



# LAKE SHORE

F O O D A D V I S O R S



## Weekly Update

Monday, March 12, 2018

### *Treasury Yields Climb After Strong Jobs Growth Keeps Fed On Track*

Treasury yields climbed on Friday after February's employment report showed strong job gains but a muted wages number. The labor data also comes as investors wrestle with numerous geopolitical events, including the implications of steel and aluminum tariffs, increased signs of easing monetary-stimulus measures outside the U.S., and news Trump will convene with North Korean leader Kim Jong Un.

The **Dow Jones Industrial Average** increased 3.3% on the week, finishing at 25,336.

The **S&P 500** rose 3.5% on the week, finishing at 2,787.

The **NASDAQ Composite** gained 4.2% on the week, finishing at 7,561.

Yield on the **10-year Treasury** declined rose four basis during the week, ending at 2.90%.

**Crude oil** increased 3.0% on the week, ending at \$61.92 per barrel.

**Corn** decreased 0.8% on the week, ending at \$3.91 per bushel.

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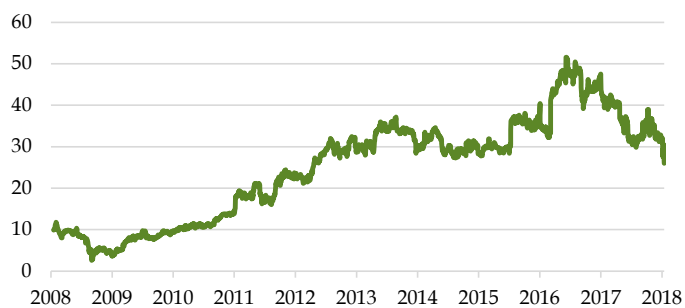
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**NASDAQ Highs:** Bridgford Foods Corp., Freshpet, Inc., Noodles & Company **Lows:** Lifeway Foods, Inc., Pacific Ethanol, Inc.

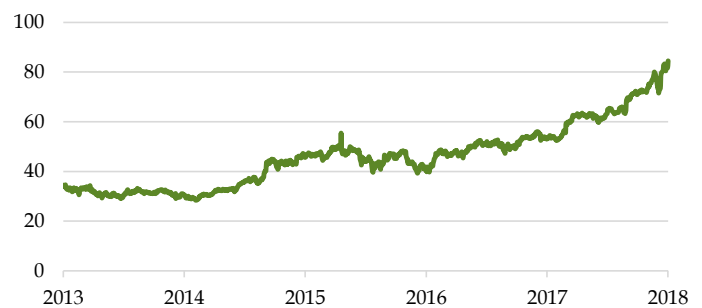
**NYSE Highs:** Brown-Forman Corp., CF Industries Holdings, Inc., Constellation Brands, Inc., Dine Brands Global, Inc., McCormick & Company, Inc., Zoetis Inc. **Lows:** B&G Foods, Inc., Campbell Soup Company, Tootsie Roll Industries, Inc.

### Featured Stocks of the Week:

B&G Foods, Inc. (NYSE: BGS) 10-Year History



Zoetis Inc. (NYSE: ZTS) Five-Year History



# The Lakeshore Food Chain

Company Name	Price 3/9/18	Price Compared to 3/2/18	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	
Dow Jones Industrial Average	25,336	3.3%	26,617	20,269	2.5%	28.2%	24.0x			
S&P 500	2,787	3.5%	2,873	2,329	4.2%	24.5%	17.5			
NASDAQ Composite Index	7,561	4.2%	7,561	5,794	9.5%	40.5%	NA			
Sector Average:					5.4%	31.0%				

## AGRICULTURAL LAND HOLDINGS

Farmland Partners Inc.	\$8.61	7.9%	\$11.30	\$7.15	(0.8%)	(22.8%)	287.0x	22.86x	34.8x	17.0x
Gladstone Land Corporation	13.02	4.4%	14.29	10.77	(3.1%)	15.8%	NM	20.50	27.9	17.8
Limoneira Company	21.12	0.5%	26.06	17.40	(5.7%)	(1.8%)	33.8	3.47	21.5	5.8
Sector Average:					(3.2%)	(2.9%)	16.9x	15.61x	28.1x	13.5x

## INPUTS

American Vanguard Corporation	\$19.95	3.1%	\$24.00	\$14.90	1.5%	4.2%	22.4x	1.97x	14.1x	1.2x
CF Industries Holdings, Inc.	41.50	(0.9%)	45.00	25.04	(2.4%)	31.8%	41.9	4.03	14.9	4.2
DowDuPont Inc.	72.23	5.6%	77.08	64.01	1.4%	NA	17.6	3.03	15.8	3.0
FMC Corporation	83.55	4.9%	98.70	59.11	(11.7%)	47.7%	15.3	4.92	22.8	5.2
Intrepid Potash, Inc.	4.01	12.6%	5.12	1.24	(15.8%)	92.8%	36.6	4.72	23.2	2.6
Monsanto Company	123.51	0.6%	124.20	111.92	5.8%	17.4%	21.6	4.06	14.4	2.0
The Mosaic Company	28.25	5.6%	29.80	19.23	10.1%	(3.7%)	21.2	1.89	11.3	4.3
* Nutrien Ltd.	52.09	5.3%	54.63	43.10	NA	NA	22.6	9.63	29.9	3.5
S&W Seed Company	3.55	1.4%	5.20	2.90	(9.0%)	(22.8%)	NM	1.74	95.1	29.8
The Scotts Miracle-Gro Company	91.89	1.3%	110.12	81.48	(14.1%)	(3.8%)	20.0	2.62	14.2	3.5
Terra Nitrogen Company, L.P.	83.74	0.0%	98.76	75.20	4.9%	(18.5%)	NA	3.90	8.7	0.0
Zoetis Inc.	84.52	4.0%	85.05	52.25	17.3%	57.9%	27.9	8.37	22.5	2.5
Sector Average:					(1.1%)	20.3%	24.7x	4.24x	17.4x	2.9x

## AGRICULTURAL EQUIPMENT

* Ag Growth International Inc.	\$42.14	0.6%	\$47.28	\$36.72	(0.9%)	7.8%	19.5x	1.97x	13.5x	5.7x
AGCO Corporation	68.07	5.7%	75.95	58.00	(4.7%)	17.6%	18.4	0.82	9.3	2.5
Art's-Way Manufacturing Co., Inc.	2.95	11.3%	3.85	2.00	(1.1%)	(13.2%)	NA	0.84	NM	NM
* Buhler Industries Inc.	3.18	0.5%	3.81	3.14	(8.3%)	(3.7%)	NA	0.43	12.9	4.1
CNH Industrial N.V.	13.71	5.5%	15.65	9.36	2.3%	57.8%	20.1	1.52	14.3	9.7
Deere & Company	167.93	9.5%	175.26	106.93	7.3%	63.0%	16.9	3.04	18.2	8.0
Lindsay Corporation	93.00	4.4%	96.22	79.03	5.4%	24.6%	25.2	1.89	16.6	1.9
Titan Machinery Inc.	20.55	2.9%	24.19	11.68	(2.9%)	41.0%	NM	0.69	26.5	13.7
Sector Average:					(0.4%)	24.4%	20.0x	1.40x	15.9x	6.5x

