.2	2.82	14.7	3.0
FMC Corporation	80.33	2.8%	98.70	69.93	(15.1%)	42.0%	14.0	4.76	22.0	5.2
Intrepid Potash, Inc.	4.03	8.6%	5.12	1.58	(15.3%)	93.8%	31.5	4.72	23.2	2.6
Monsanto Company	125.40	6.4%	126.80	114.19	7.4%	19.2%	21.6	4.16	14.7	1.9
The Mosaic Company	24.84	2.6%	29.20	19.23	(3.2%)	(15.3%)	18.1	1.71	10.3	4.3
* Nutrien Ltd.	46.70	3.9%	55.60	43.87	NA	NA	20.4	8.62	26.8	3.5
S&W Seed Company	3.50	0.0%	5.20	2.90	(10.3%)	(23.9%)	NM	1.76	96.1	29.8
The Scotts Miracle-Gro Company	83.11	(0.8%)	110.12	81.48	(22.3%)	(13.0%)	18.0	2.42	13.2	3.5
Zoetis Inc.	83.57	3.2%	85.73	53.00	16.0%	56.1%	27.6	8.32	22.3	2.5
Sector Average:					(4.7%)	21.8%	23.6x	4.11x	17.6x	3.2x
AGRICULTURAL EQUIPMENT										
* Ag Growth International Inc.	\$42.41	3.6%	\$48.12	\$37.37	(0.3%)	8.5%	17.2x	1.85x	12.9x	5.4x
AGCO Corporation	65.48	1.1%	75.95	58.03	(8.3%)	13.2%	17.5	0.79	9.0	2.5
Art's-Way Manufacturing Co., Inc.	2.60	4.0%	3.50	2.00	(12.9%)	(23.5%)	NA	0.73	NM	NM
* Buhler Industries Inc.	3.25	3.9%	3.88	3.17	(6.2%)	(1.6%)	NA	0.43	12.7	4.1
CNH Industrial N.V.	12.31	5.8%	15.65	9.72	(8.1%)	41.7%	17.8	1.44	13.6	9.7
Deere & Company	149.98	3.2%	175.26	107.04	(4.2%)	45.6%	15.1	2.85	17.1	8.0
Lindsay Corporation	88.37	2.7%	100.40	82.31	0.2%	18.4%	19.2	1.77	16.1	2.0
Titan Machinery Inc.	21.30	1.4%	25.09	11.68	0.6%	46.2%	50.4	0.64	20.6	9.3
Sector Average:					(4.9%)	18.5%	22.9x	1.31x	14.6x	5.9x
AGRIBUSINESS										
* AGT Food and Ingredients Inc.	\$13.33	3.3%	\$25.78	\$11.71	(16.9%)	(51.1%)	32.3x	0.59x	22.1x	10.6x
The Andersons, Inc.	32.50	(0.2%)	38.35	29.60	4.3%	(27.3%)	16.7	0.38	9.7	4.0
Archer-Daniels-Midland Company	45.20	2.0%	45.91	38.59	12.8%	(1.0%)	15.6	0.53	11.1	3.1
Bunge Limited	75.14	(0.6%)	83.75	63.87	12.0%	4.0%	17.3	0.34	15.1	4.7
Darling Ingredients Inc.	16.93	(0.9%)	19.50	14.62	(6.6%)	31.1%	21.0	1.24	9.7	3.9
* Gruma, S.A.B. de C.V.	12.42	2.5%	15.34	11.41	(2.2%)	(2.8%)	14.4	1.60	10.0	1.8
Ingredion Incorporated	128.65	1.4%	146.28	113.42	(8.0%)	3.0%	15.7	1.83	9.8	1.7
Landec Corporation	13.80	2.2%	14.95	11.42	9.5%	0.0%	23.4	0.81	23.1	3.2
* Olam International Limited	1.79	0.8%	1.91	1.42	17.9%	31.4%	16.2	0.65	13.2	9.4
Sector Average:					2.5%	(1.4%)	19.2x	0.89x	13.8x	4.7x
DIVERSIFIED FOODS										
B&G Foods, Inc.	\$25.20	2.2%	\$43.10	\$22.35	(28.3%)	(42.5%)	12.1x	2.21x	11.3x	6.8x
Campbell Soup Company	42.45	(2.9%)	59.14	40.99	(11.8%)	(29.8%)	13.5	2.10	8.5	2.0
Conagra Brands, Inc.	36.80	0.2%	41.04	32.16	(2.3%)	(7.0%)	16.3	2.31	12.1	2.6
General Mills, Inc.	44.80	(1.5%)	60.69	43.84	(24.4%)	(27.5%)	14.2	2.32	11.1	3.0
The Hain Celestial Group, Inc.	31.44	2.5%	45.61	30.39	(25.8%)	(19.4%)	17.5	1.32	13.9	2.8
The J. M. Smucker Company	122.85	(0.9%)	134.12	99.57	(1.1%)	(4.1%)	13.4	2.54	11.5	3.0
Kellogg Company	63.06	(1.8%)	74.28	58.76	(7.2%)	(14.4%)	14.1	2.33	10.3	3.0
The Kraft Heinz Company	60.92	0.6%	93.88	59.48	(21.7%)	(30.2%)	16.1	3.98	12.6	3.8
Lancaster Colony Corporation	123.38	0.4%	135.86	113.34	(4.5%)	(12.7%)	24.3	2.65	15.8	0.0
Mondelez International, Inc.	42.09	1.5%	47.23	39.19	(1.7%)	(5.1%)	17.1	3.08	15.7	3.9
* Nestlé S.A.	79.44	0.4%	89.72	75.81	(7.6%)	10.5%	20.0	2.80	13.6	1.5
Pinnacle Foods Inc.	55.85	2.5%	66.67	52.25	(6.1%)	4.5%	19.2	2.96	14.2	4.5
Post Holdings, Inc.	79.22	1.6%	89.04	70.66	(0.0%)	(1.5%)	16.5	2.08	11.5	7.9
SunOpta Inc.	7.46	2.9%	10.74	6.35	(3.3%)	4.7%	NM	0.92	18.7	7.4
TreeHouse Foods, Inc.	39.27	1.2%	90.42	36.35	(20.6%)	(45.6%)	18.6	0.73	7.7	4.3
Unilever N.V.	57.02	(1.1%)	64.47	51.92	1.1%	38.1%	19.8	2.75	14.6	2.4
Sector Average:					(10.3%)	(10.7%)	16.8x	2.32x	12.3x	3.4x

