



# LAKE SHORE

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



## Weekly Update

Monday, July 10<sup>th</sup>, 2023

**U.S. Equity Markets Fall as Yields Surge and Jobs Slowdown.** After exceeding consensus forecasts for the past 14 months, the U.S. labor market fell modestly below expectations in June with 209,000 jobs added compared to the 225,000 expected. Additionally, yields on U.S. government bonds climbed last week as renewed worries about the outlook for further rate hikes grew. Finally, next week kicks-off earnings season with multiple major banks scheduled to report earnings. Factset analysts are expecting an average decline in earnings of 7.2% for companies in the S&P 500 compared to the same quarter last year. This would represent the largest earnings decline since the second quarter of 2020.

The **Dow Jones Industrial Average** declined 2.0%, finishing at 33,735.

The **S&P 500** was down 1.2% on the week, finishing at 4,399.

The **NASDAQ Composite** fell 0.9% this week, finishing at 13,661.

Yield on the **10-year Treasury** gained 24 basis points during the week, ending at 4.05%.

**Crude oil** increased 1.6% on the week, ending at \$71.80 per barrel.

**Corn** rose 2.4% on the week, ending at \$5.07 per bushel.

**NASDAQ Highs:** The Andersons, Inc. **Lows:** Noodles & Company, SunOpta Inc.

**NYSE Highs:** US Foods Holding Co., Walmart, Inc. **Lows:** Dine Brands Global, Inc.

### Featured Stocks of the Week:

The Andersons Inc. (NASDAQ: ANDE) 10-Year History



Chipotle Mexican Grill, Inc (NYSE: CMG) 10-Year History



**Mary Burke**

*Partner*

312.348.7081

[mburke@lakeshorefoodadvisors.com](mailto:mburke@lakeshorefoodadvisors.com)

**Lakeshore Food Advisors, LLC**

20 North Wacker

Suite 2800

Chicago, IL 60606

# The Lakeshore Food Chain

Company Name	Price 7/7/23	Price Compared to 6/30/23	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	33,735	(2.0%)	34,590	28,726	1.8%	(7.2%)	NA			
S&P 500	4,399	(1.2%)	4,456	3,577	14.6%	(7.7%)	19.9			
NASDAQ Composite Index	13,661	(0.9%)	13,817	10,213	30.5%	(12.7%)	NA			
Russell 3000 Index	2,544	(0.4%)	2,559	2,076	14.7%	(8.8%)	NA			
Sector Average:					15.4%	(9.1%)				

## AGRICULTURAL LAND HOLDINGS

Farmland Partners Inc.	\$12.32	0.9%	\$15.12	\$9.44	(1.1%)	3.1%	60.6x	19.73x	36.1x	13.5x
Gladstone Land Corporation	16.25	(0.1%)	27.45	14.95	(11.4%)	(51.9%)	NM	13.18x	16.7	9.2
Limoneira Company	15.68	0.8%	17.90	11.00	28.4%	4.5%	157.0	1.84x	185.7	91.4
Sector Average:					5.3%	(14.7%)	108.8	11.58x	26.4	38.0

## INPUTS

American Vanguard Corporation	\$17.91	0.2%	\$24.38	\$15.01	(17.5%)	9.3%	15.8x	1.08x	10.3x	2.0x
* BASF SE	45.25	1.8%	54.04	37.90	(2.5%)	(26.8%)	11.9x	0.71x	9.6x	2.1x
* Bayer Aktiengesellschaft	48.76	(3.8%)	65.66	46.70	0.9%	3.7%	6.8x	1.65x	7.2x	3.7x
CF Industries Holdings, Inc.	71.85	3.5%	119.60	60.08	(15.7%)	1.5%	10.0x	1.65x	2.9x	0.6x
Corteva, Inc.	57.30	0.0%	68.43	50.03	(2.5%)	21.2%	19.2x	2.49x	12.2x	1.4x
FMC Corporation	104.25	(0.1%)	134.38	98.24	(16.5%)	(5.1%)	13.1x	2.92x	11.7x	3.0x
Intrepid Potash, Inc.	25.40	11.9%	56.66	17.23	(12.0%)	(40.6%)	36.0x	1.10x	2.8x	0.1x
The Mosaic Company	36.75	5.0%	63.16	31.44	(16.2%)	(6.5%)	7.8x	0.84x	2.8x	0.8x
* Nutrien Ltd.	80.86	3.4%	132.75	70.69	(18.2%)	(15.0%)	9.5x	1.20x	3.9x	1.4x
S&W Seed Company	1.29	5.7%	2.14	0.63	(13.4%)	(52.7%)	NM	1.56x	NM	NM
Zoetis Inc.	167.14	(2.9%)	187.82	124.15	14.0%	(31.5%)	30.3x	10.12x	24.4x	2.0x
Sector Average:					(9.0%)	(12.9%)	16.0x	1.52x	8.8x	1.7x

## AGRICULTURAL EQUIPMENT

* Ag Growth International Inc.	\$53.00	4.6%	\$63.40	\$29.81	22.3%	67.3%	10.8x	1.22x	9.3x	4.8x
AGCO Corporation	130.76	(0.5%)	145.53	88.55	(5.7%)	12.7%	9.1x	0.86x	6.2x	1.2x
Art's-Way Manufacturing Co., Inc.	2.34	(0.1%)	3.11	1.80	21.2%	(33.9%)	NA	0.59x	8.2x	3.1x
* Buhler Industries Inc.	2.10	2.4%	2.58	1.51	8.8%	(29.1%)	NA	0.47x	30.1x	18.6x
CNH Industrial N.V.	14.36	(0.3%)	17.98	10.60	(10.6%)	(26.1%)	8.2x	1.66x	11.3x	6.9x
Deere & Company	405.28	0.0%	448.40	288.34	(5.5%)	18.2%	12.9x	2.92x	12.7x	4.3x
Lindsay Corporation	119.98	0.5%	183.08	110.43	(26.3%)	(21.1%)	19.7x	1.88x	9.9x	1.0x
Titan Machinery Inc.	29.70	0.7%	47.87	21.97	(25.2%)	(11.8%)	6.1x	0.52x	6.3x	3.1x
Sector Average:					(2.6%)	(3.0%)	11.1x	1.27x	9.1x	3.5x

