



# LAKESHORE

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



## Weekly Update

Monday, July 31<sup>st</sup>, 2023

**U.S. Equity Indices Grow Amid Strong Earnings from Big Tech.** Last week, all three major U.S. equity indices experienced increases amid strong earnings reports from big technology companies. Additionally, the U.S. Federal Reserve announced last Wednesday that it had raised its key interest rate by a further 25 basis points to its highest level in 22 years. As of the end of last week, over half the firms listed in the S&P 500 have reported earnings with 78.7% of those surpassing analyst expectations.

The **Dow Jones Industrial Average** was up 0.7% on the week, finishing at 35,459.

The **S&P 500** increased 1.0% for the week, finishing at 4,582.

The **NASDAQ Composite** gained 2.0% on the week, finishing at 14,317.

Yield on the **10-year Treasury** grew 12 basis points this week, ending at 3.96%.

**Crude oil** increased 4.6% on the week, ending at \$80.58 per barrel.

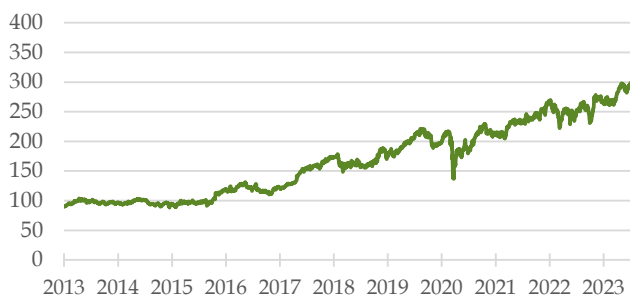
**Corn** fell 1.1% on the week, ending at \$5.30 per bushel.

**NASDAQ Highs:** The Andersons, Inc., Costco Wholesale Corporation **Lows:** None

**NYSE Highs:** Bunge Limited, Constellation Brands, Inc., Deere & Company, Lamb Weston Holdings, Inc., Walmart Inc., Zoetis Inc. **Lows:** None

