



# LAKE SHORE

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



## Weekly Update

Monday, May 9<sup>th</sup>, 2022

**Major U.S. Indices Took Back Gains Made After Wednesday's Announced Rate Hike By The Fed.** Earning season continues this week, of the 440 S&P 500 companies that have reported Q1-2022 earnings, 67% have beat top line expectations, and 77% bested profit estimates. Despite strong results, the market remains wary of the potential impacts a shrinking Fed balance sheet during a period of high inflation will have on the economy.

The **Dow Jones Industrial Average** decreased 0.2% on the week, finishing at 32,899.

The **S&P 500** decreased 0.2% on the week, finishing at 4,123.

The **NASDAQ Composite** decreased 1.5% on the week, finishing at 12,145.

Yield on the **10-year Treasury** increased 23 basis points on the week, ending at 3.12%.

**Crude oil** climbed 12.8% last week, ending at \$109.77 per barrel.

**Corn** fell 3.5% last week, ending at \$7.85 per bushel.

**NASDAQ Highs:** Chefs' Warehouse, Inc., **Lows:** Art's-Way Manufacturing Co., Inc., Balchem Corporation, Calavo Growers, Inc., Central Garden & Pet Company, Freshpet, Inc., Freshworks Inc., Hain Celestial Group, Inc., J&J Snack Foods Corp., John B. Sanfilippo & Son, Inc., Lancaster Colony Corporation, Limoneira Company, Rocky Mountain Chocolate Factory, Inc., Starbucks Corporation, Wendy's Company, Wingstop Inc.

