



# LAKE SHORE

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



## Weekly Update

Monday, October 2<sup>nd</sup>, 2023

### *Market Sees Mixed Performance as Government Shutdown is Avoided.*

Congress averted a government shutdown late in the day Saturday as Congress passed a stopgap funding bill ahead of the midnight deadline. Given the weekend timing, expect stocks to react to the news first thing Monday when markets open. Additionally, recent Fed commentary has suggested monetary policy will remain restrictive for longer than previously anticipated. High rates are seemingly here to stay for the near future.

The **Dow Jones Industrial Average** fell 1.3%, finishing at 33,507.

The **S&P 500** decreased 0.7% on the week, finishing at 4,288.

The **NASDAQ Composite** increased 0.1% this week, finishing at 13,219.

Yield on the **10-year Treasury** climbed 15 basis points during the week, ending at 4.59%.

**Crude oil** increased 1.9% on the week, ending at \$91.71 per barrel.

**Corn** grew 2.4% on the week, ending at \$4.89 per bushel.

**NASDAQ Highs:** Costco Wholesale Corporation, Sprouts Farmers Market, Inc. **Lows:** Beyond Meat, Inc., The Chefs' Warehouse, Inc., Dollar Tree, Inc., Gladstone Land Corporation, Noodles & Company, Rocky Mountain Chocolate Factory, Inc., SunOpta Inc.

**NYSE Highs:** None **Lows:** American Vanguard Corporation, B&G Foods, Inc., Brown-Forman Corporation, Conagra Brands, Inc., Darling Ingredients Inc., Diageo plc, Dine Brands Global, Inc., Dollar General Corporation, Flowers Foods, Inc., FMC Corporation, General Mills, Inc., The Hershey Company, Kellogg Company, United Natural Foods, Inc.