### Featured Stocks of the Week:

McDonald's Corp (NYSE: MCD) 10-Year History



Constellation Brands, Inc. (NYSE: STZ) 10-Year History



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# The Lakeshore Food Chain

Company Name	Price 7/28/23	Price Compared to 7/21/23	52-Week Range		Price as Compared to YE:		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM
			High	Low	2022	2021		Revenue	EBITDA	
Dow Jones Industrial Average	35,459	0.7%	35,520	28,726	7.0%	(2.4%)	NA			
S&P 500	4,582	1.0%	4,582	3,577	19.3%	(3.9%)	20.6			
NASDAQ Composite Index	14,317	2.0%	14,358	10,213	36.8%	(8.5%)	NA			
Russell 3000 Index	2,637	1.0%	2,637	2,076	18.9%	(5.4%)	NA			
Sector Average:					20.5%	(5.1%)				
<b>AGRICULTURAL LAND HOLDINGS</b>										
Farmland Partners Inc.	\$11.44	(13.1%)	\$15.12	\$9.44	(8.2%)	(4.3%)	122.6x	19.02x	34.5x	14.4x
Gladstone Land Corporation	16.40	(5.1%)	27.45	14.95	(10.6%)	(51.4%)	NM	13.25x	16.8	9.2
Limoneira Company	14.85	(1.6%)	17.90	11.00	21.6%	(1.0%)	150.0	1.77x	178.9	91.4
Sector Average:					0.9%	(18.9%)	136.3	11.35x	25.6	38.3
<b>INPUTS</b>										
American Vanguard Corporation	\$17.88	0.2%	\$24.38	\$15.01	(17.6%)	9.1%	15.8x	1.07x	10.3x	2.0x
* BASF SE	49.39	4.0%	54.04	37.90	6.5%	(20.1%)	11.3x	0.84x	15.0x	2.7x
* Bayer Aktiengesellschaft	52.40	0.9%	65.66	46.70	8.4%	11.5%	7.8x	1.72x	7.5x	3.7x
CF Industries Holdings, Inc.	81.23	2.8%	119.60	60.08	(4.7%)	14.8%	12.1x	1.83x	3.2x	0.6x
Corteva, Inc.	56.14	(0.4%)	68.43	52.76	(4.5%)	18.7%	19.5x	2.45x	12.0x	1.4x
FMC Corporation	96.34	1.2%	134.38	88.77	(22.8%)	(12.3%)	14.7x	2.75x	11.0x	3.0x
Intrepid Potash, Inc.	27.41	7.4%	56.66	17.23	(5.1%)	(35.9%)	55.0x	1.19x	3.0x	0.1x
The Mosaic Company	40.22	4.3%	63.16	31.44	(8.3%)	2.4%	9.8x	0.93x	3.1x	0.8x
* Nutrien Ltd.	89.65	5.5%	132.75	70.69	(9.3%)	(5.7%)	12.2x	1.32x	4.3x	1.4x
S&W Seed Company	1.21	0.8%	2.14	0.63	(18.8%)	(55.7%)	NM	1.51x	NM	NM
Zoetis Inc.	189.90	3.5%	194.99	124.15	29.6%	(22.2%)	34.4x	11.42x	27.6x	2.0x
Sector Average:					(4.2%)	(8.7%)	19.3x	1.56x	9.7x	1.8x
<b>AGRICULTURAL EQUIPMENT</b>										
* Ag Growth International Inc.	\$54.64	4.4%	\$63.40	\$31.02	26.0%	72.5%	10.9x	1.26x	9.6x	4.8x
AGCO Corporation	132.50	(2.8%)	145.53	93.53	(4.5%)	14.2%	8.8x	0.84x	5.7x	1.2x
Art's-Way Manufacturing Co., Inc.	2.66	1.8%	3.11	1.80	37.7%	(24.9%)	NA	0.68x	9.3x	3.7x
* Buhler Industries Inc.	2.10	0.0%	2.58	1.51	8.8%	(29.1%)	NA	0.47x	30.1x	18.6x
CNH Industrial N.V.	14.35	(6.5%)	17.98	10.89	(10.6%)	(26.1%)	7.7x	1.65x	10.4x	6.6x
Deere & Company	427.11	(2.2%)	450.00	328.62	(0.4%)	24.6%	13.7x	3.03x	13.1x	4.3x
Lindsay Corporation	130.95	3.1%	183.08	110.43	(19.6%)	(13.8%)	21.7x	2.06x	10.8x	1.0x
Titan Machinery Inc.	31.59	3.3%	47.87	24.90	(20.5%)	(6.2%)	6.8x	0.55x	6.6x	3.1x
Sector Average:					2.1%	1.4%	11.6x	1.32x	9.3x	3.5x
<b>AGRIBUSINESS</b>										
The Andersons, Inc.	\$49.55	3.7%	\$49.97	\$30.00	41.6%	28.0%	17.7x	0.17x	7.5x	3.1x
Archer-Daniels-Midland Company	86.39	5.2%	98.28	69.92	(7.0%)	27.8%	13.2x	0.55x	8.6x	1.7x
Bunge Limited	108.36	3.4%	109.55	80.41	8.6%	16.1%	9.5x	0.31x	4.4x	1.4x
Ingredion Incorporated	110.46	0.9%	113.46	78.81	12.8%	14.3%	12.1x	1.19x	8.5x	2.3x
MGP Ingredients, Inc.	113.88	0.5%	125.74	90.69	7.1%	34.0%	22.1x	3.44x	16.6x	1.4x
* Olam Group Limited	1.30	(6.5%)	1.71	1.17	(11.0%)	(25.7%)	NA	0.29x	7.8x	8.1x
Sector Average:					8.7%	15.7%	14.9x	0.99x	8.9x	3.0x
<b>DIVERSIFIED FOODS</b>										
B&G Foods, Inc.	\$12.92	(5.4%)	\$26.13	\$10.91	15.9%	(58.0%)	12.4x	1.52x	10.3x	7.5x
Campbell Soup Company	46.25	(0.2%)	57.78	44.76	(18.5%)	6.4%	15.1x	2.01x	9.6x	2.6x
Conagra Brands, Inc.	33.03	(0.8%)	41.30	32.05	(14.7%)	(3.3%)	12.1x	2.05x	10.0x	4.1x
General Mills, Inc.	75.45	(2.0%)	90.89	73.78	(10.0%)	12.0%	16.7x	2.78x	14.2x	3.1x
The Hain Celestial Group, Inc.	12.75	(0.8%)	25.48	11.73	(21.2%)	(70.1%)	21.8x	1.14x	12.7x	5.8x
The J. M. Smucker Company	150.99	(0.7%)	163.07	129.86	(4.7%)	11.2%	16.1x	2.19x	10.9x	2.6x
Kellogg Company	67.58	(0.3%)	77.17	63.74	(5.1%)	4.9%	16.3x	1.96x	14.7x	3.6x
The Kraft Heinz Company	36.16	(0.4%)	42.80	32.73	(11.2%)	0.7%	12.5x	2.37x	8.6x	2.7x
Lancaster Colony Corporation	192.17	(0.8%)	220.65	130.77	(2.6%)	16.0%	29.7x	2.87x	21.9x	0.1x
Mondelez International, Inc.	75.04	1.4%	78.59	54.72	12.6%	13.2%	22.2x	3.56x	15.5x	2.9x
* Nestlé S.A.	107.36	2.6%	118.70	103.42	0.2%	(15.8%)	20.9x	3.59x	16.9x	3.1x
* Nomad Foods Limited	17.88	(1.7%)	19.82	12.50	3.7%	(29.6%)	10.5x	1.59x	9.3x	4.4x
Post Holdings, Inc.	85.01	(2.8%)	98.84	80.39	(5.8%)	(24.6%)	20.0x	1.77x	12.3x	6.3x
The Simply Good Foods Company	38.10	1.0%	40.16	29.21	0.2%	(8.3%)	21.3x	3.42x	18.1x	1.6x
Sovos Brands, Inc.	18.15	(3.5%)	20.58	12.74	26.3%	20.6%	27.3x	2.37x	13.3x	3.0x
SunOpta Inc.	8.24	(2.4%)	15.90	7.66	(27.6%)	(6.0%)	NA	1.27x	13.5x	4.9x
TreeHouse Foods, Inc.	51.31	(1.4%)	55.30	40.56	3.9%	26.6%	19.6x	1.25x	12.3x	4.4x
Unilever PLC	49.24	4.4%	50.93	43.94	5.1%	4.6%	NA	2.48x	12.8x	2.7x
Utz Brands, Inc.	16.75	(1.6%)	19.98	13.85	5.6%	5.0%	30.0x	2.15x	24.7x	8.2x
Sector Average:					(2.5%)	(5.0%)	19.1x	2.23x	13.8x	3.9x