## AGRIBUSINESS

AGT Food and Ingredients Inc.	\$12.65	(7.8%)	\$26.16	\$11.50	(21.1%)	(53.6%)	36.9x	0.47x	11.1x	4.8x
The Andersons, Inc.	36.65	3.4%	39.65	29.60	17.7%	(18.0%)	18.5	0.41	10.5	4.0
Archer-Daniels-Midland Company	43.30	2.6%	46.39	38.59	8.0%	(5.1%)	15.3	0.51	10.7	3.1
Bunge Limited	74.96	(0.3%)	83.75	63.87	11.7%	3.8%	18.6	0.34	15.1	4.7
Darling Ingredients Inc.	18.40	2.9%	19.50	13.98	1.5%	42.5%	22.2	1.29	10.1	3.9
* Gruma, S.A.B. de C.V.	12.08	0.5%	14.94	11.50	(4.9%)	(5.4%)	14.4	1.61	10.1	1.8
Ingredion Incorporated	133.25	1.6%	146.28	113.42	(4.7%)	6.6%	16.1	1.87	10.0	1.7
Landec Corporation	14.35	10.8%	14.95	11.20	13.9%	4.0%	23.3	0.86	20.4	2.6
* Olam International Limited	1.82	8.1%	1.88	1.41	20.1%	33.9%	16.5	0.66	12.9	9.1
Sector Average:					4.7%	1.0%	20.2x	0.89x	12.3x	4.0x

## DIVERSIFIED FOODS

B&G Foods, Inc.	\$26.00	(11.9%)	\$43.10	\$25.95	(26.0%)	(40.6%)	12.5x	2.24x	11.5x	6.8x
Campbell Soup Company	43.61	3.8%	59.94	41.78	(9.4%)	(27.9%)	14.0	2.14	8.6	2.0
Conagra Brands, Inc.	38.06	3.2%	41.65	32.16	1.0%	(3.8%)	17.7	2.40	12.3	2.4
General Mills, Inc.	51.45	1.0%	61.34	49.65	(13.2%)	(16.7%)	15.4	2.52	11.8	3.0
The Hain Celestial Group, Inc.	35.53	2.2%	45.61	31.01	(16.2%)	(9.0%)	20.0	1.48	15.6	2.8
The J. M. Smucker Company	129.92	1.1%	140.44	99.57	4.6%	1.5%	14.3	2.65	12.0	3.0
Kellogg Company	70.25	3.8%	75.31	58.76	3.3%	(4.7%)	15.9	2.53	11.2	3.0
The Kraft Heinz Company	67.23	0.1%	93.88	66.36	(13.5%)	(23.0%)	17.6	4.27	13.5	3.8
Lancaster Colony Corporation	122.43	2.3%	135.86	113.34	(5.2%)	(13.4%)	24.1	2.65	15.8	0.0
Mondelez International, Inc.	44.27	(0.3%)	47.23	39.19	3.4%	(0.1%)	18.0	3.22	16.4	3.9
* Nestlé S.A.	80.31	2.4%	90.98	77.23	(6.6%)	11.7%	20.0	2.80	13.6	1.5
Pinnacle Foods Inc.	57.54	2.4%	66.67	52.81	(3.2%)	7.7%	19.9	3.04	14.6	4.5
Post Holdings, Inc.	80.84	4.1%	89.04	71.06	2.0%	0.6%	17.0	2.10	11.7	7.9
SunOpta Inc.	7.43	4.9%	10.55	6.24	(3.7%)	4.3%	158.0	0.94	19.2	7.4
TreeHouse Foods, Inc.	42.02	6.4%	90.42	36.35	(15.0%)	(41.8%)	20.0	0.75	7.9	4.3
Unilever N.V.	55.12	6.1%	64.45	51.91	(2.2%)	33.5%	19.2	2.67	14.2	2.4
Sector Average:					(6.3%)	(7.2%)	17.7x	2.40x	12.7x	3.4x