Company Name	Price 4/13/18	Price Compared to 4/6/18	52-Week Range		Price as Compared to YE:		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM EBITDA
			High	Low	2017	2016		Revenue	EBITDA	
ETHANOL										
Green Plains Inc.	\$17.70	7.8%	\$26.05	\$15.60	5.0%	(36.4%)	45.3x	0.53x	12.8x	9.1x
Pacific Ethanol, Inc.	3.30	11.9%	7.50	2.75	(27.5%)	(65.3%)	NM	0.23	37.8	24.8
Renewable Energy Group, Inc.	13.50	(2.2%)	14.10	9.50	14.4%	39.2%	9.1	0.34	44.3	17.4
Sector Average:					(2.7%)	(20.8%)	9.12x	0.37x	28.6x	13.3x
FRUIT & VEGETABLE										
Calavo Growers, Inc.	\$95.80	5.2%	\$97.83	\$63.80	13.5%	56.0%	30.1x	1.55x	22.4x	0.4x
Fresh Del Monte Produce Inc.	48.87	2.2%	61.98	43.02	2.5%	(19.4%)	16.1	0.66	11.4	1.5
Lamb Weston Holdings, Inc.	64.12	3.8%	64.25	40.75	13.6%	69.4%	21.6	3.50	14.7	3.4
Seneca Foods Corporation	28.50	0.2%	38.15	27.00	(7.3%)	(28.8%)	NA	0.56	17.3	10.9
* Total Produce plc	2.90	(1.7%)	3.17	2.38	(5.8%)	39.6%	18.8	0.30	10.1	2.2
Sector Average:					3.3%	23.4%	21.6x	1.31x	15.2x	1.9x
PROTEIN										
Cal-Maine Foods, Inc.	\$48.00	2.8%	\$50.40	\$33.40	8.0%	8.7%	18.9x	1.50x	17.9x	0.1x
Hormel Foods Corporation	35.04	0.3%	38.00	29.75	(3.7%)	0.7%	19.2	2.07	13.9	0.7
Industrias Bachoco, S.A.B. de C.V.	61.62	(0.3%)	67.61	51.56	7.5%	25.7%	14.1	0.83	7.6	0.8
* JBS S.A.	2.68	(0.8%)	3.36	1.54	(9.6%)	(23.6%)	7.4	0.44	6.4	5.1
Nathan's Famous, Inc.	73.40	(1.4%)	100.90	52.90	(2.8%)	13.1%	NA	3.71	13.5	5.1
Pilgrim's Pride Corporation	23.87	0.6%	38.39	20.28	(23.1%)	25.7%	7.8	0.75	5.9	2.0
Sanderson Farms, Inc.	112.58	(0.8%)	176.43	107.09	(18.9%)	19.5%	10.1	0.63	4.2	0.0
Seaboard Corporation	4,088.34	(2.3%)	4,690.00	3,247.00	(7.3%)	3.5%	NA	0.66	11.2	2.0
Tyson Foods, Inc.	70.17	0.1%	84.65	57.20	(13.4%)	13.8%	10.8	0.90	8.9	2.5
Sector Average:					(7.0%)	9.7%	12.6x	1.28x	9.0x	2.0x
BAKING & INGREDIENTS										
* ARYZTA AG	\$22.69	(0.2%)	\$40.38	\$20.90	(42.1%)	(48.0%)	15.7x	0.91x	9.1x	6.4x
Balchem Corporation	86.62	3.0%	88.47	70.23	7.5%	3.2%	30.8	4.95	20.6	1.5
Flowers Foods, Inc.	22.26	0.8%	22.67	16.80	15.3%	11.5%	20.3	1.41	12.4	1.9
* Grupo Bimbo, S.A.B. de C.V.	2.33	4.5%	2.65	2.16	5.0%	2.0%	23.1	1.09	9.6	3.1
J&J Snack Foods Corp.	139.54	0.8%	157.33	124.10	(8.1%)	4.6%	27.7	2.21	15.2	0.0
* Kerry Group plc	101.06	(2.3%)	116.98	90.82	(10.0%)	41.0%	24.1	2.52	18.9	2.1
McCormick & Company, Incorporated	105.80	1.5%	111.46	90.25	3.8%	13.4%	21.1	3.73	18.8	5.3
* Tate & Lyle plc	7.95	2.0%	11.35	7.45	(16.3%)	(9.0%)	11.7	1.05	6.3	1.3
Sector Average:					(5.6%)	2.3%	21.8x	2.24x	13.9x	2.7x
CANDY, NUTS, & SNACKS										
Bridgford Foods Corporation	\$14.27	(3.9%)	\$21.55	\$11.03	13.7%	25.5%	NA	0.73x	9.2x	0.0x
The Hershey Company	95.96	(2.9%)	116.49	95.10	(15.5%)	(7.2%)	17.8	3.02	12.6	1.6
John B. Sanfilippo & Son, Inc.	58.33	1.4%	74.69	54.32	(7.8%)	(17.1%)	15.4	0.86	11.0	1.1
Rocky Mountain Chocolate Factory, Inc.	12.14	1.2%	13.23	11.00	3.1%	19.1%	NA	1.85	10.9	0.4
Tootsie Roll Industries, Inc.	29.70	(1.3%)	38.30	28.50	(16.0%)	(20.7%)	NA	3.70	19.0	0.1
Sector Average:					(4.5%)	(0.1%)	16.6x	2.0x	12.5x	0.6x
PET FOOD AND PRODUCTS										
Blue Buffalo Pet Products, Inc.	\$39.98	0.2%	\$40.15	\$21.51	21.9%	66.3%	35.0x	6.22x	25.3x	1.3x
Central Garden & Pet Company	40.49	(4.2%)	43.30	29.08	4.0%	22.4%	21.1	1.17	11.9	3.4
Freshpet, Inc.	18.15	0.6%	20.85	11.00	(4.2%)	78.8%	NM	4.03	62.1	0.0
Sector Average:					13.0%	50.6%	28.0x	3.81x	18.6x	1.5x
WINE & BEVERAGE										
The Boston Beer Company, Inc.	\$212.65	4.7%	\$219.23	\$128.70	11.3%	25.2%	31.9x	2.85x	14.5x	0.0x
Brown-Forman Corporation	55.43	1.9%	56.81	36.42	0.9%	54.2%	32.3	8.64	23.5	1.8
The Coca-Cola Company	44.51	1.3%	48.62	42.19	(3.0%)	7.4%	21.0	6.12	18.2	4.4
Constellation Brands, Inc.	223.89	(1.5%)	231.83	168.71	(2.0%)	46.0%	23.0	7.09	16.1	3.6
* Cott Corporation	14.49	(1.6%)	18.06	13.03	(13.4%)	28.1%	51.1	1.88	15.6	8.4
Craft Brew Alliance, Inc.	19.80	0.8%	20.25	12.00	3.1%	17.2%	54.5	1.98	24.7	2.0
* Diageo plc	35.52	1.2%	38.99	31.17	(3.6%)	36.4%	54.5	1.98	24.7	2.0
Crimson Wine Group, Ltd.	9.45	(1.9%)	11.50	8.97	(11.4%)	0.9%	NA	3.54	25.1	2.7
Dr Pepper Snapple Group, Inc.	120.81	1.9%	126.65	83.23	24.5%	33.2%	22.7	3.91	16.6	2.8
Monster Beverage Corporation	56.68	1.3%	70.22	44.35	(10.4%)	27.8%	31.8	9.15	24.0	0.0
Jamba, Inc.	8.91	1.1%	10.38	6.71	10.5%	(13.5%)	NA	1.73	12.6	0.0
Jones Soda Co.	0.29	(9.3%)	0.55	0.25	(20.5%)	(35.6%)	NA	0.96	NM	NM
National Beverage Corp.	89.49	0.5%	129.82	81.65	(8.2%)	75.2%	22.8	4.21	18.7	0.0
PepsiCo, Inc.	109.26	(0.0%)	122.51	105.94	(8.9%)	4.4%	19.0	2.73	13.6	3.1
Starbucks Corporation	59.24	1.5%	64.87	52.58	3.2%	6.7%	23.5	3.73	15.7	1.0
Willamette Valley Vineyards, Inc.	8.06	1.8%	8.86	7.70	(2.3%)	0.6%	NA	2.49	10.2	1.8
Sector Average:					(1.9%)	19.6%	32.4x	3.94x	18.3x	2.2x