## AGRIBUSINESS

The Andersons, Inc.	\$46.68	1.1%	\$48.00	\$29.35	33.4%	20.6%	16.7x	0.17x	7.2x	3.1x
Archer-Daniels-Midland Company	78.01	3.2%	98.28	69.92	(16.0%)	15.4%	12.1x	0.52x	8.0x	2.0x
Bunge Limited	100.99	7.0%	106.99	80.41	1.2%	8.2%	8.9x	0.29x	4.2x	1.4x
Ingredion Incorporated	107.24	1.2%	113.46	78.81	9.5%	11.0%	11.9x	1.17x	8.3x	2.3x
MGP Ingredients, Inc.	106.20	(0.1%)	125.74	90.69	(0.2%)	25.0%	20.5x	3.21x	15.5x	1.4x
* Olam Group Limited	1.39	0.0%	1.71	1.17	(4.8%)	(20.6%)	NA	0.30x	8.0x	8.1x
Sector Average:					3.9%	9.9%	14.0x	0.94x	8.5x	3.1x

## DIVERSIFIED FOODS

B&G Foods, Inc.	\$13.77	(1.1%)	\$26.13	\$10.91	23.5%	(55.2%)	13.1x	1.55x	10.5x	7.5x
Campbell Soup Company	45.54	(0.4%)	57.78	44.76	(19.8%)	4.8%	14.9x	1.98x	9.5x	2.6x
Conagra Brands, Inc.	33.22	(1.5%)	41.30	32.30	(14.2%)	(2.7%)	11.9x	2.07x	10.2x	4.1x
General Mills, Inc.	75.17	(2.0%)	90.89	72.16	(10.4%)	11.6%	16.7x	2.77x	14.1x	3.1x
The Hain Celestial Group, Inc.	12.89	3.0%	25.48	11.73	(20.4%)	(69.8%)	21.5x	1.14x	12.7x	5.8x
The J. M. Smucker Company	147.71	0.0%	163.07	125.83	(6.8%)	8.8%	15.7x	2.16x	10.7x	2.6x
Kellogg Company	67.19	(0.3%)	77.17	63.74	(5.7%)	4.3%	16.3x	1.95x	14.6x	3.6x
The Kraft Heinz Company	35.46	(0.1%)	42.80	32.73	(12.9%)	(1.2%)	12.2x	2.35x	8.5x	2.7x
Lancaster Colony Corporation	189.32	(5.9%)	220.65	126.82	(4.0%)	14.3%	29.6x	2.93x	22.4x	0.1x
Mondelez International, Inc.	72.02	(1.3%)	78.59	54.72	8.1%	8.6%	22.3x	3.60x	16.4x	3.3x
* Nestlé S.A.	104.66	(2.7%)	118.70	103.42	(2.3%)	(17.9%)	20.7x	3.46x	16.4x	2.9x
* Nomad Foods Limited	17.13	(2.2%)	19.83	12.50	(0.6%)	(32.5%)	10.0x	1.55x	9.1x	4.4x
Post Holdings, Inc.	86.57	(0.1%)	98.84	80.39	(4.1%)	(23.2%)	20.2x	1.78x	12.4x	6.3x
The Simply Good Foods Company	36.53	(0.2%)	40.16	29.21	(3.9%)	(12.1%)	21.0x	3.35x	17.7x	1.6x
Sovos Brands, Inc.	19.12	(2.2%)	20.58	12.74	33.1%	27.0%	29.2x	2.49x	13.9x	3.0x
SunOpta Inc.	8.43	(4.9%)	15.90	8.30	(25.9%)	(3.9%)	NA	1.30x	13.7x	4.9x
TreeHouse Foods, Inc.	50.22	(0.3%)	55.30	40.56	1.7%	23.9%	19.2x	1.23x	12.1x	4.4x
Unilever PLC	46.77	(2.0%)	50.93	43.94	(0.2%)	(0.6%)	NA	2.33x	12.0x	2.6x
Utz Brands, Inc.	15.87	(3.0%)	19.98	13.85	0.1%	(0.5%)	28.4x	2.11x	24.3x	8.2x
Sector Average:					(3.4%)	(6.1%)	19.0x	2.22x	13.8x	3.9x

