



# LAKE SHORE

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



## Weekly Update

Monday, September 11<sup>th</sup>, 2023

**U.S. Equities Down Across the Board in Shortened Week.** Following the Labor Day holiday, all three major indices were down on the week. The jobless claims report on Thursday was below expectations, showing resilient labor demand despite recent increases in the unemployment rate and causing a jump in short-term bond yields. The normally positive jobless claim news sent markets downward as investors took it as a negative sign for inflation.

The **Dow Jones Industrial Average** decreased 0.7%, finishing at 34,577.

The **S&P 500** was down 1.3% on the week, finishing at 4,457.

The **NASDAQ Composite** fell 1.9% this week, finishing at 15,170.

Yield on the **10-year Treasury** increased eight basis points during the week, ending at 4.26%.

**Crude oil** climbed 2.3% on the week, ending at \$87.51 per barrel.

**Corn** increased 0.5% on the week, ending at \$4.84 per bushel.

**NASDAQ Highs:** Freshworks Inc., Lifeway Foods, Inc. **Lows:** Bridgford Foods Corporation, The Chefs' Warehouse, Inc., Dollar Tree, Inc., The Hain Celestial Group, Inc., The Kraft Heinz Company, Mission Produce, Inc., Noodles & Company, SpartanNash Company, SunOpta Inc.

**NYSE Highs:** Walmart Inc. **Lows:** American Vanguard Corporation, Conagra Brands, Inc., Diageo plc, Dine Brands Global, Inc., Dollar General Corporation, Flowers Foods, Inc., FMC Corporation, General Mills, Inc., The Hershey Company, Hormel Foods Corporation, Kellogg Company, Sysco Corporation, Tootsie Roll Industries, Inc., United Natural Foods, Inc.,

### Featured Stocks of the Week:

Walmart Inc. (NYSE: WMT) 10-Year History



Flowers Foods, Inc. (NYSE: FLO) 10-Year History



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# The Lakeshore Food Chain

Company Name	Price 9/8/23	Price Compared to 9/1/23	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	34,577	(0.7%)	35,631	28,726	4.3%	(4.8%)	NA			
S&P 500	4,457	(1.3%)	4,589	3,577	16.1%	(6.5%)	19.3			
NASDAQ Composite Index	13,762	(1.9%)	14,358	10,213	31.5%	(12.0%)	NA			
Russell 3000 Index	2,558	(1.5%)	2,644	2,076	15.4%	(8.3%)	NA			
Sector Average:					16.8%	(7.9%)				
<b>AGRICULTURAL LAND HOLDINGS</b>										
Farmland Partners Inc.	\$10.70	(4.3%)	\$14.81	\$9.44	(14.1%)	(10.5%)	56.6x	18.41x	33.4x	14.4x
Gladstone Land Corporation	15.10	(4.7%)	23.71	14.95	(17.7%)	(55.3%)	NM	12.46x	15.9	9.1
Limoneira Company	14.49	(6.2%)	17.90	11.00	18.7%	(3.4%)	75.6	1.76x	NM	NM
Sector Average:					(4.4%)	(23.0%)	66.1	10.88x	24.6	11.8
<b>INPUTS</b>										
American Vanguard Corporation	\$13.18	(4.2%)	\$24.13	\$12.52	(39.3%)	(19.6%)	11.3x	0.98x	10.3x	3.4x
* BASF SE	44.48	(5.1%)	54.04	37.90	(4.1%)	(28.0%)	10.5x	0.78x	13.0x	2.6x
* Bayer Aktiengesellschaft	50.19	(1.3%)	65.66	46.70	3.9%	6.8%	7.1x	1.81x	7.8x	4.0x
CF Industries Holdings, Inc.	83.74	5.7%	112.44	60.08	(1.7%)	18.3%	13.7x	2.17x	4.1x	0.7x
Corteva, Inc.	49.58	(3.0%)	68.43	48.68	(15.7%)	4.9%	16.4x	2.17x	11.0x	1.5x
FMC Corporation	75.46	(12.3%)	134.38	74.81	(39.5%)	(31.3%)	10.6x	2.49x	10.4x	3.8x
Intrepid Potash, Inc.	25.37	(8.4%)	47.89	17.23	(12.1%)	(40.6%)	131.8x	1.11x	3.6x	0.0x
The Mosaic Company	37.65	(5.5%)	57.46	31.44	(14.2%)	(4.2%)	10.7x	0.94x	3.8x	1.0x