Company Name	Price 4/13/18	Price Compared to 4/6/18	Price		Price as Compared to		Forward P/E	Enterprise Value to		Total Debt to LTM EBITDA
			52-Week Range		YE:			LTM:		
			High	Low	2017	2016		Revenue	EBITDA	
DAIRY										
* Danone SA	\$80.43	0.1%	\$88.90	\$75.99	(4.2%)	26.6%	17.5x	2.29x	12.4x	4.4x
Dean Foods Company	8.95	0.3%	20.05	8.18	(22.6%)	(58.9%)	13.2	0.22	5.2	2.8
Lifeway Foods, Inc.	5.75	(0.3%)	10.75	5.70	(28.1%)	(50.0%)	28.9	0.78	36.0	2.4
* Saputo Inc.	32.61	2.9%	37.77	31.02	(9.5%)	(7.8%)	19.7	1.52	13.7	1.4
			Sector Average:		(16.1%)	(22.5%)	16.8x	1.20x	16.8x	2.8x
WHOLESALE, FOOD SERVICE, & DISTRIBUTION										
The Chefs' Warehouse, Inc.	\$23.85	1.5%	\$25.93	\$11.85	16.3%	50.9%	32.7x	0.74x	16.2x	5.3x
Core-Mark Holding Company, Inc.	21.36	(0.8%)	38.37	19.53	(32.4%)	(50.4%)	18.3	0.12	16.2	6.0
Performance Food Group Company	30.00	0.3%	35.25	23.50	(9.4%)	25.0%	19.4	0.26	12.5	3.9
SpartanNash Company	17.87	(0.9%)	37.83	16.32	(33.0%)	(54.8%)	8.1	0.17	6.5	3.5
SUPERVALU Inc.	15.69	(6.3%)	31.29	13.60	(27.4%)	(52.0%)	6.7	0.17	5.2	4.0
Sysco Corporation	60.42	1.2%	64.27	48.85	(0.5%)	9.1%	18.6	0.69	12.9	2.9
United Natural Foods, Inc.	44.20	1.5%	52.69	29.53	(10.3%)	(7.4%)	13.7	0.27	8.1	1.4
US Foods Holding Corp.	33.89	2.1%	35.10	25.43	6.1%	23.3%	16.5	0.45	11.5	4.0
			Sector Average:		(11.3%)	(7.0%)	16.7x	0.36x	11.1x	3.9x
MASS MERCHANDISE & CLUB STORES										
Costco Wholesale Corporation	\$188.91	2.7%	\$199.88	\$150.00	1.5%	18.0%	26.2x	0.62x	14.4x	1.1x
Walmart Inc.	86.02	(0.8%)	109.98	73.13	(12.9%)	24.5%	17.3	0.59	9.0	1.4
			Sector Average:		(5.7%)	21.2%	21.8x	0.60x	11.7x	1.3x
DOLLAR STORES										
Dollar General Corporation	\$96.28	1.4%	\$105.82	\$65.97	3.5%	30.0%	16.0x	1.23x	11.9x	1.2x
Dollar Tree, Inc.	97.13	(1.6%)	116.65	65.63	(9.5%)	25.8%	17.5	1.25	10.7	2.2
			Sector Average:		(3.0%)	27.9%	16.7x	1.24x	11.3x	1.7x
TRADITIONAL RETAIL										
* Ahold Delhaize	\$23.20	(4.0%)	\$25.08	\$18.14	5.4%	9.7%	13.5x	0.42x	6.4x	1.8x
Ingles Markets, Incorporated	33.85	(0.1%)	47.95	20.75	(2.2%)	(29.6%)	11.6	0.39	6.5	3.7
The Kroger Co.	23.73	(0.2%)	31.45	19.69	(13.6%)	(31.2%)	11.4	0.29	7.2	3.2
Village Super Market, Inc.	26.26	(3.1%)	28.00	21.95	14.5%	(15.0%)	NA	0.21	5.4	0.8
Weis Markets, Inc.	42.93	(1.1%)	62.88	31.26	3.7%	(35.8%)	NA	0.33	7.0	0.2
			Sector Average:		1.6%	(20.4%)	12.2x	0.33x	6.5x	1.9x
SPECIALTY RETAIL										
Natural Grocers by Vitamin Cottage, Inc.	\$7.10	0.4%	\$11.61	\$4.79	(20.5%)	(40.3%)	31.2x	0.27x	5.1x	1.5x
Sprouts Farmers Market, Inc.	23.74	(0.3%)	28.29	17.55	(2.5%)	25.5%	19.1	0.79	11.4	1.5
			Sector Average:		(11.5%)	(7.4%)	25.1x	0.53x	8.2x	1.5x
TRADITIONAL RESTAURANTS										
Brinker International, Inc.	\$38.14	(1.4%)	\$45.81	\$29.50	(1.8%)	(23.0%)	10.7x	1.00x	7.3x	3.2x
The Cheesecake Factory Incorporated	52.19	0.2%	67.14	38.34	8.3%	(12.8%)	18.5	1.04	9.2	0.5
Darden Restaurants, Inc.	87.72	1.0%	100.11	76.27	(8.6%)	20.6%	16.7	1.47	11.3	1.0
Dine Brands Global, Inc.	71.94	0.3%	79.66	36.71	41.8%	(6.6%)	14.2	4.25	12.0	6.5
Jack in the Box Inc.	87.61	1.2%	113.00	79.30	(10.7%)	(21.5%)	21.3	2.47	11.2	3.3
McDonald's Corporation	161.73	0.3%	178.70	130.91	(6.0%)	32.9%	21.3	6.81	15.7	3.0
The Wendy's Company	17.26	1.4%	17.71	13.38	5.1%	27.7%	31.3	5.49	16.5	6.9
YUM! Brands, Inc.	85.42	1.1%	86.93	63.73	4.7%	34.9%	26.1	6.20	18.2	4.9
			Sector Average:		4.1%	6.5%	20.0x	3.59x	12.7x	3.7x
HIGH-GROWTH RESTAURANTS										
Biglari Holdings Inc.	\$422.00	(2.1%)	\$451.15	\$290.05	1.8%	(10.8%)	NM	1.25x	48.4x	12.1x
Bojangles', Inc.	14.05	0.4%	22.35	11.35	19.1%	(24.7%)	20.1	1.18	9.0	2.2
Chipotle Mexican Grill, Inc.	318.36	0.1%	499.00	247.52	10.1%	(15.6%)	38.3	1.91	19.1	0.0
El Pollo Loco Holdings, Inc.	9.45	(1.6%)	14.85	9.05	(4.5%)	(23.2%)	13.6	1.13	7.3	1.5
The Habit Restaurants, Inc.	8.80	(3.8%)	19.75	8.11	(7.9%)	(49.0%)	165.9	0.58	7.2	0.5
Noodles & Company	7.40	(2.6%)	8.20	3.35	41.0%	80.5%	284.9	0.81	13.1	2.0
Papa Murphy's Holdings, Inc.	5.06	0.9%	6.50	3.50	(6.0%)	19.8%	19.8	1.50	9.4	5.0
Potbelly Corporation	12.35	1.2%	14.28	10.50	0.4%	(4.3%)	33.3	0.66	7.6	0.0
Shake Shack Inc.	43.44	0.7%	47.39	30.12	0.6%	21.4%	88.6	3.23	20.4	0.3
Wingstop Inc.	48.28	1.1%	49.69	27.79	23.9%	63.2%	62.9	14.56	38.7	3.4
Zoe's Kitchen, Inc.	13.74	(6.1%)	18.84	10.77	(17.8%)	(42.7%)	NM	1.03	14.2	2.0
			Sector Average:		5.5%	1.3%	80.8x	2.53x	17.7x	2.6x