### *Featured Stocks of the Week:*

**Dollar General Corp. (NYSE: DG) 10-Year History**



**Kroger Co. (NYSE: KR) 10-Year History**



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# The Lakeshore Food Chain

Company Name	Price 9/29/23	Price Compared to 9/22/23	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	33,507	(1.3%)	35,631	28,726	1.1%	(7.8%)	NA			
S&P 500	4,288	(0.7%)	4,589	3,577	11.7%	(10.0%)	18.7			
NASDAQ Composite Index	13,219	0.1%	14,358	10,213	26.3%	(15.5%)	NA			
Russell 3000 Index	2,462	(0.5%)	2,644	2,076	11.0%	(11.7%)	NA			
Sector Average:					12.5%	(11.3%)				
<b>AGRICULTURAL LAND HOLDINGS</b>										
Farmland Partners Inc.	\$10.26	(1.5%)	\$14.37	\$9.44	(17.7%)	(14.1%)	56.5x	18.05x	32.7x	14.4x
Gladstone Land Corporation	14.23	(1.4%)	22.13	13.86	(22.5%)	(57.8%)	NM	12.12x	15.4	9.1
Limoneira Company	15.32	3.0%	17.90	11.00	25.5%	2.1%	80.3	1.87x	NM	NM
Sector Average:					(4.9%)	(23.3%)	68.4	10.68x	24.1	11.8
<b>INPUTS</b>										
American Vanguard Corporation	\$10.93	(5.7%)	\$24.13	\$10.20	(49.7%)	(33.3%)	9.3x	0.86x	9.1x	3.4x
* BASF SE	42.95	(0.3%)	54.04	38.90	(7.4%)	(30.5%)	10.7x	0.76x	12.7x	2.6x
* Bayer Aktiengesellschaft	45.45	(4.6%)	65.66	44.97	(5.9%)	(3.3%)	6.4x	1.72x	7.4x	4.0x
CF Industries Holdings, Inc.	85.74	1.8%	112.44	60.08	0.6%	21.1%	13.7x	2.21x	4.2x	0.7x
Corteva, Inc.	51.16	(0.5%)	68.43	48.68	(13.0%)	8.2%	17.0x	2.24x	11.3x	1.5x
FMC Corporation	66.97	(2.1%)	134.38	65.30	(46.3%)	(39.1%)	9.4x	2.29x	9.6x	3.8x
Intrepid Potash, Inc.	25.16	3.8%	46.88	17.23	(12.9%)	(41.1%)	130.7x	1.10x	3.5x	0.0x
The Mosaic Company	35.60	(0.6%)	57.46	31.44	(18.9%)	(9.4%)	10.1x	0.90x	3.6x	1.0x
* Nutrien Ltd.	83.88	0.3%	120.72	70.69	(15.1%)	(11.8%)	12.5x	1.36x	5.3x	1.7x
S&W Seed Company	1.12	41.2%	2.14	0.70	(24.8%)	(59.0%)	NM	1.45x	NM	NM
Zoetis Inc.	173.98	(1.5%)	194.99	124.15	18.7%	(28.7%)	30.7x	10.36x	24.6x	2.0x
Sector Average:					(15.9%)	(20.6%)	25.1x	1.49x	9.1x	2.1x
<b>AGRICULTURAL EQUIPMENT</b>										
* Ag Growth International Inc.	\$53.24	(3.2%)	\$63.40	\$31.02	22.8%	68.1%	9.5x	1.25x	9.4x	4.7x
AGCO Corporation	118.28	1.9%	145.53	94.37	(14.7%)	1.9%	7.8x	0.76x	5.2x	1.2x
Art's-Way Manufacturing Co., Inc.	2.35	0.9%	3.11	1.80	21.8%	(33.6%)	NA	0.63x	8.6x	3.7x
* Buhler Industries Inc.	2.41	0.4%	2.79	1.51	24.9%	(18.6%)	NA	0.49x	20.2x	11.7x
CNH Industrial N.V.	12.10	(1.5%)	17.98	11.15	(24.7%)	(37.7%)	6.6x	1.56x	10.6x	7.2x
Deere & Company	377.38	(0.9%)	450.00	333.66	(12.0%)	10.1%	11.7x	2.72x	11.3x	4.3x