**NYSE Highs:** Kellogg Company, **Lows:** B&G Foods, Inc., Fresh Del Monte Produce Inc., Shake Shack Inc.

### Featured Stocks of the Week:

The Kroger Company (NYSE: KR) 10-Year History



Darden Restaurants, Inc. (NYSE: DRI) 10-Year History



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# The Lakeshore Food Chain

Company Name	Price 5/6/22	Price Compared to 4/29/22	52-Week Range		Price as Compared to YE:		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM EBITDA
			High	Low	2021	2020		Revenue	EBITDA	
Dow Jones Industrial Average	32,899	(0.2%)	36,800	32,633	(9.5%)	7.5%	0.0x			
S&P 500	4,123	(0.2%)	4,797	4,063	(13.5%)	9.8%	17.9			
NASDAQ Composite Index	12,145	(1.5%)	16,057	12,145	(22.4%)	(5.8%)				
Russell 3000 Index	2,381	(0.5%)	2,805	2,381	(14.6%)	5.9%	0.0			
Sector Average:					(15.0%)	4.3%				
<b>AGRICULTURAL LAND HOLDINGS</b>										
Farmland Partners Inc.	\$15.19	3.2%	\$16.43	\$10.62	27.1%	74.6%	32.7x	25.03x	52.6x	18.0x
Gladstone Land Corporation	34.20	(6.0%)	42.10	21.38	1.3%	133.6%	NM	25.17	32.4	12.5
Limoneira Company	10.66	(10.7%)	20.74	10.52	(28.9%)	(36.0%)	203.0	2.15	151.5	NM
Sector Average:					(0.2%)	57.4%	117.9x	17.45x	78.8x	15.2x
<b>INPUTS</b>										
American Vanguard Corporation	\$20.74	(3.1%)	\$24.25	\$13.82	26.5%	33.6%	21.1x	1.26x	10.2x	1.7x
* BASF SE	47.44	(5.9%)	71.05	46.61	(23.2%)	(26.7%)	12.1	0.74	5.2	1.8
* Bayer Aktiengesellschaft	59.86	(4.8%)	67.99	43.91	27.4%	24.3%	8.3	2.09	10.5	4.7
CF Industries Holdings, Inc.	99.82	3.1%	113.49	43.19	41.0%	157.9%	5.8	2.95	5.2	0.8
Corteva, Inc.	55.74	(3.4%)	62.04	40.60	17.9%	44.0%	21.5	2.51	10.2	0.6
FMC Corporation	119.00	(10.2%)	140.99	87.27	8.3%	3.5%	15.3	3.57	13.2	2.8
Intrepid Potash, Inc.	67.83	(11.4%)	121.72	22.82	58.7%	180.9%	8.0	3.25	8.0	0.0
The Mosaic Company	64.05	2.6%	79.28	28.26	63.0%	178.4%	4.4	1.94	5.8	1.0
* Nutrien Ltd.	133.68	5.9%	147.93	71.31	40.6%	118.3%	6.2	2.37	8.2	1.5
S&W Seed Company	1.39	0.7%	4.60	1.32	(49.1%)	(52.6%)	NM	1.29	NM	NM
Zoetis Inc.	169.21	(4.5%)	249.27	167.46	(30.7%)	2.2%	32.7	10.54	25.0	2.0
Sector Average:					16.4%	60.3%	13.5x	2.20x	10.1x	1.7x
<b>AGRICULTURAL EQUIPMENT</b>										
* Ag Growth International Inc.	\$40.02	2.9%	\$45.91	\$25.85	26.3%	34.3%	12.4x	1.33x	13.7x	7.6x
AGCO Corporation	123.30	(3.2%)	155.87	108.56	6.3%	19.6%	10.1	0.93	7.2	1.5
Art's-Way Manufacturing Co., Inc.	2.58	(8.5%)	7.70	2.46	(27.1%)	(10.4%)	0.0	0.71	16.4	5.5
* Buhler Industries Inc.	2.55	0.0%	3.89	2.06	(13.9%)	(1.9%)	0.0	0.49	105.3	77.9
CNH Industrial N.V.	14.38	1.3%	19.69	13.21	(26.0%)	12.0%	10.4	1.12	10.4	6.0
Deere & Company	377.46	(0.0%)	446.76	320.50	10.1%	40.3%	15.6	3.60	18.9	5.7
Lindsay Corporation	128.46	(5.0%)	179.27	118.28	(15.5%)	0.0%	24.4	2.13	16.7	1.6
Titan Machinery Inc.	23.79	0.9%	38.58	23.08	(29.4%)	21.7%	8.4	0.39	5.2	2.2
Sector Average:					(8.6%)	14.4%	10.2x	1.34x	12.6x	4.3x
<b>AGRIBUSINESS</b>										
The Andersons, Inc.	\$38.73	(22.9%)	\$59.00	\$25.20	0.1%	58.0%	13.5x	0.26x	9.9x	5.8x
Archer-Daniels-Midland Company	89.73	0.2%	98.88	56.91	32.8%	78.0%	15.1	0.71	11.9	3.0
Bunge Limited	115.23	1.9%	128.40	71.73	23.4%	75.7%	10.1	0.40	5.4	1.6
Ingredion Incorporated	88.31	3.8%	101.89	81.25	(8.6%)	12.3%	12.5	1.10	8.6	2.5
Landec Corporation	8.84	(11.2%)	12.88	7.65	(20.4%)	(18.5%)	NM	0.71	11.9	4.1
MGP Ingredients, Inc.	95.81	4.9%	102.88	58.41	12.7%	103.6%	24.1	3.26	15.4	1.6
* Olam Group Limited	1.68	(0.6%)	1.93	1.25	(4.0%)	9.8%	0.0	0.39	9.4	8.7
Sector Average:					5.1%	45.6%	12.5x	0.97x	10.4x	3.9x
<b>DIVERSIFIED FOODS</b>										
B&G Foods, Inc.	\$24.37	(9.5%)	\$36.52	\$24.08	(20.7%)	(12.1%)	14.5x	1.91x	12.4x	7.3x
Campbell Soup Company	49.67	5.2%	50.52	39.76	14.3%	2.7%	18.0	2.40	9.7	2.6
Conagra Brands, Inc.	35.59	1.9%	39.09	30.06	4.2%	(1.8%)	14.2	2.31	12.0	4.5
General Mills, Inc.	71.40	0.9%	73.80	56.67	6.0%	21.4%	18.0	2.94	13.5	3.1
The Hain Celestial Group, Inc.	25.22	(24.8%)	48.88	24.85	(40.8%)	(37.2%)	16.9	1.66	13.9	4.1
The J. M. Smucker Company	140.84	2.9%	145.82	118.55	3.7%	21.8%	16.3	2.48	11.6	2.7
Kellogg Company	72.73	6.2%	73.30	59.54	12.9%	16.9%	17.4	2.30	12.2	3.0
The Kraft Heinz Company	43.59	2.3%	44.95	32.79	21.4%	25.8%	16.0	2.82	9.7	2.9
Lancaster Colony Corporation	132.71	(14.5%)	201.31	131.21	(19.9%)	(27.8%)	25.1	2.25	18.3	0.2
Mondelez International, Inc.	65.73	1.9%	69.47	57.63	(0.9%)	12.4%	22.0	3.74	14.9	2.9
* Nestlé S.A.	123.36	(2.1%)	129.80	107.94	(3.2%)	18.3%	25.7	4.27	14.0	2.6
* Nomad Foods Limited	17.65	(4.4%)	31.85	17.57	(30.5%)	(30.6%)	9.8	1.86	10.2	4.7
Post Holdings, Inc.	80.75	8.5%	118.32	63.53	(28.4%)	(20.1%)	32.4	1.59	10.6	5.8
The Simply Good Foods Company	38.32	(8.0%)	45.77	31.09	(7.8%)	22.2%	26.2	3.81	18.1	2.0
Sovos Brands, Inc.	14.37	(4.8%)	17.41	9.52	(4.5%)	NA	21.8	2.54	19.5	5.2
SunOpta Inc.	7.11	0.4%	16.58	5.44	(18.9%)	(52.2%)	0.0	1.10	13.5	4.2
TreeHouse Foods, Inc.	30.54	(3.0%)	52.17	29.47	(24.6%)	(28.1%)	23.4	0.81	8.1	4.8
Unilever PLC	42.04	(5.0%)	51.05	39.36	(10.7%)	(15.2%)	0.0	2.62	12.1	2.7
Utz Brands, Inc.	13.38	(5.2%)	29.16	13.12	(16.1%)	(39.3%)	25.4	2.29	27.5	9.3
Sector Average:					(8.7%)	(6.8%)	18.1x	2.40x	13.8x	3.9x