Notes:

* Denotes local currency.

Source: Capital IQ.

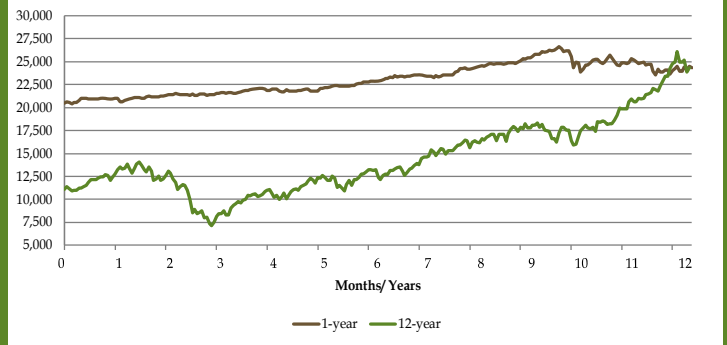
Summary multiples adjusted for extraordinary and non-recurring items; outliers excluded from mean calculation.

Major Indices (1-year & 12-year History)

S&P 500



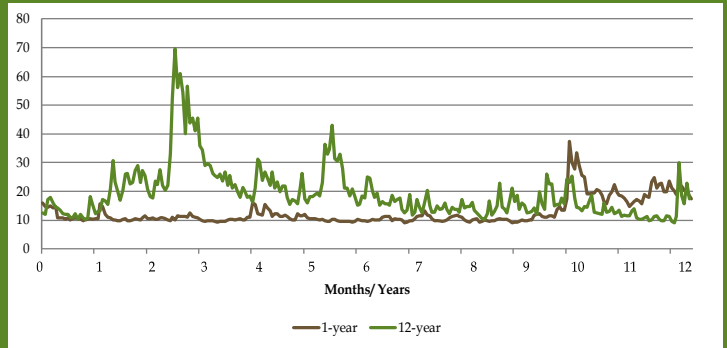
Dow Jones Industrial Average



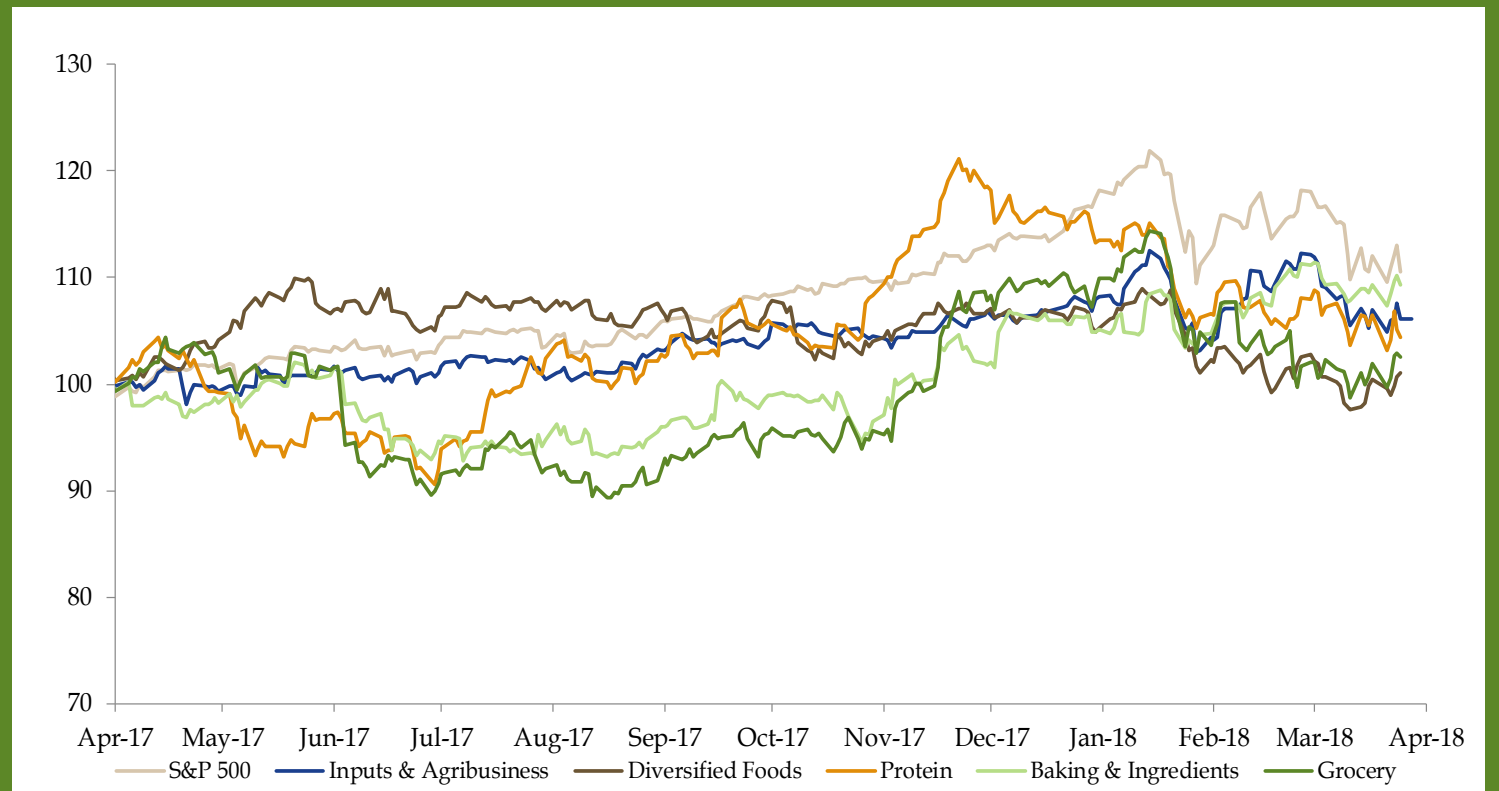
10-year Treasury



CBOE Market Volatility Index - VIX



Lakeshore Sector Indices vs. S&P 500 (1-year Only)



Food For Thought...

Partner Column

Written By William W. Whipple

NAFTA News- The Peso is up 8% in 2018 - has Trump fixed NAFTA (and his \$70B Mexican trade deficit)? One trader was commenting in Barron's Market Week that he expects the Peso to be closer to \$15-to-the-dollar from \$18 today. Is it too late to buy Mexican assets?

Sanderson Farms Off 52-Week But Still Good 10-Yr Stock Value- Sanderson Farms is off its 52-week high of \$176, at today's \$112, reflecting a commodity company stock near the peak of its earnings cycle. Sanderson Farms has built 3 new world-class chicken complexes in the last 5 years, along with everyone in chicken industry, it seems. I expect placements of Hens to start growing beyond second quarter. This will put more chicken on the market with beef & pork at year end. Analysts are projecting an 8+% EBITDA margin for 2018, down from the 13-15% in 2014 & 2015. Assume commodity company near peak earnings cycle - 6 multiple on \$402 EBITDA = \$2,411 less zero net debt = \$2,411 divided by 23M shares = \$107/say \$110 value. Sanderson has been paying 1.6% dividend. (PS: Keep in mind corn & soybean prices are increasing.)