Lindsay Corporation	117.68	2.6%	183.08	110.43	(27.7%)	(22.6%)	19.5x	1.85x	9.7x	1.0x
Titan Machinery Inc.	26.58	0.2%	47.87	24.90	(33.1%)	(21.1%)	5.6x	0.52x	6.3x	3.6x
Sector Average:					(5.3%)	(6.7%)	10.1x	1.22x	8.7x	3.7x
<b>AGRIBUSINESS</b>										
The Andersons, Inc.	\$51.51	0.3%	\$53.45	\$30.44	47.2%	33.1%	17.0x	0.15x	6.6x	1.9x
Archer-Daniels-Midland Company	75.42	(2.0%)	98.28	69.92	(18.8%)	11.6%	11.5x	0.49x	7.7x	1.8x
Bunge Limited	108.25	(1.9%)	116.59	82.05	8.5%	15.9%	9.3x	0.34x	4.1x	1.1x
Ingredion Incorporated	98.40	(1.2%)	113.46	79.68	0.5%	1.8%	10.9x	1.07x	7.4x	2.1x
MGP Ingredients, Inc.	105.48	4.8%	125.74	90.69	(0.8%)	24.1%	19.1x	3.29x	15.2x	1.9x
* Olam Group Limited	1.05	(3.7%)	1.71	1.04	(28.1%)	(40.0%)	NA	0.34x	8.9x	8.5x
Sector Average:					1.4%	7.8%	13.5x	0.95x	8.3x	2.9x
<b>DIVERSIFIED FOODS</b>										
B&G Foods, Inc.	\$9.89	(5.1%)	\$17.18	\$9.64	(11.3%)	(67.8%)	9.5x	1.40x	9.0x	7.0x
Campbell Soup Company	41.08	(3.6%)	57.78	40.76	(27.6%)	(5.5%)	13.4x	1.82x	8.0x	2.3x
Conagra Brands, Inc.	27.42	(5.0%)	41.30	27.27	(29.1%)	(19.7%)	10.0x	1.84x	8.9x	4.1x
General Mills, Inc.	63.99	(1.3%)	90.89	63.63	(23.7%)	(5.0%)	14.1x	2.43x	11.7x	3.0x
The Hain Celestial Group, Inc.	10.37	2.1%	22.14	9.36	(35.9%)	(75.7%)	24.4x	1.00x	11.4x	5.8x
The J. M. Smucker Company	122.91	(2.9%)	163.07	122.64	(22.4%)	(9.5%)	12.6x	1.93x	9.0x	2.5x
Kellogg Company	59.51	(1.2%)	77.17	58.44	(16.5%)	(7.6%)	14.3x	1.75x	13.1x	3.5x
The Kraft Heinz Company	33.64	(1.5%)	42.80	32.42	(17.4%)	(6.3%)	11.6x	2.24x	8.0x	2.7x
Lancaster Colony Corporation	165.03	(1.3%)	220.65	149.76	(16.4%)	(0.3%)	27.1x	2.46x	19.4x	0.1x
Mondelez International, Inc.	69.40	(1.5%)	78.59	54.72	4.1%	4.7%	20.5x	3.34x	14.6x	2.9x
* Nestlé S.A.	103.74	(3.0%)	116.84	102.44	(3.2%)	(18.6%)	20.3x	3.48x	16.5x	3.1x
* Nomad Foods Limited	15.22	(3.3%)	19.76	12.50	(11.7%)	(40.1%)	8.9x	1.41x	8.3x	4.4x
Post Holdings, Inc.	85.74	(2.7%)	98.84	80.39	(5.0%)	(23.9%)	17.1x	1.70x	11.3x	6.1x
The Simply Good Foods Company	34.52	(1.1%)	40.16	31.95	(9.2%)	(17.0%)	19.3x	3.12x	16.5x	1.6x
Sovos Brands, Inc.	22.55	(0.5%)	22.73	12.74	56.9%	49.8%	31.3x	2.77x	14.7x	2.8x
SunOpta Inc.	4.56	(5.4%)	15.90	4.49	(59.9%)	(48.0%)	NA	0.96x	10.4x	5.4x
TreeHouse Foods, Inc.	43.58	(3.9%)	55.30	41.68	(11.7%)	7.5%	17.0x	1.17x	10.2x	4.3x
Unilever PLC	46.89	(1.0%)	50.93	43.94	0.0%	(0.4%)	NA	2.39x	12.3x	2.7x
Utz Brands, Inc.	13.43	(2.2%)	19.15	13.29	(15.3%)	(15.8%)	22.5x	1.96x	22.9x	8.6x
Sector Average:					(13.4%)	(15.7%)	17.3x	2.06x	12.4x	3.8x