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			High	Low	2021	2020		Revenue	EBITDA	
<b>ETHANOL</b>										
Alto Ingredients, Inc.	\$5.43	(5.9%)	\$7.37	\$4.39	12.9%	0.0%	14.5x	0.34x	6.2x	1.0x
Green Plains Inc.	32.13	14.5%	44.27	25.39	(7.6%)	144.0%	42.9	0.76	35.2	14.7
Renewable Energy Group, Inc.	61.04	(0.0%)	73.64	32.54	43.8%	(13.8%)	18.3	0.79	9.4	1.9
REX American Resources Corporation	85.72	1.3%	113.43	72.06	(10.7%)	16.7%	15.3	0.41	3.2	0.1
Sector Average:					9.6%	36.7%	22.7x	0.58x	13.5x	4.4x
<b>FRUIT &amp; VEGETABLE</b>										
AppHarvest, Inc.	\$2.92	(29.0%)	\$20.22	\$2.62	(24.9%)	(81.3%)	NM	30.32x	NM	NM
Calavo Growers, Inc.	30.42	(16.1%)	79.40	29.94	(28.3%)	(56.2%)	22.9	0.60	26.9	5.0
Dole plc	11.81	(0.8%)	17.66	11.55	(11.3%)	NA	8.6	0.43	14.5	12.2
Fresh Del Monte Produce Inc.	24.11	(7.4%)	36.57	23.42	(12.6%)	0.2%	15.6	0.45	7.3	2.8
Lamb Weston Holdings, Inc.	63.15	(4.5%)	85.72	49.71	(0.4%)	(19.8%)	24.5	2.90	16.4	4.3
Mission Produce, Inc.	12.42	(2.4%)	22.93	11.04	(20.9%)	(17.5%)	17.7	1.14	15.9	3.5
Seneca Foods Corporation	50.95	(6.1%)	56.90	41.54	6.3%	27.7%	0.0	0.46	4.5	1.3
Sector Average:					(13.2%)	(24.5%)	14.9x	0.99x	14.2x	4.8x
<b>PROTEIN</b>										
Beyond Meat, Inc.	\$35.83	(2.8%)	\$160.28	\$35.41	(45.0%)	(71.3%)	NM	5.81x	NM	NM
Cal-Maine Foods, Inc.	52.15	(2.9%)	59.95	33.85	41.0%	38.9%	11.9	1.60	43.4	0.0
Darling Ingredients Inc.	76.08	3.7%	87.44	58.70	9.8%	31.9%	14.8	2.93	10.9	1.8
Hormel Foods Corporation	52.01	(0.7%)	55.11	40.48	6.6%	11.6%	26.2	2.58	15.1	1.7
Industrias Bachoco, S.A.B. de C.V.	45.88	0.2%	47.80	36.98	7.9%	1.6%	10.6	0.32	3.3	0.2
* JBS S.A.	35.43	(6.4%)	39.81	27.59	(6.6%)	49.7%	5.6	0.47	3.6	2.3
Nathan's Famous, Inc.	48.38	2.1%	78.89	45.50	(17.1%)	(12.4%)	0.0	2.48	8.2	4.7
Pilgrim's Pride Corporation	29.17	2.9%	29.70	20.23	3.4%	48.8%	9.1	0.64	5.9	2.2
Sanderson Farms, Inc.	188.50	(0.5%)	200.00	155.34	(1.4%)	42.6%	7.2	0.68	2.4	0.0
Seaboard Corporation	3925.02	(7.1%)	4400.00	3575.84	(0.3%)	29.5%	0.0	0.50	5.3	1.9
Tyson Foods, Inc.	90.82	(2.5%)	100.72	69.88	4.2%	40.9%	11.8	0.80	5.3	1.3
Vital Farms, Inc.	12.55	9.1%	24.36	11.06	(30.5%)	(50.4%)	NM	1.51	3.5	0.0
Sector Average:					(2.3%)	13.4%	9.7x	1.32x	10.3x	1.5x
<b>BAKING &amp; INGREDIENTS</b>										
Balchem Corporation	\$119.29	(3.2%)	\$174.29	\$118.00	(29.2%)	3.5%	27.3x	4.65x	21.0x	0.7x
Flowers Foods, Inc.	26.54	0.1%	29.73	22.61	(3.4%)	17.3%	20.6	1.54	11.4	2.1
* Gruma, S.A.B. de C.V.	243.43	0.4%	283.80	204.97	(7.3%)	2.7%	14.2	1.20	3.5	1.0