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			High	Low	2017	2016		Revenue	EBITDA	
<b>ETHANOL</b>										
Green Plains Inc.	\$19.05	(0.8%)	\$26.05	\$15.60	13.1%	(31.6%)	30.7x	0.55x	13.4x	9.1x
Pacific Ethanol, Inc.	3.35	(14.1%)	7.58	3.10	(26.4%)	(64.7%)	NM	0.22	29.6	19.5
Renewable Energy Group, Inc.	11.20	2.8%	13.55	9.41	(5.1%)	15.5%	7.6	0.30	53.2	23.7
Sector Average:					(6.1%)	(27.0%)	7.59x	0.36x	33.3x	16.4x
<b>FRUIT &amp; VEGETABLE</b>										
Calavo Growers, Inc.	\$88.00	4.5%	\$90.85	\$55.65	4.3%	43.3%	27.8x	1.44x	20.8x	0.4x
Fresh Del Monte Produce Inc.	47.79	1.1%	61.98	43.02	0.3%	(21.2%)	15.9	0.66	11.3	1.5
Lamb Weston Holdings, Inc.	57.33	3.5%	60.85	40.61	1.6%	51.5%	20.9	3.35	14.5	3.6
Seneca Foods Corporation	30.05	1.0%	39.25	27.75	(2.3%)	(25.0%)	NA	0.56	17.6	10.9
* Total Produce plc	2.98	3.0%	3.17	2.35	(3.0%)	43.7%	18.6	0.30	10.1	2.2
Sector Average:					0.2%	18.5%	20.8x	1.26x	14.8x	1.9x
<b>PROTEIN</b>										
Cal-Maine Foods, Inc.	\$44.10	1.4%	\$50.40	\$33.40	(0.8%)	(0.2%)	19.6x	1.61x	68.1x	0.3x
Hormel Foods Corporation	33.76	3.4%	38.00	29.75	(7.2%)	(3.0%)	18.3	1.99	13.4	0.7
Industrias Bachoco, S.A.B. de C.V.	61.16	3.6%	67.61	48.76	6.7%	24.8%	14.1	0.83	7.6	0.8
* JBS S.A.	3.01	(2.0%)	3.74	1.62	1.6%	(14.1%)	8.1	0.46	6.2	5.0
Nathan's Famous, Inc.	67.10	0.5%	100.90	52.90	(11.1%)	3.4%	NA	3.45	12.5	5.1
Pilgrim's Pride Corporation	24.75	(1.4%)	38.39	20.28	(20.3%)	30.3%	8.0	0.77	6.1	2.0
Sanderson Farms, Inc.	124.65	3.2%	176.43	92.37	(10.2%)	32.3%	11.2	0.72	4.8	0.0
Seaboard Corporation	4,059.99	1.0%	4,690.00	3,247.00	(7.9%)	2.7%	NA	0.65	11.0	2.0
Tyson Foods, Inc.	75.69	2.8%	84.65	57.20	(6.6%)	22.7%	11.5	0.95	9.4	2.5
Sector Average:					(6.2%)	11.0%	13.0x	1.27x	8.9x	2.0x
<b>BAKING &amp; INGREDIENTS</b>										
* ARYZTA AG	\$25.17	6.6%	\$40.95	\$22.75	(35.7%)	(42.3%)	19.1x	0.95x	8.2x	7.2x
Balchem Corporation	81.40	5.8%	88.47	70.23	1.0%	(3.0%)	29.0	4.68	19.5	1.5
Flowers Foods, Inc.	21.44	3.0%	21.46	16.80	11.0%	7.4%	19.7	1.36	12.0	1.9
* Grupo Bimbo, S.A.B. de C.V.	2.29	0.6%	2.62	2.21	3.4%	0.4%	23.3	1.09	9.5	3.1
J&J Snack Foods Corp.	141.80	3.3%	157.33	121.20	(6.6%)	6.3%	28.0	2.24	15.3	0.0
* Kerry Group plc	100.97	0.4%	116.95	89.72	(10.1%)	40.9%	23.7	2.47	17.8	2.0
McCormick & Company, Incorporated	110.54	2.1%	110.57	90.25	8.5%	18.4%	22.8	4.00	20.7	5.6
* Tate & Lyle plc	7.81	2.2%	11.05	7.56	(17.8%)	(10.6%)	11.7	1.05	6.3	1.3
Sector Average:					(5.8%)	2.2%	22.2x	2.23x	13.7x	2.8x
<b>CANDY, NUTS, &amp; SNACKS</b>										
The Hershey Company	\$100.36	1.5%	\$116.49	\$95.21	(11.6%)	(3.0%)	18.7x	3.15x	13.1x	1.6x
John B. Sanfilippo & Son, Inc.	58.73	1.3%	74.69	54.32	(7.1%)	(16.6%)	16.2	0.86	11.1	1.1
Rocky Mountain Chocolate Factory, Inc.	12.18	(0.4%)	13.23	11.00	3.4%	19.6%	NA	1.86	10.9	0.4
Snyder's-Lance, Inc.	49.96	0.0%	50.67	31.03	(0.2%)	30.3%	39.3	2.69	21.0	3.8
Tootsie Roll Industries, Inc.	31.60	(3.8%)	38.30	30.45	(10.6%)	(15.7%)	NA	3.83	19.7	0.1
Sector Average:					(5.2%)	2.9%	24.7x	2.48x	15.2x	1.4x
<b>PET FOOD AND PRODUCTS</b>										
Blue Buffalo Pet Products, Inc.	\$39.82	(0.2%)	\$40.15	\$21.51	21.4%	65.6%	34.9x	6.20x	25.2x	1.3x
Central Garden & Pet Company	40.60	1.1%	42.29	29.08	4.3%	22.7%	21.2	1.16	11.8	3.4
Freshpet, Inc.	18.10	(10.6%)	20.85	9.30	(4.5%)	78.3%	NM	4.05	62.8	0.0
Sector Average:					12.9%	50.5%	28.1x	3.80x	18.5x	1.5x
<b>WINE &amp; BEVERAGE</b>										
The Boston Beer Company, Inc.	\$181.70	10.4%	\$202.35	\$128.70	(4.9%)	7.0%	27.1x	2.35x	12.0x	0.0x
Brown-Forman Corporation	55.05	(2.0%)	56.81	36.33	0.2%	53.2%	32.3	8.78	23.9	1.8
The Coca-Cola Company	44.82	2.5%	48.62	41.83	(2.3%)	8.1%	21.4	6.22	18.4	4.4
Constellation Brands, Inc.	230.34	4.8%	230.35	156.16	0.8%	50.2%	24.8	7.23	18.0	3.4
* Cott Corporation	15.77	0.0%	17.74	12.17	(5.7%)	39.3%	56.0	1.96	16.3	8.4
Craft Brew Alliance, Inc.	19.25	6.4%	20.10	12.00	0.3%	13.9%	52.0	1.95	26.5	2.2
Crimson Wine Group, Ltd.	9.75	(2.9%)	11.50	8.97	(8.6%)	4.1%	NA	3.73	23.5	2.5
Dr Pepper Snapple Group, Inc.	117.95	1.5%	126.65	83.23	21.5%	30.1%	22.1	3.83	16.3	2.8
Monster Beverage Corporation	58.06	7.2%	70.22	44.35	(8.3%)	30.9%	32.7	9.40	24.7	0.0
Jones Soda Co.	0.34	1.2%	0.55	0.30	(6.8%)	(24.4%)	NA	1.01	NM	NM
National Beverage Corp.	90.60	(5.7%)	129.82	67.05	(7.0%)	77.4%	23.5	4.31	19.2	0.0
PepsiCo, Inc.	112.54	3.2%	122.51	106.19	(6.2%)	7.6%	19.7	2.83	14.1	3.1
Starbucks Corporation	58.46	2.7%	64.87	52.58	1.8%	5.3%	23.1	3.67	15.5	1.0
Willamette Valley Vineyards, Inc.	7.97	(0.5%)	8.86	7.50	(3.5%)	(0.6%)	NA	2.39	9.0	1.6
Sector Average:					(2.1%)	21.6%	30.4x	4.26x	18.3x	2.4x