Company Name	Price 9/29/23	Price Compared to 9/22/23	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	
<b>ETHANOL</b>										
Alto Ingredients, Inc.	\$4.42	1.1%	\$4.58	\$1.20	53.5%	(8.1%)	18.8x	0.32x	NM	NM
Green Plains Inc.	30.10	(3.5%)	37.49	26.33	(1.3%)	(13.4%)	32.9x	0.69x	NM	NM
REX American Resources Corporation	40.72	3.0%	41.63	26.05	27.8%	27.3%	15.8x	0.60x	8.7x	0.3x
Sector Average:					26.7%	1.9%	22.5x	0.54x	8.7x	0.3x
<b>FRUIT &amp; VEGETABLE</b>										
Calavo Growers, Inc.	\$25.23	(4.8%)	\$38.97	\$22.64	(14.2%)	(40.5%)	16.3x	0.56x	13.3x	2.4x
Dole plc	11.58	0.0%	14.01	7.20	20.0%	(13.1%)	10.8x	0.28x	5.8x	3.6x
Fresh Del Monte Produce Inc.	25.84	0.3%	32.49	23.13	(1.3%)	(6.4%)	11.0x	0.41x	5.1x	1.7x
Lamb Weston Holdings, Inc.	92.46	(1.7%)	117.38	76.56	3.5%	45.9%	17.5x	3.14x	10.6x	3.2x
Mission Produce, Inc.	9.68	(1.3%)	16.96	8.55	(16.7%)	(38.3%)	17.9x	1.02x	21.6x	6.8x
Seneca Foods Corporation	53.83	(0.1%)	68.74	32.50	(11.7%)	12.3%	NA	0.57x	7.8x	4.2x
Sector Average:					(3.4%)	(6.7%)	14.7x	1.00x	10.7x	3.7x
<b>PROTEIN</b>										
Beyond Meat, Inc.	\$9.62	0.6%	\$22.87	\$9.22	(21.9%)	(85.2%)	NM	4.55x	NM	NM
Cal-Maine Foods, Inc.	48.42	0.3%	65.32	43.29	(11.1%)	30.9%	13.5x	0.55x	1.7x	0.0x
Darling Ingredients Inc.	52.20	(3.8%)	82.69	51.46	(16.6%)	(24.7%)	8.8x	1.85x	7.6x	4.0x
Hormel Foods Corporation	38.03	(2.3%)	49.73	36.78	(16.5%)	(22.1%)	22.0x	1.92x	12.0x	1.7x
* JBS S.A.	18.05	(0.9%)	28.00	15.12	(17.9%)	(52.4%)	11.3x	0.37x	6.5x	5.0x
Nathan's Famous, Inc.	70.66	(0.8%)	83.00	62.00	5.1%	21.0%	NA	2.57x	8.9x	2.2x
Pilgrim's Pride Corporation	22.83	0.1%	26.57	19.96	(3.8%)	(19.0%)	12.6x	0.51x	8.2x	3.7x
Seaboard Corporation	3753.00	(1.1%)	4090.63	3375.01	(0.6%)	(4.6%)	NA	0.45x	5.2x	2.1x
Tyson Foods, Inc.	50.49	(1.2%)	69.07	47.11	(18.9%)	(42.1%)	21.5x	0.50x	7.7x	2.7x
Vital Farms, Inc.	11.58	(0.9%)	18.18	10.00	(22.4%)	(35.9%)	33.1x	0.92x	2.2x	0.1x
Sector Average:					(12.4%)	(23.4%)	14.9x	1.07x	6.7x	2.4x
<b>BAKING &amp; INGREDIENTS</b>										
Balchem Corporation	\$124.04	(2.5%)	\$143.88	\$116.68	1.6%	(26.4%)	31.1x	4.63x	21.2x	2.1x
Flowers Foods, Inc.	22.18	(3.2%)	30.16	22.08	(22.8%)	(19.3%)	17.9x	1.21x	10.2x	2.3x
* Gruma, S.A.B. de C.V.	297.31	(2.2%)	309.47	190.82	14.0%	13.3%	14.6x	1.33x	9.1x	2.3x
* Grupo Bimbo, S.A.B. de C.V.	84.95	2.8%	103.41	68.83	3.1%	34.9%	20.7x	1.21x	8.8x	2.3x
J&J Snack Foods Corp.	163.65	(1.1%)	177.71	127.80	9.3%	3.6%	31.2x	2.15x	19.0x	1.0x
* Kerry Group plc	79.18	(3.5%)	100.00	76.80	(6.0%)	(30.1%)	17.1x	1.79x	13.3x	2.1x
Kerry Kreme, Inc.	12.47	(2.5%)	16.22	10.21	20.8%	(34.1%)	35.8x	2.18x	12.7x	4.8x
McCormick & Company, Incorporated	75.64	(1.2%)	94.39	70.60	(8.7%)	(21.7%)	27.5x	3.86x	20.0x	4.0x
* Tate & Lyle plc	6.86	(1.0%)	8.38	6.48	(3.6%)	(11.2%)	12.4x	1.69x	10.6x	2.3x
Sector Average:					0.9%	(10.1%)	23.1x	2.23x	13.9x	2.6x
<b>CANDY, NUTS, &amp; SNACKS</b>										
Bridgford Foods Corporation	\$11.13	(0.3%)	\$15.29	\$10.03	(6.6%)	(8.1%)	NA	0.38x	7.2x	0.6x
The Hershey Company	200.08	(3.8%)	276.88	199.30	(13.6%)	3.4%	20.2x	4.21x	16.0x	1.8x
John B. Sanfilippo & Son, Inc.	98.80	1.5%	127.26	74.33	21.5%	9.6%	NA	1.16x	10.5x	0.1x
Laird Superfood, Inc.	1.03	(1.9%)	2.18	0.65	22.6%	(92.1%)	NM	NM	NM	NM
Rocky Mountain Chocolate Factory, Inc.	4.76	0.2%	6.98	4.70	(16.5%)	(39.4%)	NA	0.90x	NM	NM
Tootsie Roll Industries, Inc.	29.86	(3.6%)	46.11	29.82	(27.8%)	(12.6%)	NA	2.79x	16.8x	0.1x
Sector Average:					(3.4%)	(23.2%)	20.2x	1.89x	12.6x	0.7x
<b>PET FOOD AND PRODUCTS</b>										
Central Garden & Pet Company	\$44.14	(5.5%)	\$48.48	\$35.60	17.9%	(16.1%)	15.9x	0.99x	8.1x	3.4x
Freshpet, Inc.	65.88	3.1%	84.70	45.13	24.8%	(30.8%)	NM	4.81x	NM	NM
Sector Average:					21.4%	(23.5%)	15.9x	2.90x	8.1x	3.4x
<b>WINE &amp; BEVERAGE</b>										
The Boston Beer Company, Inc.	\$389.53	3.0%	\$422.75	\$296.27	18.2%	(22.9%)	43.6x	2.22x	21.4x	0.2x
Brown-Forman Corporation	57.69	(4.7%)	74.76	56.23	(12.2%)	(20.8%)	27.8x	7.13x	22.9x	2.3x
The Coca-Cola Company	55.98	(2.8%)	64.99	54.02	(12.0%)	(5.5%)	20.6x	6.14x	17.1x	3.0x
Constellation Brands, Inc.	251.33	(1.8%)	273.65	208.12	8.4%	0.1%	20.7x	6.10x	45.6x	3.5x
Crimson Wine Group, Ltd.	6.01	(0.1%)	6.96	5.11	7.0%	(27.2%)	NA	1.57x	26.5x	4.4x
* Diageo plc	30.34	(3.8%)	38.82	29.97	(16.9%)	(24.8%)	18.2x	4.99x	13.9x	3.0x
Monster Beverage Corporation	52.95	(2.9%)	60.47	42.81	4.3%	10.3%	32.0x	7.80x	27.5x	0.0x
National Beverage Corp.	47.02	0.5%	55.12	38.47	1.1%	3.7%	24.9x	3.57x	17.7x	0.2x
PepsiCo, Inc.	169.44	(3.3%)	196.88	160.98	(6.2%)	(2.5%)	21.7x	3.00x	16.3x	2.6x
Starbucks Corporation	91.27	(2.6%)	115.48	82.43	(8.0%)	(22.0%)	23.2x	3.58x	13.1x	2.6x
Willamette Valley Vineyards, Inc.	5.84	(0.3%)	6.59	5.59	(2.2%)	(32.6%)	NA	2.35x	37.1x	8.5x
Sector Average:					(1.7%)	(13.1%)	25.9x	4.40x	23.6x	2.8x