* Nutrien Ltd.	85.74	(2.4%)	124.22	70.69	(13.3%)	(9.8%)	13.0x	1.38x	5.3x	1.7x
S&W Seed Company	0.90	9.8%	2.14	0.63	(39.6%)	(67.0%)	NM	1.32x	NM	NM
Zoetis Inc.	185.78	(3.5%)	194.99	124.15	26.8%	(23.9%)	32.6x	11.02x	26.2x	2.0x
Sector Average:					(13.5%)	(17.7%)	25.8x	1.52x	9.5x	2.1x
<b>AGRICULTURAL EQUIPMENT</b>										
* Ag Growth International Inc.	\$57.59	(4.0%)	\$63.40	\$31.02	32.8%	81.8%	10.4x	1.30x	9.9x	4.7x
AGCO Corporation	123.78	(6.7%)	145.53	93.53	(10.8%)	6.7%	8.2x	0.79x	5.4x	1.2x
Art's-Way Manufacturing Co., Inc.	2.53	(4.9%)	3.11	1.80	31.1%	(28.5%)	NA	0.66x	9.0x	3.7x
* Buhler Industries Inc.	2.35	(10.3%)	2.79	1.51	21.8%	(20.6%)	NA	0.48x	20.0x	11.7x
CNH Industrial N.V.	13.52	(2.2%)	17.98	10.89	(15.8%)	(30.4%)	7.2x	1.64x	11.0x	7.1x
Deere & Company	399.66	(4.6%)	450.00	328.62	(6.8%)	16.6%	12.4x	2.82x	11.7x	4.3x
Lindsay Corporation	120.58	(4.9%)	183.08	110.43	(26.0%)	(20.7%)	20.0x	1.89x	9.9x	1.0x
Titan Machinery Inc.	28.08	(5.2%)	47.87	24.90	(29.3%)	(16.7%)	5.9x	0.54x	6.5x	3.6x
Sector Average:					(0.4%)	(1.5%)	10.7x	1.27x	9.1x	3.7x
<b>AGRIBUSINESS</b>										
The Andersons, Inc.	\$50.34	(3.4%)	\$53.45	\$30.00	43.9%	30.0%	16.6x	0.15x	6.5x	1.9x
Archer-Daniels-Midland Company	78.81	(1.2%)	98.28	69.92	(15.1%)	16.6%	12.0x	0.51x	8.0x	1.8x
Bunge Limited	112.38	(2.3%)	116.59	80.41	12.6%	20.4%	9.6x	0.35x	4.2x	1.1x
Ingredion Incorporated	99.89	(2.7%)	113.46	78.81	2.0%	3.4%	10.8x	1.08x	7.5x	2.1x
MGP Ingredients, Inc.	113.13	(5.2%)	125.74	90.69	6.3%	33.1%	20.5x	3.50x	16.2x	1.9x
* Olam Group Limited	1.28	2.4%	1.71	1.17	(12.3%)	(26.9%)	NA	0.35x	9.4x	8.5x
Sector Average:					6.2%	12.8%	13.9x	0.99x	8.6x	2.9x
<b>DIVERSIFIED FOODS</b>										
B&G Foods, Inc.	\$11.13	(10.5%)	\$21.52	\$10.91	(0.2%)	(63.8%)	10.2x	1.44x	9.3x	7.0x
Campbell Soup Company	42.18	3.2%	57.78	40.76	(25.7%)	(2.9%)	13.7x	1.82x	9.6x	2.6x
Conagra Brands, Inc.	29.10	(0.8%)	41.30	28.80	(24.8%)	(14.8%)	10.6x	1.90x	9.2x	4.1x
General Mills, Inc.	66.15	(0.2%)	90.89	64.70	(21.1%)	(1.8%)	14.7x	2.49x	12.7x	3.1x
The Hain Celestial Group, Inc.	9.59	(8.1%)	22.14	9.36	(40.7%)	(77.5%)	22.6x	0.96x	10.9x	5.8x
The J. M. Smucker Company	141.58	(0.6%)	163.07	135.44	(10.7%)	4.2%	14.7x	2.16x	10.0x	2.5x
Kellogg Company	59.42	(0.8%)	77.17	58.88	(16.6%)	(7.8%)	14.3x	1.75x	13.1x	3.5x
The Kraft Heinz Company	32.96	1.2%	42.80	32.42	(19.0%)	(8.2%)	11.4x	2.21x	7.9x	2.7x
Lancaster Colony Corporation	159.43	(3.9%)	220.65	149.76	(19.2%)	(3.7%)	26.1x	2.38x	18.7x	0.1x
Mondelez International, Inc.	69.82	0.2%	78.59	54.72	4.8%	5.3%	20.7x	3.36x	14.6x	2.9x
* Nestlé S.A.	105.22	(0.2%)	116.84	102.78	(1.8%)	(17.4%)	20.6x	3.53x	16.7x	3.1x
* Nomad Foods Limited	16.50	(7.3%)	19.76	12.50	(4.3%)	(35.0%)	9.6x	1.48x	8.7x	4.4x
Post Holdings, Inc.	86.77	(2.4%)	98.84	80.39	(3.9%)	(23.0%)	17.3x	1.71x	11.3x	6.1x
The Simply Good Foods Company	32.65	(9.8%)	40.16	29.21	(14.1%)	(21.5%)	18.3x	2.97x	15.7x	1.6x
Sovos Brands, Inc.	22.49	0.1%	22.65	12.74	56.5%	49.4%	31.3x	2.77x	14.7x	2.8x
SunOpta Inc.	5.19	(10.2%)	15.90	5.09	(54.4%)	(40.8%)	NA	1.02x	11.1x	5.4x
TreeHouse Foods, Inc.	45.42	0.3%	55.30	40.56	(8.0%)	12.1%	17.7x	1.19x	10.5x	4.3x
Unilever PLC	47.06	0.1%	50.93	43.94	0.4%	0.0%	NA	2.39x	12.3x	2.7x
Utz Brands, Inc.	14.11	(6.9%)	19.15	13.85	(11.0%)	(11.5%)	23.3x	1.99x	23.4x	8.6x
Sector Average:					(11.3%)	(13.6%)	17.5x	2.08x	12.7x	3.9x