Pilgrim's Pride Continues Its Growth- Pilgrim's Pride continues to grow margins through a shift in product mix to ABF, organic (GNP acquisition) and value-added - plus tax changes. The company acquired Moy Park's depressed margins in EU and Tyson's Mexican business - both should see big gains in margins for 2018, if for no other reason (Synergies). Analyst believe 13% EBITDA margins for 2018, up 5+% from 2017 (vs 15%/14% in 2014/2015). Expect a fight between better margins/synergies offset by higher corn/soybean prices and more competing meats.

Marfrig Global Foods Of Brazil- Marfrig posted FY 2017 EBITDA of R\$1.6B / US \$281 EBITDA of which 44% was Beef Division and 56% Keystone. Volume/Price/EBITDA were essential flat for Keystone from 2016/2017. Moody's affirmed its corporate debt rating of B2 plus reduced the outlook from positive to stable. Marfrig is buying National Beef and selling Keystone Foods

McCormick- The company raised its dividend 10%. Dividend now trading at 2% of stock value. Company trades at 17x EBITDA - Holy Cow!

Cal-Maine Foods- The "other egg protein" company - Stock Price closed at \$48/share on Friday vs low of \$33 per share. 1st QTR EPS of \$1.26 vs \$0.09 last year. Sales increased 42% - as retailers used eggs to drive traffic. The average selling price was \$1.55 per dozen - up 36% - demand currently surpassing supply. Feed costs were flat. Book Value is \$17 per share.

ConAgra- ConAgra is forecasting 2% sales growth on innovation with gross margins pressured by freight costs and commodity inflation. Company forecasts EBITDA margins a little above 20% for FY18 - above the 18% in FY16. Stock currently trades at 10x FY18 EBITDA and pays a 2.5% dividend.

Starbucks- Starbucks is still trading at 20X FY19 estimate, although US same-store-sales growth has declined to mid-single digits - where is our food growth? Management is hoping China drives ¼ of all revenue growth. Company runs an operating margin of 19%.