Company Name	Price 7/28/23	Price Compared to 7/21/23	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	
<b>ETHANOL</b>										
Alto Ingredients, Inc.	\$4.01	8.4%	\$5.30	\$1.20	39.2%	(16.6%)	89.1x	0.29x	NM	NM
Green Plains Inc.	35.41	3.8%	41.25	26.33	16.1%	1.9%	49.6x	0.73x	168.6x	53.0x
REX American Resources Corporation	36.45	1.9%	36.63	26.05	14.4%	13.9%	16.1x	0.51x	7.8x	0.3x
Sector Average:					23.2%	(0.3%)	51.6x	0.51x	88.2x	26.6x
<b>FRUIT &amp; VEGETABLE</b>										
AppHarvest, Inc.	\$0.08	(76.7%)	\$4.15	\$0.07	(86.3%)	(98.0%)	NA	6.58x	NM	NM
Calavo Growers, Inc.	37.75	5.4%	45.50	22.64	28.4%	(11.0%)	28.8x	0.71x	23.8x	2.7x
Dole plc	13.26	1.6%	14.01	7.20	37.4%	(0.5%)	15.2x	0.30x	6.4x	3.8x
Fresh Del Monte Produce Inc.	26.35	0.1%	32.49	23.09	0.6%	(4.5%)	12.8x	0.45x	6.2x	2.1x
Lamb Weston Holdings, Inc.	102.08	(9.6%)	117.38	74.91	14.2%	61.1%	19.6x	3.40x	11.4x	3.2x
Mission Produce, Inc.	11.66	(4.3%)	16.96	9.81	0.3%	(25.7%)	21.5x	1.11x	20.0x	5.4x
Seneca Foods Corporation	37.51	4.3%	68.74	32.50	(38.5%)	(21.8%)	NA	0.51x	6.7x	4.3x
Sector Average:					(6.2%)	(14.3%)	19.6x	1.08x	12.4x	3.6x
<b>PROTEIN</b>										
Beyond Meat, Inc.	\$15.87	4.6%	\$44.59	\$9.82	28.9%	(75.6%)	NM	4.84x	NM	NM
Cal-Maine Foods, Inc.	46.23	4.8%	65.32	43.29	(15.1%)	25.0%	12.3x	0.51x	1.6x	0.0x
Darling Ingredients Inc.	69.76	3.0%	82.69	51.77	11.5%	0.7%	11.7x	2.29x	9.9x	4.0x
Hormel Foods Corporation	41.04	2.2%	51.69	37.78	(9.9%)	(15.9%)	22.4x	2.05x	12.5x	1.7x
* JBS S.A.	18.49	2.2%	32.73	15.12	(15.9%)	(51.3%)	11.4x	0.38x	5.3x	4.0x
Nathan's Famous, Inc.	79.42	0.5%	83.00	53.38	18.2%	36.0%	NA	2.91x	9.8x	2.2x
Pilgrim's Pride Corporation	24.58	0.9%	32.58	19.96	3.6%	(12.8%)	13.0x	0.53x	8.5x	3.7x
Seaboard Corporation	3585.06	0.3%	4242.95	3295.00	(5.0%)	(8.9%)	NA	0.41x	4.2x	1.8x
Tyson Foods, Inc.	56.35	7.0%	88.76	47.11	(9.5%)	(35.3%)	25.8x	0.53x	6.6x	2.1x
Vital Farms, Inc.	11.44	7.1%	18.18	10.00	(23.3%)	(36.7%)	40.4x	0.98x	2.3x	0.1x
Sector Average:					(1.7%)	(17.5%)	16.1x	1.18x	6.7x	2.2x
<b>BAKING &amp; INGREDIENTS</b>										
Balchem Corporation	\$130.85	(0.6%)	\$143.88	\$116.68	7.2%	(22.4%)	29.2x	4.84x	22.8x	2.0x
Flowers Foods, Inc.	24.76	0.2%	30.16	23.87	(13.8%)	(9.9%)	20.5x	1.34x	11.3x	2.3x
* Gruma, S.A.B. de C.V.	295.93	0.8%	298.64	190.82	13.5%	12.7%	14.8x	1.32x	9.1x	2.3x
* Grupo Bimbo, S.A.B. de C.V.	88.58	(0.2%)	103.41	64.69	7.6%	40.7%	21.4x	1.25x	9.2x	2.3x
J&J Snack Foods Corp.	158.11	(1.7%)	165.90	127.80	5.6%	0.1%	34.7x	2.14x	22.4x	1.1x
* Kerry Group plc	90.80	1.0%	107.90	84.10	7.8%	(19.8%)	20.7x	2.09x	15.5x	2.7x
Krispy Kreme, Inc.	15.58	(0.6%)	16.22	10.21	51.0%	(17.7%)	45.6x	2.53x	16.0x	5.2x
McCormick & Company, Incorporated	89.83	1.9%	94.39	70.60	8.4%	(7.0%)	32.5x	4.44x	22.9x	4.0x
* Tate & Lyle plc	7.58	1.1%	8.38	6.48	6.5%	(1.8%)	13.6x	1.86x	11.6x	2.3x
Sector Average:					10.4%	(2.8%)	25.9x	2.42x	15.6x	2.7x
<b>CANDY, NUTS, &amp; SNACKS</b>										
Bridgford Foods Corporation	\$11.51	(3.7%)	\$15.38	\$10.71	(3.4%)	(5.0%)	NA	0.38x	6.7x	0.6x
The Hershey Company	235.64	(4.5%)	276.88	211.49	1.8%	21.8%	23.8x	4.88x	18.6x	1.8x
John B. Sanfilippo & Son, Inc.	107.76	(3.9%)	127.26	69.58	32.5%	19.5%	NA	1.26x	11.5x	0.4x
Laird Superfood, Inc.	1.28	9.4%	2.92	0.65	52.4%	(90.2%)	NM	0.02x	NM	NM
Rocky Mountain Chocolate Factory, Inc.	5.91	2.5%	7.29	4.77	3.6%	(24.8%)	NA	1.14x	NM	NM
Tootsie Roll Industries, Inc.	33.85	(2.4%)	46.11	32.04	(18.1%)	(0.9%)	NA	3.21x	21.2x	0.1x
Sector Average:					11.5%	(13.2%)	23.8x	1.82x	14.5x	0.7x
<b>PET FOOD AND PRODUCTS</b>										
Central Garden & Pet Company	\$40.22	(0.3%)	\$45.78	\$35.60	7.4%	(23.6%)	15.3x	1.05x	9.2x	3.8x
Freshpet, Inc.	70.41	7.8%	73.48	36.02	33.4%	(26.1%)	NM	5.39x	NM	NM
Sector Average:					20.4%	(24.8%)	15.3x	3.22x	9.2x	3.8x
<b>WINE &amp; BEVERAGE</b>										
The Boston Beer Company, Inc.	\$366.10	20.8%	\$422.75	\$296.27	11.1%	(27.5%)	42.7x	2.08x	20.0x	0.2x
Brown-Forman Corporation	70.82	3.2%	78.15	60.90	7.8%	(2.8%)	34.3x	8.71x	27.2x	2.2x
The Coca-Cola Company	62.48	0.1%	65.47	54.02	(1.8%)	5.5%	23.0x	6.74x	18.7x	2.9x
Constellation Brands, Inc.	272.50	1.1%	273.44	208.12	17.6%	8.6%	22.6x	6.50x	48.6x	3.5x
Crimson Wine Group, Ltd.	6.49	(1.0%)	7.59	5.11	15.7%	(21.3%)	NA	1.74x	29.6x	4.4x
* Diageo plc	34.34	(0.1%)	39.60	32.46	(5.9%)	(14.9%)	20.5x	5.58x	15.2x	3.2x
Monster Beverage Corporation	58.15	0.1%	60.47	42.81	14.5%	21.1%	36.7x	8.91x	33.1x	0.0x
National Beverage Corp.	52.90	2.9%	57.65	38.40	13.7%	16.7%	28.9x	4.11x	21.8x	0.2x
PepsiCo, Inc.	190.31	0.1%	196.88	160.98	5.3%	9.6%	24.4x	3.32x	18.0x	2.6x
Starbucks Corporation	101.25	(1.5%)	115.48	81.67	2.1%	(13.4%)	26.8x	4.03x	14.8x	2.7x
Willamette Valley Vineyards, Inc.	6.15	3.8%	6.69	5.59	3.0%	(29.0%)	NA	2.52x	40.4x	9.1x
Sector Average:					7.6%	(4.3%)	28.9x	4.93x	26.1x	2.8x