Company Name	Price 9/8/23	Price Compared to 9/1/23	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.	\$3.73	1.4%	\$4.46	\$1.20	29.5%	(22.5%)	15.9x	0.28x	NM	NM
Green Plains Inc.	32.86	5.3%	39.00	26.33	7.7%	(5.5%)	39.7x	0.74x	NM	NM
REX American Resources Corporation	39.51	0.2%	41.63	26.05	24.0%	23.5%	14.0x	0.58x	8.3x	0.3x
Sector Average:					20.4%	(1.5%)	23.2x	0.53x	8.3x	0.3x
<b>FRUIT &amp; VEGETABLE</b>										
Calavo Growers, Inc.	\$28.08	(15.1%)	\$38.97	\$22.64	(4.5%)	(33.8%)	18.1x	0.62x	16.6x	2.8x
Dole plc	11.24	(6.6%)	14.01	7.20	16.5%	(15.6%)	10.7x	0.27x	5.8x	3.6x
Fresh Del Monte Produce Inc.	25.22	(4.8%)	32.49	23.09	(3.7%)	(8.6%)	10.6x	0.41x	5.0x	1.7x
Lamb Weston Holdings, Inc.	98.40	1.2%	117.38	74.91	10.1%	55.3%	18.7x	3.30x	11.1x	3.2x
Mission Produce, Inc.	9.06	(2.2%)	16.96	8.84	(22.0%)	(42.3%)	15.1x	0.93x	16.7x	5.4x
Seneca Foods Corporation	52.28	8.4%	68.74	32.50	(14.2%)	9.0%	NA	0.56x	7.6x	4.2x
Sector Average:					(3.0%)	(6.0%)	14.7x	1.01x	10.5x	3.5x
<b>PROTEIN</b>										
Beyond Meat, Inc.	\$10.94	(9.1%)	\$23.33	\$9.82	(11.1%)	(83.2%)	NM	4.79x	NM	NM
Cal-Maine Foods, Inc.	49.60	4.0%	65.32	43.29	(8.9%)	34.1%	13.2x	0.57x	1.7x	0.0x
Darling Ingredients Inc.	58.55	(5.4%)	82.69	51.77	(6.5%)	(15.5%)	10.0x	1.99x	8.2x	4.0x
Hormel Foods Corporation	37.12	(3.3%)	49.73	36.78	(18.5%)	(24.0%)	21.5x	1.88x	11.8x	1.7x
* JBS S.A.	18.43	(0.4%)	28.71	15.12	(16.2%)	(51.4%)	11.8x	0.38x	6.5x	5.0x
Nathan's Famous, Inc.	70.86	(3.4%)	83.00	62.00	5.4%	21.4%	NA	2.58x	8.9x	2.2x
Pilgrim's Pride Corporation	24.53	(2.1%)	28.44	19.96	3.4%	(13.0%)	13.5x	0.53x	8.5x	3.7x
Seaboard Corporation	3548.16	(4.1%)	4090.63	3295.00	(6.0%)	(9.8%)	NA	0.42x	4.9x	2.1x
Tyson Foods, Inc.	52.05	(1.0%)	76.23	47.11	(16.4%)	(40.3%)	22.3x	0.51x	7.8x	2.7x
Vital Farms, Inc.	11.43	(3.6%)	18.18	10.00	(23.4%)	(36.7%)	34.1x	0.90x	2.1x	0.1x
Sector Average:					(9.8%)	(21.8%)	15.4x	1.08x	6.7x	2.4x
<b>BAKING &amp; INGREDIENTS</b>										
Balchem Corporation	\$131.63	(6.4%)	\$143.88	\$116.68	7.8%	(21.9%)	30.5x	4.89x	22.4x	2.1x
Flowers Foods, Inc.	23.06	0.1%	30.16	22.47	(19.8%)	(16.1%)	18.6x	1.25x	10.5x	2.3x
* Gruma, S.A.B. de C.V.	286.82	(1.3%)	303.76	190.82	10.0%	9.3%	14.1x	1.29x	8.8x	2.3x
* Grupo Bimbo, S.A.B. de C.V.	83.69	(1.1%)	103.41	68.83	1.6%	32.9%	20.4x	1.20x	8.8x	2.3x
J&J Snack Foods Corp.	168.71	3.8%	177.71	127.80	12.7%	6.8%	30.2x	2.21x	19.6x	1.0x
* Kerry Group plc	84.02	(1.0%)	102.00	82.74	(0.3%)	(25.8%)	18.2x	1.89x	14.0x	2.1x
Krispy Kreme, Inc.	13.12	(1.7%)	16.22	10.21	27.1%	(30.7%)	37.8x	2.24x	13.1x	4.8x
McCormick & Company, Incorporated	80.70	0.3%	94.39	70.60	(2.6%)	(16.5%)	29.3x	4.06x	21.0x	4.0x
* Tate & Lyle plc	6.95	(0.5%)	8.38	6.48	(2.3%)	(10.0%)	12.5x	1.71x	10.7x	2.3x
Sector Average:					3.8%	(8.0%)	23.5x	2.30x	14.3x	2.6x
<b>CANDY, NUTS, &amp; SNACKS</b>										
Bridgford Foods Corporation	\$10.60	(8.1%)	\$15.38	\$10.03	(11.1%)	(12.5%)	NA	0.35x	6.3x	0.6x
The Hershey Company	209.03	(2.3%)	276.88	207.50	(9.7%)	8.0%	21.1x	4.38x	16.6x	1.8x
John B. Sanfilippo & Son, Inc.	104.08	3.9%	127.26	74.33	28.0%	15.4%	NA	1.22x	11.0x	0.1x
Laird Superfood, Inc.	0.98	(3.9%)	2.59	0.65	16.7%	(92.5%)	NM	NM	NM	NM
Rocky Mountain Chocolate Factory, Inc.	5.03	(0.8%)	6.98	4.77	(11.8%)	(35.9%)	NA	0.96x	NM	NM
Tootsie Roll Industries, Inc.	30.42	(4.2%)	46.11	30.33	(26.4%)	(10.9%)	NA	2.82x	17.0x	0.1x
Sector Average:					(2.4%)	(21.4%)	21.1x	1.95x	12.7x	0.7x
<b>PET FOOD AND PRODUCTS</b>										
Central Garden & Pet Company	\$42.50	(3.9%)	\$48.48	\$35.60	13.5%	(19.2%)	15.2x	0.98x	7.9x	3.4x
Freshpet, Inc.	73.42	(3.1%)	84.70	37.92	39.1%	(22.9%)	NM	5.36x	NM	NM
Sector Average:					26.3%	(21.1%)	15.2x	3.17x	7.9x	3.4x
<b>WINE &amp; BEVERAGE</b>										
The Boston Beer Company, Inc.	\$374.92	2.0%	\$422.75	\$296.27	13.8%	(25.8%)	42.0x	2.13x	20.5x	0.2x
Brown-Forman Corporation	64.31	(3.6%)	74.76	60.90	(2.1%)	(11.7%)	30.9x	7.91x	25.4x	2.3x
The Coca-Cola Company	58.33	(1.7%)	64.99	54.02	(8.3%)	(1.5%)	21.4x	6.37x	17.8x	3.0x
Constellation Brands, Inc.	259.20	(0.1%)	273.65	208.12	11.8%	3.3%	21.4x	6.25x	46.7x	3.5x
Crimson Wine Group, Ltd.	6.19	(1.0%)	7.00	5.11	10.3%	(25.0%)	NA	1.63x	27.5x	4.4x
* Diageo plc	32.00	0.0%	39.37	31.11	(12.3%)	(20.7%)	19.3x	5.20x	14.5x	3.0x
Monster Beverage Corporation	56.37	(0.3%)	60.47	42.81	11.0%	17.4%	34.2x	8.34x	29.4x	0.0x
National Beverage Corp.	47.14	(3.8%)	55.12	38.40	1.3%	4.0%	25.1x	3.57x	17.7x	0.2x
PepsiCo, Inc.	176.27	0.5%	196.88	160.98	(2.4%)	1.5%	22.6x	3.11x	16.8x	2.6x
Starbucks Corporation	95.28	(2.8%)	115.48	82.43	(4.0%)	(18.5%)	24.1x	3.71x	13.6x	2.6x
Willamette Valley Vineyards, Inc.	5.92	(0.5%)	6.59	5.59	(0.8%)	(31.6%)	NA	2.36x	37.3x	8.5x
Sector Average:					1.7%	(9.9%)	26.8x	4.60x	24.3x	2.8x