* Grupo Bimbo, S.A.B. de C.V.	61.26	(2.6%)	67.44	38.95	(2.7%)	41.7%	18.7	1.08	7.5	2.4
J&J Snack Foods Corp.	123.62	(17.4%)	181.71	122.21	(21.7%)	(20.4%)	33.2	1.76	14.4	0.4
* Kerry Group plc	100.25	(4.5%)	130.00	93.24	(11.5%)	(15.4%)	23.7	2.71	19.3	3.1
Krispy Kreme, Inc.	13.12	(1.2%)	21.69	12.63	(30.7%)	NA	32.4	2.50	13.9	4.8
McCormick & Company, Incorporated	97.54	(3.0%)	107.35	77.85	1.0%	2.0%	30.0	4.90	23.3	4.2
* Tate & Lyle plc	7.70	(15.1%)	9.58	7.28	(0.2%)	(2.1%)	19.5	1.19	6.7	1.5
Sector Average:					(11.7%)	3.7%	24.4x	2.39x	13.4x	2.2x
<b>CANDY, NUTS, &amp; SNACKS</b>										
Bridgford Foods Corporation	\$13.15	4.2%	\$21.80	\$10.26	8.6%	(27.8%)	0.0x	0.63x	NM	NM
The Hershey Company	226.05	0.1%	231.60	167.10	16.8%	48.4%	27.6	5.51	19.9	2.1
John B. Sanfilippo & Son, Inc.	74.21	(4.4%)	94.97	72.64	(17.7%)	(5.9%)	14.8	1.03	9.9	0.9
Laird Superfood, Inc.	3.15	4.7%	36.96	2.25	(75.8%)	(93.3%)	NM	0.15	NM	0.0
Rocky Mountain Chocolate Factory, Inc.	6.21	(6.1%)	10.36	5.48	(20.9%)	53.3%	0.0	1.06	5.9	0.3
Tootsie Roll Industries, Inc.	32.01	(8.6%)	38.09	29.01	(9.0%)	14.3%	0.0	3.67	20.8	0.2
Sector Average:					(16.3%)	(1.8%)	8.5x	2.01x	14.1x	0.7x
<b>PET FOOD AND PRODUCTS</b>										
Central Garden & Pet Company	\$42.69	(2.5%)	\$61.25	\$41.96	(18.9%)	10.6%	12.8x	1.06x	9.0x	3.5x
Freshpet, Inc.	64.70	(30.7%)	183.38	63.52	(32.1%)	(54.4%)	NM	6.12	NM	13.3
Sector Average:					(25.5%)	(21.9%)	12.8x	3.59x	9.0x	8.4x
<b>WINE &amp; BEVERAGE</b>										
The Boston Beer Company, Inc.	\$372.39	(0.7%)	\$1,144.62	\$325.53	(26.3%)	(62.5%)	26.7x	2.37x	66.5x	1.1x
Brown-Forman Corporation	64.62	(4.2%)	81.57	62.33	(11.3%)	(18.6%)	34.9	8.48	25.6	1.9
The Coca-Cola Company	64.74	0.2%	67.20	52.28	9.3%	18.1%	26.0	7.84	20.8	3.1
Constellation Brands, Inc.	247.47	0.6%	261.53	207.35	(1.4%)	13.0%	21.9	6.57	28.7	3.0
Crimson Wine Group, Ltd.	7.50	(6.3%)	10.48	7.03	(9.1%)	40.2%	0.0	2.08	42.9	6.0
* Diageo plc	37.84	(5.8%)	41.10	31.68	(6.3%)	31.5%	25.4	7.31	20.1	3.1
Monster Beverage Corporation	86.67	1.2%	99.89	71.78	(9.8%)	(6.3%)	30.7	7.43	23.3	0.0
National Beverage Corp.	45.67	3.6%	64.67	38.10	0.8%	7.6%	25.2	3.86	17.5	0.4
PepsiCo, Inc.	170.41	(0.8%)	177.62	143.58	(1.9%)	14.9%	25.2	3.33	17.7	2.6
Starbucks Corporation	76.52	2.5%	126.32	73.38	(34.6%)	(28.5%)	24.5	3.47	11.6	2.8
Willamette Valley Vineyards, Inc.	8.80	(5.2%)	17.43	8.53	1.6%	38.1%	0.0	2.33	12.1	2.1
Sector Average:					(8.1%)	4.3%	21.8x	5.01x	26.1x	2.4x

