



LAKESHORE

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



Weekly Update

Monday, May 22nd, 2023

Debt Ceiling Negotiations Stalled. White House and Republican congressional negotiators failed to reach an agreement on raising the federal debt ceiling on Friday. The approaching June 1st deadline raises concerns about a potential default and its impact on financial markets. House Speaker Kevin McCarthy stated that discussions couldn't progress until President Biden returned from the G7 Summit. Despite differences, Biden remains hopeful about avoiding a default, with Republicans pushing for spending cuts in exchange for raising the borrowing limit.

The **Dow Jones Industrial Average** was up 0.4% on the week, finishing at 33,427.

The **S&P 500** increased 1.6% for the week, finishing at 4,192.

The **NASDAQ Composite** was up 3.0% on the week, finishing at 12,658.

Yield on the **10-year Treasury** rose 24 basis points this week, ending at 3.70%.

Crude oil increased 2.4% on the week, ending at \$71.69 per barrel.

Corn fell 5.4% on the week, ending at \$5.55 per bushel.

NASDAQ Highs: Jack in the Box, Inc., PepsiCo, Inc. **Lows:** The Hain Celestial Group, Inc., Noodles & Company, SpartanNash Company

NYSE Highs: Chipotle Mexican Grill, Inc., Darden Restaurants, Inc., General Mills, Inc., Ingredion Incorporated, Lamb Weston Holdings, Inc., Shake Shack Inc., US Foods Holding Corp. **Lows:** CF Industries Holdings, Inc., Laird Superfood, Inc., Lindsay Corporation, The Mosaic Company, Weis Markets, Inc.

Featured Stocks of the Week:

PepsiCo, Inc. (Nasdaq: PEP) 10-Year History



Weis Markets, Inc. (NYSE: WMK) 10-Year History



Mary Burke
Partner
312.348.7081
mburke@lakeshorefoodadvisors.com

William Whipple
Partner
312.348.7076
wwhipple@lakeshorefoodadvisors.com

Lakeshore Food Advisors, LLC
20 North Wacker Drive
Suite 2800
Chicago, IL 60606

The Lakeshore Food Chain

Company Name	Price 5/19/23	Price Compared to 5/12/23	52-Week Range		Price as Compared to YE:		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM EBITDA
			High	Low	2022	2021		Revenue	EBITDA	
Dow Jones Industrial Average	33,427	0.4%	34,590	28,726	0.8%	(8.0%)	NA			
S&P 500	4,192	1.6%	4,305	3,577	9.2%	(12.0%)	18.9			
NASDAQ Composite Index	12,658	3.0%	13,128	10,213	20.9%	(19.1%)	NA			
Russell 3000 Index	2,402	1.7%	2,499	2,076	8.4%	(13.8%)	NA			
Sector Average:					9.8%	(13.2%)				
AGRICULTURAL LAND HOLDINGS										
Farmland Partners Inc.	\$10.91	2.2%	\$15.78	\$9.44	(12.4%)	(8.7%)	93.5x	18.52x	33.9x	13.5x
Gladstone Land Corporation	15.22	(2.2%)	27.85	14.95	(17.1%)	(54.9%)	NM	12.79	16.2	9.2
Limoneira Company	16.63	0.8%	17.90	10.76	36.2%	10.9%	28.7	1.94	153.7	63.2
Sector Average:					2.2%	(17.6%)	61.1x	11.08x	67.9x	28.6x
INPUTS										
American Vanguard Corporation	\$17.65	6.2%	\$25.99	\$15.01	(18.7%)	7.7%	15.6x	1.06x	10.1x	2.0x
* BASF SE	47.61	1.1%	54.04	37.90	2.6%	(22.9%)	10.5	0.73	9.9	2.1
* Bayer Aktiengesellschaft	54.59	1.6%	67.49	46.70	13.0%	16.1%	7.5	1.76	7.7	3.7
CF Industries Holdings, Inc.	66.22	(0.5%)	119.60	63.45	(22.3%)	(6.4%)	8.3	1.55	2.7	0.6
Corteva, Inc.	56.97	(0.1%)	68.43	50.03	(3.1%)	20.5%	19.2	2.48	12.2	1.4
FMC Corporation	108.91	(0.6%)	134.38	98.24	(12.7%)	(0.9%)	13.6	3.02	12.1	3.0