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			High	Low	2022	2021		Revenue	EBITDA	
<b>DAIRY</b>										
* Danone S.A.	\$56.43	(0.3%)	\$61.88	\$46.75	14.6%	3.4%	16.0x	1.67x	10.4x	3.7x
Lifeway Foods, Inc.	6.01	0.2%	8.10	5.00	8.3%	30.7%	15.9x	0.61x	11.1x	0.8x
* Saputo Inc.	27.70	(2.1%)	37.50	27.40	(17.4%)	(2.8%)	15.3x	0.87x	10.3x	2.7x
Sector Average:					1.9%	10.4%	15.7x	1.05x	10.6x	2.4x
<b>WHOLESALE, FOOD SERVICE, &amp; DISTRIBUTION</b>										
The Chefs' Warehouse, Inc.	\$35.95	(4.5%)	\$39.54	\$28.70	8.0%	8.0%	22.4x	0.78x	11.3x	4.5x
Performance Food Group Company	60.62	(2.2%)	63.22	42.77	3.8%	32.1%	14.9x	0.27x	10.4x	3.5x
SpartanNash Company	22.32	1.6%	37.75	20.61	(26.2%)	(13.4%)	9.6x	0.16x	7.1x	3.7x
Sysco Corporation	76.06	1.1%	87.41	69.22	(0.5%)	(3.2%)	17.5x	0.66x	12.3x	2.9x
United Natural Foods, Inc.	20.72	0.3%	48.26	19.36	(46.5%)	(57.8%)	18.3x	0.15x	4.9x	3.6x
US Foods Holding Corp.	42.73	(3.0%)	44.52	25.49	25.6%	22.7%	16.0x	0.45x	12.5x	4.0x
Sector Average:					(6.0%)	(1.9%)	16.5x	0.41x	9.7x	3.7x
<b>MASS MERCHANDISE, CLUB STORES, &amp; DOLLAR STORES</b>										
BJ's Wholesale Club	\$66.03	1.4%	\$80.41	\$60.33	(0.2%)	(1.4%)	16.3x	0.61x	8.8x	2.3x
Costco Wholesale Corporation	563.32	1.0%	571.16	447.90	23.4%	(0.8%)	36.5x	1.04x	23.0x	0.8x
Dollar General Corporation	170.59	2.1%	261.59	151.27	(30.7%)	(27.7%)	16.7x	1.43x	9.1x	3.0x
Dollar Tree, Inc.	152.44	0.6%	171.39	128.85	7.8%	8.5%	24.2x	1.49x	8.8x	2.1x
Grocery Outlet Holding Corp.	33.45	0.3%	46.37	25.71	14.6%	18.3%	32.2x	1.23x	14.3x	4.3x
Walmart Inc.	159.91	1.0%	160.94	125.12	12.8%	10.5%	25.2x	0.79x	12.4x	1.7x
Sector Average:					4.6%	1.2%	25.2x	1.10x	12.7x	2.4x
<b>TRADITIONAL &amp; SPECIALTY RETAIL</b>										
Albertsons	\$21.66	(1.6%)	\$30.17	\$19.14	4.4%	(28.3%)	8.0x	0.34x	5.3x	2.9x
* Ahold Delhaize	31.81	0.9%	32.51	25.45	18.5%	5.6%	12.5x	0.51x	6.5x	2.6x
Amazon.com, Inc.	132.21	1.7%	146.57	81.43	57.4%	(20.7%)	76.2x	2.80x	21.5x	2.6x
Ingles Markets, Incorporated	84.10	0.6%	102.99	78.32	(12.8%)	(2.6%)	NA	0.34x	4.1x	1.3x
The Kroger Co.	48.52	1.1%	52.00	41.82	8.8%	7.2%	10.7x	0.35x	6.2x	2.4x
Natural Grocers by Vitamin Cottage, Inc.	12.35	(1.6%)	17.63	8.00	35.1%	(13.3%)	14.9x	0.58x	5.4x	3.2x
Sprouts Farmers Market, Inc.	38.92	(2.9%)	40.39	26.35	20.2%	31.1%	14.6x	0.82x	6.9x	2.1x
* Tesco PLC	2.61	0.5%	3.07	1.94	16.6%	(9.8%)	12.2x	0.45x	7.0x	3.6x
Village Super Market, Inc.	23.32	0.0%	24.28	19.09	0.1%	(0.3%)	NA	0.29x	3.9x	2.5x
Weis Markets, Inc.	66.26	1.3%	95.57	58.75	(19.5%)	0.6%	NA	0.35x	5.2x	0.6x
Sector Average:					12.9%	(3.1%)	21.3x	0.68x	7.2x	2.4x
<b>TRADITIONAL RESTAURANTS</b>										
Brinker International, Inc.	\$38.57	(1.1%)	\$42.12	\$23.66	20.9%	5.4%	11.4x	0.95x	6.8x	3.8x
The Cheesecake Factory Incorporated	37.05	0.5%	41.28	27.91	16.8%	(5.4%)	13.0x	1.07x	8.8x	4.4x
Cracker Barrel Old Country Store, Inc.	93.75	(2.5%)	121.17	88.72	(1.0%)	(27.1%)	15.3x	0.95x	9.4x	3.5x
Darden Restaurants, Inc.	167.52	(1.7%)	173.06	120.20	21.1%	11.2%	19.1x	2.47x	13.2x	3.0x
Dine Brands Global, Inc.	59.06	(0.8%)	82.43	56.00	(8.6%)	(22.1%)	9.8x	2.72x	11.3x	7.8x
Jack in the Box Inc.	97.87	2.0%	99.36	65.72	43.4%	11.9%	15.3x	2.92x	8.3x	5.2x
McDonald's Corporation	294.03	(0.5%)	299.35	230.58	11.6%	9.7%	24.9x	10.79x	19.8x	3.8x
Papa John's International, Inc.	83.33	3.4%	97.78	66.74	1.2%	(37.6%)	29.3x	1.78x	14.1x	3.9x
Texas Roadhouse, Inc.	109.61	(5.4%)	118.16	83.29	20.5%	22.8%	21.6x	1.83x	14.2x	1.3x
The Wendy's Company	21.45	(0.8%)	23.90	18.50	(5.2%)	(10.1%)	21.3x	3.78x	16.2x	8.7x
Yum! Brands, Inc.	136.94	(0.4%)	143.25	103.97	6.9%	(1.4%)	25.7x	7.27x	20.9x	5.2x
Sector Average:					11.6%	(3.9%)	18.8x	3.32x	13.0x	4.6x
<b>HIGH-GROWTH RESTAURANTS</b>										
Chipotle Mexican Grill, Inc.	\$1,912.52	(8.9%)	\$2,175.01	\$1,344.05	37.8%	9.4%	40.6x	5.96x	24.2x	1.7x
El Pollo Loco Holdings, Inc.	10.73	5.5%	13.00	8.15	7.7%	(24.4%)	14.3x	1.33x	8.7x	3.5x
Noodles & Company	3.63	5.2%	6.55	3.00	(33.9%)	(60.0%)	17.3x	0.84x	6.4x	3.9x
Potbelly Corporation	9.49	3.7%	11.14	4.31	70.4%	70.1%	41.7x	0.97x	6.2x	2.8x
Shake Shack Inc.	75.98	(2.5%)	80.58	40.83	83.0%	5.3%	NM	3.64x	25.2x	5.4x
Wingstop Inc.	164.63	(11.4%)	223.77	108.34	19.6%	(4.7%)	75.4x	14.01x	46.6x	6.2x
Sector Average:					30.8%	(0.7%)	37.9x	4.46x	19.6x	3.9x
<b>CANNABIS &amp; CBD</b>										
Canopy Growth Corporation	\$0.63	23.5%	\$6.44	\$0.46	(79.9%)	(94.3%)	NM	2.69x	NM	NM
Cronos Group Inc.	2.45	0.4%	4.88	2.15	(28.8%)	(50.8%)	NM	NM	NM	NM
Jones Soda Co.	0.20	0.0%	0.48	0.18	(24.5%)	(72.6%)	NA	0.75x	NM	NA
The Scotts Miracle-Gro Company	70.68	3.3%	90.01	39.06	45.5%	(56.1%)	24.2x	2.08x	12.8x	6.2x
Tilray Brands, Inc.	2.27	35.1%	5.12	1.50	(15.6%)	(67.7%)	NM	2.79x	NM	NM
Village Farms International, Inc.	0.62	2.8%	3.53	0.56	(54.0%)	(90.4%)	NM	0.42x	NM	NM
Sector Average:					(26.2%)	(72.0%)	24.2x	1.75x	12.8x	6.2x