March 1 Hog Inventory Up 3% From Year Ago- Record breeding inventory up 2% from last year. Market hog inventory up 3% from last year.

April 1 - Truckers New Electronic Logging Devices- More choke points expected, as new ELD freight rules requiring "all" drivers to use electronic logging devices to record hours - let's reduce capacity & raise prices more.

Ethanol Production Still Growing / Overwhelming Demand- Stocks of ethanol is approaching 1 billion gallons, it is clear US ethanol production has again overwhelmed increase demand causing prices and profits to fall.

Kroger Price Leader Over Whole Foods In Cincinnati- Barclays comparison of competitive positioning in Cincinnati markets shows Whole Foods total basket was 14% higher than Kroger. The gap was led by Fresh Foods at 18% higher and commoditized products 11%. Whole Foods priced home delivery at a discount to Kroger, although at the \$75 basket cost Kroger is slightly cheaper. (No cost is figured for Amazon Prime memberships.)

Have a great week!

Food For Thought...

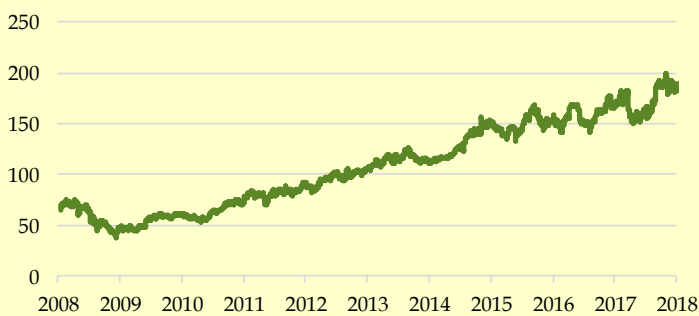
Costco Sees Higher March Sales. Costco Wholesale Corporation (NASDAQ: COST), an American multinational corporation which operates a chain of membership-only warehouse clubs, posted higher sales growth for March earning \$12.9 billion. This is an increase of 10.9 percent from \$11.65 billion from March 2017. For the thirty-one weeks ending April 8, the company's sales increased 11.8 percent, reaching \$81.43 billion compared to \$72.8 billion during the same period last year.

Companywide same-store sales also rose in the period growing 8.6 percent, specifically as U.S. clubs experienced 8.3 percent improvement in sales. The Southeast, Midwest, and Northwest regions were the highest performing areas in the U.S. E-commerce sales for the company also increased by 32% year over year.

March's sales were surprising to the company as it expected lower sales results overall. In the earnings press release, the company announced even with the increase in sales, the month of March was negatively impacted by this year's earlier Easter calendar. This caused one less shopping day than compared to March 2017, which had an estimated one percent negative impact on sales. Despite this complication, Costco's customer traffic improved by 4.3 percent worldwide and 4.5 percent for the U.S. during March, ultimately driving sales. Additionally, fresh food purchases, mainly the bakery and the service deli departments, were key revenue drivers which had a comparable-sales gain in the mid-single digits.

Costco currently operates 749 warehouses. This includes 519 warehouses in the U.S. and Puerto Rico, 98 in Canada, 38 in Mexico, 28 in the United Kingdom, 26 in Japan, 14 in Korea, 13 in Taiwan, nine in Australia, two in Spain, one in Iceland, and one in France.

**Costco Wholesale Corporation (NASDAQ: COST)
10-Year History**



Private-Label Sales See Growth Compared To National Brands. The Nielsen Company recently released its "Total Consumer Report" which highlighted private-label products growth in 2017. Private label's dollar share of the U.S. CPG market has remained relatively flat in recent history hovering around 18 percent of the dollar share. In 2017 though, the private label market had an unexpected reversal in growth trajectory as in the last quarter of 2017, store-branded goods were "posting dollar growth of more than three times the rate of branded products," according to Nielsen's report. Based on this growth rate, projected private label sales could reach 25.7% of the dollar share by 2027. This growth is an opportunity for retailers, especially those with strong private-label brands. Matt Sargent, Senior Vice-President of Retail for Frank N. Magid Associates, indicated this as "any retailer that doesn't have a premium private-label brand is in danger going forward". It is expected the private label penetration rates will likely increase dramatically over the next three to five years.

Analyst Comments On 2018 Freight Demand. BMO Capital Markets analyst Kenneth Zaslow presented comments on the freight industry this past week. His findings revealed greater shipping demand would continue to pressure prices, leading to record levels of shipping costs in 2019. Zaslow noted as the economy continues to grow so too does consumer spending. In tandem with this growth, retail stores are gravitating towards e-commerce channels and are consequently holding less retailer-inventory at brick-and-mortar locations. The lower levels of inventory led to a greater demand for shipping goods, which is starting to be impacted by the recent implementation of electronic logging devices (ELD) for truck drivers, along with new regulations that reduced driver hours. These two implementations have pressured truckload capabilities, creating a price pressure on the increased freight demand, pushing prices up through 2019.

Perdue Expands In Georgia, Adding 125 Jobs. Perdue Farms is expanding its cooking operations in Houston County, Georgia, creating 125 new jobs as it invests \$42 million in the company's cooking operations. The cooking operations, located in Perry, Georgia, produces a variety of cooked, frozen chicken products for consumers and restaurants. The company's plan is to install a third cooking line to occupy a newly constructed 30,000 square foot addition at the same facility it purchased in 2004. Randy Day, CEO of Perdue Farms, indicated the investment "will help the company meet demand for its no-antibiotics-ever and organic products" as reported by Meatingplace Magazine.

Heard on the Street...

Supervalu, A Possible Sale Of The Company.

According to Bloomberg, Supervalu is reportedly working with advisers on a possible sale of the company. The move comes as the retailer/wholesaler faces pressure from Blackwells Capital, who owns a 4.35% stake in Supervalu, to sell off its assets. The company is already selling off its Farm Fresh stores and could decide to shed all of its retail operations since the wholesale business is posting much healthier numbers.

Supervalu bought Associated of Grocers of Florida for \$180 million and merged with Unified Grocers in a \$375 million deal last year. Both of these moves clearly signaled the company's intention to focus on its wholesale operations, but Blackwells suggested that Supervalu sells its wholesale division as well.