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			High	Low	2022	2021		Revenue	EBITDA	
<b>DAIRY</b>										
* Danone S.A.	\$53.57	(0.4%)	\$61.88	\$46.75	8.8%	(1.9%)	15.2x	1.60x	10.0x	3.7x
Lifeway Foods, Inc.	11.20	1.9%	11.75	5.22	101.8%	143.5%	16.4x	1.08x	13.0x	0.5x
* Saputo Inc.	29.06	(1.3%)	37.50	27.17	(13.3%)	2.0%	15.3x	0.90x	10.6x	2.7x
Sector Average:					32.4%	47.9%	15.6x	1.19x	11.2x	2.3x
<b>WHOLESALE, FOOD SERVICE, &amp; DISTRIBUTION</b>										
The Chefs' Warehouse, Inc.	\$28.22	(0.4%)	\$39.54	\$26.94	(15.2%)	(15.3%)	19.7x	0.65x	10.7x	5.0x
Performance Food Group Company	59.12	(5.2%)	64.34	42.77	1.3%	28.8%	13.6x	0.26x	9.4x	3.2x
SpartanNash Company	21.31	(0.3%)	37.75	20.57	(29.5%)	(17.3%)	9.3x	0.16x	6.3x	3.4x
Sysco Corporation	69.95	(0.5%)	87.41	68.18	(8.5%)	(10.9%)	16.2x	0.60x	15.3x	3.7x
United Natural Foods, Inc.	18.40	(7.5%)	47.88	17.71	(52.5%)	(62.5%)	16.3x	0.15x	4.7x	3.6x
US Foods Holding Corp.	38.98	(4.2%)	44.52	25.49	14.6%	11.9%	13.5x	0.41x	9.9x	3.5x
Sector Average:					(15.0%)	(10.9%)	14.8x	0.37x	9.4x	3.7x
<b>MASS MERCHANDISE, CLUB STORES, &amp; DOLLAR STORES</b>										
BJ's Wholesale Club	\$66.79	1.6%	\$80.41	\$60.33	1.0%	(0.3%)	16.4x	0.62x	8.9x	2.3x
Costco Wholesale Corporation	551.19	1.3%	571.16	447.90	20.7%	(2.9%)	35.8x	1.02x	22.5x	0.8x
Dollar General Corporation	127.20	(2.4%)	261.59	123.31	(48.3%)	(46.1%)	16.2x	1.18x	7.8x	3.1x
Dollar Tree, Inc.	116.02	(2.3%)	170.36	114.83	(18.0%)	(17.4%)	17.7x	1.21x	7.5x	2.2x
Grocery Outlet Holding Corp.	30.68	0.4%	38.92	25.71	5.1%	8.5%	27.7x	1.13x	13.1x	4.2x
Walmart Inc.	163.77	1.4%	163.86	128.07	15.5%	13.2%	24.3x	0.79x	12.3x	1.7x
Sector Average:					(4.0%)	(7.5%)	23.0x	0.99x	12.0x	2.4x
<b>TRADITIONAL &amp; SPECIALTY RETAIL</b>										
Albertsons	\$23.63	5.2%	\$30.17	\$19.14	13.9%	(21.7%)	8.7x	0.36x	5.5x	2.9x
* Ahold Delhaize	28.92	(4.8%)	32.51	25.45	7.7%	(4.0%)	11.2x	0.48x	6.2x	2.7x
Amazon.com, Inc.	138.23	0.1%	143.63	81.43	64.6%	(17.1%)	57.1x	2.86x	20.5x	2.3x
Ingles Markets, Incorporated	74.98	(3.8%)	102.99	73.38	(22.3%)	(13.2%)	NA	0.30x	3.9x	1.3x
The Kroger Co.	46.94	2.1%	52.00	41.82	5.3%	3.7%	10.3x	0.35x	7.3x	2.8x
Natural Grocers by Vitamin Cottage, Inc.	12.91	3.7%	14.01	8.00	41.2%	(9.4%)	15.7x	0.59x	5.5x	3.1x
Sprouts Farmers Market, Inc.	39.83	1.2%	41.28	26.35	23.0%	34.2%	14.5x	0.82x	6.9x	2.0x
* Tesco PLC	2.59	(2.3%)	3.07	1.94	15.3%	(10.8%)	11.6x	0.44x	6.9x	3.6x
Village Super Market, Inc.	22.45	0.1%	24.86	19.09	(3.6%)	(4.0%)	NA	0.28x	3.9x	2.5x
Weis Markets, Inc.	63.69	(0.7%)	95.57	58.75	(22.6%)	(3.3%)	NA	0.32x	4.9x	0.6x
Sector Average:					12.3%	(4.6%)	18.4x	0.68x	7.1x	2.4x
<b>TRADITIONAL RESTAURANTS</b>										
Brinker International, Inc.	\$31.13	(4.7%)	\$42.12	\$23.94	(2.4%)	(14.9%)	9.3x	0.86x	6.1x	3.7x
The Cheesecake Factory Incorporated	30.31	(4.8%)	41.28	27.91	(4.4%)	(22.6%)	10.0x	0.97x	7.6x	4.2x
Cracker Barrel Old Country Store, Inc.	74.76	(8.0%)	121.17	74.15	(21.1%)	(41.9%)	12.5x	0.83x	8.2x	3.5x
Darden Restaurants, Inc.	149.44	(3.9%)	173.06	120.20	8.0%	(0.8%)	17.1x	2.26x	12.1x	3.0x
Dine Brands Global, Inc.	52.52	(4.2%)	82.43	52.27	(18.7%)	(30.7%)	8.6x	2.67x	10.9x	7.5x
Jack in the Box Inc.	77.87	(5.2%)	99.56	65.72	14.1%	(11.0%)	11.9x	2.64x	7.5x	5.2x
McDonald's Corporation	279.22	(0.6%)	299.35	230.58	6.0%	4.2%	23.6x	10.35x	17.1x	3.3x
Papa John's International, Inc.	76.59	(0.7%)	97.78	66.74	(6.9%)	(42.6%)	26.5x	1.68x	14.3x	4.1x
Texas Roadhouse, Inc.	101.06	(3.5%)	118.16	83.29	11.1%	13.2%	19.9x	1.70x	13.1x	1.3x
The Wendy's Company	19.69	(1.3%)	23.90	18.50	(13.0%)	(17.4%)	18.8x	3.56x	15.1x	8.4x
Yum! Brands, Inc.	126.53	(2.4%)	143.25	103.97	(1.2%)	(8.9%)	23.1x	6.77x	19.2x	5.0x
Sector Average:					(2.6%)	(15.8%)	16.5x	3.12x	11.9x	4.5x
<b>HIGH-GROWTH RESTAURANTS</b>										
Chipotle Mexican Grill, Inc.	\$1,945.10	0.3%	\$2,175.01	\$1,344.05	40.2%	11.3%	41.2x	6.05x	24.6x	1.7x
El Pollo Loco Holdings, Inc.	9.28	(3.2%)	13.00	8.35	(6.8%)	(34.6%)	11.3x	1.16x	7.4x	3.4x
Noodles & Company	2.76	(2.5%)	6.55	2.65	(49.7%)	(69.6%)	NM	0.79x	6.1x	4.2x
Potbelly Corporation	7.88	(1.3%)	11.14	4.31	41.5%	41.2%	52.5x	0.82x	5.2x	2.6x
Shake Shack Inc.	65.20	(7.0%)	80.58	40.83	57.0%	(9.6%)	183.0x	3.08x	19.6x	4.8x
Wingstop Inc.	160.45	1.1%	223.77	113.20	16.6%	(7.1%)	69.0x	12.93x	43.8x	6.0x
Sector Average:					16.4%	(11.4%)	71.4x	4.14x	17.8x	3.8x
<b>CANNABIS &amp; CBD</b>										
Canopy Growth Corporation	\$1.27	71.6%	\$6.44	\$0.46	(59.6%)	(88.5%)	NM	3.68x	NM	NM
Cronos Group Inc.	2.98	11.6%	4.88	2.15	(13.4%)	(40.2%)	NM	0.20x	NM	NM
Jones Soda Co.	0.19	0.1%	0.48	0.17	(28.3%)	(74.0%)	NA	0.82x	NM	NA
The Scotts Miracle-Gro Company	53.18	(3.4%)	88.61	39.06	9.4%	(67.0%)	29.5x	1.72x	11.0x	5.8x
Tilray Brands, Inc.	3.02	1.0%	5.12	1.50	12.3%	(57.0%)	NM	3.72x	NM	NM
Village Farms International, Inc.	0.91	2.0%	2.62	0.55	(32.1%)	(85.8%)	NM	0.56x	NM	NM
Sector Average:					(18.6%)	(68.7%)	29.5x	1.78x	11.0x	5.8x