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			High	Low	2021	2020			EBITDA	EBITDA	
<b>DAIRY</b>											
* Danone S.A.	\$56.10	(2.7%)	\$65.30	\$46.48	2.8%	4.4%	17.1x	1.89x	8.9x	3.7x	
Lifeway Foods, Inc.	5.50	(3.8%)	9.00	4.51	19.6%	1.7%	0.0	0.73	8.9	0.8	
* Saputo Inc.	26.82	(2.3%)	42.42	26.21	(5.9%)	(24.7%)	19.5	1.05	13.1	3.6	
Sector Average:					5.5%	(6.2%)	12.2x	1.22x	10.3x	2.7x	
<b>WHOLESALE, FOOD SERVICE, &amp; DISTRIBUTION</b>											
The Chefs' Warehouse, Inc.	\$35.76	(2.3%)	\$39.03	\$25.60	7.4%	39.2%	43.6x	0.93x	18.3x	5.6x	
Performance Food Group Company	48.65	(1.2%)	58.13	38.82	6.0%	2.2%	16.1	0.31	15.4	6.1	
SpartanNash Company	32.17	(6.2%)	37.48	18.08	24.9%	84.8%	15.1	0.21	6.9	2.7	
Sysco Corporation	82.48	(3.5%)	91.53	68.05	5.0%	11.1%	22.3	0.86	17.7	4.0	
United Natural Foods, Inc.	42.16	(1.8%)	57.89	30.61	(14.1%)	164.0%	9.8	0.22	5.7	3.4	
US Foods Holding Corp.	36.56	(2.8%)	40.96	30.02	5.0%	9.8%	16.4	0.48	15.3	6.0	
Sector Average:					5.7%	51.8%	20.6x	0.50x	13.2x	4.6x	
<b>MASS MERCHANDISE, CLUB STORES, &amp; DOLLAR STORES</b>											
BJ's Wholesale Club	\$61.68	(4.1%)	\$74.09	\$43.08	(7.9%)	65.5%	18.9x	0.67x	9.7x	2.6x	
Costco Wholesale Corporation	503.36	(5.3%)	612.27	371.11	(11.3%)	33.6%	36.7	1.05	21.2	0.9	
Dollar General Corporation	233.56	(1.7%)	262.21	185.15	(1.0%)	11.1%	20.3	1.97	12.0	2.5	
Dollar Tree, Inc.	164.39	1.2%	177.19	84.26	17.0%	52.2%	20.8	1.75	10.0	2.2	
Grocery Outlet Holding Corp.	32.15	(4.5%)	42.29	21.01	13.7%	(18.1%)	33.9	1.44	15.6	5.2	
Walmart Inc.	149.56	(2.2%)	160.77	132.01	3.4%	3.8%	22.2	0.81	11.7	1.5	
Sector Average:					2.3%	24.7%	25.5x	1.28x	13.4x	2.5x	
<b>TRADITIONAL &amp; SPECIALTY RETAIL</b>											
Albertsons	\$30.11	(3.7%)	\$37.99	\$18.51	(0.3%)	71.3%	10.7x	0.39x	5.3x	2.7x	
* Ahold Delhaize	27.41	(2.4%)	31.40	22.78	(9.0%)	18.6%	12.8	0.55	6.8	2.8	
Amazon.com, Inc.	2295.45	(7.7%)	3773.08	2261.63	(31.2%)	(29.5%)	66.3	2.61	19.2	2.3	
Ingles Markets, Incorporated	94.13	1.1%	101.98	56.95	9.0%	120.7%	0.0	0.41	4.4	1.2	
The Kroger Co.	53.85	(0.2%)	62.78	35.91	19.0%	69.6%	14.2	0.42	7.7	2.7	
Natural Grocers by Vitamin Cottage, Inc.	17.51	(14.1%)	24.25	9.88	22.9%	27.4%	0.0	0.70	6.1	3.2	
Sprouts Farmers Market, Inc.	23.95	(19.6%)	35.34	21.18	(19.3%)	19.2%	11.2	0.62	5.2	2.1	
* Tesco PLC	2.71	(0.2%)	3.04	2.22	(6.4%)	(7.4%)	12.8	0.51	7.1	3.5	
Village Super Market, Inc.	22.75	(1.9%)	25.79	21.25	(2.7%)	3.1%	0.0	0.29	4.1	2.7	
Weis Markets, Inc.	82.08	2.8%	86.76	49.66	24.6%	71.7%	0.0	0.49	6.7	0.6	
Sector Average:					0.7%	36.5%	12.8x	0.70x	7.3x	2.4x	
<b>TRADITIONAL RESTAURANTS</b>											
Brinker International, Inc.	\$35.53	(2.2%)	\$65.67	\$30.20	(2.9%)	(37.2%)	9.4x	1.01x	6.2x	3.7x	
The Cheesecake Factory Incorporated	36.04	(2.4%)	64.84	31.43	(7.9%)	(2.8%)	11.2	1.14	8.0	4.1	
Cracker Barrel Old Country Store, Inc.	111.91	0.8%	165.21	107.24	(13.0%)	(15.2%)	15.6	1.16	8.6	2.6	
Darden Restaurants, Inc.	130.10	(1.2%)	164.28	116.04	(13.6%)	9.2%	16.1	2.32	11.5	3.1	
Dine Brands Global, Inc.	74.25	3.6%	100.70	61.38	(2.1%)	28.0%	11.5	2.95	11.1	7.2	
Jack in the Box Inc.	81.87	(1.1%)	124.53	76.50	(6.4%)	(11.8%)	11.7	3.43	7.4	4.2	
McDonald's Corporation	250.78	0.7%	271.15	217.68	(6.4%)	16.9%	25.2	9.71	16.7	3.5	
Papa John's International, Inc.	87.36	(4.1%)	104.68	86.37	(34.5%)	3.0%	25.0	1.81	16.3	3.1	
Texas Roadhouse, Inc.	83.91	1.9%	105.43	69.54	(6.0%)	7.4%	20.2	1.71	12.4	1.5	
The Wendy's Company	18.43	(6.7%)	29.46	18.27	(22.7%)	(15.9%)	22.0	5.03	15.3	8.0	
Yum! Brands, Inc.	115.39	(1.4%)	139.85	111.63	(16.9%)	6.3%	24.1	6.67	19.6	5.0	
Sector Average:					(12.1%)	(1.1%)	17.5x	3.36x	12.1x	4.2x	
<b>HIGH-GROWTH RESTAURANTS</b>											
Chipotle Mexican Grill, Inc.	\$1,354.53	(6.9%)	\$1,958.55	\$1,277.41	(22.5%)	(2.3%)	38.7x	5.18x	25.6x	2.2x	
El Pollo Loco Holdings, Inc.	10.70	0.5%	19.25	10.28	(24.6%)	(40.9%)	13.5	1.31	7.4	2.9	
Noodles & Company	5.55	(0.4%)	13.55	4.62	(38.8%)	(29.7%)	15.7	1.08	7.9	4.0	
Potbelly Corporation	6.01	(6.7%)	9.07	4.83	7.7%	36.6%	NM	0.95	6.7	3.8	
Shake Shack Inc.	54.70	(5.4%)	111.49	52.73	(24.2%)	(35.5%)	NM	3.17	21.8	6.0	
Wingstop Inc.	84.02	(8.4%)	187.35	81.37	(51.4%)	(36.6%)	51.8	10.26	37.4	9.3	
Sector Average:					(25.6%)	(18.1%)	29.9x	3.66x	17.8x	4.7x	
<b>CANNABIS &amp; CBD</b>											
Canopy Growth Corporation	\$7.67	3.5%	\$32.60	\$6.48	(30.5%)	(75.5%)	NM	5.94x	NM	NM	
Cronos Group Inc.	3.80	(1.8%)	11.37	3.65	(23.7%)	(57.0%)	NM	1.75	NM	NM	
Jones Soda Co.	0.29	(11.3%)	1.54	0.29	(60.3%)	25.4%	0.0	1.68	NM	NM	
The Scotts Miracle-Gro Company	104.62	0.7%	247.84	98.61	(35.0%)	(47.5%)	13.6	2.09	13.3	5.3	
Tilray Brands, Inc.	4.74	(4.8%)	23.04	4.58	(32.6%)	NA	NM	4.61	NM	NM	
Village Farms International, Inc.	3.97	(7.9%)	11.45	3.89	(38.2%)	(60.8%)	33.9	1.46	46.0	8.8	
Sector Average:					(36.7%)	(43.1%)	15.8x	2.92x	29.7x	7.0x	