Intrepid Potash, Inc.	19.57	3.9%	69.53	18.26	(32.2%)	(54.2%)	15.8	0.84	2.1	0.1
The Mosaic Company	35.76	1.2%	64.62	34.46	(18.5%)	(9.0%)	7.1	0.85	2.8	0.8
* Nutrien Ltd.	83.73	3.2%	132.75	79.15	(15.3%)	(11.9%)	9.4	1.26	4.1	1.4
S&W Seed Company	1.25	(3.8%)	2.14	0.63	(16.1%)	(54.2%)	NM	1.52	NM	NM
Zoetis Inc.	179.55	(2.2%)	187.82	124.15	22.5%	(26.4%)	32.5	10.83	26.1	2.0
Sector Average:					(9.2%)	(12.9%)	13.9x	1.51x	9.0x	1.7x
AGRICULTURAL EQUIPMENT										
* Ag Growth International Inc.	\$53.75	5.0%	\$63.40	\$28.80	24.0%	69.7%	11.2x	1.25x	9.5x	4.8x
AGCO Corporation	114.33	(6.7%)	145.53	88.55	(17.6%)	(1.5%)	7.9	0.76	5.5	1.2
Art's-Way Manufacturing Co., Inc.	2.54	(0.4%)	3.16	1.80	31.6%	(28.2%)	NA	0.64	8.8	3.1
* Buhler Industries Inc.	2.03	(5.6%)	2.58	1.51	5.2%	(31.4%)	NA	0.46	29.6	18.6
CNH Industrial N.V.	14.00	(0.5%)	17.98	10.60	(12.8%)	(27.9%)	8.0	1.64	11.2	6.9
Deere & Company	363.55	(2.8%)	448.40	283.81	(15.2%)	6.0%	11.7	2.88	12.6	4.4
Lindsay Corporation	118.79	(1.0%)	183.08	116.16	(27.1%)	(21.8%)	17.2	1.79	9.5	1.0
Titan Machinery Inc.	34.60	4.1%	47.87	21.50	(12.9%)	2.7%	6.9	0.52	6.5	2.3
Sector Average:					(3.1%)	(4.1%)	10.5x	1.24x	9.1x	3.4x
AGRIBUSINESS										
The Andersons, Inc.	\$39.90	6.1%	\$46.48	\$29.35	14.0%	3.1%	14.1x	0.16x	6.7x	3.1x
Archer-Daniels-Midland Company	73.23	(2.9%)	98.28	70.02	(21.1%)	8.3%	11.2	0.50	7.6	2.0
Bunge Limited	90.45	0.2%	118.99	80.41	(9.3%)	(3.1%)	7.9	0.27	3.8	1.4
Ingredion Incorporated	112.50	2.7%	112.76	78.81	14.9%	16.4%	12.5	1.21	8.6	2.3
MGP Ingredients, Inc.	103.26	1.8%	125.74	89.01	(2.9%)	21.5%	20.1	3.15	15.2	1.4
* Olam Group Limited	1.50	(1.3%)	1.71	1.17	2.7%	(14.3%)	NA	0.30	8.2	8.1
Sector Average:					(0.3%)	5.3%	13.1x	0.93x	8.4x	3.1x
DIVERSIFIED FOODS										
B&G Foods, Inc.	\$13.09	(1.3%)	\$26.13	\$10.91	17.4%	(57.4%)	12.3x	1.52x	10.3x	7.5x
Campbell Soup Company	52.68	(3.0%)	57.78	44.37	(7.2%)	21.2%	17.1	2.23	10.6	2.5
Conagra Brands, Inc.	35.84	(2.5%)	41.30	31.02	(7.4%)	4.9%	12.7	2.18	10.7	4.1
General Mills, Inc.	87.63	(3.3%)	90.89	64.94	4.5%	30.1%	19.8	3.14	15.4	2.9
The Hain Celestial Group, Inc.	13.32	(5.7%)	26.78	13.05	(17.7%)	(68.7%)	20.5	1.16	13.0	5.8
The J. M. Smucker Company	151.89	(4.0%)	163.07	119.82	(4.1%)	11.8%	16.1	2.46	12.3	2.6
Kellogg Company	69.33	(2.1%)	77.17	63.74	(2.7%)	7.6%	16.7	2.00	15.0	3.6
The Kraft Heinz Company	39.07	(3.9%)	42.80	32.73	(4.0%)	8.8%	13.4	2.51	9.1	2.7
Lancaster Colony Corporation	207.60	(1.9%)	220.65	116.85	5.2%	25.4%	31.5	3.10	23.7	0.1
Mondelez International, Inc.	77.06	(1.1%)	78.59	54.72	15.6%	16.2%	23.6	3.77	17.2	3.3
* Nestlé S.A.	113.82	(1.0%)	118.70	103.42	6.2%	(10.7%)	22.5	3.71	17.6	2.9
* Nomad Foods Limited	17.80	(2.4%)	21.45	12.50	3.2%	(29.9%)	10.5	1.58	9.3	4.4
Post Holdings, Inc.	86.25	(2.6%)	98.84	74.09	(4.4%)	(23.5%)	20.4	1.78	11.7	5.9
The Simply Good Foods Company	37.72	(4.6%)	41.91	29.21	(0.8%)	(9.3%)	22.3	3.45	18.1	1.8
Sovos Brands, Inc.	17.31	(6.2%)	20.58	12.50	20.5%	15.0%	25.9	2.27	12.7	3.0
SunOpta Inc.	10.31	(0.3%)	15.90	8.43	(9.4%)	17.6%	NA	1.43	15.2	4.9
TreeHouse Foods, Inc.	50.77	(2.5%)	55.30	35.82	2.8%	25.3%	20.0	1.24	12.2	4.4
Unilever PLC	49.23	(1.5%)	50.93	40.78	5.0%	4.6%	NA	2.46	12.7	2.6
Utz Brands, Inc.	16.70	(1.5%)	19.98	12.18	5.3%	4.7%	29.9	2.14	24.7	8.2
Sector Average:					1.5%	(0.3%)	19.7x	2.32x	14.3x	3.9x