**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



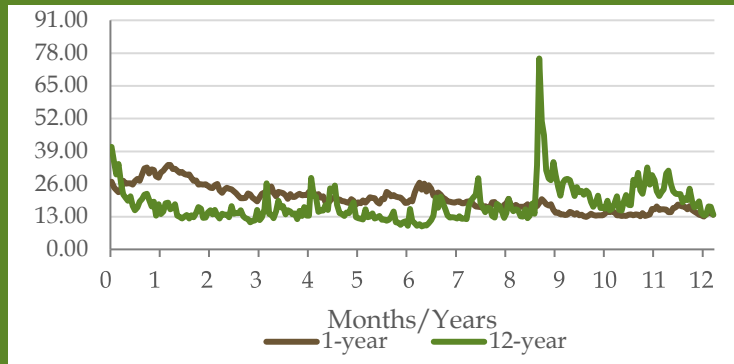
### Dow Jones Industrial Average



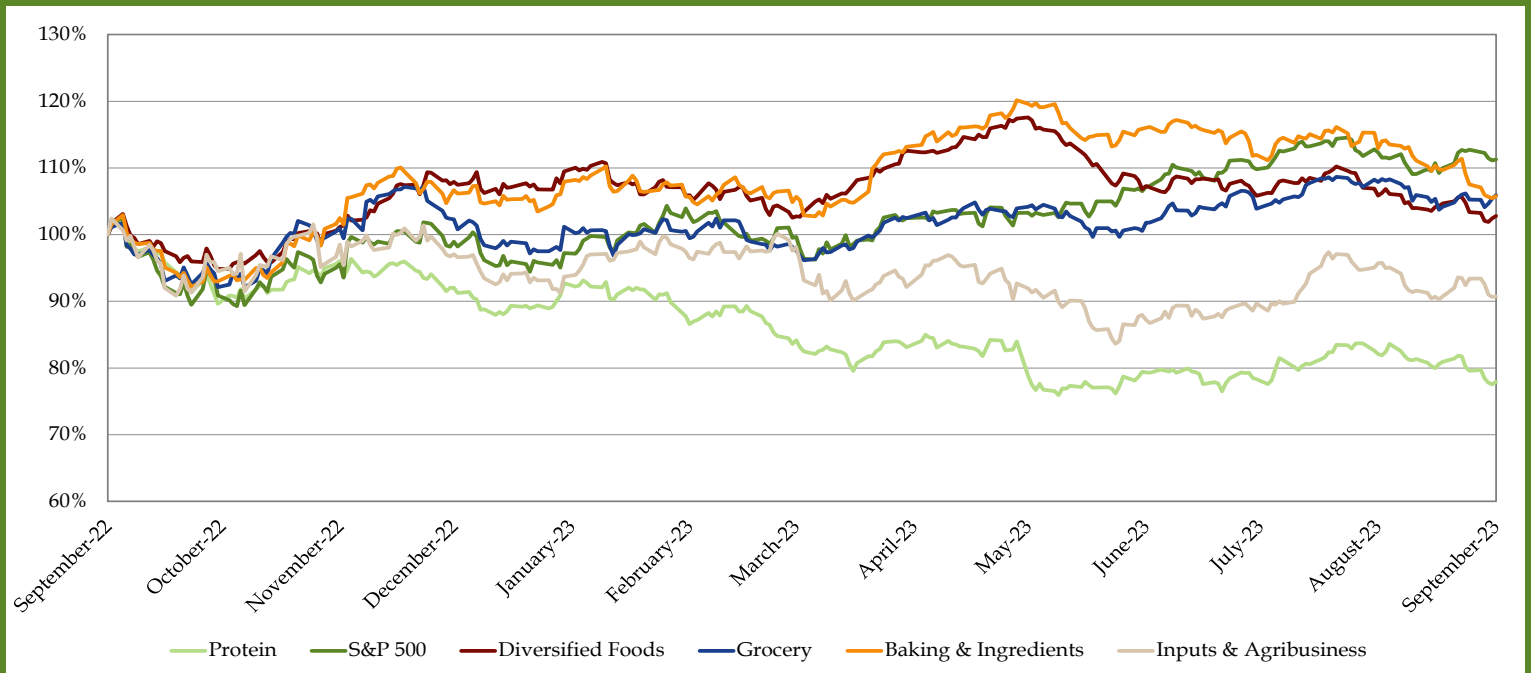
### 10-year Treasury



### CBOE Market Volatility Index - VIX



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





## Food For Thought...

*Partner Column*

*Written by Mary Burke*

Kroger and Albertson's announced merger is a strong sign that the retail business has to change for there to be a return on equity. Friday, the companies announced that C&S will purchase 413 stores and eight distribution centers that the FTC requires to be spun off so the acquisition can go forward. If necessary, C&S could purchase additional stores. This is not the first time, the privately-held, C&S has bought assets that need to be sold for an acquisition to be approved or as a stalking horse in bankruptcy. Think back to the Fleming Company break-up as a starting point. The grocery chains C&S currently owns include Grand Union, Southern Family Markets, Piggly Wiggly Carolina Co, and Nells Olean Wholesale Grocers. Adding to this is QFC (in the Pacific Northwest), Mariano's (in the Chicago area), and Carr's (in Alaska) Why does C&S do this? They see value and an opportunity to continue growing and improve their profit profile through economies of scale. They are the wholesaler who started with a different model and has made it a success. This acquisition brings C&S's total revenue to over \$30 billion.

Conventional retail has to change, as we have said before. Retailers can no longer rely on everyone having to go to a store, let alone their store. Covid emphasized that consumers have options. Recent announcements further emphasize this:

Kroger announced on Friday, September 8; it is expecting its sales to decrease over the next six months as shoppers "keep a tight leash on spending". It expects same-store sales to be down for the remainder of the year. For the three months ended August 12, 2023, same-store sales, excluding fuel, rose 1%, the smallest increase since Q3 2021. We must remember that as recently as Q1 2021, same-store sales were -4%...then came the Covid effect. Kroger said lower-income families are being affected by the general economic tightening. Kroger also noted that manufacturers are becoming more aggressive with some of their promotions, which is decreasing Kroger's margins.