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			High	Low	2022	2021		Revenue	EBITDA	
<b>DAIRY</b>										
* Danone S.A.	\$52.26	(1.4%)	\$61.88	\$46.75	6.2%	(4.3%)	14.8x	1.57x	9.8x	3.7x
Lifeway Foods, Inc.	10.34	(16.7%)	12.96	5.22	86.3%	124.8%	15.1x	1.00x	12.0x	0.5x
* Saputo Inc.	28.40	(0.0%)	37.50	27.17	(15.3%)	(0.4%)	14.9x	0.89x	10.4x	2.7x
Sector Average:					25.7%	40.1%	14.9x	1.15x	10.7x	2.3x
<b>WHOLESALE, FOOD SERVICE, &amp; DISTRIBUTION</b>										
The Chefs' Warehouse, Inc.	\$21.18	(8.9%)	\$39.54	\$21.03	(36.4%)	(36.4%)	15.1x	0.56x	9.2x	5.0x
Performance Food Group Company	58.86	(1.9%)	64.34	42.80	0.8%	28.3%	13.5x	0.26x	9.4x	3.2x
SpartanNash Company	22.00	(0.6%)	37.75	20.57	(27.2%)	(14.6%)	9.6x	0.16x	6.4x	3.4x
Sysco Corporation	66.05	(3.8%)	87.41	64.82	(13.6%)	(15.9%)	15.3x	0.57x	11.8x	3.0x
United Natural Foods, Inc.	14.14	(25.0%)	47.88	13.57	(63.5%)	(71.2%)	23.4x	0.13x	4.9x	4.0x
US Foods Holding Corp.	39.70	(0.3%)	44.52	25.49	16.7%	14.0%	13.8x	0.41x	10.1x	3.5x
Sector Average:					(20.5%)	(16.0%)	15.1x	0.35x	8.6x	3.7x
<b>MASS MERCHANDISE, CLUB STORES, &amp; DOLLAR STORES</b>										
BJ's Wholesale Club	\$71.37	(2.1%)	\$80.41	\$60.33	7.9%	6.6%	17.5x	0.65x	9.4x	2.3x
Costco Wholesale Corporation	564.96	1.1%	572.18	447.90	23.8%	(0.5%)	36.0x	1.01x	22.9x	0.8x
Dollar General Corporation	105.80	(2.2%)	261.59	103.27	(57.0%)	(55.1%)	13.4x	1.05x	7.0x	3.1x
Dollar Tree, Inc.	106.45	1.9%	170.36	103.94	(24.7%)	(24.2%)	16.2x	1.13x	7.1x	2.2x
Grocery Outlet Holding Corp.	28.85	0.2%	36.54	25.71	(1.2%)	2.0%	26.0x	1.08x	12.5x	4.2x
Walmart Inc.	159.93	(1.5%)	165.85	128.07	12.8%	10.5%	23.7x	0.78x	12.1x	1.7x
Sector Average:					(6.4%)	(10.1%)	22.1x	0.95x	11.8x	2.4x
<b>TRADITIONAL &amp; SPECIALTY RETAIL</b>										
Albertsons	\$22.75	(2.0%)	\$29.19	\$19.14	9.7%	(24.6%)	8.4x	0.35x	5.4x	2.9x
* Ahold Delhaize	28.52	(2.4%)	32.51	25.45	6.3%	(5.4%)	11.0x	0.48x	6.2x	2.7x
Amazon.com, Inc.	127.12	(1.5%)	145.86	81.43	51.3%	(23.8%)	51.1x	2.64x	18.9x	2.3x
Ingles Markets, Incorporated	75.33	0.1%	102.99	73.38	(21.9%)	(12.8%)	NA	0.30x	3.9x	1.3x
The Kroger Co.	44.75	(2.0%)	50.41	41.82	0.4%	(1.1%)	9.9x	0.34x	5.8x	2.3x
Natural Grocers by Vitamin Cottage, Inc.	12.91	1.1%	13.80	8.00	41.2%	(9.4%)	15.7x	0.59x	5.5x	3.1x
Sprouts Farmers Market, Inc.	42.80	3.4%	43.29	26.35	32.2%	44.2%	15.6x	0.87x	7.2x	2.0x
* Tesco PLC	2.64	(2.5%)	3.07	1.94	17.8%	(8.9%)	11.8x	0.45x	7.0x	3.6x
Village Super Market, Inc.	22.64	0.1%	24.86	19.09	(2.8%)	(3.2%)	NA	0.28x	3.9x	2.5x
Weis Markets, Inc.	63.00	(0.8%)	95.57	58.75	(23.4%)	(4.4%)	NA	0.32x	4.9x	0.6x
Sector Average:					11.1%	(4.9%)	17.7x	0.66x	6.9x	2.3x
<b>TRADITIONAL RESTAURANTS</b>										
Brinker International, Inc.	\$31.59	4.8%	\$42.12	\$23.94	(1.0%)	(13.7%)	9.5x	0.86x	6.1x	3.7x
The Cheesecake Factory Incorporated	30.30	4.7%	41.28	28.48	(4.4%)	(22.6%)	10.2x	0.97x	7.6x	4.2x
Cracker Barrel Old Country Store, Inc.	67.20	0.7%	121.17	62.69	(29.1%)	(47.8%)	12.6x	0.76x	7.4x	3.3x
Darden Restaurants, Inc.	143.22	(0.2%)	173.06	123.43	3.5%	(4.9%)	16.0x	2.23x	12.0x	3.5x
Dine Brands Global, Inc.	49.45	(4.7%)	82.43	48.05	(23.5%)	(34.8%)	8.1x	2.61x	10.6x	7.5x
Jack in the Box Inc.	69.06	(1.2%)	99.56	65.72	1.2%	(21.1%)	10.6x	2.54x	7.2x	5.2x
McDonald's Corporation	263.44	(3.2%)	299.35	230.58	(0.0%)	(1.7%)	22.3x	9.87x	16.3x	3.3x
Papa John's International, Inc.	68.22	(4.8%)	97.78	66.74	(17.1%)	(48.9%)	23.6x	1.55x	13.1x	4.1x
Texas Roadhouse, Inc.	96.10	0.5%	118.16	85.29	5.7%	7.6%	19.1x	1.62x	12.6x	1.3x
The Wendy's Company	20.41	(0.3%)	23.90	18.55	(9.8%)	(14.4%)	19.5x	3.63x	15.4x	8.4x
Yum! Brands, Inc.	124.94	(0.0%)	143.25	103.97	(2.5%)	(10.0%)	22.9x	6.70x	19.1x	5.0x
Sector Average:					(7.0%)	(19.3%)	15.8x	3.03x	11.6x	4.5x
<b>HIGH-GROWTH RESTAURANTS</b>										
Chipotle Mexican Grill, Inc.	\$1,831.83	(2.3%)	\$2,175.01	\$1,344.05	32.0%	4.8%	38.8x	5.72x	23.2x	1.7x
El Pollo Loco Holdings, Inc.	8.95	0.3%	13.00	8.35	(10.1%)	(36.9%)	10.9x	1.14x	7.2x	3.4x
Noodles & Company	2.46	(1.2%)	6.55	2.23	(55.2%)	(72.9%)	NM	0.76x	5.9x	4.2x
Potbelly Corporation	7.80	(0.9%)	11.14	4.44	40.0%	39.8%	52.0x	0.82x	5.2x	2.6x
Shake Shack Inc.	58.07	0.4%	80.58	40.83	39.8%	(19.5%)	162.5x	2.79x	17.8x	4.8x
Wingstop Inc.	179.84	6.2%	223.77	113.20	30.7%	4.1%	77.4x	14.34x	48.6x	6.0x
Sector Average:					12.9%	(13.4%)	68.3x	4.26x	18.0x	3.8x
<b>CANNABIS &amp; CBD</b>										
Canopy Growth Corporation	\$1.05	(7.1%)	\$6.44	\$0.46	(66.6%)	(90.5%)	NM	3.28x	NM	NM
Cronos Group Inc.	2.71	(4.2%)	4.88	2.15	(21.2%)	(45.6%)	NM	NM	NM	NM
Jones Soda Co.	0.19	3.0%	0.48	0.17	(28.5%)	(74.1%)	NA	0.82x	NM	NA
The Scotts Miracle-Gro Company	51.68	1.7%	88.61	39.06	6.4%	(67.9%)	31.6x	1.70x	10.9x	5.8x
Tilray Brands, Inc.	2.39	(0.4%)	5.12	1.50	(11.2%)	(66.0%)	NM	3.00x	NM	NM
Village Farms International, Inc.	0.80	(11.0%)	2.54	0.55	(40.5%)	(87.6%)	NM	0.52x	NM	NM
Sector Average:					(26.9%)	(71.9%)	31.6x	1.87x	10.9x	5.8x