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<b>DAIRY</b>										
* Danone	\$83.17	5.9%	\$88.87	\$75.97	(1.0%)	30.9%	18.1x	2.46x	13.8x	0.0x
Dean Foods Company	9.10	1.4%	20.10	8.32	(21.3%)	(58.2%)	13.0	0.22	5.3	2.8
Lifeway Foods, Inc.	6.65	0.5%	11.50	6.54	(16.9%)	(42.2%)	44.3	0.86	15.3	0.9
* Saputo Inc.	31.54	1.2%	37.11	30.94	(12.5%)	(10.8%)	19.0	1.50	13.5	1.4
Sector Average:					(12.9%)	(20.1%)	16.7x	1.26x	12.0x	1.3x
<b>WHOLESALE, FOOD SERVICE, &amp; DISTRIBUTION</b>										
The Chefs' Warehouse, Inc.	\$23.90	3.9%	\$25.93	\$11.85	16.6%	51.3%	32.5x	0.73x	15.5x	5.2x
Core-Mark Holding Company, Inc.	22.66	10.1%	38.37	19.53	(28.2%)	(47.4%)	19.0	0.13	16.7	6.0
Performance Food Group Company	32.25	1.9%	35.25	22.30	(2.6%)	34.4%	20.4	0.27	13.0	3.9
SpartanNash Company	18.54	0.9%	37.83	16.32	(30.5%)	(53.1%)	8.2	0.17	6.5	3.5
SUPERVALU Inc.	15.19	(1.7%)	31.29	13.60	(29.7%)	(53.5%)	6.2	0.17	5.1	4.0
Sysco Corporation	61.28	2.7%	64.27	48.85	0.9%	10.7%	18.7	0.70	13.0	2.9
United Natural Foods, Inc.	45.94	6.2%	52.69	29.53	(6.8%)	(3.7%)	14.1	0.28	8.3	1.4
Sector Average:					(11.5%)	(8.8%)	17.0x	0.35x	11.2x	3.8x
<b>MASS MERCHANDISE &amp; CLUB STORES</b>										
Costco Wholesale Corporation	\$188.58	(0.4%)	\$199.88	\$150.00	1.3%	17.8%	26.3x	0.62x	14.4x	1.1x
Walmart Inc.	88.72	(0.1%)	109.98	69.33	(10.2%)	28.4%	18.0	0.61	9.9	1.5
Sector Average:					(4.4%)	23.1%	22.2x	0.61x	12.1x	1.3x
<b>DOLLAR STORES</b>										
Dollar General Corporation	\$86.94	(7.8%)	\$105.82	\$65.97	(6.5%)	17.4%	16.5x	1.14x	10.6x	1.3x
Dollar Tree, Inc.	92.70	(11.2%)	116.65	65.63	(13.6%)	20.1%	16.5	1.19	10.2	2.2
Fred's, Inc.	3.20	(6.2%)	16.27	2.85	(21.0%)	(82.8%)	NM	0.14	NM	NM
Sector Average:					(13.7%)	(15.1%)	16.5x	0.82x	10.4x	1.7x
<b>TRADITIONAL RETAIL</b>										
* Ahold Delhaize	\$22.43	(0.9%)	\$25.48	\$18.14	1.9%	6.1%	12.4x	0.39x	6.0x	1.8x
Ingles Markets, Incorporated	33.70	1.8%	47.95	20.75	(2.6%)	(29.9%)	11.4	0.39	6.4	3.7
The Kroger Co.	24.08	(12.0%)	31.45	19.69	(12.3%)	(30.2%)	11.6	0.30	7.5	3.2
Village Super Market, Inc.	24.59	1.8%	28.01	21.95	7.2%	(20.4%)	NA	0.20	5.0	0.8
Weis Markets, Inc.	38.76	0.5%	62.88	31.26	(6.4%)	(42.0%)	NA	0.29	6.1	0.3
Sector Average:					(2.4%)	(23.3%)	11.8x	0.31x	6.2x	2.0x
<b>SPECIALTY RETAIL</b>										
Natural Grocers by Vitamin Cottage, Inc.	\$7.46	2.8%	\$11.61	\$4.79	(16.5%)	(37.3%)	31.1x	0.28x	5.3x	1.5x
Sprouts Farmers Market, Inc.	25.23	(1.6%)	28.29	17.55	3.6%	33.4%	19.9	0.82	11.8	1.5
Sector Average:					(6.4%)	(2.0%)	25.5x	0.55x	8.5x	1.5x
<b>TRADITIONAL RESTAURANTS</b>										
Brinker International, Inc.	\$36.92	2.7%	\$45.81	\$29.50	(4.9%)	(25.5%)	10.4x	0.98x	7.2x	3.2x
The Cheesecake Factory Incorporated	49.31	2.6%	67.14	38.34	2.3%	(17.7%)	18.0	1.01	9.0	0.5
Darden Restaurants, Inc.	94.81	(0.7%)	100.11	73.81	(1.3%)	30.4%	18.4	1.66	12.6	1.1
Dine Brands Global, Inc.	75.72	(3.8%)	79.66	36.71	49.3%	(1.7%)	14.9	4.37	12.4	6.5
Jack in the Box Inc.	89.43	(2.6%)	113.00	79.30	(8.8%)	(19.9%)	21.7	2.50	11.3	3.3
McDonald's Corporation	157.24	6.0%	178.70	127.35	(8.6%)	29.2%	20.7	6.66	15.4	3.0
The Wendy's Company	17.52	8.6%	17.66	13.03	6.7%	29.6%	31.9	5.54	16.7	6.9
YUM! Brands, Inc.	82.95	3.3%	86.93	62.85	1.6%	31.0%	25.4	6.10	17.9	4.9
Sector Average:					4.5%	6.9%	20.2x	3.60x	12.8x	3.7x
<b>HIGH-GROWTH RESTAURANTS</b>										
Bojangles', Inc.	\$14.85	10.0%	\$22.35	\$11.35	25.8%	(20.4%)	21.7x	1.25x	9.6x	2.2x
Chipotle Mexican Grill, Inc.	322.16	0.7%	499.00	247.52	11.5%	(14.6%)	37.9	1.90	19.0	0.0
El Pollo Loco Holdings, Inc.	10.35	8.9%	14.85	9.05	4.5%	(15.9%)	14.8	1.19	8.3	1.5
The Habit Restaurants, Inc.	9.80	7.1%	19.75	8.11	2.6%	(43.2%)	183.8	0.64	7.9	0.5
Noodles & Company	7.05	2.2%	7.40	3.35	34.3%	72.0%	NM	0.74	22.3	4.1
Papa Murphy's Holdings, Inc.	4.88	0.8%	6.80	3.50	(9.3%)	15.6%	18.5	1.48	11.0	6.1
Potbelly Corporation	13.05	(0.8%)	14.28	10.50	6.1%	1.2%	35.5	0.71	8.1	0.0
Shake Shack Inc.	42.33	7.0%	47.39	30.12	(2.0%)	18.3%	86.5	3.15	19.9	0.3
Wingstop Inc.	48.12	9.4%	49.69	25.37	23.4%	62.6%	62.7	14.50	38.6	3.4
Zoe's Kitchen, Inc.	16.02	8.7%	18.84	10.77	(4.2%)	(33.2%)	NM	1.14	15.8	2.0
Sector Average:					9.3%	4.2%	39.7x	1.36x	16.1x	2.0x