Company Name	Price 7/7/23	Price Compared to 6/30/23	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.	\$3.31	14.5%	\$5.30	\$1.20	14.9%	(31.2%)	67.3x	0.24x	NM	NM
Green Plains Inc.	33.35	3.4%	41.25	26.33	9.3%	(4.1%)	40.4x	0.67x	155.9x	53.0x
REX American Resources Corporation	35.09	0.8%	36.31	26.05	10.1%	9.7%	15.5x	0.48x	7.3x	0.3x
Sector Average:					11.5%	(8.5%)	41.1x	0.46x	81.6x	26.6x
<b>FRUIT &amp; VEGETABLE</b>										
AppHarvest, Inc.	\$0.43	14.9%	\$4.84	\$0.32	(25.1%)	(89.1%)	NM	8.80x	NM	NM
Calavo Growers, Inc.	29.40	1.3%	45.50	22.64	0.0%	(30.7%)	22.7x	0.57x	19.1x	2.7x
Dole plc	12.89	(4.7%)	14.01	7.20	33.6%	(3.2%)	14.8x	0.29x	6.3x	3.8x
Fresh Del Monte Produce Inc.	25.48	(0.9%)	32.49	23.09	(2.7%)	(7.7%)	12.4x	0.44x	6.0x	2.1x
Lamb Weston Holdings, Inc.	112.62	(2.0%)	116.00	71.51	26.0%	77.7%	23.0x	3.95x	18.4x	3.1x
Mission Produce, Inc.	11.87	(2.1%)	16.96	9.81	2.2%	(24.4%)	22.5x	1.15x	20.7x	5.4x
Seneca Foods Corporation	35.01	7.1%	68.74	32.50	(42.6%)	(27.0%)	NA	0.49x	6.5x	4.3x
Sector Average:					(1.2%)	(14.9%)	19.1x	1.15x	12.8x	3.6x
<b>PROTEIN</b>										
Beyond Meat, Inc.	\$14.79	13.9%	\$44.59	\$9.82	20.1%	(77.3%)	NM	4.48x	NM	NM
Cal-Maine Foods, Inc.	44.13	(1.9%)	65.32	43.75	(19.0%)	19.3%	7.3x	0.51x	1.5x	NA
Darling Ingredients Inc.	62.86	(1.5%)	82.69	51.77	0.4%	(9.3%)	10.6x	2.14x	9.2x	4.0x
Hormel Foods Corporation	39.35	(2.2%)	51.69	37.78	(13.6%)	(19.4%)	21.4x	1.97x	12.0x	1.7x
* JBS S.A.	17.82	2.1%	33.45	15.12	(19.0%)	(53.0%)	11.2x	0.38x	5.2x	4.0x
Nathan's Famous, Inc.	79.35	1.0%	83.00	53.38	18.1%	35.9%	NA	2.87x	9.7x	2.2x
Pilgrim's Pride Corporation	21.85	1.7%	33.96	19.96	(7.9%)	(22.5%)	12.4x	0.49x	5.8x	2.4x
Seaboard Corporation	3578.91	0.5%	4242.95	3295.00	(5.2%)	(9.0%)	NA	0.40x	4.2x	1.8x
Tyson Foods, Inc.	51.76	1.4%	88.76	47.11	(16.9%)	(40.6%)	22.8x	0.50x	6.2x	2.1x
Vital Farms, Inc.	11.35	(5.3%)	18.18	8.45	(23.9%)	(37.2%)	37.8x	0.97x	2.3x	0.1x
Sector Average:					(6.7%)	(21.3%)	14.3x	1.14x	6.2x	2.3x
<b>BAKING &amp; INGREDIENTS</b>										
Balchem Corporation	\$129.26	(4.1%)	\$143.88	\$116.68	5.9%	(23.3%)	30.1x	4.81x	22.7x	2.2x
Flowers Foods, Inc.	24.18	(2.8%)	30.16	24.06	(15.9%)	(12.0%)	20.1x	1.32x	11.1x	2.3x
* Gruma, S.A.B. de C.V.	279.39	1.7%	287.97	190.82	7.2%	6.4%	14.4x	1.26x	8.7x	2.3x
* Grupo Bimbo, S.A.B. de C.V.	88.59	(3.3%)	103.41	64.69	7.6%	40.7%	20.9x	1.26x	9.0x	2.2x
J&J Snack Foods Corp.	158.71	0.2%	165.90	127.80	6.0%	0.5%	34.6x	2.13x	22.2x	1.1x
* Kerry Group plc	88.58	(0.9%)	107.90	84.10	5.2%	(21.8%)	20.1x	2.04x	15.1x	2.7x
Krispy Kreme, Inc.	14.53	(1.4%)	16.06	10.21	40.8%	(23.2%)	40.8x	2.39x	15.1x	5.2x
McCormick & Company, Incorporated	84.67	(2.9%)	94.39	70.60	2.1%	(12.4%)	30.7x	4.27x	22.1x	4.0x
* Tate & Lyle plc	7.17	(1.3%)	8.38	6.48	0.7%	(7.1%)	12.9x	1.76x	11.0x	2.3x
Sector Average:					6.6%	(5.8%)	25.0x	2.36x	15.2x	2.7x
<b>CANDY, NUTS, &amp; SNACKS</b>										
Bridgford Foods Corporation	\$11.24	(2.3%)	\$15.50	\$10.71	(5.7%)	(7.2%)	NA	0.37x	6.5x	0.6x
The Hershey Company	242.98	(2.7%)	276.88	211.49	4.9%	25.6%	24.9x	5.14x	20.0x	1.8x
John B. Sanfilippo & Son, Inc.	111.02	(5.3%)	127.26	69.58	36.5%	23.1%	NA	1.33x	12.1x	0.4x
Laird Superfood, Inc.	0.81	1.9%	2.92	0.65	(3.6%)	(93.8%)	NM	NM	NM	NM
Rocky Mountain Chocolate Factory, Inc.	5.48	2.4%	7.29	4.77	(3.9%)	(30.2%)	NA	1.06x	NM	NM
Tootsie Roll Industries, Inc.	33.57	(5.2%)	46.11	32.04	(18.8%)	(1.7%)	NA	3.22x	21.2x	0.1x
Sector Average:					1.6%	(14.0%)	24.9x	2.22x	15.0x	0.7x
<b>PET FOOD AND PRODUCTS</b>										
Central Garden & Pet Company	\$37.98	(2.0%)	\$45.89	\$35.60	1.4%	(27.8%)	15.0x	1.01x	8.9x	3.8x
Freshpet, Inc.	65.66	(0.2%)	73.48	36.02	24.4%	(31.1%)	NM	4.99x	NM	NM
Sector Average:					12.9%	(29.5%)	15.0x	3.00x	8.9x	3.8x
<b>WINE &amp; BEVERAGE</b>										
The Boston Beer Company, Inc.	\$312.29	1.2%	\$422.75	\$300.68	(5.2%)	(38.2%)	37.8x	1.80x	18.2x	0.3x
Brown-Forman Corporation	66.19	(0.9%)	78.15	60.90	0.8%	(9.2%)	32.1x	8.25x	25.8x	2.2x
The Coca-Cola Company	59.76	(0.8%)	65.47	54.02	(6.1%)	0.9%	22.5x	6.66x	18.9x	3.2x
Constellation Brands, Inc.	253.49	3.0%	261.32	208.12	9.4%	1.0%	21.0x	6.12x	45.7x	3.5x
Crimson Wine Group, Ltd.	6.72	0.3%	7.59	5.11	19.8%	(18.5%)	NA	1.76x	29.9x	4.4x
* Diageo plc	32.70	(3.2%)	39.60	32.69	(10.4%)	(19.0%)	19.3x	5.37x	14.6x	3.2x
Monster Beverage Corporation	55.88	(2.7%)	60.47	42.81	10.1%	16.1%	35.8x	8.66x	32.2x	0.0x
National Beverage Corp.	49.96	3.3%	57.65	38.40	7.4%	10.2%	27.5x	3.91x	20.8x	0.2x
PepsiCo, Inc.	183.08	(1.2%)	196.88	160.98	1.3%	5.4%	25.1x	3.34x	18.3x	2.6x
Starbucks Corporation	96.05	(3.0%)	115.48	75.73	(3.2%)	(17.9%)	25.5x	3.86x	14.2x	2.7x
Willamette Valley Vineyards, Inc.	5.65	(0.8%)	6.69	5.59	(5.3%)	(34.7%)	NA	2.45x	39.5x	9.1x
Sector Average:					1.7%	(9.4%)	27.4x	4.74x	25.3x	2.8x