**Notes:**

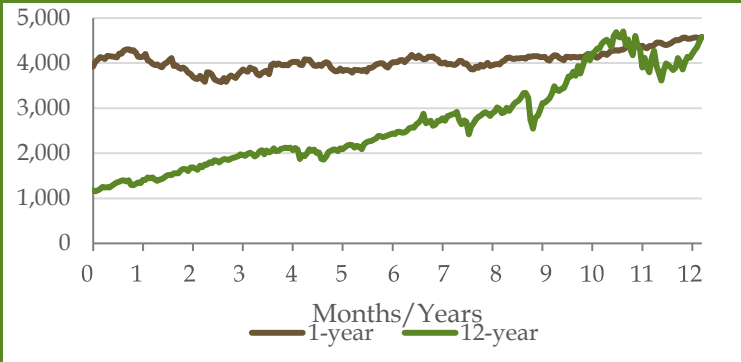
\*Denotes local currency.

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



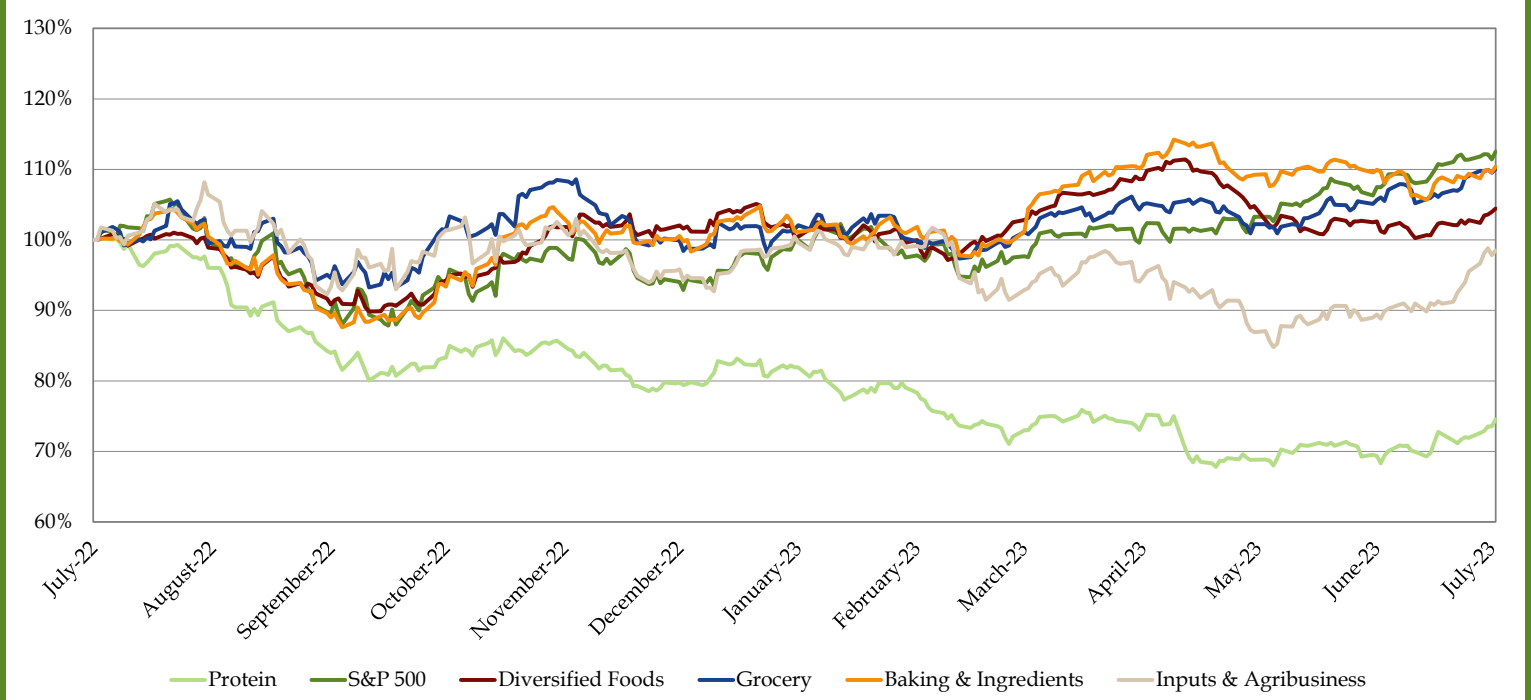
### 10-year Treasury



### CBOE Market Volatility Index - VIX



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



## Food For Thought...

*Partner Column  
Written by Mary Burke*

This is the last full Weekly Update until after Labor Day. As we write and publish the Weekly Update internally, we take the month of August to review the Update and make some tweaks for once we start again in September. We will continue to publish the markets report on Mondays during August. If you have suggestions for the Weekly Update—this is the time to send them.