Grocery Outlet reported same-store sales up 9.2% for Q2 2023. Traffic remained strong, up 9%, and the average basket size remained high. They expect 7-8% growth yearly for the same stores, on top of the 11.8% registered in 2022. Additionally, for the year, the company is aiming for higher gross margins of 31.3%, an increase from 30.5% in 2022.

Costco continues to be a dominant player in the space. For their just-completed third quarter, they achieved net sales growth of 1.9%. Traffic or shopping frequency rose 4.8% globally and 3.5% in the US. Total members are expected to increase by 6% from last year to 70 million. Same-store increases in the US for the quarter increased sales by 3.5%. It is expected that same-store sales will increase 3.2% in 2023.

Dollar Tree (DT) is now running two banners- Family Dollar (FD) and Dollar Tree; reported sales increased 6.9% for their quarter just ended, driven by 7.8% growth of DT and 5.8% growth at FD. Interestingly, 50% of DT's new customers this year have family incomes greater than \$125,000 per year and, on average, visit the store five more times after their initial trip. While sales were up, increased shrink and changes in mix cost \$0.15/share, leading to the quarterly loss.

One option for retailers and others to consider is the slow check-out that is becoming more popular in Europe. The Dutch grocer Jumbo has introduced a slow check-out option at over 125 stores. Allowing consumers to leisurely chat with the checker. Some stores have also introduced "chat corners" where consumers can sit, have a cup of coffee, and chat with each other and some employees. While it won't help efficiency metrics, it brings customers back to the store and addresses the loneliness that many older customers experience. The French chain Carrefour and the Canadian grocer Sobeys have both introduced this concept into some of their stores. The US population is aging; people 65 and older account for 17% of the US population in 2020, and is expected to grow to 22% by 2040.

On the other hand, more consumers shop online than ever. Regional retailers are facing mounting online competition from Walmart. From a recent study by Mercatus, Walmart has an average 15% online advantage based on a large basket of groceries. Additionally, Walmart doesn't rely on service fees to support the cost of pickup operations, and generates almost eight times more net revenue from retail media per online order than regional competitors. Regional grocers are well positioned to help customers save time, but price cannot be overlooked.

This week, Barrons says food stocks are worth looking at - really, given the above information? Branded food companies (CPG) had their worst year compared to the S&P 500 in more than 20 years in 2022. So far this year, the packaged food group of the S&P 500 is down 10% against a rise of 16% in the index.

Company	YTD change
Campbells	(26.3%)
Conagra Brands	(25.4)
General Mills	(22.5%)
Kellogg	(16.7%)
Kraft Heinz	(19.7%)
Mondelez International	5.0%

Interestingly, these defensive stocks and food stocks, in general, have outperformed the market in the last four months of the year as portfolio managers look to protect gains from earlier in the year. Multiples have not been impacted yet. While deal activity has increased, multiples have held flat to slightly down, even with rates increasing.

*Have a great week!*

## Food for Thought...

**Analysts Estimate Earnings Growth.** According to the Wall Street Journal, analysts are increasing current quarter earnings estimates, a development that could bolster the stock market's recent unsteady rally. As the next reporting season approaches in October, analysts project that S&P 500 companies will report a modest 0.5% increase in profits, contributing to a 1.2% gain for the full year 2023, according to the WSJ and FactSet.

This positive outlook is a result of analysts raising their estimates for the current quarter over the past two months, marking the first such occurrence since the third quarter of 2021. The stock market has surged by 16% this year, despite experiencing declines in four of the past six weeks.

However, some analysts caution that the market may have already factored in much of the improved earnings forecasts, and stocks still appear historically expensive. The S&P 500 is trading at 18.7x times its expected earnings for the next 12 months, above the 10-year average of 17.7x and up from 16.8x at the end of the previous year.

The optimism regarding earnings coincides with growing confidence in the economy among investors and executives. Despite the Federal Reserve's aggressive interest rate hikes, consumer spending and the job market have remained resilient, with inflation easing from its recent highs.

Investors are closely watching inflation data and the Federal Reserve's actions, with expectations of a rate hike by the end of the year. Notably, concerns of an impending recession have receded among major U.S. businesses, as fewer companies mentioned "recession" on earnings calls compared to previous periods.

**Hormel Lowers Expectations.** Another large U.S. food processor, Hormel Foods, is also attempting to recover from meat price volatility woes. The global company, notable for their SPAM production, has now lowered their expectations for the fourth quarter of fiscal 2023 as they brace for continued uncertainty in the global meat markets. Hormel adjusted its 2023 sales forecast, now expecting either flat growth or a potential 4% decline, compared to the earlier guidance of 1-3% growth, citing weak international demand.

In the third quarter of 2023, Hormel achieved \$3 billion in net sales, reflecting a 1% decrease year-over-year. The company experienced volume expansion during the quarter, attributed to the resurgence in turkey sales, robust demand for foodservice products, and growth of their retail brand portfolio, offset by poor demand in China and weak commodity meat prices. Although optimistic about the future, management plans to take

a disciplined and balanced approach as they look to "close a challenging 2023".

**Plant-Based Protein Poised for a Comeback.** The Covid-19 pandemic slowed many sectors across the food industry. One such sector, plant-based protein, seemed to have lost nearly all of its momentum. However, according to a recent report from the Good Food Institute, plant-based protein has gotten back onto the wagon and is poised to make a big push through the foodservice channel in the coming months and years.

The report states that despite a lack of success in popular fast-food chains such as McDonald's, Burger King, and KFC, sales of plant-based meats to restaurants and other foodservice establishments jumped 7.8% in 2022. In fact, the report shows that regular consumers of plant-based proteins take about 30 more trips to foodservice establishments annually and spend roughly \$400 more than the average consumer.

However, retail sales data shows a monumental decrease in demand for plant-based protein that likely can not be offset by marginal increases from the foodservice channel.

Plant-based protein sales have seen a significant decline in the retail channel, with a 21% drop in volume and a corresponding decrease in dollar sales, according to research firm Circana's data for the 52 weeks ending on July 2, 2023. Circana's CPG Demand Index shows meat alternative sales in 2023 have sunk to just 80% of what they were in 2022. This decline reflects heightened competition within the plant-based meat sector, including challenges posed by both cell-cultivated and conventionally raised animal proteins. Consequently, brands like Beyond Meat are experiencing below-target performance.

**Tropical Storm Idalia Creates Fall Crop Loss.** Hurricane Idalia wreaked havoc on Georgia's pecan orchards, wiping out an estimated third of the state's crop.

Idalia was the perfect storm to decimate young pecan trees as inches of rain oversaturated the soil and loosened roots while harsh winds ripped trees from the ground. Most of the trees affected were under 20 years old, which local farmers claim is a result of improper pruning and overexertion within the trees' first five years.

Georgia is the largest pecan-producing state, producing roughly 90 million lbs. annually. Roughly 150,000 acres of Georgia pecan farms add about \$300 million to the state's annual GDP. The actual value of the damage is expected to be uncovered as harvest begins in the next two weeks.