Company Name	Price 7/7/23	Price Compared to 6/30/23	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>DAIRY</b>										
* Danone S.A.	\$55.26	(1.6%)	\$61.88	\$46.75	12.2%	1.2%	15.8x	1.65x	10.3x	3.3x
Lifeway Foods, Inc.	6.50	(0.8%)	8.10	4.65	17.1%	41.3%	16.9x	0.65x	11.8x	0.8x
* Saputo Inc.	28.15	(5.2%)	37.50	28.20	(16.0%)	(1.2%)	15.7x	0.88x	10.5x	2.7x
Sector Average:					4.4%	13.8%	16.1x	1.06x	10.9x	2.3x
<b>WHOLESALE, FOOD SERVICE, &amp; DISTRIBUTION</b>										
The Chefs' Warehouse, Inc.	\$36.32	1.6%	\$40.49	\$28.70	9.1%	9.1%	22.5x	0.78x	11.4x	4.5x
Performance Food Group Company	60.38	0.2%	63.22	42.77	3.4%	31.6%	14.8x	0.27x	10.4x	3.5x
SpartanNash Company	22.58	0.3%	37.75	20.61	(25.3%)	(12.3%)	9.6x	0.16x	7.1x	3.7x
Sysco Corporation	74.33	0.2%	88.84	69.22	(2.8%)	(5.4%)	17.1x	0.64x	12.1x	2.9x
United Natural Foods, Inc.	19.62	0.4%	48.26	19.51	(49.3%)	(60.0%)	14.3x	0.15x	4.8x	3.6x
US Foods Holding Corp.	43.90	(0.2%)	44.31	25.49	29.0%	26.0%	16.4x	0.46x	12.7x	4.0x
Sector Average:					(6.0%)	(1.8%)	15.8x	0.41x	9.7x	3.7x
<b>MASS MERCHANDISE, CLUB STORES, &amp; DOLLAR STORES</b>										
Bj's Wholesale Club	\$63.75	1.2%	\$80.41	\$60.33	(3.6%)	(4.8%)	15.7x	0.59x	8.6x	2.3x
Costco Wholesale Corporation	525.05	(2.5%)	564.75	447.90	15.0%	(7.5%)	34.8x	0.99x	21.9x	0.8x
Dollar General Corporation	169.33	(0.3%)	261.59	151.27	(31.2%)	(28.2%)	16.6x	1.43x	9.1x	3.0x
Dollar Tree, Inc.	143.54	0.0%	175.68	128.85	1.5%	2.1%	22.9x	1.43x	8.4x	2.1x
Grocery Outlet Holding Corp.	31.60	3.2%	46.37	25.71	8.3%	11.7%	30.4x	1.18x	13.7x	4.3x
Walmart Inc.	153.49	(2.3%)	159.12	120.06	8.3%	6.1%	24.2x	0.77x	12.0x	1.7x
Sector Average:					(0.3%)	(3.4%)	24.1x	1.06x	12.3x	2.4x
<b>TRADITIONAL &amp; SPECIALTY RETAIL</b>										
Albertsons	\$21.89	0.3%	\$30.17	\$19.14	5.5%	(27.5%)	7.8x	0.35x	5.3x	2.9x
* Ahold Delhaize	31.21	(0.2%)	32.51	25.35	16.3%	3.6%	12.2x	0.43x	5.4x	2.6x
Amazon.com, Inc.	129.78	(0.4%)	146.57	81.43	54.5%	(22.2%)	74.7x	2.73x	20.9x	2.6x
Ingles Markets, Incorporated	83.61	1.2%	102.99	78.32	(13.3%)	(3.2%)	NA	0.33x	4.1x	1.3x
The Kroger Co.	47.17	0.4%	52.00	41.82	5.8%	4.2%	10.4x	0.35x	6.1x	2.4x
Natural Grocers by Vitamin Cottage, Inc.	12.40	1.1%	17.63	8.00	35.7%	(13.0%)	14.9x	0.58x	5.4x	3.2x
Sprouts Farmers Market, Inc.	37.04	0.8%	39.99	26.03	14.4%	24.8%	13.7x	0.79x	6.6x	2.1x
* Tesco PLC	2.46	(0.8%)	3.07	1.94	9.9%	(15.0%)	11.4x	0.43x	6.7x	3.6x
Village Super Market, Inc.	22.78	(0.2%)	24.28	19.09	(2.2%)	(2.6%)	NA	0.28x	3.9x	2.5x
Weis Markets, Inc.	64.13	(0.1%)	95.57	58.75	(22.1%)	(2.7%)	NA	0.33x	5.0x	0.6x
Sector Average:					10.5%	(5.3%)	20.7x	0.66x	7.0x	2.4x
<b>TRADITIONAL RESTAURANTS</b>										
Brinker International, Inc.	\$36.34	(0.7%)	\$42.12	\$21.97	13.9%	(0.7%)	10.7x	0.92x	6.6x	3.8x
The Cheesecake Factory Incorporated	34.34	(0.7%)	41.28	26.05	8.3%	(12.3%)	11.7x	1.02x	8.4x	4.4x
Cracker Barrel Old Country Store, Inc.	92.82	(0.4%)	121.17	86.16	(2.0%)	(27.8%)	14.9x	0.93x	9.2x	3.5x
Darden Restaurants, Inc.	163.45	(2.2%)	168.98	113.08	18.2%	8.5%	18.7x	2.42x	12.9x	3.0x
Dine Brands Global, Inc.	57.54	(0.8%)	82.43	56.00	(10.9%)	(24.1%)	9.3x	2.69x	11.2x	7.8x
Jack in the Box Inc.	94.74	(2.9%)	97.99	58.17	38.9%	8.3%	15.0x	2.89x	8.3x	5.2x
McDonald's Corporation	292.10	(2.1%)	299.10	230.58	10.8%	9.0%	26.0x	11.08x	18.4x	3.6x
Papa John's International, Inc.	75.99	2.9%	97.78	66.74	(7.7%)	(43.1%)	25.8x	1.63x	12.9x	3.9x
Texas Roadhouse, Inc.	110.68	(1.4%)	116.72	76.38	21.7%	24.0%	22.7x	1.90x	14.5x	1.3x
The Wendy's Company	21.32	(2.0%)	23.90	18.50	(5.8%)	(10.6%)	21.0x	3.76x	16.1x	8.7x
Yum! Brands, Inc.	133.45	(3.7%)	143.25	103.97	4.2%	(3.9%)	25.0x	7.13x	20.5x	5.2x
Sector Average:					8.1%	(6.6%)	18.2x	3.31x	12.6x	4.6x
<b>HIGH-GROWTH RESTAURANTS</b>										
Chipotle Mexican Grill, Inc.	\$2,077.46	(2.9%)	\$2,147.52	\$1,233.61	49.7%	18.8%	45.3x	6.73x	28.0x	1.7x
El Pollo Loco Holdings, Inc.	9.30	6.0%	13.00	8.15	(6.6%)	(34.5%)	12.6x	1.24x	8.1x	3.5x
Noodles & Company	3.16	(6.7%)	6.55	3.03	(42.5%)	(65.2%)	14.5x	0.79x	6.0x	3.9x
Potbelly Corporation	8.78	0.0%	11.14	4.31	57.6%	57.3%	36.5x	0.92x	5.9x	2.8x
Shake Shack Inc.	76.26	(1.9%)	79.33	39.16	83.6%	5.7%	NM	3.65x	25.3x	5.4x
Wingstop Inc.	187.03	(6.6%)	223.77	85.49	35.9%	8.2%	85.8x	15.65x	52.0x	6.2x
Sector Average:					29.6%	(1.6%)	39.0x	4.83x	20.9x	3.9x
<b>CANNABIS &amp; CBD</b>										
Canopy Growth Corporation	\$0.62	21.6%	\$6.44	\$0.51	(80.3%)	(94.4%)	NM	2.35x	NM	NM
Cronos Group Inc.	2.68	2.7%	4.88	2.15	(22.1%)	(46.2%)	NM	NM	NM	NM
Jones Soda Co.	0.21	(5.9%)	0.48	0.18	(19.2%)	(70.7%)	NA	0.81x	NM	NA
The Scotts Miracle-Gro Company	65.49	4.5%	90.01	39.06	34.8%	(59.3%)	21.2x	2.00x	12.3x	6.2x
Tilray Brands, Inc.	1.64	5.1%	5.12	1.50	(39.0%)	(76.7%)	NM	2.06x	NM	NM
Village Farms International, Inc.	0.62	2.9%	3.53	0.56	(54.0%)	(90.4%)	NM	0.40x	NM	NM
Sector Average:					(30.0%)	(72.9%)	21.2x	1.52x	12.3x	6.2x