**Notes:**

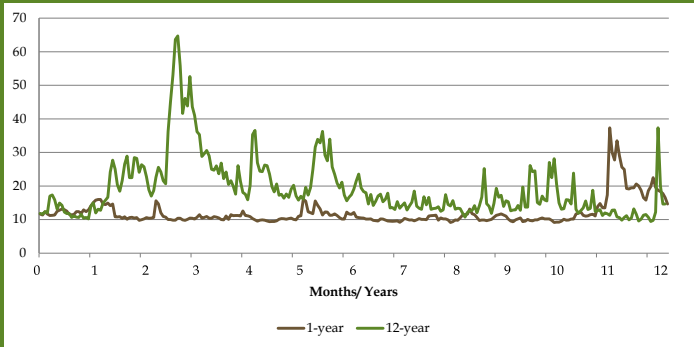
\* Denotes local currency.

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



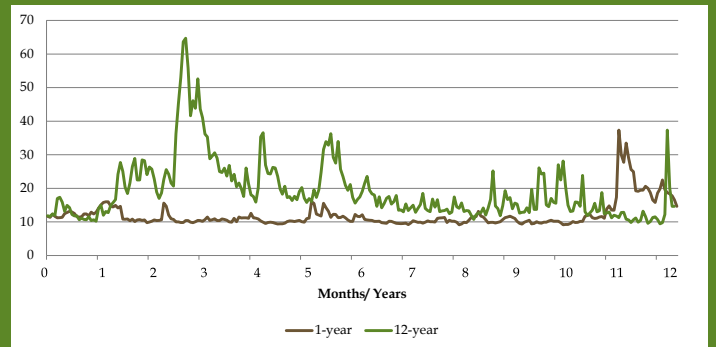
## Dow Jones Industrial Average



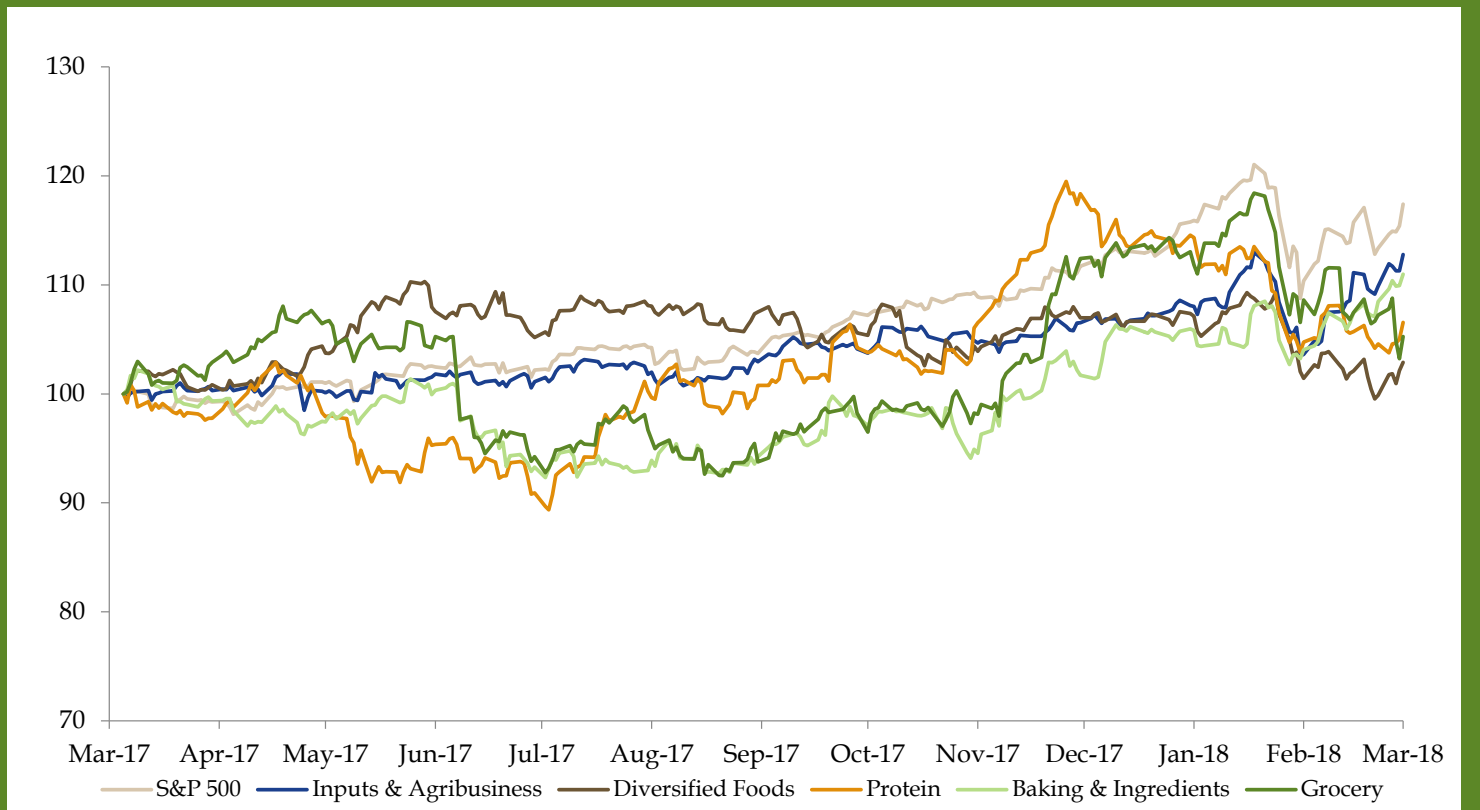
## 10-year Treasury



## CBOE Market Volatility Index - VIX



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



## Food For Thought...

Partner Column

Written By William Whipple

**CF Industries Stock Declined 3% For The Week** after BoA/Merrill Lynch criticized shares with a double downgrade to Underperform from Buy-Target Price was cut from \$48 to \$40, amid a cautious view on nitrogen fertilizer demand as *China* increases fertilizer formulations. Analyst say CF may achieve \$5/share free cash flow but not until 2020 or later, vs. previous forecast of 2019 or later. (Does this put my Nutrien (Agrium/Potash) stock in danger?) CF forecasts \$1.2B EBITDA in 2018 on 3% less volume & 10% better pricing-with 29% EBITDA margin in 2018 vs. 23% in 2017. CF Stock Price increased 60% in less than 1 year-\$40+ today! Dividend is under 2%! Nitrogen pricing has moved lower last 3 years from 4M tons of new domestic capacity. Nitrogen imports fell about 3M tons during that time-7.5 to 4.5M tons. (*China* is the big exporter of Urea, which shows up every spring in the U.S. before planting season.)