## Heard on the Street...

***Kroger & Albertsons Find Divestment Buyer.*** Back in October of 2022, Kroger and Albertsons proposed a merger that seems to be nearing closure. This past week, the two grocers announced that they have entered a definitive agreement with C&S Wholesale Grocers to divest over 400 stores. Kroger and Albertsons are still awaiting U.S. regulatory clearance for their proposed \$24.5 billion merger. However, the agreement with C&S will likely bring the deal one step closer to finalization.

C&S is a wholesale grocery supplier and retailer that supplies over 7,500 supermarkets, retail chains, and military bases. C&S also operates roughly two dozen stores throughout the Midwest and Carolinas under the Grand Union and Piggly Wiggly brands. The company has divestiture experience as they were FTC-approved as the divestiture buyer of multiple Piggly Wiggly franchise stores in 2021.

The agreement with Kroger and Albertsons includes the sale of 413 stores for \$1.9 billion and will prevent any store closures while ensuring the employment of all frontline associates. Stores included in the sale are primarily located in the Pacific Northwest and the Mountain states, with others located in California, Texas, Illinois, and the East Coast. The transaction also includes eight distribution centers, two offices, and five private label brands (Debi Lilly Design, Primo Taglio, Open Nature, ReadyMeals, and Waterfront Bistro).

The banners included in the transaction include Kroger's QFC chain in the Pacific Northwest, upscale Mariano's supermarkets in Illinois, and Albertsons' Carrs stores in Alaska, as well as exclusive licensing rights to the Albertsons brand in Arizona, California, Colorado, and Wyoming.

For C&S, the acquired banners and licensing rights mark a geographical expansion for the Company whose existing retail grocery locations are predominantly west of the Mississippi river.

Under the agreement, C&S might also be required to acquire an additional 237 stores in specific regions, contingent upon Kroger and Albertsons obtaining regulatory clearance for the merger. The precise locations of these additional stores were not disclosed, but the arrangement stipulates that C&S would provide Kroger with additional cash compensation determined by a mutually agreed-upon formula if the distributor is required to complete the purchase as part of the Kroger-Albertsons merger approval process.

***TreeHouse Foods Sells Snack Bar Business.*** Food processing company and private-label giant TreeHouse Foods announced last week the sale of its snack bars business to the Elgin, Illinois

based John B. Sanfilippo & Son. The \$63 million transaction includes TreeHouse's Lakeville, Minnesota manufacturing facility. The transaction is expected to close within the next 30 days.

The divestment is part of Treehouse CEO Steve Oakland's efforts to improve the company's balance sheet by focusing on higher-margin products such as crackers, coffee, and cereal.

For John B. Sanfilippo, the snack manufacturer primarily known for their nuts, the cash acquisition "significantly accelerates their strategy within the growing snack bar category and diversifies their product offerings".

***AppHarvest Bankruptcy Auction.*** AppHarvest, an indoor farming company facing financial difficulties and Chapter 11 bankruptcy, has witnessed the auction of its greenhouse facilities. Investment firm Equilibrium Capital Group was the sole bidder for AppHarvest's two 60-acre tomato-growing greenhouses, securing them with a credit bid of \$113 million. Equilibrium had previously supplied AppHarvest with \$90 million in financing to construct one of the facilities in Richmond. Had there been no bid, the bankruptcy likely would have resulted in liquidation, putting creditors such as Equilibrium in a less ideal position than acquiring the assets via the utilization of a credit bid at the auction.

In May 2023, Equilibrium initiated a foreclosure lawsuit against AppHarvest, alleging delays and budget overruns during facility construction, resulting in a breach of contract. The lawsuit sought the immediate repayment of the \$67 million plus interest owed to Equilibrium and aimed to have the facility sold in a court auction. AppHarvest subsequently filed for bankruptcy in July, receiving nearly \$30 million in "debtor-in-possession" funding from Equilibrium.

Netherlands-based Bosch Growers, an established family-run grower in operation since 1854, successfully bid for AppHarvest's 30-acre greenhouse in Somerset, Kentucky, specializing in cucumber and strawberry cultivation. This marks Bosch Growers' entry into the U.S. market.

Recognizing the demand for strawberries in the U.S., Bosch Growers aims to address sustainability concerns associated with the long-distance transportation of berries from the west to the east by utilizing greenhouse production. Bosch will bring extensive knowledge, particularly in indoor berry cultivation, to the U.S. market. Bosch Growers expressed their excitement about the opportunity, "It's a huge opportunity, and we're looking forward tremendously to getting started here," Bosch Growers' Wouter van den Bosch said.



## Loans

In August, the USDA began providing additional, automatic financial assistance for Farm Loan Program (FLP) borrowers who are facing financial risk. The program comes as part of the \$3.1 billion committed by the USDA to help certain distressed farm loan borrowers through the Inflation Reduction Act. Since the act was initially signed into law by President Biden in August 2022, the USDA has provided \$1.15 billion to over 20,000 distressed borrowers. The amount funded to date leaves just under \$2 billion of availability for the USDA to utilize.

Despite the rapid increases in the benchmark Federal Reserve rate and the pressure that has put on borrowers, agricultural loan delinquencies have seen improvement. According to S&P Market Intelligence agricultural loan delinquencies were at 0.91% for the last calendar quarter of 2022. This is the lowest rate experienced over the past decade and an improvement over the 0.94% experienced in the previous quarter. The improvement in delinquencies has also been seen in the FLP Guaranteed Loan Servicing Data. See below for the FLP Data for the past five years.

Year	# of Borrowers	# of Loans	Outstanding Portfolio (mm)
2018	38,000	56,256	\$ 15,741
2019	38,668	57,382	\$ 16,435
2020	39,311	58,177	\$ 17,346
2021	38,826	56,358	\$ 17,555
2022	37,790	53,836	\$ 17,507

Year	Delinquent (mm)	Delinquent Rate
2018	\$ 224	1.43%
2019	\$ 267	1.62%
2020	\$ 263	1.52%
2021	\$ 190	1.08%
2022	\$ 159	0.91%

Year	Loss (mm)	Loss Rate
2018	\$ 48	0.03%
2019	\$ 46	0.03%
2020	\$ 49	0.03%
2021	\$ 40	0.02%
2022	\$ 25	0.01%

As demonstrated above, the USDA has increased its guarantees through the FLP program from \$15.7 billion to \$17.5 billion over the past five years while experiencing a decline in delinquency rate from 1.43% to 0.91% over the same period.

Throughout the duration of the Biden Administration, the USDA has become an increasingly important player in the agricultural credit space. Through programs such as the Food Supply Chain Guaranteed Loan Program, Meat and Poultry Intermediary Lending Program, Business and Industry Loan Guarantee Program, and Rural and Economic Development Loan and Grant Program the USDA has sought to create a more diverse and secure U.S. supply chain by providing capital to those who are traditionally unbankable by traditional lenders.