**Notes:**

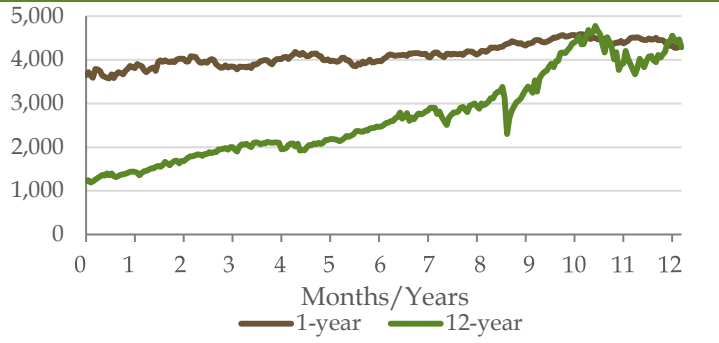
\*Denotes local currency.

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



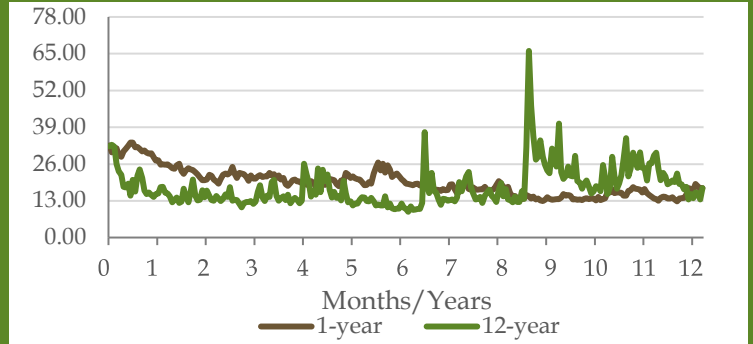
### Dow Jones Industrial Average



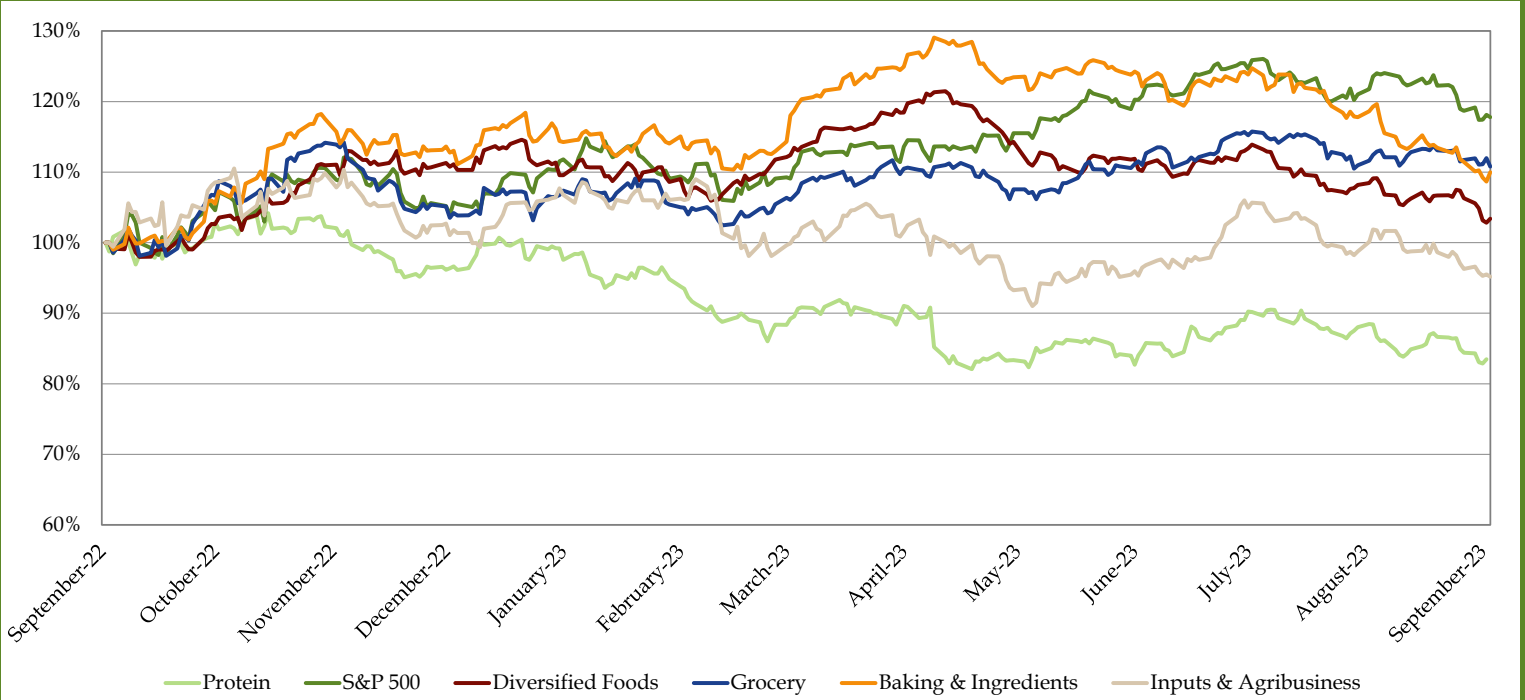
### 10-year Treasury



### CBOE Market Volatility Index - VIX



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



# Food For Thought...

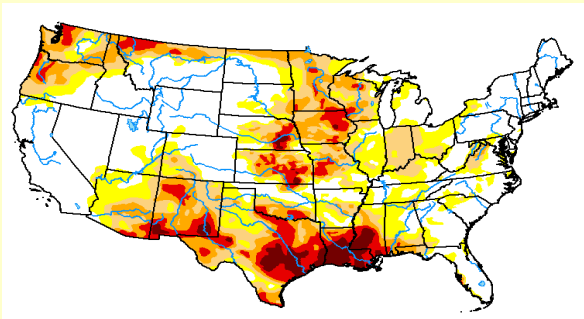
Partner Column

Written by Mary Burke

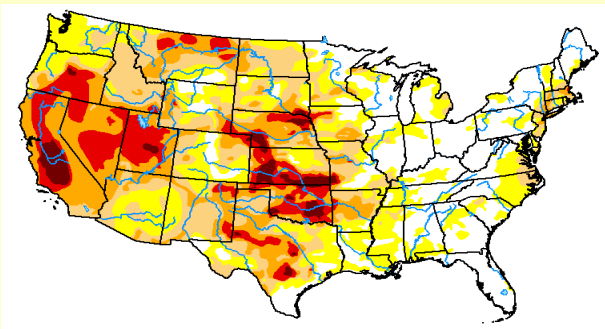
Today's Partner Column is going to be told in three short factoid points:

1. The USDA drought monitor shows these comparative pictures of last week and the same week last year. While California is better-has more water- in 2023, Texas and more parts of the central U.S. have more drought...good for the fruits and nuts in California, bad for the row crops in the Midwest

September 26, 2023



September 27, 2022



2. The Army Corp of Engineers will begin barging in up to 36 million gallons a day of fresh water to New Orleans this week. Drought has caused the flow of the Mississippi River to run low, compromising its ability to hold the salt water of the Gulf of Mexico at bay. Louisiana officials approved last week a new fresh water pipeline to bring water from upstream to Jefferson Parrish and New Orleans. The cost of the pipeline is expected to be between \$100 million and \$250 million.
3. Desalination has been explored and implemented over the years, but not to its full potential. Plants are costly to operate, require large amounts of energy and are difficult to manage in an environmentally friendly way. Mexico has 351 desalination plants located in 28 of its 32 states. The U.S. has an estimated 200 facilities which primarily are used to desalt brackish groundwater.

They say the next world war will be fought over water...we need it to live and for our crops to grow, so what are we to do?