Company Name	Price 5/19/23	Price Compared to 5/12/23	52-Week Range		Price as Compared to YE:		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM EBITDA
			High	Low	2022	2021		Revenue	EBITDA	
ETHANOL										
Alto Ingredients, Inc.	\$2.20	7.8%	\$5.30	\$1.20	(23.6%)	(54.3%)	NM	0.19x	NM	NM
Green Plains Inc.	30.93	(2.1%)	41.25	26.33	1.4%	(11.0%)	36.0	0.66	151.9	53.0
REX American Resources Corporation	30.12	4.3%	36.31	26.05	(5.5%)	(5.9%)	15.8	0.38	5.3	0.3
Sector Average:					(9.2%)	(23.7%)	25.9x	0.41x	78.6x	26.6x
FRUIT & VEGETABLE										
AppHarvest, Inc.	\$0.44	(5.5%)	\$4.84	\$0.42	(22.0%)	(88.6%)	NM	9.10x	NM	NM
Calavo Growers, Inc.	31.99	5.6%	45.50	22.64	8.8%	(24.6%)	26.7	0.57	17.5	2.2
Dole plc	13.15	10.5%	13.29	7.20	36.3%	(1.3%)	13.7	0.30	6.4	3.8
Fresh Del Monte Produce Inc.	26.59	(1.5%)	32.49	22.63	1.5%	(3.7%)	12.9	0.45	6.2	2.1
Lamb Weston Holdings, Inc.	114.48	0.2%	115.04	61.95	28.1%	80.6%	23.5	4.00	18.7	3.1
Mission Produce, Inc.	11.65	(0.7%)	16.96	9.81	0.3%	(25.8%)	23.1	1.01	18.5	4.7
Seneca Foods Corporation	49.53	1.9%	68.74	46.04	(18.7%)	3.3%	NA	0.54	6.3	3.5
Sector Average:					4.9%	(8.6%)	20.0x	1.14x	12.3x	3.2x
PROTEIN										
Beyond Meat, Inc.	\$10.71	2.3%	\$44.59	\$9.82	(13.0%)	(83.6%)	NM	4.01x	NM	NM
Cal-Maine Foods, Inc.	48.12	2.3%	65.32	43.96	(11.6%)	30.1%	7.7	0.56	1.6	NA
Darling Ingredients Inc.	64.82	3.9%	87.59	51.77	3.6%	(6.5%)	11.0	2.18	9.4	4.0
Hormel Foods Corporation	39.34	(2.2%)	51.69	37.78	(13.6%)	(19.4%)	22.2	1.95	11.9	1.6
* JBS S.A.	17.00	5.3%	36.41	15.12	(22.7%)	(55.2%)	26.3	0.37	5.1	3.9
Nathan's Famous, Inc.	69.66	(2.0%)	81.75	46.01	3.6%	19.3%	NA	2.69	9.0	3.0
Pilgrim's Pride Corporation	23.75	4.9%	34.66	20.59	0.1%	(15.8%)	13.5	0.52	6.2	2.4
Seaboard Corporation	3817.13	0.6%	4296.77	3295.00	1.1%	(3.0%)	NA	0.43	4.5	1.8
Tyson Foods, Inc.	49.96	2.2%	92.32	47.11	(19.7%)	(42.7%)	21.3	0.49	6.1	2.1
Vital Farms, Inc.	15.15	4.2%	18.18	7.89	1.5%	(16.1%)	46.2	1.35	3.2	0.1
Sector Average:					(7.1%)	(19.3%)	17.0x	1.17x	6.3x	2.4x
BAKING & INGREDIENTS										
Balchem Corporation	\$124.17	(1.1%)	\$143.88	\$110.15	1.7%	(26.4%)	29.0x	4.64x	21.9x	2.2x
Flowers Foods, Inc.	25.99	(9.3%)	30.16	24.15	(9.6%)	(5.4%)	20.5	1.39	12.0	2.4
* Gruma, S.A.B. de C.V.	272.45	(2.1%)	287.06	190.82	4.5%	3.8%	15.8	1.24	8.5	2.3
* Grupo Bimbo, S.A.B. de C.V.	93.00	(3.8%)	103.41	56.61	12.9%	47.7%	21.9	1.30	9.3	2.2
J&J Snack Foods Corp.	157.48	(1.2%)	165.90	121.57	5.2%	(0.3%)	33.8	2.13	22.3	1.1
* Kerry Group plc	94.86	0.6%	107.90	84.10	12.6%	(16.2%)	21.5	2.17	16.1	2.7
Krispy Kreme, Inc.	15.00	(0.6%)	16.06	10.21	45.3%	(20.7%)	41.8	2.46	15.6	5.2
McCormick & Company, Incorporated	88.92	(1.5%)	94.52	70.60	7.3%	(8.0%)	33.0	4.49	24.0	4.5
* Tate & Lyle plc	7.87	(3.9%)	8.38	6.48	10.6%	1.9%	15.4	2.18	13.8	2.8
Sector Average:					10.1%	(2.6%)	25.9x	2.45x	15.9x	2.8x
CANDY, NUTS, & SNACKS										
Bridgford Foods Corporation	\$12.39	(0.3%)	\$15.50	\$10.71	3.9%	2.3%	NA	0.41x	7.0x	0.6x
The Hershey Company	266.04	(3.1%)	276.88	201.63	14.9%	37.5%	27.3	5.49	21.4	1.8
John B. Sanfilippo & Son, Inc.	112.16	0.3%	119.33	67.02	37.9%	24.4%	NA	1.31	11.9	0.4
Laird Superfood, Inc.	0.78	(3.5%)	3.20	0.67	(7.1%)	(94.0%)	NM	NM	NM	NM
Rocky Mountain Chocolate Factory, Inc.	5.70	4.2%	8.25	4.77	0.0%	(27.4%)	NA	1.06	12.5	0.9
Tootsie Roll Industries, Inc.	37.90	(0.5%)	46.11	30.14	(8.3%)	11.0%	NA	3.60	23.8	0.1
Sector Average:					6.9%	(7.7%)	27.3x	2.37x	15.3x	0.8x
PET FOOD AND PRODUCTS										
Central Garden & Pet Company	\$37.20	1.1%	\$46.78	\$35.60	(0.7%)	(29.3%)	14.8x	1.00x	8.8x	3.8x
Freshpet, Inc.	64.83	(6.2%)	73.48	36.02	22.9%	(32.0%)	NM	4.96	NM	NM
Sector Average:					11.1%	(30.6%)	14.8x	2.98x	8.8x	3.8x
WINE & BEVERAGE										
The Boston Beer Company, Inc.	\$325.57	5.7%	\$422.75	\$287.00	(1.2%)	(35.5%)	39.8x	1.88x	19.0x	0.3x
Brown-Forman Corporation	63.70	(0.9%)	78.15	61.33	(3.0%)	(12.6%)	31.9	7.96	28.1	2.6
The Coca-Cola Company	62.83	(2.0%)	65.47	54.02	(1.2%)	6.1%	23.7	6.97	19.8	3.2
Constellation Brands, Inc.	235.29	3.3%	261.32	208.12	1.5%	(6.2%)	20.1	5.95	36.5	3.6
Crimson Wine Group, Ltd.	6.90	5.3%	7.80	5.11	23.0%	(16.4%)	NA	1.88	31.8	4.4
* Diageo plc	35.48	0.4%	39.60	33.63	(2.8%)	(12.1%)	20.6	5.74	15.6	3.2
Monster Beverage Corporation	59.68	0.2%	60.47	41.95	17.6%	24.3%	37.8	9.16	34.0	0.0
National Beverage Corp.	52.11	0.2%	57.65	38.40	12.0%	15.0%	29.5	4.09	22.0	0.2
PepsiCo, Inc.	191.84	(2.2%)	196.88	154.86	6.2%	10.4%	25.9	3.42	18.8	2.6
Starbucks Corporation	105.51	(0.6%)	115.48	70.35	6.4%	(9.8%)	27.8	4.18	15.4	2.7
Willamette Valley Vineyards, Inc.	5.87	(1.2%)	6.89	5.80	(1.6%)	(32.2%)	NA	2.63	33.4	9.1
Sector Average:					5.2%	(6.3%)	28.6x	4.90x	24.9x	2.9x