So, here are some thoughts of large influencing points and some predictions for the remaining five months of 2023

- According to the U.N., India surpassed China as the most populous country in April of this year. Walmart and Amazon have both recently announced major investments in India. Walmart purchased more of Flipchart and Amazon announced a \$12.7 billion investment to meet growing demand for cloud services.
- Oil futures are on track for their largest gains in over a year, depending on how today goes. WTI futures are up 14.1% so far in July and Brent has gained 13.5%.
- Now that a more “normalized” consumer shopping experience has returned, a growing number of companies that made it through Covid, are filing Chapter 11, to reorganize. The world has changed and will continue to change, this creates opportunity.
- The transportation concerns are not totally behind us. While UPS announced a labor deal, Yellow Trucking announced over the weekend, they were shutting down. The 99-year-old company had 22,000 labor union employees who they could not come to agreement with.
- Western companies that did not leave Russia when they invaded Ukraine, are now being penalized. Last week, the Russian government signed a decree that allows Russia to take over the assets of Western companies. Danone in their statement about this said they are investigating what this means and attempting to work the new Administrator.
- Russia’s bombing of the grain terminals on the shore of the Black Sea, has caused more instability in the world grain markets as well as the fertilizer market. Additionally, many third world countries relied on the wheat from Ukraine, meaning more people will go hungry.
- Protein companies are starting to see a light at the end of the tunnel, but it is very weak.
- Apple, Amazon, Starbucks, Uber, and AMD all report earnings this week—will give us more insight to state of the economy.

If you are looking for a good book to read in this last month of summer-try *Look at the Lights, My Love* by Annie Ernaux. The 2022 winner of the Nobel Prize in Literature writes about the importance of grocery stores in a neighborhood and the community that develops. Interesting the things she calls out!

*Enjoy August!*



## Food For Thought...

**Second Quarter Earnings.** This past week, several U.S. food companies reported their Q2 2023 earnings. A theme throughout was an outperformance of Wall Street estimates.

**Archer Daniels Midland:** ADM is a global nutrition company that manufactures, transports, and supplies ingredients for human, animal, and pet food. Highlighted in the report were the adjusted net earnings of \$1.0 billion and trailing four-quarter average adjusted ROIC of 13.8%. Ag Services and Oilseeds achieved record origination volumes in Brazil, Carbohydrate Solutions performed strong across global starches and sweeteners, and Nutrition expanded its global customer base. Despite dropping operating profits in each of those segments, Chairman and C.E.O. Juan Luciano commended ADM for their diverse business portfolio and ability to deliver excellent results within “very dynamic market conditions”. Luciano went on to profess “increased confidence in second-half performance, and our team’s demonstrated ability to execute” has caused them to raise their earnings expectations for full-year 2023.

**Domino’s Pizza:** Adjusting for the impact of foreign currency, global retail sales grew 5.8%. U.S. same-store sales grew 0.1% while international same-store sales grew 3.6% throughout the quarter. Dominos also added a net of 27 stores in the U.S. and 170 stores internationally. Revenue, on the other hand, dropped \$40.6m (3.8%) when compared with the second quarter of 2022. Net income increased by \$6.9m (6.7%) when compared to the second quarter of 2022. C.E.O. Russell Weiner claims that the company is planning to restore delivery growth in the U.S. As the largest pizza company in the world, Domino’s has recently announced a deal with Uber in hopes to equip over two-thirds of its stores globally with the ability to take orders from Uber Eats.

**Chipotle Mexican Grill:** Quarter earnings for Chipotle Mexican Grill exceeded expectations. Even with revenue falling \$20m short of expectations at \$2.51 billion, the burrito behemoth’s second quarter net income of \$341.8m is up over \$80m from 2022. The company’s net sales rose 13.6% in the second quarter with 38% coming from digital sales. Chipotle added 47 new locations, many with digital order drive-thru and pick-up lanes. Additionally, Chipotle added new menu items such as Chicken al Pastor which helped drive customers in. The company plans to continue growth with new menu items and training improvements in the coming months.

**McDonald’s:** McDonald’s also beat out Wall Street’s predictions for second quarter earnings. Revenue, reported at \$6.5 billion, exceeded expectations by nearly \$230m. Net sales rose 14% and led to a net income of \$2.31 billion. McDonald’s attributed its recent success to marketing campaigns such as the Grimace Birthday Meal which went viral on social media. As C.E.O. Chris Kempczinski said, “This quarter, if I’m being honest, the theme was Grimace.” The Grimace Birthday Meal is another example of the growing power and importance of advertising through social media as companies continue to shift their marketing campaigns to digital platforms.

**Hershey:** On the sweets front, Hershey reported net sales of \$2.5 billion and net income of \$404m. Respectively, they grew 5% and 29.4%. C.E.O. Michele Buck was pleased with the company’s performance. She claims, “New capacity and increased brand investment should enable us to sustain this momentum in the second half as we provide consumers with even more of their favorite snacks for seasonal celebrations.”

**Coca-Cola:** Beverage powerhouse Coca-Cola beat Wall Street estimates with a revenue of \$11.97 billion. Net sales rose 6% and net income totaled \$2.55 billion. C.E.O. James Quincey was pleased with the company’s performance and the easing supply chain pressures but is remaining weary of consumers’ potential to switch to cheaper alternatives throughout Coke’s continued price hikes.

**Keurig Dr Pepper:** Keurig Dr Pepper Inc. joined in the trend of outperforming Wall Street estimates. The company reported second quarter revenue that totaled \$3.79 billion. Coffee sales dropped as post covid mobility shifts lowered demand; however, price hikes, brand resonance, innovation, and expanded offerings held up demand and operating income for the rest of the company.

**Lamb Weston:** Lamb Weston Holdings, Inc. (LW) saw an increase in year-over-year net sales and earnings. Net sales were reported at \$1.7 billion, a 47% increase. Gross profit was up \$125.2m from last year and totaled \$379.4m. The company’s effective pricing helped them overcome increased costs in potatoes, energy, labor, edible oils, grains, and starches as well as reduced sales volumes. In fact, LW improved pricing in every key segment; global increased 85%, foodservice increased 4%, and retail increased 25%.