*Have a good week!*



## Food For Thought...

**UNFI Releases Q4 2023 Earnings.** United Natural Foods' (UNFI) stock fell after the company released earnings last week. Despite growing sales in all customer channels, profitability sank as the company took a \$68 million loss for the quarter.

The company fell victim to inflation, but not in the way you might think. In fact, it was the deceleration of inflation that hurt the company by limiting its procurement gain opportunities. Growing inflation can help companies increase profits as it allows them to purchase inventory, hold onto it, and sell later at inflated prices. Narrow margins are quite common in the food distribution business therefore, the lack of procurement gains (coupled with "shrink" or damaged / stolen goods) was enough to put UNFI in the red.

The company also released expectations for a 2024 fiscal year net loss of \$36-\$110 million. Chief Executive Sandy Douglas expects "further headwinds" and inflationary issues in 2024. Amongst all the bad, UNFI is still expecting a fiscal 2024 EBITDA of roughly \$500 million which would prove for a 5.6x enterprise-value-to-EBITDA multiple.

The news is a reminder of just how susceptible food companies can be to changes in the outside world. Pandemic lockdowns, supply chain issues, and inflation have all proved detrimental to the food industry in the past few years. Like UNFI, many companies are looking to modern technology solutions to combat the unexpected and uncontrollable.

**Costco's Robust Grocery Sales Bolster Quarterly Earnings Amid Retail Trends Shift.** Costco outperformed Wall Street expectations, with quarterly earnings showcasing a 1.1% year-over-year increase in comparable sales, driven primarily by strong grocery sales. However, the U.S. market saw a more modest 0.2% increase, reflecting changing consumer patterns.