Through its multitude of programs, the USDA has provided agricultural producers a source of capital that is more readily available and often times cheaper than more traditional sources. The Administration, through its Farm Service Agency (FSA), additionally offers direct loans that help farmers and ranchers get the financing they need to start, expand, or maintain a privately owned farm. As of September 1, 2023 all of the loans offered through the FSA program were at a lower interested rate than the Standard Overnight Financing Rate (SOFR). See below for additional detail.

Program	Interest Rate
Farm Operating - Direct	5.13%
Farm Operating - Microloan	5.13%
Farm Ownership - Direct	5.00%
Farm Ownership - Microloan	5.00%
Farm Ownership - Direct, Joint	3.00%
Farm Ownership - Down Payment	1.50%
Emergency Loan - Actual Loss	3.75%
<b>SOFR Rate</b>	<b>5.31%</b>

*As of September 1st, 2023*

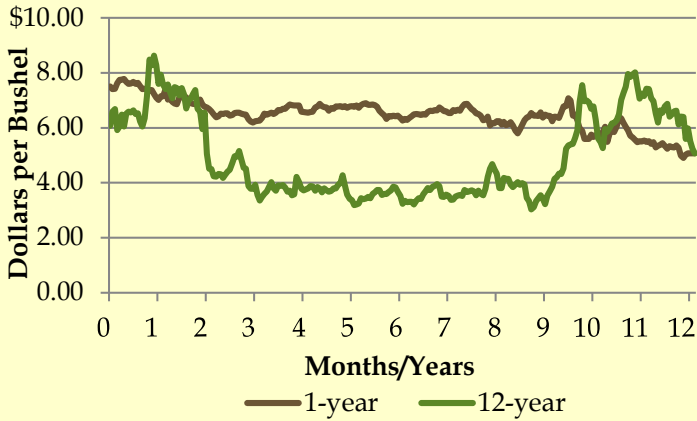
Through its variety of loan, grant, and guarantee programs, the USDA has been able to help small and mid-sized producers construct or acquire the necessary assets to operate their businesses.

However, these programs do not come without risk. In August, 2022 AppHarvest received a \$50 million credit facility from GNCU that was 80% guaranteed by the USDA. The loan was granted at 340 basis points above the Federal Home Loan Bank Rate. In this scenario, the USDA guaranteed \$40 million of capital provided to a company that would file bankruptcy within 12 months of the offering.

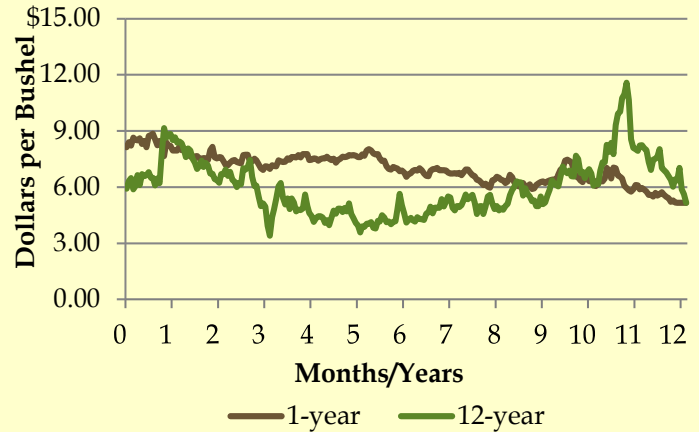
With the current SOFR rate sitting above 5.3% and the average 30-year fixed rate mortgage at over 7.7%, opportunities for cheaper capital through the USDA should not be overlooked.

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

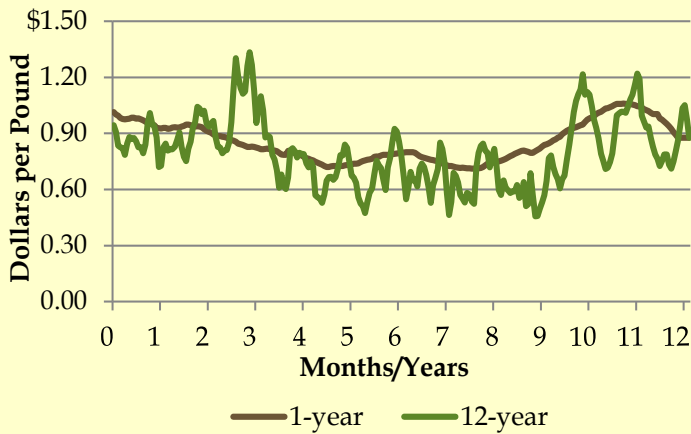
## Corn



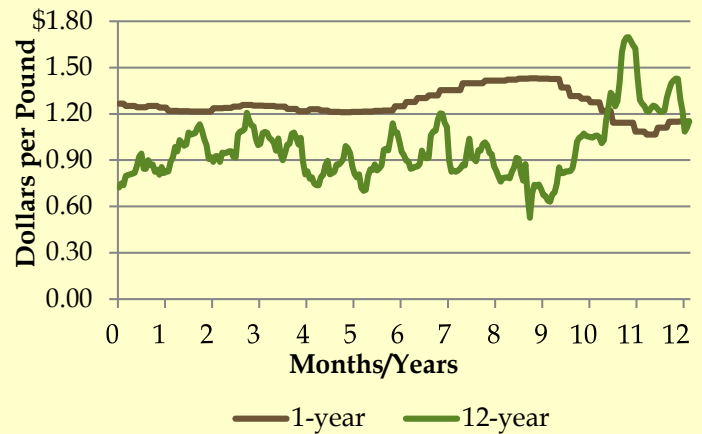
## Wheat



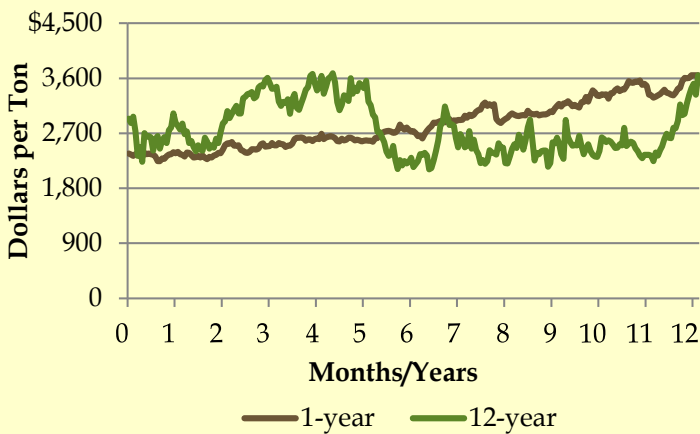
## Hogs



## Broilers



## Cocoa



## Gold



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

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

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