Notes:

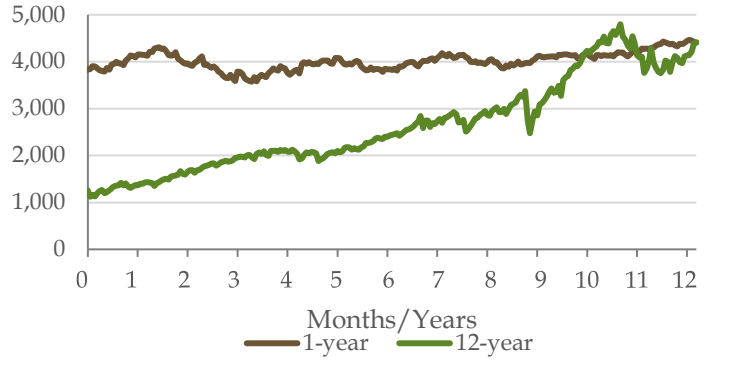
\* Denotes local currency.

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



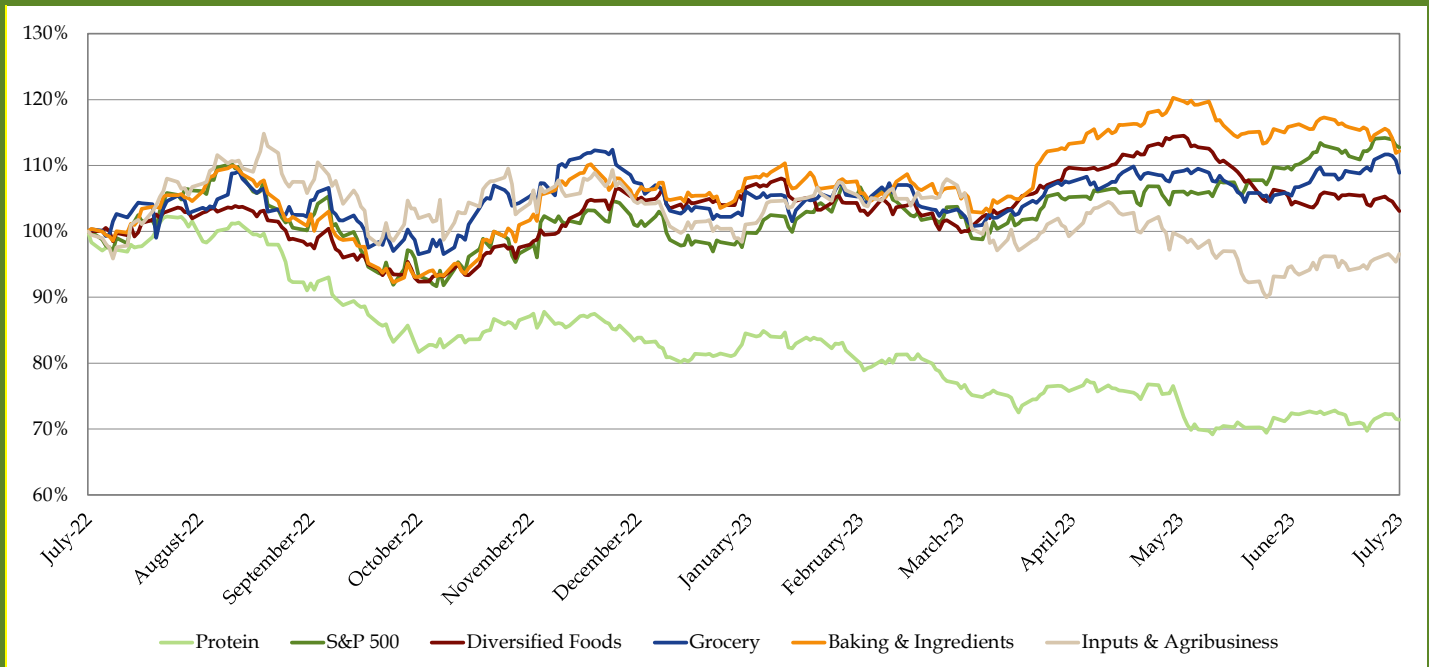
### 10-year Treasury



### CBOE Market Volatility Index - VIX



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



## Food For Thought...

*Partner Column*

*Written by Mary Burke*

Due to travel, there will be no partner column this week. We will resume partner column next Monday, July 17<sup>th</sup>.

*Have a good week!*

## Food for Thought...

***Much Needed Rain.*** Rainfall throughout the nation this past week has offered temporary relief to what has otherwise been a drought-filled spring.

The northeast received heavy rains helping the dry Atlantic coast. The rains alleviated abnormal dryness from Maine, New Hampshire, Rhode Island, and Massachusetts (excluding Cape Cod). Rains also helped remedy conditions in parts of New York, Pennsylvania, New Jersey, Delaware, and West Virginia; however, severe drought in central Maryland and southeast Pennsylvania still remains.

The southeast also received showers that helped improve areas around the northern Alabama-Georgia border and in south Florida. The western peninsula of Florida missed out on the rain and experienced abnormal dryness and moderate drought from low streamflow resulting in soil moisture deficits.

St. Louis, Illinois, Kentucky, and areas within Indiana and Ohio were the lucky recipients of much needed heavy showers. Locations that missed out on the rain experienced worsening soil moisture issues. Madison, Wisconsin has developed extreme drought and severe drought has expanded to Milwaukee.

On the bright side, the heavy rains that hit southern Iowa, Northern Missouri, central Illinois, Chicago, southern Indiana, central Kentucky, and pieces of Ohio helped make up for precipitation deficits, increased streamflow, and elevated soil moisture. The West received showers coupled with cooler-than-normal temperatures that shrunk drought coverage in south-central Oregon.

All this rain has come at a critical time as a majority of the U.S. corn crop has been plagued by drought. Farmers can only hope for more rain as we are currently in a crucial time of the crop's production cycle and many fields are still facing overall moisture deficits.

***USDA Going Long on Meat Processing.*** The USDA has recently pledged \$115 million to increase meat and poultry processing facilities throughout the U.S. Despite strong efforts by producers to meet local demand, high retail prices have left consumers in a tough spot. The USDA's nine-figure investment is therefore aimed at increasing competition amongst meat and poultry processors and thus benefiting ranchers and producers. \$38 million has been awarded in grants to independent processors in five states as part of the Meat and Poultry Processing Expansion Program: a USDA designed program to

encourage sustainable growth and supply chain resiliency in the U.S. meat processing sector.