Company Name	Price 5/19/23	Price Compared to 5/12/23	Price		Price as Compared to		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM EBITDA
			52-Week Range		YE:			Revenue	EBITDA	
			High	Low	2022	2021				
DAIRY										
* Danone S.A.	\$58.75	(0.6%)	\$61.88	\$46.75	19.3%	7.6%	16.7x	1.73x	10.8x	3.3x
Lifeway Foods, Inc.	6.00	(1.2%)	8.10	4.55	8.1%	30.4%	15.9	0.61	11.1	0.8
* Saputo Inc.	36.21	0.3%	37.50	24.61	8.0%	27.1%	18.1	1.11	14.0	3.0
Sector Average:					11.8%	21.7%	16.9x	1.15x	11.9x	2.4x
WHOLESALE, FOOD SERVICE, & DISTRIBUTION										
The Chefs' Warehouse, Inc.	\$33.03	(2.5%)	\$42.16	\$28.70	(0.8%)	(0.8%)	20.6x	0.74x	10.7x	4.5x
Performance Food Group Company	57.20	(5.1%)	63.22	38.23	(2.0%)	24.6%	14.1	0.26	10.0	3.5
SpartanNash Company	23.97	2.1%	37.75	22.98	(20.7%)	(6.9%)	10.6	0.17	7.1	3.5
Sysco Corporation	73.13	(2.0%)	88.84	70.61	(4.3%)	(6.9%)	16.8	0.64	12.9	3.2
United Natural Foods, Inc.	27.30	1.9%	49.56	22.07	(29.5%)	(44.4%)	8.6	0.17	5.3	3.6
US Foods Holding Corp.	41.28	1.2%	41.64	25.49	21.3%	18.5%	15.4	0.42	11.7	4.0
Sector Average:					(6.0%)	(2.6%)	14.3x	0.40x	9.6x	3.7x
MASS MERCHANDISE, CLUB STORES, & DOLLAR STORES										
BJ's Wholesale Club	\$70.13	(0.9%)	\$80.41	\$51.45	6.0%	4.7%	17.7x	0.65x	9.5x	2.4x
Costco Wholesale Corporation	496.52	(1.5%)	564.75	406.51	8.8%	(12.5%)	33.1	0.92	20.8	0.9
Dollar General Corporation	215.08	(1.6%)	261.59	183.25	(12.7%)	(8.8%)	19.1	1.70	10.8	3.0
Dollar Tree, Inc.	160.08	0.9%	175.68	124.76	13.2%	13.9%	24.1	1.58	8.7	2.0
Grocery Outlet Holding Corp.	30.54	0.4%	46.37	25.71	4.6%	8.0%	29.5	1.16	13.5	4.3
Walmart Inc.	149.91	(2.1%)	154.64	117.27	5.7%	3.6%	23.6	0.75	11.7	1.6
Sector Average:					4.3%	1.5%	24.5x	1.13x	12.5x	2.4x
TRADITIONAL & SPECIALTY RETAIL										
Albertsons	\$20.26	0.3%	\$31.29	\$19.14	(2.3%)	(32.9%)	7.2x	0.34x	5.1x	2.9x
* Ahold Delhaize	30.74	(0.9%)	32.51	24.03	14.5%	2.0%	12.0	0.50	6.3	2.6
Amazon.com, Inc.	116.25	5.4%	146.57	81.43	38.4%	(30.3%)	68.8	2.49	19.1	2.6
Ingles Markets, Incorporated	82.61	1.6%	102.99	78.32	(14.4%)	(4.3%)	NA	0.33	4.1	1.3
The Kroger Co.	49.64	0.9%	53.47	41.82	11.4%	9.7%	11.0	0.37	6.6	2.4
Natural Grocers by Vitamin Cottage, Inc.	11.68	6.3%	19.03	8.00	27.8%	(18.0%)	14.1	0.56	5.3	3.2
Sprouts Farmers Market, Inc.	36.78	(1.5%)	39.99	22.76	13.6%	23.9%	13.8	0.79	6.6	2.1
* Tesco PLC	2.67	(3.3%)	3.07	1.94	19.0%	(8.0%)	12.5	0.46	7.1	3.6
Village Super Market, Inc.	20.76	(1.8%)	24.43	19.09	(10.9%)	(11.2%)	NA	0.27	4.2	2.9
Weis Markets, Inc.	65.06	(6.6%)	95.57	63.91	(20.9%)	(1.2%)	NA	0.34	5.1	0.6
Sector Average:					7.6%	(7.0%)	19.9x	0.65x	7.0x	2.4x
TRADITIONAL RESTAURANTS										
Brinker International, Inc.	\$39.54	6.9%	\$42.12	\$21.47	23.9%	8.1%	10.8x	0.96x	6.9x	3.8x
The Cheesecake Factory Incorporated	34.50	10.6%	41.28	26.05	8.8%	(11.9%)	11.8	1.03	8.5	4.4
Cracker Barrel Old Country Store, Inc.	111.96	10.8%	121.17	81.87	18.2%	(13.0%)	17.0	1.07	10.6	3.5
Darden Restaurants, Inc.	161.41	8.7%	163.41	110.96	16.7%	7.1%	18.7	2.44	13.2	3.1
Dine Brands Global, Inc.	67.86	5.2%	82.43	61.03	5.0%	(10.5%)	10.9	2.87	11.9	7.8
Jack in the Box Inc.	92.69	(2.6%)	97.99	54.80	35.8%	6.0%	14.7	2.86	7.7	NA
McDonald's Corporation	295.55	(0.2%)	298.86	228.59	12.2%	10.3%	26.3	11.19	18.6	3.6
Papa John's International, Inc.	73.42	(4.2%)	97.78	66.74	(10.8%)	(45.0%)	25.6	1.62	12.9	3.9
Texas Roadhouse, Inc.	113.62	7.7%	116.72	68.58	24.9%	27.3%	23.4	1.95	14.9	1.3
The Wendy's Company	23.40	(0.2%)	23.90	16.06	3.4%	(1.9%)	23.0	3.97	17.0	8.7
Yum! Brands, Inc.	138.28	(0.2%)	143.25	103.97	8.0%	(0.4%)	25.9	7.33	21.0	5.2
Sector Average:					13.3%	(2.2%)	18.9x	3.39x	13.0x	4.5x
HIGH-GROWTH RESTAURANTS										
Chipotle Mexican Grill, Inc.	\$2,106.22	3.0%	\$2,110.00	\$1,196.28	51.8%	20.5%	46.1x	6.77x	28.2x	1.7x
El Pollo Loco Holdings, Inc.	9.63	2.2%	13.00	8.15	(3.3%)	(32.1%)	12.7	1.25	8.2	3.5
Noodles & Company	3.26	(16.4%)	6.78	3.21	(40.6%)	(64.1%)	14.7	0.80	6.1	3.9
Potbelly Corporation	8.37	(2.9%)	11.14	4.31	50.3%	50.0%	37.6	0.90	5.8	2.8
Shake Shack Inc.	66.69	2.3%	71.94	37.72	60.6%	(7.6%)	NM	3.26	22.6	5.4
Wingstop Inc.	206.74	(0.3%)	223.77	67.67	50.2%	19.6%	96.6	17.25	57.3	6.2
Sector Average:					28.2%	(2.3%)	41.5x	5.04x	21.4x	3.9x
CANNABIS & CBD										
Canopy Growth Corporation	\$1.45	2.1%	\$7.63	\$1.38	(53.8%)	(86.9%)	NM	2.94x	NM	NM
Cronos Group Inc.	2.58	11.2%	4.88	2.26	(25.0%)	(48.2%)	NM	NM	NM	NM
Jones Soda Co.	0.19	(7.8%)	0.48	0.18	(28.3%)	(74.0%)	NA	0.69	NM	NA
The Scotts Miracle-Gro Company	69.04	4.6%	102.25	39.06	42.1%	(57.1%)	22.0	2.06	12.6	6.2
Tilray Brands, Inc.	2.41	0.0%	5.12	2.17	(10.4%)	(65.7%)	NM	2.83	NM	NM
Village Farms International, Inc.	0.68	(8.1%)	3.53	0.66	(49.3%)	(89.4%)	NM	0.44	NM	NM
Sector Average:					(20.8%)	(70.2%)	22.0x	1.79x	12.6x	6.2x