**Weight Watchers Has Reinvented Itself** as a lifestyle brand food product. This change is the basis for 23% y/y growth in subscribers and 17% y/y growth in sales. Weight Watchers stock has risen 257% over the past 12 months. The entry of Weight Watchers puts pressure on Blue Apron for both middle-aged women and the health-conscious crowd. Oprah Winfrey sold 1/4 of her stake in the range of 8/9 times the price she paid, reflecting the massive increase in the company's value since she vouched for its weight-loss program.

**Tyson Foods** generated free cash flow of \$1.53B for 2017, more free cash flow than Pilgrim's Pride \$461M. Meat processors saw an increase of 7% YOY in profit margins as the price for grains decreased 28+% in the 5 year period. Tyson Foods is expected to see an increase of annual 9% growth in profit margins for FY2018 and FY2019 as cost of goods sold decrease. (Chicken feed is a cost that Tyson incurs-not the grower.)

**B&G Foods**, a much-followed middle-market food stock, is struggling-stock down 35+% this past year. A year ago shares were still trading in the low \$40s. Last fall, shares had fallen into the low \$30s-following a 4.9% decline in Q2 base sales, prompting the company to cut the full-year guidance. Today the shares trade a little above \$25+/share. B&G is suffering the same Top 10 "Brand" sales challenges that have impacted much larger companies but without the time & margin-for-error of a big balance sheet.

**Blue Apron's Valuation Continues Decline-\$2B To \$400M**-less than \$2/share as both Walmart and Weight Watchers announced their entry into the meal kit space. Both are expected to have extremely competitive pricing. Blue Apron is a logistics company that requires scale. It needs to corner the market somewhere-a goal that eludes it. The bulk of the costs (new fulfillment center in Linden, NJ, launched late last year) lie in efficiently routing meal kits to customers on a routine basis. If Blue Apron were ever to achieve a billion-plus in revenues, the story would massively improve. Blue Apron burned-through \$152.4M in operating cash flow in FY17 (negative \$276.6M in free cash flow if you include the build-out of the Linden, NJ facility and other capex). Walmart's decision to build its own meal kit business rather than acquire one underlines the ease with which a meal kit businesses can be launched. With Blue Apron's leveraged balance sheet and cash burn, the company probably isn't long for this world.

**Dean Food's Credit Suisse Analyst Lowering Target Price To \$7.50** (vs. Friday's closing price of \$9.16) on management bidding more aggressively for private label contracts and Dairy Pure losing market share offsetting all cost savings. The \$7.50 target price assumes a 5x EV/EBITDA multiple against 2019 estimates.

**Beef Export Volume** in January up 9% YOY, export value surged 21%. Exports accounted for 12.4% of total production.

**Pork Export Volume** in January up 1% YOY, export value rose 7%. Pork exports accounted for 24.7% of total production.

**Barron's Comments On Campbell Soup's 2 Big Problems**- 1) Consumers have taste for fresh not canned-consumption of packaged fresh has grown 5+% annually vs. 1+% for shelf-stable food; 2) there's a "grocery war" on with Walmart/Amazon & others. Assuming Snyder's acquisition closes, Campbell will shift sales to 46% snacks /27% soup!

**Kroger's Stock Price Falls 5+%** after earnings guidance comes up short of analyst's expectations. As CNBC Jim Cramer says-how can anyone expect Kroger's razor-thin margins to improve with a price war against Amazon/WholeFoods, Lidl, Aldi, Walmart, Costco, Target and others. Kroger projects FY19 same-store sales growth of +1.5% to +2.0%. This number does not include any inflation consideration?

*Have a good week!*

## Food For Thought...

**Dollar Tree, Inc. Reports Record Fourth Quarter And Fiscal 2017 Results.** Dollar Tree, Inc. reported financial results for its fourth quarter and fiscal year ended February 3, 2018. Consolidated net sales for the 14-week fourth quarter increased 12.9 percent to \$6.36 billion from \$5.64 billion in the prior year's fourth quarter. The enterprise same-store sales increased 2.5 percent. The same-store sales growth was driven by increases in average ticket and comparable transaction count. Same-store sales for the Dollar Tree banner increased by 3.8 percent on a constant currency basis while same store-sales for the Family Dollar banner increased by 1.0 percent.

For fiscal year 2017, consolidated net sales increased by 7.4 percent to \$22.5 billion from \$20.72 billion in fiscal year 2016. Enterprise same-store sales increased 1.9 percent compared year-over-year. The same-store sales increase was driven by rises in comparable transaction count and average ticket. Same-store sales for the Dollar Tree banner increased 3.4 percent on a constant currency basis while the same-store sales for the Family Dollar banner increased 0.4 percent.

Kevin Wampler, CFO, said that the company expects margin pressure in the current year from increased wage cost and higher freight and diesel fuel cost. Wampler said the company expects these costs to impact 2018 earnings by about \$68 million.

**Dollar Tree, Inc. (NASDAQ: DLTR) 10-Year History**



**Village Super Market, Inc. Reports Second Quarter Results.** Village Super Market, Inc. the operator of 29 ShopRite banners in New Jersey, Maryland, and Pennsylvania, reported its second quarter earnings results. Sales were \$417.3 million for the second quarter of fiscal 2018, an increase of 1.3 percent year-over-year. Net income also increased by 13 percent compared year-over-year, reaching \$9.5 million. This is mostly attributed to the enactment of the Tax Cuts and Jobs Act and improved gross profit.

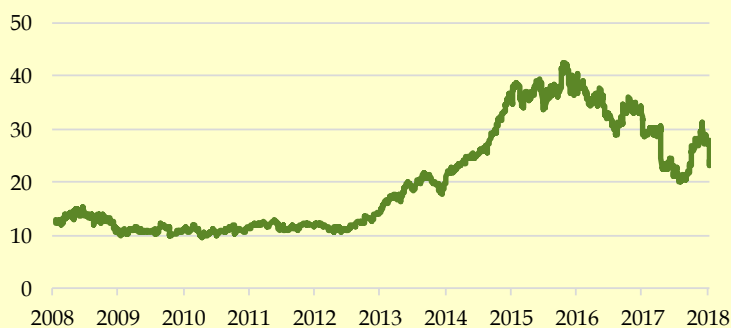
**Kroger's Shares Plummet After Earnings Release.** The Kroger Co. released its fourth-quarter earnings on Thursday as well as its outlook for 2018. Overall, the company's quarterly earnings were aligned with analyst expectations; however, Kroger's bleak 2018 outlook shook investors, which affected its stock. After the announcement, Kroger's stock fell 12 percent, plunging \$3.25 to close at \$22.98.