**Notes:**

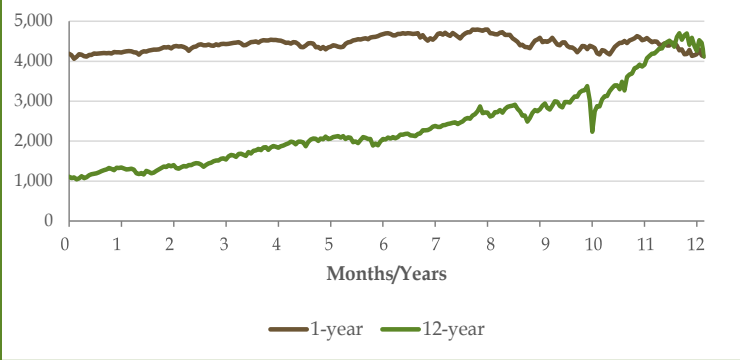
\* Denotes local currency.

Source: Capital IQ.

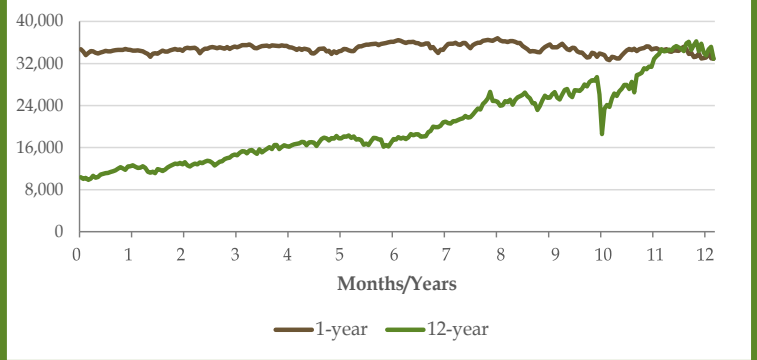
Summary multiples adjusted for extraordinary and non-recurring items; outliers excluded from mean calculation.

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

### S&P 500



### Dow Jones Industrial Average



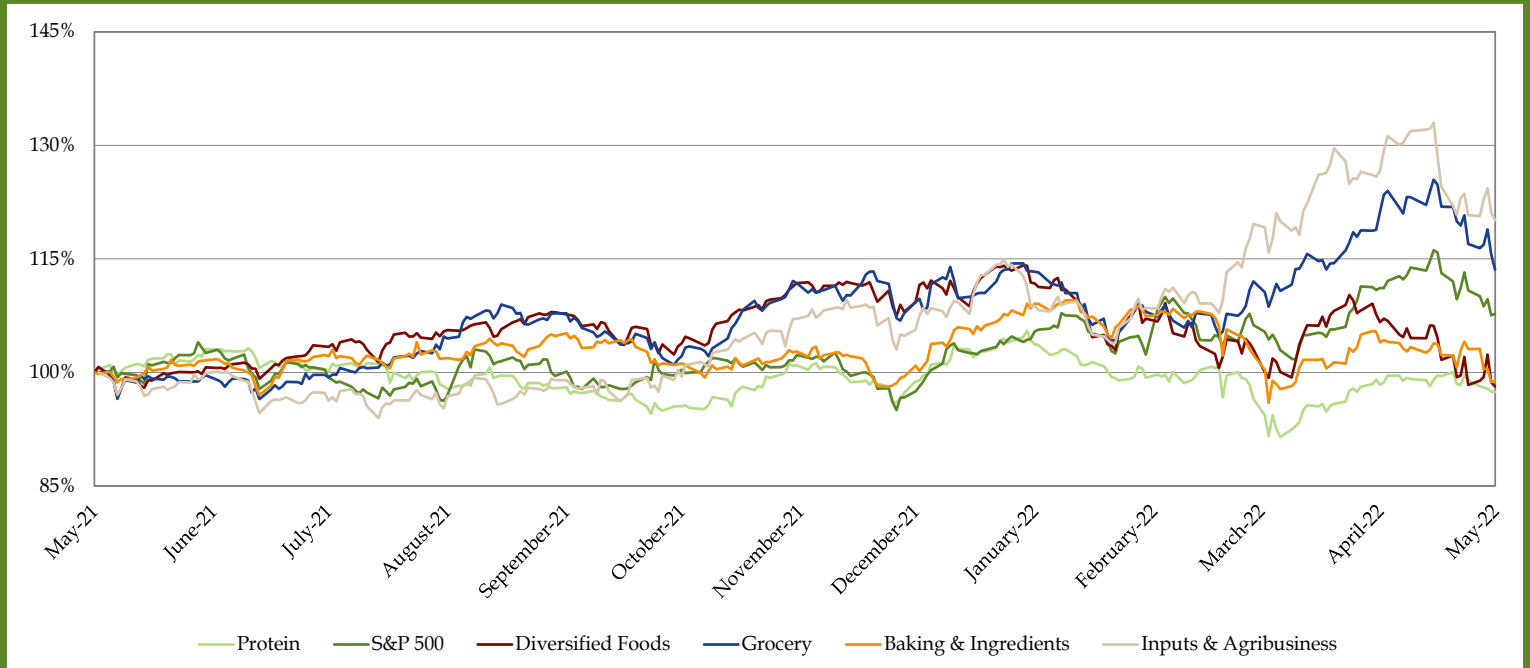
### 10-year Treasury



### CBOE Market Volatility Index - VIX



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



## Partner Column...

*Partner Column*

*Written by Mary Burke*

Due to travel, there will be no partner column this week. We will resume the partner column next Monday, May 16<sup>th</sup>, 2022.

*Have a good week!*

## Food For Thought...

**Starbucks Reports Earnings for Q2.** Last week Starbucks, the world's largest coffee chain, announced record sales for their second fiscal quarter. The company reported deterioration in margin largely due to increased labor costs, which it anticipates will continue to grow as Starbucks plans to introduce new pay raises and benefits to improve employee experience and stave off growing unionization efforts.

Starbucks, which recently brought back long-time leader Howard Schultz as its interim Chief Executive Officer, reported revenue growth of 15% to a record \$7.6 billion. Net earnings grew 2% during the period to \$674 million.

Starbucks same-store sales grew 7% in the second quarter largely due to a 12% growth in the North American segment partially offset to international same-store sales falling 8%. International sales declines were largely attributed to COVID-19 restrictions in China. China specific same-store sales fell 23% as roughly one-in-every-three Starbucks in China were closed or offering mobile ordering online at the end of the quarter.

In addition to the earnings, Schultz announced the company would invest \$200 million in additional workers benefits including pay and training. This includes increased pay for employees with the company for more than two years and additional available hours for in-training employees. The investments follow the \$1 billion commitment to increasing workers pay to at least \$15/hr. by this summer announced last fall.

The \$200 million of benefits will only be made available to employees and stores who have not voted to unionize as Schultz states that U.S. labor law requires those stores and individuals to negotiate their own contracts with the company.

**Publix Releases Results for Q1 2022.** Last week, Publix, the Florida-based grocery retailers, announced double-digit sales growth in both net and comparable sales for their first fiscal quarter of 2022. The company reported net sales of \$13.2 billion, up 13.5% from the 11.7% reported for the comparable quarter last year. Same-store sales grew 11.7% year-over-year. Comparable sales grew 14.1% compared to the same quarter two years ago.