An additional \$77 million was distributed to producers throughout 12 states as part of the Meat and Poultry Intermediary Lending Program ("MPILP"). The MPILP provides grant funding to intermediary lenders who finance the startup, expansion, or operation of slaughter, or other processing of meat and poultry.

***Fed Minutes Point to Future Tightening.*** At its June meeting the Fed held rates steady between 5% and 5.25% putting an end to a streak of ten consecutive hikes since March of 2022. Minutes from the June policy meeting, however, suggested that rates will be back on the rise as the Fed continues to chase after a 2% inflation target.

According to the minutes, economic momentum proved "stronger than earlier anticipated" which prompted officials to pencil in two more rate hikes for this year. Jerome Powell claims that holding June's rates steady has given the Fed a better chance to analyze the lagging effects of the hikes in 2022.

A theme throughout the minutes was the resilience of the economy which might just be enough to justify more rate hikes from the fed. Through the first half of 2023, inflation and economic activity has dropped less than expected. The labor market and economic growth were stronger than anticipated in the first quarter. In contrast, consumer prices and spending rose much slower than expected. Only time can tell, but as of now it looks like more rate hikes are in store for the second half of 2023.

***Beef Prices Continue to Rise.*** Beef has always been a staple protein choice for U.S. grocery shoppers. However, due to a nationwide tightening cattle supply, beef prices have skyrocketed, making cheaper alternatives such as pork attractive to consumers. In fact, the ratio of retail beef price to retail pork price has increased for seven straight months and experts are concerned for the beef industry.

However, it looks as though consumers were still paying to have beef patties at their 4<sup>th</sup> of July barbecues last week. Despite weakened meat demand in 2023, most beef products have not suffered the same extent of demand declines as their pork counterparts showing consumers persistent preference for beef. With a cattle supply that is expected to continue shrinking in the coming months, the question looms if price-weary consumers will start to ditch their beef for bacon.

## Heard on the Street...

**Mars Acquires Kevin's Natural Foods.** Mars, a manufacturer of sweets, pet food, and other food products, has acquired Kevin's Natural Foods ("Kevin's"). Kevin's, founded in 2019, is a convenient meal company that provides nutrient dense options to consumers. Its ready to eat meals include paleo, keto, dairy-free, gluten-free, and more.

Although the terms of the deal have not been disclosed, the transaction is believed to be valued at \$800 million, according to Reuters. Since its founding in 2019, Kevin's has grown its sales revenue from \$8 million to \$140 million last year, and a projected \$190 million for 2023.