No Potential buyers have been named publicly so far, although Bloomberg speculated that another large retailer or perhaps a private equity fund might be interested given Supervalu's size and market position. Acquiring Supervalu would also mean facing the company's \$2.5 billion in debt. Supervalu recently defended its management decisions for the past few years while the company's wholesale business increased to \$13 billion in sales and built leadership that can help improve its operations but the escalating war of words, this will not satisfy Blackwells.

National Beef Packing Company Is Being Sold To A Subsidiary Of Marfrig Global Foods.

National Beef Packing Company is being sold to an indirect subsidiary of Marfrig Global Foods of Brazil. According to a press release, the 51% stake is valued at \$969 million. The company's operations and management will not change, and Tim Klein will continue to be President and CEO of National Beef after the transaction closes in the second quarter of this year. The company's sales totaled \$7.4 billion in fiscal 2017.

Klein said in a statement that discuss Marfrig's "broad global food platform will further strengthen our efforts to build our brand in new and existing markets as the demand for high quality U.S. beef grows." Marfrig has a lot to gain from the transaction as the second largest global beef producer would be able to expand its reach into the U.S. The Institute for Agriculture & Trade policy said the growth of Brazilian meatpacking businesses has benefited from subsidized loans and other resources from the Brazilian National Development.

Walmart Partners With Postmates To Expand Its Grocery Delivery.

Walmart plans to expand on-line grocery delivery to more than 40% of U.S. households through a new partnership with Postmates, a logistics company with a fleet of 160,000 couriers. The service will begin in Charlotte, N.C., with further expansion planned in the coming months. Walmart's on-line grocery delivery service includes a \$9.95 fee and a \$30 minimum order with no subscription or price markups. Customers may order fresh produce, meat, seafood and bakery items, pantry staples and more online and through the Walmart app. Executive Vice-President and Central Operations, Mark Ibbotson said, "with the help of Postmates, we're making grocery shopping even easier by bringing the everyday low prices of Walmart right to the front door of customers in Charlotte with more areas to be added soon."

Kreider Farms Teams Up With Doorstep Dairy.

Kreider Farms is working with Doorstep Dairy to deliver its regular and flavored milk products in several counties in Southeastern PA. In addition, Doorstep Dairy also delivers locally produced eggs, cheese, meats, bread, fruits and organic granolas. For a \$4 delivery fee, Doorstep goes to local farms each week to pick up items and deliver them to the consumer's home.

The new partnership may appeal to customers who like the idea of old-fashioned milk delivery and appreciate local fresh products being delivered to their door especially for a low fee. The owner of Doorstep Dairy, Daryl Mast, said "Most of our customers like the convenience of doorstep delivery, and they want the freshness of products produced locally..." The partnership could benefit both businesses if customers are satisfied with the products and customer service; it would keep the deliveries coming.

As small retailers look for ways to grow they continue to look for partners with local dairies deliver their products and groceries customers. This could help retailers and dairies keep market share and maintain their operations in an increasing competition market. Customers would have the advantage of freshly made milk being delivered earlier that day. People favor local foods and beverages to the point where they are willing to spend more for them to be delivered. In addition to this, the trend of having fresh milk, eggs and produce being delivered has been expanding in New York. Today there are three milk delivery services in the region that transport fresh food within the Metro area

The value of global mergers and acquisitions this year is likely to rise above last year's \$392 billion because political events such as Brexit and the French elections are in the past, companies are sitting on large cash reserves, and legacy firms are actively exploring M&A for growth and innovation, according to an annual report from A.T. Kearney. For the report, the company's co-authors and researchers analyzed more than 100,000 deals in the food and beverage sector from 2006 through the first quarter of this year.

They also gathered the view of 89 c-level executives via a survey on sector trends and future activity – with 71% reporting that M&A activities are creating value, compared to 48% saying so last year. The study also found that large food and beverage companies are likely to keep using M&A in order to stay relevant, and more deals are likely to occur as the drive for sales, innovation and differentiation continue. “Much of the wait-and-see climate we saw in 2017 that has characterized M&A globally has dissipated.”

Recent U.S. Food & Agribusiness M&A Activity
(\$ in millions)