The Lakeland, Florida based retailer reported net income of \$618 million, down 58.7% from the comparable quarter the year prior. Excluding net unrealized losses in equity securities in 2022 and net unrealized gains in 2021, net earnings would have risen 15.5% year-over-year to \$1.05 billion from \$909.8 million in 2021.

Publix ended the first quarter with 1,294 stores across Florida, Georgia, Alabama, Tennessee, South Carolina, and North Carolina. The company grew its store base from the 1,269 held at the end of the first quarter in 2021. Further, the company announced a 5-for-1 stock split on April 14. The company is employee owned and only offers its stock to employees and board members.

"After two years of the difficult pandemic, we are delighted to share the news of a stock split and now a stock price increase," said Publix Chief Executive Officer, Todd Jones. He continued, "This good news is the result of the efforts of our associate owners and their dedication to serving our customers, communities and each other."

**Amazon Physical Stores Experience Double Digit Sales Gains.** Last week during their earnings announcements, Amazon Inc. announced that physical-store sales grew 17.1% (approximately 16% excluding FX impacts) to \$4.59 billion for the first quarter of their fiscal 2022 period.

The increase in physical store sales (which includes Whole Foods), builds on year-over-year gains of 16.6% in the 2021 fourth quarter, 13% in the third quarter, and 11% in the second quarter.

Brick and mortar sales come primarily through the Whole Foods banner and exclude any online orders made through Prime delivery or pickup. Currently the company operates 515 Whole Foods, 29 Amazon Fresh grocery stores, and 26 Amazon Go convenience stores. The company opened eight new Amazon Fresh stores in the quarter.

**Archer-Daniels-Midland Reports Earnings for Q1 2022.** Last week ADM, the Chicago based commodity trading company, report earnings for their first fiscal quarter of 2022. The company reported net sales of \$23.7 billion, up from the \$18.9 billion reported in the comparable quarter last year, and segment operating profit of \$1.5 billion, up from the \$1.1 billion reported in the comparable quarter.

All of the company's reporting segments experienced year-over-year gains receiving benefits from strong execution in the dynamic economic environment. Ag Services and Oilseeds has benefited from the short South American crop and robust protein and vegetable oil demand. The Starches and Sweeteners subsegment, which includes ethanol, benefited from higher corn co-product revenue and improved citric acid profits in North America.

## Heard on the Street...

**JBS S.A. Buys Two Plants in the Middle East.** Last week, JBS, the world's largest meat processor, announced they had acquired two production facilities in Saudi Arabia and the United Arab Emirates. These acquisitions come as part of the company's initiatives to grow in the Middle Eastern and Northern African regions.

Further, the company recently acquired multiple food distribution businesses in Saudi Arabia, the United Arab Emirates, and Kuwait creating a distribution network across the region and allowing for vertical integration across production and distribution.

Both facilities produce value added products and complete JBS's portfolio of products served in the region. The company announced that it will pursue other natural growth initiatives in the region including offering products into new channels including online.

Along with the announcement of the two transactions, JBS also announced that Mohamed Mahrous would become the newly appointed Chief Executive Officer of the region. He stated, "the acquisitions are part of JBS's plan to increase its total sales in the Middle East and North Africa in the next five years. The repositioning of the brand will also include changes in the layout of the packaging, an increase in the diversification of the products offered in the premium, mainstream and plant-based lines, in addition to the brand's entry into different sales channels and digital platforms."

Terms of the transactions were not announced.

**Tate and Lyle PLC Acquired Nutriati.** Last week, Tate & Lyle, an ingredient supplier, announced that they had acquired Nutriati, a Richmond VA based developer and manufacturer of chickpea-based ingredients. The transactions follow a previously announced exclusive distribution agreement between the two companies in November 2021.

With the transaction, Tate & Lyle will acquire the target's portfolio chickpea protein and flour products sold under the Artesa brand.

Nutriati was founded in 2013 and had raised over \$26 million prior to the acquisition. The company had previously secured their growth capital from a diverse group of investors including Manna Tree Partners and had utilized the cash to develop their chick-pea products which are used in the production of non-dairy, plant-based meat alternative foods.

"Since establishing Nutriati, we have worked to solve taste, nutrition, functionality and sustainability challenges for the plant-based and gluten-free markets," said Michael Todd, Chief Executive Officer of Nutriati. "With a global reach and strong focus on health and well-being, Tate & Lyle is very well positioned to develop this offering and I wish them all the best for the future."

Tate & Lyle's acquisition comes at a time when global ingredients companies have increased their focus on chick-pea-based alternatives. In February 2022, Ingredion invested in InnovoPro, a Tel Aviv based developer of a proprietary concentrate extraction process from chick-peas.

Terms of the transaction were not announced.

**Utz Brands Acquires Manufacturing Facility from Evans Food Group.** Last week, Utz Brands, a diversified snacks manufacturer, announced their acquisition of a brand-new, recently completed snack food manufacturing facility in Kings Mountain NC from Evans Food Group. Utz paid approximately \$38.4 million for the 125,000 square-foot facility and will gain additional production capacity to supplement its current plants.

With the transaction, Utz will gain state-of-the-art high speed pork rind manufacturing lines with the ability to enable multi-line production across Utz's key sub-categories in chips and pretzels. The 125,000 square-foot facility was designed to be easily expanded to over 200,000 square feet and is expected to add over 115 jobs.

Utz intends to convert the facility into a fully operational diverse snack food manufacturing plant later this year to support increased and growing demand for its brands in the Southeast, Northeast, and Midsouth regions. With the deal Evans will supply Utz with pork pellets from its Chicago operation.