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



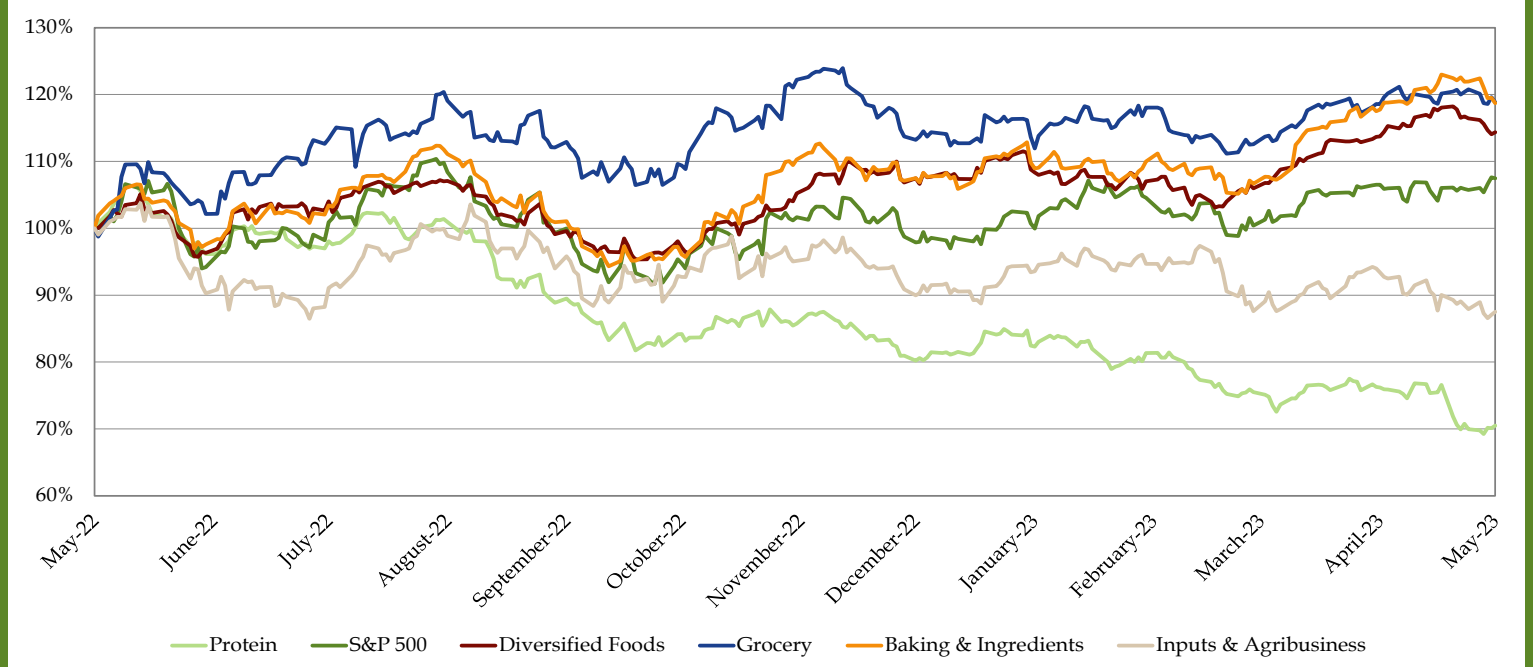
10-year Treasury



CBOE Market Volatility Index - VIX



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



Food For Thought...

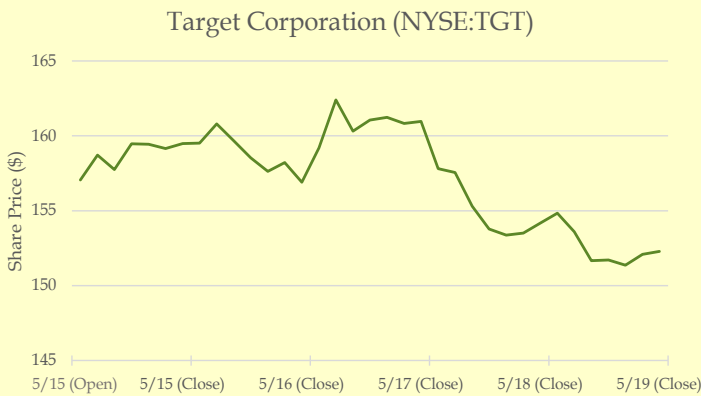
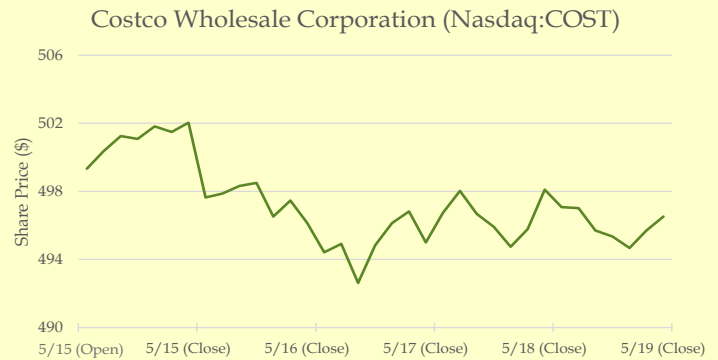
Partner Column
Written by Mary Burke

Tomorrow, Lowe's, BJ's Wholesale Club, Dick's Sporting Goods and Urban Outfitters all report earnings. It will give us some insight into consumer demand for clothing and other nonessentials. Discretionary sales have suffered as consumers are forced to spend more on food. Also reporting earnings this week are Dollar Tree and Costco Wholesale Corp.