## Heard on the Street...

**Ferrara Candy Expands into South America with Acquisition.** Last week The Ferrara Candy Co., an international sweet snacking company, announced its acquisition of Dori Alimentos, a sweets and snack manufacturer. The terms of the agreement were not disclosed. Dori Alimentos is based in Brazil and expands Ferrara's footprint to South America. Some of Dori Alimentos's products include chewing gum, chocolate candy, snacking nuts and more.

Last year, Dori Alimentos brought in sales revenue of \$332 million. The company mainly operates through retail, followed by wholesale and business-to-business. Its products are beloved by millions in Brazil and their strong portfolio encompasses many recognizable brands including Dori, Pettiz, Jubes, Gomets, Deliket, Yogurte 100 and more.

The wide reach of both companies' products creates an expansive brand lineup for the combined entity. Combined, the Ferrara company will encompass brands known across the U.S. and Brazil alike. Following the closing of the transaction, which is expected in the fourth quarter of this year, Dori's 3,100 employees will be joining Ferrara's team of 4,600 members.

**Bimbo to Increase Capital Expenditures.** Grupo Bimbo SAB de CV, a company based in Mexico City, is planning to increase its capital expenditures to \$2 billion in 2023. This would be a 43% increase from the previous year's spending and double 2021's spending of \$1 billion.

In 2022, Grupo Bimbo's net income and operating income for its North American business experienced a notable boost. This increase was attributed to a large reversal of the company's multi-employer pension plans (MEPPS) liability provision. The liability reversal, which occurred in the fourth quarter of 2022, provided Bimbo with a non-cash benefit of about \$734 million. This boost in income plays a huge role in the increase in capital expenditures and will allow for Bimbo to invest more capital into their business.

Bimbo's C.F.O. Diego Gaxiola announced that they are expecting "Capex investments to be in the range of \$1.7 billion to \$2 billion." In 2021, the company committed slightly more than \$1 billion, and in 2022, \$1.4 billion. The investments will support an increased need for capacity given the growing demand for the company's products. Gaxiola said the increased capacity is "related to top-line growth around the world." The growth is expected to expand company margins.

**Beliv Acquires Majority Stake in High Brew.** Beliv, a Latin American bev-tech company, announced its 78% acquisition of High Brew, a ready to drink cold brew coffee company. The acquisition is another step in Beliv's ultimate goal of global expansion and supports its customer centric vision. Beliv's portfolio currently spans 40 brands with a presence in 30 countries. In the U.S. market, Beliv already operates with its OCA, Gütig, Petit, and Big Easy brands, High Brew currently offers 11 flavors of its cold brew and has 15,000 distribution sale points.

Beliv offers a wide range of beverage options, including natural energy drinks, functional and carbonated waters, as well as juices and nectars. The company's citrus juices have a significant market presence in Argentina, Uruguay, Chile, and the Asian market. High Brew is well-known for its cold brew coffee ready-to-drink products. The cold extraction process used by High Brew is unique and retains more antioxidants, enhances the original flavor, and reduces acidity, which is a common characteristic of traditional heat-induced brewing methods.

This merger comes as a recent increase in beverage deals has increased the value of many unique beverage companies. As consumers are looking for quick fixes to their daily habits, canned cold brew has shown its increased popularity and convenience.

**HARIBO Opens First North American Production Plant.**

Last week, HARIBO, a gummi products manufacturer, opened its first production facility in North America. The 500,000 sq-ft facility is in Pleasant Prairie, Wisconsin, and marks the company's 16<sup>th</sup> global facility. The German company was founded in 1920 and now makes more than 160 million Goldbear gummies daily.

The new factory allows for HARIBO to keep up with its growing U.S. demand. The company currently produces over 25 types of gummi treats for U.S. customers and more than 1,200 types internationally. It also brings hundreds of new job openings to the Pleasant Prairie area.

In addition to the announcement of the completion of the plant, the company also announced a new nationwide gummi flavor for the summer. HARIBO continues to innovate and expand its breadth across the world. The company employees ~7,000 employees across the globe and is devoted to sharing the joy of gummies for the time to come.