"With continued growth and excitement for our snack food brands, we are very excited to expand our roots in North Carolina, where we will be adding over 115 new jobs over time," says Cary Devore, Chief Operating Officer of Utz Brands. "This is a strong step forward in optimizing our plant and logistics network, and it will allow us to insource manufacturing across several product types that we currently outsource to some degree. This transaction increases our operational flexibility and will contribute to higher long-term margins over time, based on identifiable, multi-faceted cost synergies."



Last week, the Federal Reserve announced a widely anticipated half-percentage point increase in its short-term interest rate, the largest increase in the benchmark since May 2000. Along with the rate hike, the Fed released its quantitative tightening schedule to reduce their \$9 trillion balance sheet by nearly \$3 trillion over the next three years, twice the rate of the last quantitative tightening (QT) event in 2018.

The Fed plans to reduce its Treasury and agency mortgage-bond holdings by \$47.5 billion a month starting in June, increasing its asset reductions in Sept. at a steady pace of \$95 billion a month. While reiterating the need to quickly raise rates, Powell also spoke to the potential for wide-ranging effects by shrinking the Fed’s balance sheet. “You know, we run these models, and everyone does in this field, and make estimates of what will be the – how do you measure, you know, a certain quantum of balance-sheet shrinkage compared to quantitative easing?” “And you know, these are very uncertain. I really can’t be any clearer,” he said.

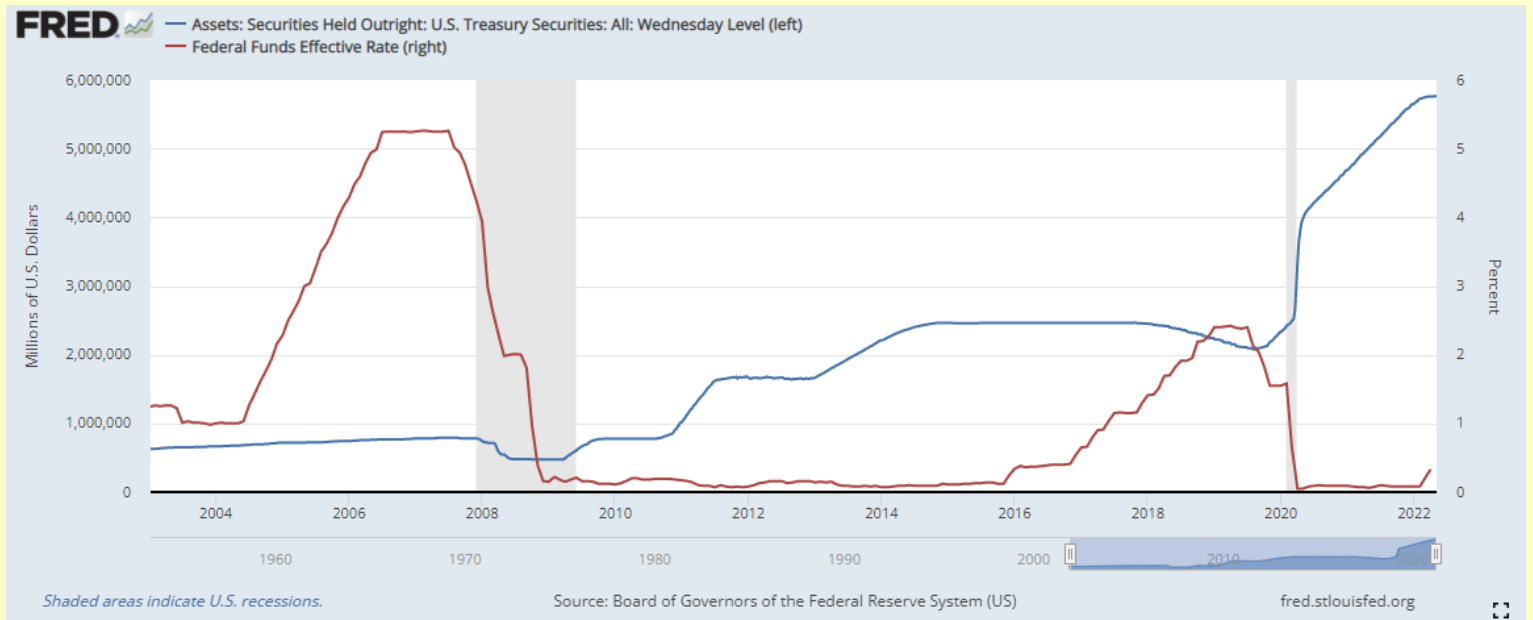
According to Oaktree Capital, QT could be disruptive to securities markets in ways that are more challenging for investors to model than rising interest rates, for the simple reason that balance sheet reduction on the massive scale currently anticipated has never occurred before.

When looking at the performance of asset classes over the last decade, it seems clear that quantitative easing had a positive impact on security prices. So, it’s reasonable to assume that quantitative tightening will have the opposite effect. However, the ramifications of this profound shift in monetary policy may not be straightforward.

Since the Global Financial Crisis of 2008, The Federal Reserve has conducted four quantitative easing programs. In March 2022 the Fed brought to an end the fourth, and largest program which started in March 2020 and consisted of nearly \$6 trillion in MBS and treasury purchases. The market expects at least five more rate hikes in 2022, with the next two rate hikes likely to 50 bps each.

Despite the Fed’s action to raise rates, which will be felt by corporations, to people seeking mortgages or carrying credit card debt, depositors at banks are not likely to receive higher rates on their savings anytime soon. Deposit betas, the change in rates banks pay on deposits over the change in benchmark rate, “will be lower than in past tightening cycles due to the massive influx of liquidity into the banking system during the pandemic”, “and will lead to notable net interest margin expansion” for lending institutions according to S&P Global Market Intelligence.

## Securities Held Outright: U.S. Treasury Securities & Federal Funds Effective Rate



# 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: Thompson 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.

Please send your feedback and comments to Mary Burke at [mlburke@lakeshorefoodadvisors.com](mailto:mlburke@lakeshorefoodadvisors.com).