Mars Global President, Shaid Shah, said that Kevin's fits right into the purpose of Mars strategy, "Better Food Today, A Better World Tomorrow."

**Omeat Raises \$40 Million in Funding to Scale Production.**

Omeat, a cultivated meat producing company, has raised \$40 million in the last three years to scale its processes. With this funding, Omeat will break ground on its first pilot plant in the Los Angeles area, which is expected to be functional later this year.

The company has raised these funds through seed funding as well as a Series A. With the recent approval by the USDA for the sale of cultivated meat, Omeat is looking to ramp up production quickly.

Omeat believes it has a unique ability to scale its cultivated meat production because it will "partner with existing food infrastructure by collecting ingredients from cows, without slaughtering them," unlike certain counterparts. This keeps overall costs lower and allows for more efficient turnover.

**Jenny Craig to be Acquired by Wellful, Inc.**

Wellful Inc., a diet meal maker, is acquiring Jenny Craig. Jenny Craig is a weight loss, management, and nutrition company which was founded over four decades ago. The company recently shut down in May due to the threat of bankruptcy. The shut down came on the heels of a recent rise in weight-loss drugs, including Ozempic. However, with this acquisition, hopes for the brand will be revived. Wellful, Inc. also bought the intellectual property of Jenny Craig, which according to court documents was valued at up to \$10 million.

Wellful is a conglomeration resulting from the merger of Nutrisystem and Adaptive Health and is majority owned by Kainos Capital. The private equity backed business closed one

billion dollars in a fundraising round this February. Jenny Craig is set to relaunch this coming fall.

**Tattooed Chef Files for Bankruptcy Protection, Planning to Sell Assets.**

Tattooed Chef, a plant-based pre-prepared food company, has filed for Chapter 11 and will begin to liquidate its assets. The company has suffered tremendous losses over the last few years leading to this announcement. Losses in 2021 amounted to \$87 million, which significantly increased to \$141.8 million in 2022.

The plant-based company is not the first to see struggles, as a recent string of similar companies have also faced issues. In 2022, plant-based companies Beyond Meat, Impossible Foods and Maple Leaf Foods' Greenleaf Foods laid off employees to combat the decline in the industry. Additionally, over the past year Beyond Meat's stock has dropped over 53%. Since Tattooed Chef filed for bankruptcy, their stock has dropped 50%, over the past year it is down 96%.

However, the company believes it has a strong brand portfolio and vertically integrated operations that add value. This is all supported in their 400,000 square foot manufacturing facility. The Chief Executive Officer, Sam Galletti, commented, "The actions we are announcing today are designed to promote a fast, efficient, and value-maximizing sale, which will allow us to provide clarity on the future of the company for all our stakeholders."

**Do Good Foods Files for Chapter 11.**

Do Good Foods ("Do Good"), a company that upcycles food waste for animal feed, has filed for Chapter 11 bankruptcy protection. Since its launch, the company has redirected around 33 million pounds of excess food from landfills to its operations. Do Good is also the first verified carbon-reduced chicken producer and the first verified chicken brand actively combating climate change.

In 2021 the company received a \$169 million investment from Nuveen. Currently, Do Good has total assets estimated to fall within the \$100 to \$500 million range. The total amount owed to creditors is expected to be between \$200 and \$999 million. The company has received around \$30 million in new financing to help support its ongoing operations. At the end of 2021, the company had \$733 million in cash on hand, compared to \$259 million in April 2023.

The company is seeking to continue its mission and believes that despite this setback, it will see future successes and expand nationally.



# Loans

According to a New York Fed survey, more young Americans, defined as ages 18 to 29, are falling behind on their auto payments, nearing levels not seen since the Great Recession. In Q1 2023, 4.6% of borrowers under 30 went into serious delinquency, which means they were at least 90 days late on a car loan payment. This figure is up from a year ago and is the highest level since the end of the Great Recession in 2009, when it was 4.7%. Last quarter, new car loans and leases were \$162 billion across all ages, a decrease from the previous year but a rise over the level prior to the pandemic. 2.3% of all borrowers were at least 90 days late on their vehicle loan payments.

The average monthly loan payment on a new car purchase was \$730 in Q1 2023, and a record-breaking 17% of consumers who financed a new car in the first three months of the year are paying more than \$1,000 a month for their loan – the highest percentage ever recorded, says a report from automotive website Edmunds.

The auto loan delinquency rate for young Americans is likely not to improve over the coming months. The Supreme Court ruled last week that the Biden administration's executive order to cancel billions of dollars in federal student loans was unconstitutional. That means 45 million student loan borrowers will have to resume repaying the \$1.6 trillion of federal backed outstanding debt on October 1, 2023, with interest accrual restarting in September.

According to the most recent Federal Reserve data, the typical student loan payment ranges between \$200 and \$350 a month. However, given that the average debt among recent four-year undergraduates who took out student loans is about \$34,700, a monthly payment on a 10-year normal repayment plan would be on the higher end of that range - roughly \$350. While that is less than most vehicle loan payments, it is still another financial obligation for consumers who are already coping with rising expenses owing to inflation.

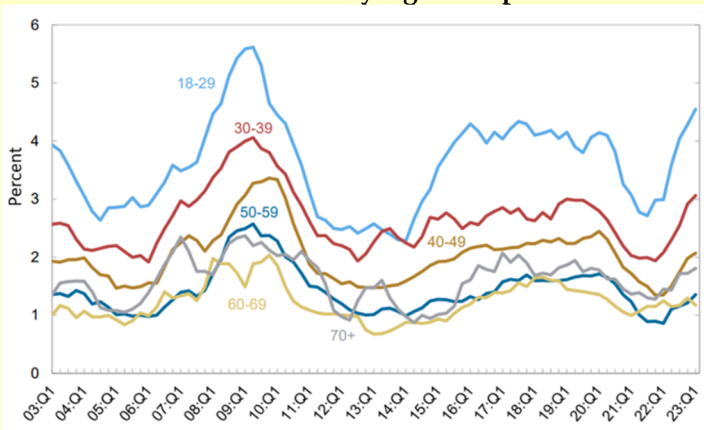
A further breakdown of the numbers shows that the average college graduate's starting salary is around \$55,260. After federal and state taxes, the average college graduate is left with \$3,432 in monthly after-tax income. If that recent college graduate has student loans, and recently purchased a new car, their monthly income falls to \$2,352.