Recently, US Foods Holding Corp released earnings for the first calendar quarter. Their case growth was up 5.7%---led by independents up 8.1%, hospitality up 18.8% and healthcare up 5.9%. This was partially offset by chains down 1.1%. That hospitality and healthcare were up from last year is not a surprise. Last year the first quarter was impacted by the Omicron variant and us just coming out of it. Independents being up 8.1% is the bigger surprise to me and a hopeful sign that the underpinnings of the economy are getting stronger. The flexibility and ingenuity of the entrepreneur usually points to success. When they can't win, the story for the economy is very different.

Walmart last week issued earnings and they posted stronger than expected profit and revenue and increased its full-year profit outlook. As consumer's pocketbooks continue to be pressured, shoppers are looking for lower prices and Walmart believes it is gaining market share. Thursday, their shares rose 1.3%.

Target on the other hand in their earnings talked about the \$500,000,000...yes, I wrote it out to show how big it is....their earnings hit will be from shrink...also known as theft. I am hopeful they can get their hands around it and not have to resort to the consumer very unfriendly approach of Walgreens of putting a large majority of their items in a locked box.



Just when you thought that construction prices were getting less expensive, Grocery Outlet says they are experiencing 15-20% higher costs than FY22 in the construction of their 25-28 new stores for this year. This level of new openings results in a 6% unit growth YOY versus their long-term 10% unit growth target.

The commercial real estate market day of reckoning is coming a little closer each day. There will be opportunities for growth and creative approaches for those who have liquidity.

Coming up around the corner is the debate on the new Farm Bill. After Congress, in their slow way gets through the debt ceiling increase, the Farm Bill will be next. It is interesting that a bunch of lawmakers who have no experience balancing a family budget for food, become the authority on what is included in SNAP benefits and other benefits. The current proposal calls for reducing SNAP benefits for families by over 30%. A component of that reduction is fresh fruit and vegetables which are reduced by over 35%. This is in the face of food inflation. If we are to assist children to grow to become healthy contributors to society, we need them to eat healthy food from a young age. A measure of a country is how it supports those in need and teaches them a healthy way forward.

Change is the only constant we have!

Have a good week and Memorial Day weekend. See you in two weeks.

Food For Thought...

Foodservice Providing Boost for Diversified Foods as Price Hikes Erode Volume. Kraft Heinz Co. and J&J Snack Foods each posted better-than-expected earnings this quarter, led by strength in their respective foodservice categories. Kraft Heinz saw 29% YoY growth in foodservice while J&J's foodservice operating income jumped by ~1000%, rising from \$536,000 to \$5.13m. Overall, Kraft Heinz's net income rose by eight percent compared to last year, and J&J saw a 110% increase from \$3.27 million to \$6.87 million.

Kraft Heinz chairman and CEO Miguel Patricio commented on the growth in the quarter, saying: "We delivered strong results in the first quarter of 2023, with net sales growth across both our North America and International zones that continues to be fueled by Foodservice, Emerging Markets, and US Retail GROW platforms."

Meanwhile, Daniel Fachner, president and CEO of J&J Snack, detailed how success in foodservice will help the company continue to grow. "This added capacity supports our aggressive plans to grow sales of our core products," he said. "In addition, we are completing the geographic optimization of our distribution and warehousing network by consolidating to a handful of locations, including three new state-of-the-art distribution centers...The opening of these new RDCs will allow us to go from 30-plus shipping locations to somewhere between six and eight strategically located facilities and will significantly reduce our reliance on third parties for storage and logistics management."

Consumer Sentiment Falls Nine Percent from April Due to Growing Economic Concerns. Over half of the gains made in the University of Michigan's consumer sentiment index since it hit an all-time historic low in June 2022 were lost when it dropped 9% from 63.5 in April to 57.7 in mid-May. Consumers' short- and long-term outlooks both deteriorated.

Expectations for the coming year's inflation decreased marginally to 4.5% in May from a high of 4.6% in April. Meanwhile, long-term inflation expectations increased to their highest level since 2011, going from 3.0% last month to 3.2% following two years of fairly level readings.

"Throughout the current inflationary episode, consumers have shown resilience under strong labor markets, but their anticipation of a recession will lead them to pull back when signs of weakness emerge," Surveys of Consumers director Joanne Hsu said.

Rising Margins Buoying US Retail Firms Amid Shaky Economic Conditions. Consumer-facing firms in the United States are experiencing a faster margin recovery than anticipated thanks to a combination of lower input costs and drawn-out price increases. The rebound is particularly true for businesses producing or selling necessities like food and household goods, as well as for cafes and restaurants, as robust wage growth in a tight labor market supports consumer spending. As a result, quarterly margins for the consumer discretionary components of the S&P 500 index are anticipated to rise year over year for every quarter this year according to Refinitiv data as of May 12.

Chief market strategist at B Riley Wealth Art Hogan explained: "In this environment of uncertainty... (consumer staples) margins are going to be solid because most of the input costs going into staples are falling ... They have (raised prices) ... and they have held that price, so they are only going to see improvement in margins."

Companies such as Target Corp., Kraft Heinz, PepsiCo, Coca-Cola, McDonald's, and Starbucks all saw margins improve precipitously this quarter. Target's sales and earnings outlook for the year implies margins of nearly five percent, compared to three and a half percent last year, while Kraft Heinz said first-quarter gross margins rose by 130 basis points.

Black Sea Grain Initiative Extended Another 60 Days, Sends Grain Futures Tumbling. Following confirmation from the Russian Federation that the initiative was extended, wheat futures fell 3.4%, the largest single-day drop since February and reaching the lowest price since 2021. Following Russia's invasion of Ukraine in July of last year, the original agreement was struck with Turkey and the U.N. to permit the secure transport of food and fertilizer. It has been continuously extended for months at a time. The Deputy Prime Minister of Ukraine suggested a longer and expanded extension to "give predictability and confidence" to markets. Moscow opposed the suggestion, opting for another shorter extension instead.

Grain markets were already under pressure from ideal planting weather in the northern hemisphere. According to the USDA study published on May 12, the U.S. corn harvest for the 2023-2024 season is projected to be a record 15.3 billion bushels, up more than 10% from 2022-2023 due to increases in both crop area and yield. On Wednesday, the price of July corn futures breached previous lows, sparking selling from funds and algorithm traders.

Heard on the Street...

US Foods Acquiring Renzi Foodservice. In its first acquisition since April 2020, US Foods (NYSE: USFD) announced Friday it has agreed to purchase Renzi Foodservice. The Renzi acquisition will allow US Foods to expand into the central upstate New York market, where it does not currently have a distribution center. The family-owned Renzi Foodservice generates over \$180 million in annual revenue serving over 2,300 customers.