# Dashboard

Sector	Outlook		Sector	Outlook	
	6-month	3-year		6-month	3-year
<b>INPUTS</b>			<b>FOOD FACTS</b>		
<ul style="list-style-type: none"> <li>s/ The European Commission proposed revising GMO rules to loosen some restrictions for plants resulting from newer tech</li> <li>w/ Bayer revealed that its full-year outlook has been lowered, with a significant dive in glyphosate-based product sales</li> <li>s/w/ Prices of key farm inputs have fallen in recent months due to ample inventories in North America, China, and India</li> <li>w/ An explosion at a Dow plant in Louisiana has disrupted the supply of products that are used to make glyphosate</li> </ul> Prediction: A deal will be reached between U.N. and Russia on facilitating shipments of Russian food and fertilizer	↔	↑	<ul style="list-style-type: none"> <li>w/ only one in ten adults eat the suggested five servings a day of fruit and vegetables</li> <li>s/ adults on average eat 117.5 kgs of vegetables a year, compare to Brazil who eats 47.8 kg, China eats 384.7 kg</li> <li>w/ 9 million children in the US are food insecure, 34 million people in the US are food insecure</li> <li>w/ 53 million people in the US turned to food programs last year to meet their needs. 100% of counties in the US have food insecurity</li> <li>s/ support your local food bank...peoples lives depend on it</li> </ul>		
<b>AG EQUIPMENT</b>			<b>CANDY &amp; NUT</b>		
<ul style="list-style-type: none"> <li>s/ AGCO reported record sales and operating margins in Q2; raises forecast for full year as NA sales drive growth</li> <li>s/ June Ag Barometer survey showed improved optimism in farmer expectations for the future</li> <li>s/ Deere/Cargill announce partnership to streamline the digital and in-field adoption of regenerative agriculture practices</li> <li>s/w/ Illinois Farm Progress show returns to Decatur on August 29-31</li> </ul> Prediction: Large equipment purchases slow from record levels towards YE 2023; remain higher than historical norms	↓	↑	<ul style="list-style-type: none"> <li>s/Nestle reported 8.7% increase in organic sales in H1 2023, largely driven by price. Confectionary saw double-digit growth</li> <li>w/ Sugar prices are up 42% yoy. The rise stems from the declining production of key producers such as China and India</li> <li>w/ El Niño is expected to result in a 10-15% reduction in sugar cane yield globally in the second half of 2023</li> <li>s/Mondelez International and Hershey both boosted its annual sales forecasts, citing robust demand despite price increases</li> </ul> Prediction: The candy industry will see innovations including healthier alternatives, unique flavors, eco-friendly packaging	↔	↑
<b>AGRIBUSINESS</b>			<b>DAIRY</b>		
<ul style="list-style-type: none"> <li>w/ Grain is under more international pressure as Russia has begun attacking Ukrainian supply</li> <li>w/ El Niño conditions cause uncertainty for the year ahead as its volatility will continue to affect crop growth</li> <li>s/w/ ADM stock falls after every reporting category, except "other", had operating profits fall compared to last year</li> <li>w/ Corn crops are still in over 50% drought areas and have been since early June</li> </ul> Prediction: Final 2023/24 crop yield corn yield surpasses expectations as new technology combats effects of drought	↔	↔	<ul style="list-style-type: none"> <li>s/w/ US dairy cow slaughter continues to run above replacement as high feed costs and weakening milk prices shrink margins</li> <li>w/ Hot weather in the South/Western U.S. has tightened up spot supplies and pushed futures higher</li> <li>w/s/ First half of 2023 production per cow has been running below trend likely due to high feed costs and CA flooding</li> <li>w/ The most recent monthly export data showed U.S. milk equivalent exports in May were down 12.3% from last year</li> </ul> Prediction: Federal Milk Marketing reform will be included in this year's Farm Bill	↔	↔
<b>DIVERSIFIED FOODS</b>			<b>WHOLESALE, FOOD SERVICE &amp; DISTRIBUTION</b>		
<ul style="list-style-type: none"> <li>s/ PepsiCo reported strong growth in sales and profit this quarter, CFO says consumers still spending amid price hikes</li> <li>s/ Conagra expanding frozen retail portfolio, has launched over 50 new products this summer; beats Q2 earnings estimates</li> <li>s/ Campbell Soup Company expanding Goldfish production with \$160m investment to meet consumer demand</li> <li>s/ Mondelez shares jumped after hours Thursday following impressive Q2 numbers, earnings beat</li> </ul> Prediction: price hikes slow down across the industry and demand remains level as customers accept current prices	↑	↔	<ul style="list-style-type: none"> <li>s/ FreshPoint (Sysco) to acquire BIX Produce and US Foods closes purchase of Renzi Foodservice as M&amp;A activity returns</li> <li>s/w/ Chipotle reported that inflationary pressures had eased, but "low-grade inflation" may lead to a price increase in Q4</li> <li>s/w/ Subway sale process has been extended again as the company has been unable to hit its desired \$10B sale price</li> <li>w/ Trucker and distribution companies keeping a watchful eye on the resolution of UPS and Yellow's union negotiations</li> </ul> Prediction: Food-away-from-home sales (restaurants) lag food-at-home (grocery)	↔	↔
<b>ALTERNATIVE FUELS</b>			<b>TRADITIONAL RETAIL</b>		
<ul style="list-style-type: none"> <li>s/ U.S. ethanol fuel production was up 2% for the week ended July 21</li> <li>s/ Michigan based company making biofuel from milk byproducts commonly used in liquor and hand sanitizer</li> <li>s/ Sugarcane ethanol cars in Brazil are stymieing EV adoption</li> <li>s/ Bentley has developed a biofuel for its cars that requires no modification to gasoline powered vehicles</li> <li>w/ New lawsuit alleges EPA ignores ethanol production's impact on endangered species</li> </ul> Prediction: the Ethanol -EV war wages on, with ethanol makers suing government agencies to recognize EV's environmental risks	↔	↔	<ul style="list-style-type: none"> <li>w/ Amazon Fresh will lay off hundreds of employees as it restructures its 44 brick-and-mortar stores</li> <li>s/ Online grocery sales are expected to increase at a CAGR of 11.7% over the next five years</li> <li>s/ Food-at-home CPI saw a 0.1% decline in June. Prices have overall held steady since March of this year</li> <li>s/ After being suspended for temporary relief, 13 states reinstated their grocery sales tax on July 1</li> </ul> Prediction: Retailers will continue to expand their private label brands to offer more value at competitive pricing	↔	↑
<b>FRUIT &amp; VEGETABLE</b>			<b>NON-TRADITIONAL RETAIL</b>		
<ul style="list-style-type: none"> <li>s/ Consolidation is occurring throughout produce as companies look to expand offerings and spread costs</li> <li>s/ Peruvian blueberry exports grew 43% across the first half of 2023 as consumption grows and Chilean exports shrink</li> <li>s/w/ While some costs have subsided, H2A labor costs grew 8.2% yoy as growers continue to struggle to find labor</li> <li>w/ AppHarvest files for ch. 11 bankruptcy protection as operational shortfalls hindered ability to repay debt</li> </ul> Prediction: Growers and packers will invest heavily in automation to replace a scarce and expensive labor force	↑	↑↑	<ul style="list-style-type: none"> <li>s/ Dollar General announces expansion of private label offerings including 100 new food items to debut in 2023</li> <li>w/ Walgreens closes an additional 150 stores as retail continues to eat into pharmacy market share</li> <li>w/ E-grocery sales fall 1.2% yoy in June as consumers lower their basket size and return to the store</li> <li>s/ Consumers are tightening their budgets driving more traffic to cheaper retail alternatives</li> </ul> Prediction: Private label offerings will grow in non-traditional retail as operators look to lower sticker prices	↑	↑↑
<b>PROTEIN</b>			<b>BIG PICTURE INDUSTRY DRIVERS</b>		
<ul style="list-style-type: none"> <li>w/ Beef and pork prices increase alongside herd contraction</li> <li>w/ Persistent drought conditions and record temperatures reduce yields and increase feed prices</li> <li>s/ Pilgrim's Pride beats quarterly profit estimates provides optimism in challenging conditions</li> <li>s/ Heavier weights and higher slaughter support increased chicken production</li> <li>s/ Beef exports remain above the 5-year average despite lower year-over-year levels</li> </ul> Prediction: pork demand will soften given pricing pressure as well as environmental concerns	↓	↔	<ul style="list-style-type: none"> <li>Russia attacks Ukrainian Ag Infrastructure</li> <li>Drought Conditions Prevail in the Midwest</li> <li>Labor</li> <li>Farm bill up in September for renegotiations</li> <li>El Niño</li> <li>Interest rate increases done for the year?</li> </ul>		

# 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.

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