Mergers & Acquisitions

Date	Target	Acquirer	Enterprise Value	Enterprise Revenue	Enterprise Value/ EBITDA	Target Description
4/12/2018	Abbott & Cobb, Inc.	Syngenta Corporation	n/a	n/a	n/a	Abbott & Cobb, Inc. engages in breeding, producing, and marketing vegetable seeds.
4/10/2018	Lortscher Animal Nutrition Inc.	C. J. Foods, Inc.	n/a	n/a	n/a	Lortscher Animal Nutrition Inc. is a provider of specialty dry pet food manufacturing services for superpremium pet food brands in the U.S.
4/9/2018	National Beef Packing Co. LLC	Marfrig Global Foods S.A.	2,300.0	0.32	n/a	National Beef Packing Company, LLC engages in processing, packaging, and delivering fresh and frozen beef and beef by-products in the United States and internationally.
4/9/2018	PolyCycle Solutions Assets Of DS Services of America, Inc.	Consolidated Container Company LLC	n/a	n/a	n/a	PolyCycle Solutions Assets Of DS Services of America, Inc. operates as a national direct-to-consumer provider of bottled water, office coffee and water filtration services.
4/9/2018	Denizen rum brand	Hotaling & Co., LLC	n/a	n/a	n/a	Denizen rum brand comprises a division that produces rum.
4/9/2018	Full Sun Company	Victory Hemp Foods, LLC	n/a	n/a	n/a	Full Sun Company produces sunflower and canola oils. It serves food retailers, restaurants, food processors, and food service professionals.
4/6/2018	Acrobat Wine	Foley Family Wines, Inc.	n/a	n/a	n/a	Acrobat Wine, located in Oregon, produces wines.
4/6/2018	600-acre farm in Levy County, Florida	Abundant Farms, Inc.	1.3	n/a	n/a	The 600-acre farm in Levy County, Florida includes 70% of land that can be readily certified for organic farming.
4/6/2018	Riverside Foods, Inc.	Lakeside Foods Inc.	n/a	n/a	n/a	Riverside Foods, Inc. develops, manufactures, and markets appetizers and seafood.
4/5/2018	C Adams Bakery LLC	-	n/a	n/a	n/a	C Adams Bakery LLC produces cookies, cakes and cupcakes, cheesecakes, pies and tarts, bars and brownies, and donuts.
4/4/2018	C.H. Guenther & Son, Inc.	PPC Partners	n/a	n/a	n/a	C.H. Guenther & Son, Inc. produces and supplies grain-based products to foodservice, quick-serve restaurant, club and retail customers.
4/4/2018	Ainsworth Pet Nutrition, LLC	The J. M. Smucker Company	1,900.0	2375.00	n/a	Ainsworth Pet Nutrition, LLC manufactures and distributes healthy pet foods and treats.
4/4/2018	Fresh Innovations California, LLC	Alpine Pacific Capital, LLC; Arable Capital Partners, LLC	n/a	n/a	n/a	Fresh Innovations California, LLC provides sliced apples and other packaged fruits.
4/4/2018	Peace Coffee, SBC	-	n/a	n/a	n/a	Peace Coffee, SBC engages in processing and roasting coffee.
4/2/2018	Two Winn-Dixie Stores	Piggly Wiggly, LLC	n/a	n/a	n/a	Two Winn-Dixie grocery stores in Baldwin County were acquired by Piggly Wiggly, LLC.
4/2/2018	Wellshire Farms, Inc.	Land O' Frost, Inc.	n/a	n/a	n/a	Wellshire Farms, Inc. produces and distributes natural and organic beef, pork, and poultry products.
3/29/2018	Baetea LLC	New World Natural Brands, LLC	n/a	n/a	n/a	Baetea LLC is a teatox and skincare consumer products company based in Michigan.
3/29/2018	Phoebe Products, LLC	BrightPet Nutrition Group, LLC	n/a	n/a	n/a	Phoebe Products, LLC manufactures pet food.
3/28/2018	Six Stores of Southeastern Grocers, LLC	C&S Wholesale Grocers, Inc.	n/a	n/a	n/a	Three Independent Piggly Wiggly Store Owners, in conjunction with & with the support of C&S Wholesale Grocers acquired three BI-LO stores and three Harveys Supermarkets.
3/26/2018	Three Win-Dixie Stores of Southeastern Grocers, LLC	Mitchell Grocery Corp.	n/a	n/a	n/a	The agreement included the purchase of three Winn-Dixie store locations in Alabama from Southern Grocers.
3/26/2018	Azure Water, L.L.C.	IsoBev, Inc.	1.3	n/a	n/a	Azure Water, L.L.C. produces custom labeled bottled water for private label companies and co-packers.
3/26/2018	California & Nebraska Operations of Green Flash Brewing Co.	Muirlands Capital LLC	n/a	n/a	n/a	Green Flash Brewing Co. brews, bottles, markets, sells, and delivers beers. It's California & Nebraska locations comprise their brewing operations.
3/25/2018	Fiesta Mart, L.L.C.	Bodega Latina Corporation	300.00	n/a	n/a	Fiesta Mart, L.L.C. owns and operates food retail stores in the United States, Brazil, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Mexico, Chile, and Belize.
3/21/2018	Select Assets of Es Mi Tiempo, Inc.	Flagship Food Group LLC	n/a	n/a	n/a	Certain Assets of Es Mi Tiempo, Inc., which comprises green chile food products, were acquired by Flagship Food Group LLC.
3/21/2018	Six Scolari's Food And Drug Locations In Northern Nevada	Raley's Family of Fine Stores, Inc.	n/a	n/a	n/a	Six Scolari's Food And Drug Locations In Northern Nevada comprises six supermarket stores.
3/21/2018	Gayle's Chocolates Ltd.	-	n/a	n/a	n/a	Gayle's Chocolates Ltd. produces chocolates and truffle products for special occasions.
3/20/2018	Green Chef Corporation	Grocery Delivery E-Services USA INC.	n/a	n/a	n/a	Green Chef Corporation offers organic ingredients for cooking healthy and flavorful meals in the Western and Central United States.
3/20/2018	Finest Made Ales	Council Brewing Company, LLC	n/a	n/a	n/a	Finest Made Ales offers craft beer brewery services.
3/15/2018	21 Farm Fresh Stores of SUPERVALU Inc.	Harris Teeter, Inc.; Food Lion, LLC; Kroger & Co Inc	43.00	n/a	n/a	21 Farm Fresh Stores of SUPERVALU Inc. comprises 21 grocery stores.
3/14/2018	Royal Hawaiian Orchards brand of Royal Hawaiian Orchards, LP	Buderim Group Limited	3.1	n/a	n/a	Royal Hawaiian Orchards brand of Royal Hawaiian Orchards, LP comprises macadamia nut-based snacks business.
3/14/2018	Bell Nursery Holdings, LLC	Central Garden & Pet Company	n/a	n/a	n/a	Bell Nursery Holdings, LLC grows flowers and plants in the United States.
3/14/2018	176-acre Blueberry Farm	Gladstone Land Corporation	2.1	n/a	n/a	The 176 Acre Blueberry Farm in Van Buren County, Michigan comprises a blueberry farm consisting 100 planted acres of blueberries.
3/14/2018	18 Stores of FF Acquisition, L.L.C.	The Kroger Co.; Harris Teeter, Inc.	n/a	n/a	n/a	18 Stores of FF Acquisition, L.L.C. comprises food and pharmacy grocery stores.
3/14/2018	3 Stores of FF Acquisition, L.L.C.	Food Lion, LLC	n/a	n/a	n/a	3 Stores of FF Acquisition, L.L.C. comprises grocery stores.
3/12/2018	Seattle Fish Company of New Mexico, Inc.	Santa Monica Seafood Company	n/a	n/a	n/a	Seattle Fish Company of New Mexico, Inc. is a seafood distribution company.

Source: Capital IQ.

Commodities Overview (1-year & 12-year History)

Soybeans



Sugar



Cattle



Milk



Cotton



Oil



Broiler price based off spot closing price. All other commodity prices are based off the closing price of their respective nearby futures contract.

Sources: Thomson Financial Data Securities, Capital IQ, Reuters, Edgar Online, Wall Street Journal, Barron's, New York Times, Bloomberg, Chicago Tribune, Denver Post, MarketWatch, USDA, The Economist, BusinessWeek, Food Institute, Food Business News, Supermarket News, LPC, Company Press Releases. The information contained in this publication is compiled using publicly available news/media sources and industry-specific sources that Lakeshore Food Advisors, LLC ("LFA") believes to be reliable, but the accuracy and completeness of which LFA cannot guarantee.

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