“We look forward to welcoming the Renzi team to US Foods as we continue to deliver on our long-range plan and enhance our position with new and existing customers throughout the region,” said US Foods CEO Dave Flitman. “As one of the most respected family-owned and operated broadline foodservice distributors in Northern and Central New York, Renzi has built a strong reputation for great customer service and high-quality food from their modern distribution facility in Watertown, New York.”

Renzi will continue to operate in its 110,000-square-foot facility in Watertown, NY. The deal is still pending regulatory approval and is expected to close in Q3 2023. Terms of the deal were not disclosed.

Archer Daniels Midland Inks Strategic Development Agreement with Air Protein. The two companies will collaborate on the research and development of new and novel proteins to scale cost-effective inputs. Air Protein has raised \$107 million since its founding in 2019, some of which has come from ADM. The agreement also allows the companies to construct a commercial-scale air protein plant.

“We are proud to be a strategic investor in Air Protein, and with today’s agreement, we’re expanding our partnership to bring ADM’s industry-leading expertise in flavors and complete nutrition solutions to help expand the universe of applications in which Air Protein’s technology can be used,” said Ian Pinner, Senior Vice President of Strategy and Innovation at ADM. “To sustainably feed a growing global population, we need a broad protein ecosystem, from animal to plant to other novel sources.”

Air Protein’s carbon-negative process extracts protein using air fermentation to culture proteins that are then harvested, purified, and dried into a versatile flour that can be turned into any food. The flour is made into a pasta-like substance, and different techniques are applied to offer a range of tastes and textures to create meats and other protein-packed foods.

Mastronardi Produce Forms Joint Venture with Intergrow Greenhouses, Grows New York Footprint. According to a press release: the agreement involves Mastronardi’s acquisition of Intergrow’s commercial facilities and transportation business in New York and forms a new company: Sungrow Farms LLC. The deal gives Mastronardi an additional 105 acres of greenhouse growing space strategically located within a 24-hour drive of 60% of the US population with the capacity to expand production further. Sungrow will continue producing cherry tomatoes on the vine for Intergrow while adding Mastronardi’s fruits and vegetables to be marketed under the company’s brands.

“This strategic investment allows Mastronardi Produce to offer even more flavorful, locally grown fruits and vegetables,” Paul Mastronardi, President and CEO of Mastronardi Produce Ltd. said in the release. “We look forward to continuing to serve our customers and delivering on our mission to inspire healthy living through Wow flavor experiences.”

Terms of the deal were not disclosed.

Post Holdings Cancels SPAC. Earlier this month, Post Holdings declared it is giving up on Post Holdings Partnering Corp. (PHPC), saying in an SEC filing on May 11th it “will redeem all of its outstanding shares of Series A common stock, par value \$0.0001 per share, previously sold in its initial public offering effective as of May 30, 2023, because the company will not consummate a partnering transaction within the time period required by its amended and restated certificate of incorporation.”

Post Holdings Partnering Corp. was created in 2021 with the goal of raising \$300 million to form a partnership with a consumer products business. Despite Post’s failure to locate an investment opportunity for PHPC by the deadline of May 28, President and CEO Robert V. Vitale stated during the conference call that the business is still open to potential targets for mergers and acquisitions. Vitale was also serving as Chief Investment Officer for PHPC.

“As I’ve said before, we believe a corporate-owned SPAC to be a good tool, but the timing was terrible,” Vitale said. “SPAC investors will receive their initial investment plus a modest return. We will continue to seek creative ways to extend our capital deployment capabilities despite this particular structure not succeeding, we think Post is positioned favorably as a buyer with greater financing flexibility and certainty of closing.”