Net income for the fourth quarter reached \$854 million, or 96 cents a share. This was a significant improvement compared year-over-year as previously the company's net income was \$506 million, or 53 cents a share. Excluding one-time items, Kroger is estimated to have earned 63 cents a share, which matched analysts' expectations. Revenue also improved for the quarter, rising 12.4 percent to \$31 billion, beating the forecast expectations by \$2 million. Compared to the year-earlier period, 2017's fourth quarter revenue improved by \$3.4 billion.

Analysts attributed the better results primarily to one-time events, specifically the Tax Cuts and Jobs Act. When discussed with CFO Mike Schlotman, he indicated the company's tax break benefit was about \$400 million. Schlotman then reiterated how Kroger will take a balanced approach with the use of this benefit as one-third will be invested in the business to help customers, one third will be invested in Kroger employees, and the remaining third will fall to the bottom line to help shareholders.

Forward looking, Kroger estimated earnings of \$1.95 to \$2.15 per share for its 2018 outlook. Unfortunately, this range was lower than analyst expectations which was the second time in three quarters Kroger failed to beat analysts' earnings projections, creating the uneasy trading after the announcement. Schlotman commented, "I know there are some analysts out there that put way more than that in their initial estimates for our next fiscal year, and I'm sure that's causing a little bit of consternation as they look at the numbers".

**The Kroger Co. (NYSE: KR) 10-Year History**



## Heard on the Street...

***Bone Broth Product Manufacturer Ancient Nutrition Receives \$103M Investment.*** The company announced this week that it has sold a \$103 million minority stake to VMG partners, Hillhouse Capital, CONIQ Capital, and more than 100 members of a co-investor network. The company said it plans to use its first outside investment to accelerate growth through social media research, more in-store demos and continued support for direct-to-consumer e-commerce. Ancient Nutrition achieved a 266% compound annual growth rate from 2013-2017 and contributed \$10 million – or more than 40% – to total category growth, the company said.

Ancient Nutrition formally came to market in January, 2017 with the merger of supplement brands owned by natural products entrepreneur Jordan Rubin, and Axe Wellness, a line of collagen powders started by online nutrition expert Dr. Josh Axe. The company primarily sells powdered bone broth-based supplements and meal replacements, as well as a line of essential oils under the Ancient Apothecary brand name. Its GMO-free and gluten-free lineup of 80 products are sold at Whole Foods Market, Sprouts, specialty retailers nationwide and online. Demand for bone broth products is increasing. According to NPR, some source material went from \$30 for a 50-pound case of butcher's bones a few years ago to up to \$4 per pound in 2017.

***J.M Smucker Is Considering A Sale Of Its Baking Brands For \$700M.*** The Orrville, Ohio-based company is reportedly working with an advisor as it considers a sale of its baking brands, including Pillsbury, Robin Hood flour and cereal, and Martha White baking mixes according to Food Business News. No specific buyer has been mentioned. Smucker's various baking products, from flour to frosting, have been flounder, according to Bloomberg. They represented 5% of the company's revenue in 2017, down from 10% in 2014. In recent years, there has been a consumer push to focus shopping dollars on healthier fare away from baking products containing corn syrup, artificial colors and other unhealthy ingredients.

***ADM's Takeover Talks With Bunge Break Down.*** Talks surrounding Archer Daniels Midland's takeover of Bunge Ltd. have halted, jeopardizing a merger that would have created one of the world's largest agricultural companies. Prior to the breakdown, discussions were moving at a snail's pace as the two companies considered how to avoid antitrust issues, according to The Wall Street Journal. It is unknown if the talks will resume.

In early 2018, The Wall Street Journal reported that Chicago-based ADM (NYSE:ADM) contacted Bunge regarding a takeover. The move would have pushed ADM further into South American grain markets and aided its soybean-processing business. The stalled talks may force leaders of the White Plains, New York-based Bunge to search for a different buyer as the agricultural sector struggles with an excess of crops across the globe. Last month, Bunge reported that its net income had fallen in 2017 from \$745 million to \$160 million. ADM's stumble could make way for mining company Glencore, which last year offered to buy Bunge. Bunge turned down Glencore's offer and the two companies made an agreement that temporarily prevented Glencore from making a hostile bid for Bunge. That standstill agreement has since expired.

***BI-LO Sells Winn-Dixie Stores.*** Southeastern Grocers' subsidiary, BI-LO, filed for bankruptcy in March and is now closing 200 stores. BI-LO, the parent company of Winn-Dixie stores, is over \$1 billion in debt since the Lone Star Funds buyout in 2005.

On Thursday February 22, Shoppers Value acquired seven Winn-Dixie stores in the New Orleans-area, three stores in Mississippi. The terms of the sale weren't disclosed. Shoppers Value is a Baton Rouge grocery store chain that offers items 10 percent above what they cost the supermarket. When the customers pick up items at Shoppers Value, the price on the shelf reflects what the store paid for them. Shoppers are then charged a 10 percent add-on at the cash register for each item.

Brookshire purchased eight Winn-Dixie stores from Southeastern Grocers in the Louisiana-area. The terms of the sale were not disclosed. When the transaction closes, the stores will be closed for a few days and resume under Brookshire's Super 1 Foods banner. Brookshire Grocery operates grocery chains in Texas, Louisiana and Arkansas. They offer meat, bakery, seafood, pharmacy and household items in their stores.

Trey Edwards, Winn-Dixie regional vice president for Alabama, Louisiana and Mississippi, was asked how the sale of the store relates to any possible Chapter 11 filing by Southeastern. Edwards said: "This is no way tied to any other announcement of any kind. Should there be another change another change in our portfolios position, we'll communicate that change accordingly." The deal comes from a bankruptcy filing by Tops Markets LLC. Burdened with a heavy debt load and struggling against stiff competition, the 169-store chain plans to keep its stores open and restructure its finances before the end of the year.