<b>Average Salary</b>	<b>\$ 55,260</b>
Federal (effective Tax Rate of 8.9%)	4,925
FICA (effective Tax Rate of 7.6%)	4,227
Local Taxes <sup>(1)</sup>	4,918
<b>Annual After Tax Income</b>	<b>\$ 41,190</b>
<b>Monthly After Tax Income</b>	<b>\$ 3,432</b>
Loan Payment	350
Auto Payment	730
<b>Income after Tax, Loan, and Auto Payments</b>	<b>\$ 2,352</b>

Notes: 1) National Average Individual Income, Property, Sales, License, and Other

The analysis above is simplistic as there are wide variabilities between average starting salaries due to chosen majors, job location, and educational institution but it does provide a rough starting point to begin to analyze how the current macroeconomic environment of increased inflation, high interest rates, and overburdensome higher educational costs will impact America's next generation.

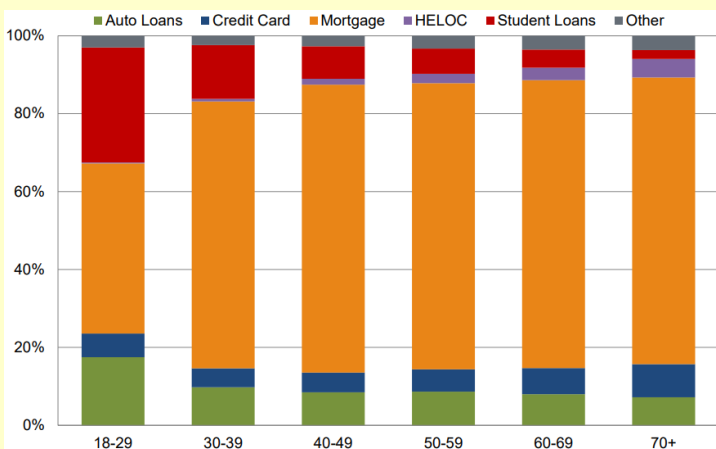
## Quarterly Transition into Serious Delinquency (90+) for Auto Loans by Age Group



Sources: New York Fed Consumer Credit Panel/Equifax

Younger Americans had the highest rate of serious delinquency for auto loans. Contributing factors include younger Americans' need for an auto loan due to their comparatively fewer savings than older Americans, new car prices sitting at record highs, and higher interest rates. It should come as no surprise that younger Americans hold the largest percentage of all auto loans compared to all age groups.

## Debt Share by Product Type and Age (2023 Q1)



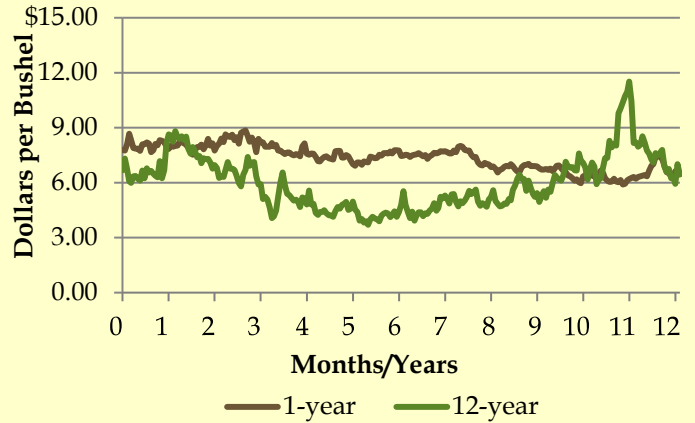
Sources: New York Fed Consumer Credit Panel/Equifax

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

## Corn



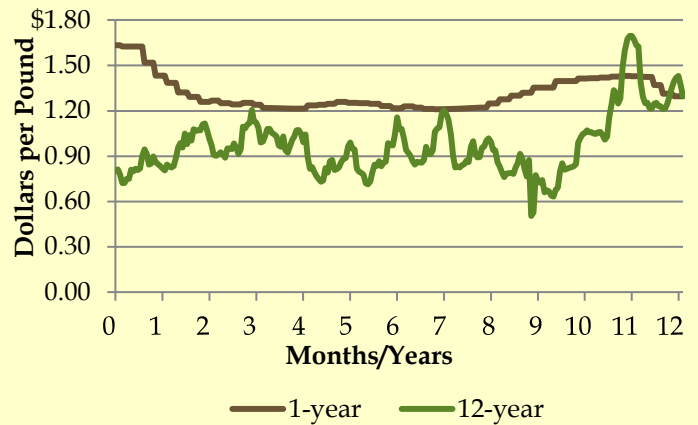
## Wheat



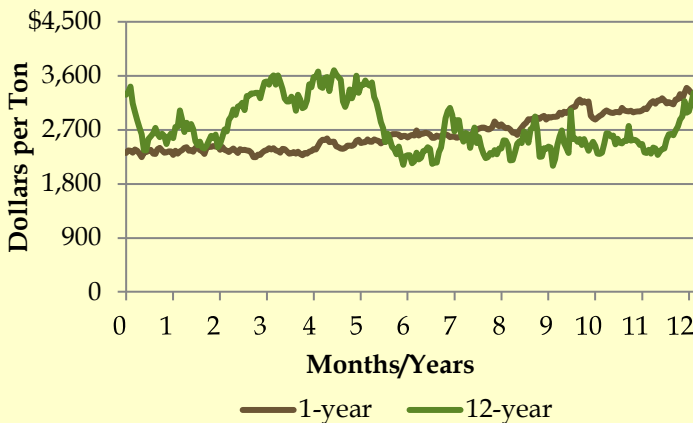
## Hogs



## Broilers



## Cocoa



## Gold



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

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

Please send your feedback and comments to Mary Burke at 312.348.7080 or [lakeshorefoodadvisors@lakeshorefoodadvisors.com](mailto:lakeshorefoodadvisors@lakeshorefoodadvisors.com).