Dashboard

Sector	Outlook		Sector	Outlook	
	6-month	3-year		6-month	3-year
INPUTS			Summer BBQ		
<ul style="list-style-type: none"> w/ Bayer's crop science unit revised its FY2023 sales growth estimates from 3.0% to 1.5%, citing falling glyphosate prices s/ Pricing for primary fertilizers have fallen YoY; urea (-41%), DAP(-22%), MAP(4%), potash(29%), and UAN32/28(-30%) w/ China's reopening has increased fertilizer and active ingredient supply, another factor driving prices lower s/ VC investment in Ag biotech rose 8.5% YoY to \$2.73 billion in 2022, despite a decrease in overall VC spending 	↓	↑	<ul style="list-style-type: none"> s/ bbq seasons tarts in earnest this weekend – get the grills ready s/ 62% of Americans have a gas grill. 30% people anticipate purchasing a new grill this year s/ meat prices down compared to last year but still up compared to 2 years ago s/ ingredient trends for this summer: butter boards, tinned fish, peppers and hot flavors, yuzu fruit, moringa and turmeric s/ beer sales have begun as they try to regain some lost marketshare 		
AG EQUIPMENT			CANDY & NUT		
<ul style="list-style-type: none"> s/ AGCO expansion at two facilities and the first Kelly Tillage manufacturing plant in the U.S. demonstrates growing U.S. demand s/ CNH reports record Q1 results and raises guidance due to strong row crop demand, pricing strength, and a backlog of orders s/ Guardian Agriculture receives FAA clearance for its SC1 drone which is 15 ft wide and can carry 200 lbs of liquid application w/ Colorado enacts first 'right to repair' law in the U.S. for farm equipment; at least ten other states considering similar action 	↔	↑	<ul style="list-style-type: none"> s/ Despite record high inflation, 74% of consumers agree that confectionery remains an affordable treat w/ Gum, a tool often used in social interactions, saw sales plummet in the pandemic, sales remain down 8.8% from 2019 w/ Nut allergies are on the rise. In the last 10 years, the number of children affected has risen 20% w/ The USDA is proposing a ban on chocolate milk in elementary and middle school cafetrias 	↑	↑
AGRIBUSINESS			DAIRY		
<ul style="list-style-type: none"> w/ Diversification of their business continues to help their reported earnings s/ Pricing increases have helped income with little decrease in volume w/ High water in the rivers is limiting barge movement. Mississippi River is in flood stage in certain areas w/ Abundant snow fall in western California is melting too fast to be retained. Over 85% of the snow melt will end up in the Pacific s/w/ Cash crop receipts est. at \$276.87b in 2023 down 3.1% from 2022. Highs for rice, wheat and hay offset by weaker corn and beans 	↑	↑	<ul style="list-style-type: none"> s/w/ Extreme weather across main production areas set the stage for higher variance between regions' production capabilities w/ Higher cull cow prices and falling milk prices have aided in the 10.5% YoY increase in dairy culls rates YTD through April w/ Q1 2023 US cheese production increased 3.5 million lbs YoY, while stocks grew 13.0 million lbs during the same period s/ Retail dairy sales continue to post YoY gains, suggesting manufacturers/retailers have been slow to adjust pricing lower 	↔	↔
DIVERSIFIED FOODS			WHOLESALE, FOOD SERVICE & DISTRIBUTION		
<ul style="list-style-type: none"> s/ Foodservice strength providing a huge bump for Post Holdings, Kraft Heinz, and J&J in Q1 and beyond s/ Kellogg raised guidance following strong Q1, net sales growth in all regions s/ Boosted by foodservice and emerging markets, Kraft Heinz also raised its earnings guidance w/ General Mills recalls flour brand amid Salmonella contamination concerns w/ Industry sales volume continuing to erode as consumers trade down to private label, thereby eroding branded market share 	↑	↑	<ul style="list-style-type: none"> s/ Sysco reported revenue increase of 11.7% in its first quarter as U.S. Foodservice segment volume increased 6.1% s/ Restaurants see many benefits from 'menu simplification'; fewer ingredients, less prep, lower labor costs, and even higher sales s/ US Foods' CHEF'STORE concept will open three new locations in VA (1) and NC (2) in 2023; raising total to 90 stores in 13 states s/w/ Initial fears over ongoing West Coast dockworkers strike have shifted about 5% of cargo volume to the Gulf and East Coast 	↓	↔
ALTERNATIVE FUELS			TRADITIONAL RETAIL		
<ul style="list-style-type: none"> s/ U.S. representatives from multiple states introduced a bill to allow ethanol to qualify as an "advanced biofuel" s/ The US and Canada have announced the world's first alternative fuel corridor between Kalamazoo, MI and Québec City, Québec s/ Isuzu Motors introduces new truck with Honda's hydrogen fuel cell technology, expects prototype testing on public roads in 2024 s/ The world's largest ethanol jet fuel plant is expected to open in 2025 w/ Texas Gov. Greg Abbot signed a new law taxing electric vehicle owners registering their cars in the state 	↑	↑	<ul style="list-style-type: none"> s/ Largely driven by price, April retail grocery and foodservice sales were up 0.4% from March s/ Kroger and Albertsons will divest up to 650 stores in order to receive regulatory approval for merger s/w/ Walmart raised its 2023 outlook after strong performance propped up by grocery sales, while Target reported a slowdown s/ Online grocery sales are expected to increase at a CAGR of 11.7% over the next five years 	↔	↔
FRUIT & VEGETABLE			NON-TRADITIONAL RETAIL		
<ul style="list-style-type: none"> s/ Retail per capita consumption of berries is up 97% in the last decade led by genetic improvements in raspberries and blueberries s/ Organic food sales continue to grow with organic accounting for 15% of all fruit and vegetable sales in the U.S. in 2022 s/w/ U.S. falls out of top 10 highest producing avocado countries with Peru, Colombia, and Kenya gaining market share w/ Lettuce growers extend Yuma season in response to Salinas flooding and lack of available land in the valley s/w/ Consolidation continues to occur in the fresh produce space as smaller players look to combine or join rollups 	↑	↑↑	<ul style="list-style-type: none"> s/ Online grocery sales continue growth - April up 0.9% y-o-y driven by higher basket size s/ Inflation continues to drive shoppers toward bargain stores, growing total volume s/ Dollar General continues to open DG Market concepts as they look to fresh food options for growth s/ Beverages continue to be a growth source for c-stores (21% of total sales) with canned cocktails growing at over 50% 	↑	↑↑
PROTEIN			BIG PICTURE INDUSTRY DRIVERS		
<ul style="list-style-type: none"> s/ Recent feed cost news is providing a boost to the broiler industry's margin outlook w/ Demand for chicken wings and bacon are both struggling despite their previously resilient popularity w/ NYC Mayor Adams instituting caps on red meat consumption by residents to reduce emissions, despite enforceability questions w/ Recent weekly beef harvest rates have been disappointing, with total harvest for the year 384,000 head behind last year w/ Tyson Foods did not profit in its beef segment in Q1, citing higher cattle costs, fewer cattle processed, and lower prices 	↓	↔	<ul style="list-style-type: none"> Debt Ceiling Negotiations What does the Fed do next? Shift to El Niño Planting season progressing rapidly Farm bill up in September for renegotiations Geopolitical uncertainty Immigration Reduction in SNAP Benefits De-Dollarization Inflation 		

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

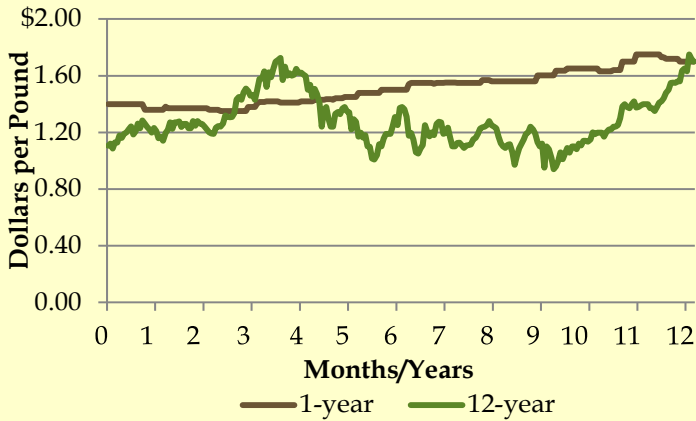
Soybeans



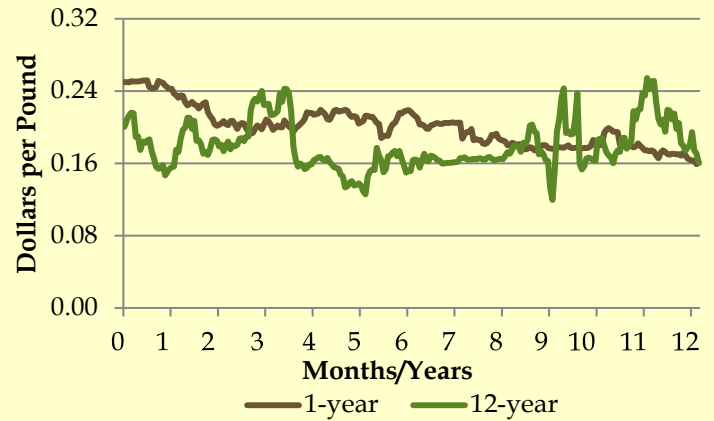
Sugar



Cattle



Milk



Cotton



Oil



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.

Please send your feedback and comments to Mary Burke at mlburke@lakeshorefoodadvisors.com.