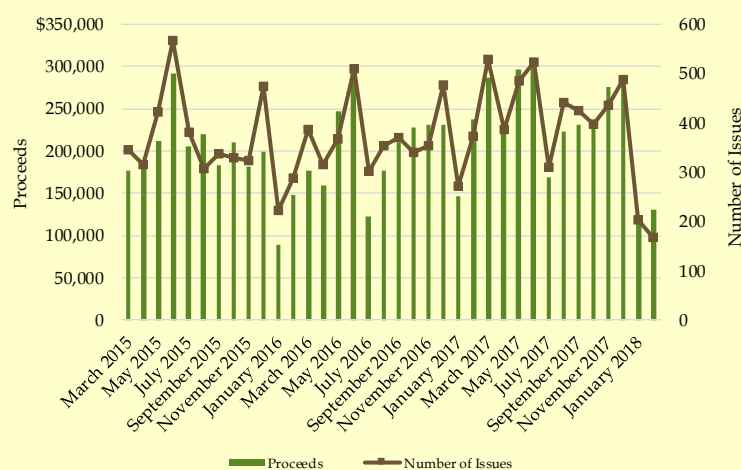
## Loans

As equity market volatility rose at the beginning of 2018, lending activity declined while borrowers and lender evaluated the market. Through the end of February, YTD 2018 proceeds of \$246 billion were 36% lower than the same period of 2017, and deal volume fell by a similar 43%. The start of 2018 also brought clarity on the new tax laws (which by reducing corporate rates reduced the interest tax shield). Some analysts forecast a decrease in borrowing as the benefits of additional debt are reduced, however as most loan activity is refinancings (and largely unavoidable), the impact is debateable.

Within the food and ag industries, Post Holdings recently completed a repricing on \$2.2 billion of term debt. The company is lowering its interest rate by 25 basis points (which is expected to save \$5 million in cash interest annually). The new interest rate will be the Eurodollar Rate plus 2.00% or the Base Rate plus 1.00%. Hain Celestial also announced the closing of an expanded, unsecured credit facility. The \$1.3 billion facility consists of a term loan and revolving credit line. Both loans mature in 2023. The line of credit can expand by an additional \$400 million if certain conditions are met.

### U.S. & Canada Monthly Loan Activity

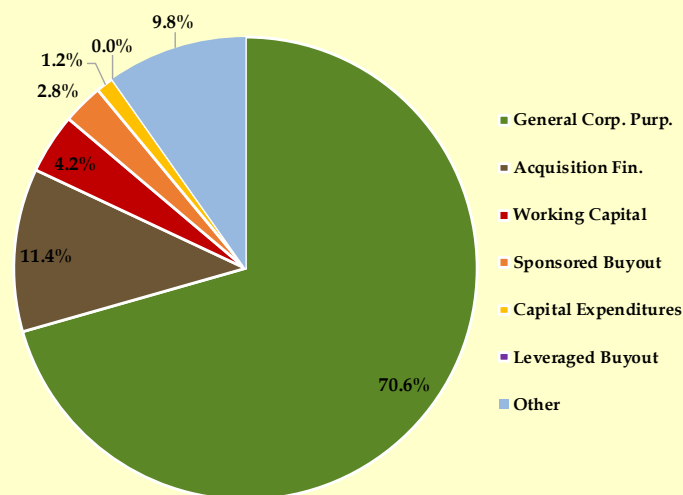
(\$ in millions)



Source: Thomson Financial.

### U.S. & Canada Use of Proceeds - All Year to Date

(\$ in millions)



Source: Thomson Financial.

### Recent U.S. Food & Agribusiness Loan Activity

(\$ in millions)

Borrower	Business Description	Financial Close Date	Maturity	Loan Description	Loan Package Amt (US\$ Mil)	Initial Pricing (Spread Over)	S&P Rating
Mondelez International Inc	Produces packaged food products	02/28/18	02/27/19	364d Revolver	\$ 1,500.0	+115.00	BBB
Post Holdings Inc	Diversified food manufacturer	02/28/18	05/24/24	Term Loan B	\$ 2,200.0	+200.00	B
Fresh Del Monte Produce Inc	Produces fresh produce	02/27/18	04/15/20	Rev Cred Fac	\$ 300.0	+150.00	NR
HP Hood LLC	Produces milk and milk products	02/26/18	02/26/23	Rev Cred Fac	\$ 500.0	+150.00	NR
Lansing Trade Group LLC	Agribusiness service provider	02/22/18	10/03/20	Term Loan A	\$ 25.0	+185.00	B+
Albertson's LLC	Own and operate grocery stores	02/20/18	n/a	RC/TL/BRIDGE	\$ 1,000.0	-	B+
Albertson's LLC	Own and operate grocery stores	02/20/18	02/20/23	RC/TL/BRIDGE	\$ 1,200.0	-	B+
Albertson's LLC	Own and operate grocery stores	02/20/18	n/a	RC/TL/BRIDGE	\$ 5,000.0	-	B+
Albertson's LLC	Own and operate grocery stores	02/20/18	02/20/19	RC/TL/BRIDGE	\$ 1,200.0	+575.00	B+
Tractor Supply Co	Retails agricultural equipment	02/16/18	02/19/22	RevCred/Term Ln	\$ 680.0	+162.50	NR
Taylor Fresh Foods Inc	Produces fresh produce	02/07/18	02/07/26	RevCred/Term Ln	\$ 393.0	+162.50	NR
Taylor Fresh Foods Inc	Produces fresh produce	02/07/18	02/07/23	RevCred/Term Ln	\$ 520.0	+162.50	NR
Hain Celestial Group Inc	Produces natural food products	02/06/18	02/06/23	RevCred/Term Ln	\$ 450.0	+150.00	NR
Hain Celestial Group Inc	Produces natural food products	02/06/18	02/06/23	RevCred/Term Ln	\$ 850.0	+150.00	NR
Arby's Restaurant Group Inc	Own and operate restaurants	02/05/18	02/05/19	RC/TL/BRIDGE	\$ 485.0	+325.00	NR
Arby's Restaurant Group Inc	Own and operate restaurants	02/05/18	02/05/25	RC/TL/BRIDGE	\$ 1,575.0	+325.00	NR
Arby's Restaurant Group Inc	Own and operate restaurants	02/05/18	02/05/23	RC/TL/BRIDGE	\$ 150.0	+325.00	NR
Kellogg Co	Diversified food manufacturer	01/30/18	01/30/23	364d/RevCred	\$ 1,500.0	+112.50	BBB
Kellogg Co	Diversified food manufacturer	01/30/18	01/29/19	364d/RevCred	\$ 1,000.0	+115.00	BBB
Wingstop Restaurants Inc	Own and operate restaurants	01/30/18	01/30/23	RevCred/Term Ln	\$ 250.0	+275.00	NR
<b>Average Spread Over Libor</b>						<b>+214.12</b>	

Source: Thomson Financial.

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

## Corn



## Wheat



## Hogs



## Broilers



## Cocoa



## Gold



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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