Costco's earnings reflect broader trends in the retail grocery industry. Costco experienced weaker trends in discretionary items, mirroring a consumer pullback observed in big-ticket and non-essential purchases, particularly in the digital sales sector. This aligns with trends seen in competitors such as Walmart and Target. While grocery remains the driving force behind sales for retailers, the decline in certain discretionary items impacted e-commerce sales negatively.

Costco's digital sales declined by 0.8% compared to the previous year, with Chief Financial Officer Richard Galanti attributing this to reduced purchases of larger items like furniture, electronics, and jewelry.

Costco continues to thrive on its membership-based model, ending the quarter with 71 million paid household members, reflecting an almost 8% growth from the previous year. The company's higher-tier membership, Executive Membership, has seen a substantial increase, now accounting for over 45% of all paid memberships and contributing to approximately 73% of global sales.

Regarding membership fees, Galanti confirmed that Costco plans to increase fees at some point, emphasizing it's a matter of "when, not if." The last fee increase occurred in 2017, and while no specific timeline was provided, Galanti hinted at an inevitable adjustment in the near future. These fees, a crucial revenue driver, are eagerly anticipated by investors.

To counterbalance the decline in non-grocery sales, Costco has adopted strategic measures. The company has diversified its offerings by introducing small-ticket items and impulse-driven snacks, aiming to encourage customers to add more items to their baskets. Additionally, Costco has kept merchandise fresh with popular gaming systems and an early rollout of Christmas items, driving positive sales in these categories.

**ADM Joins Syngenta in Biofuels Pact.** Food processing giant ADM recently announced that they have signed a memorandum of understanding with agriculture company Syngenta Group to increase research and commercialization of low carbon-intensity next-generation oilseeds.

The memorandum aims to leverage the companies' capabilities in order to accelerate new oilseed research and processing. With ADM's production and storage capabilities and Syngenta's research and development capabilities, the companies hope to tap into the growing number of biofuel customers while helping the environment along the way.

Global biofuel demand has skyrocketed in the past few years and is expected to grow by 35 billion liters annually for the next five years. However, the cultivation and production of traditional oilseeds such as soybeans and sunflowers are a major source of greenhouse gas emissions. With growing climate change concerns, the increased production of traditional crops to meet growing demand is being met with some backlash. However, the crops to be scaled and researched by ADM and Syngenta, such as camelina, are much less carbon-intensive than traditional oilseeds. ADM and Syngenta hope to inspire the agricultural industry in the pursuit of environmentally friendly innovation.

## Heard on the Street...

**AGCO Buys Trimble Assets.** AGCO Corp., the American agricultural machinery manufacturer known for their tractor production has agreed to purchase \$2 billion worth of technology assets from Trimble Inc. The tech company, Trimble, will henceforth dissolve its agricultural technology business and instead embark on a joint venture with AGCO.

The deal will give AGCO exclusive access to Trimble's advanced products which utilize satellite and field data to oversee the entirety of the crop cycle, maximize yields, and minimize the use of harmful chemicals. Experts believe that this technology will help AGCO increase margins and allow them to compete with companies such as John Deere and CNH.

AGCO's Chief Executive, Eric Hansotia, believes the new joint venture will become the world's "premier mixed-fleet Precision Ag business" that will serve all farmers. Synergies from the deal are expected to reach \$100 million by early 2024.

This deal highlights the continued growth of technology within the farming and agricultural industry. As technology and specifically artificial intelligence continue to grow exponentially, more farming companies are putting capital into big tech with hopes of increasing efficiencies and autonomy. Agriculture machinery manufacturing powerhouse John Deere, for example, believes that total autonomy in corn and soybean farming will be achievable by 2030. However, as history has shown, expensive tech investments do not always pan out. With agriculture being a vital practice influenced by a number of physical variables, the question still remains whether technology will ever truly be able to replace the touch, experience, and discernment of the human farmer altogether.

**Wonder Group Acquires Blue Apron.** Wonder Group, the innovative food-delivery startup led by former Walmart executive Marc Lore, has announced its acquisition of Blue Apron, a pioneering meal-kit company. The deal, valued at approximately \$103 million, offers Blue Apron shareholders a premium of over 130% per share as of last Thursday.

Wonder Group, under the leadership of Marc Lore, aims to create a "super-app" for mealtime, and the acquisition of Blue Apron aligns with this vision. The deal brings together Wonder Group's expertise in restaurant-based delivery models with Blue Apron's legacy in packaging fresh ingredients for convenient, home-cooked meals. Lore expressed a shared commitment to making great food more accessible, highlighting the common ground that sparked the acquisition discussions.

Blue Apron, a New York-based company that revolutionized meal-kit delivery, has faced challenges in recent years, including supply-chain issues, fluctuating ingredient costs, and intense competition in the meal-kit market. Struggling to maintain sales and retain customers, Blue Apron conducted a strategic review in 2020 but opted against a sale at that time.

Following a series of setbacks, including layoffs and a deal with FreshRealm for a cash infusion, Blue Apron has now agreed to the acquisition by Wonder Group. The premium offered in the deal represents an opportunity for Blue Apron shareholders, providing an exit amid market challenges.

Marc Lore, known for successfully selling startups to industry giants, sees the acquisition as a step closer to realizing his goal of building a mealtime super-app. Wonder Group plans to continue Blue Apron's current operations, retaining the brand and incorporating it into its broader vision for the future of food delivery.

This strategic move comes at a pivotal time for both companies, with Wonder Group looking to expand its reach and Blue Apron finding a lifeline in the form of a forward-thinking partner. As the landscape of food delivery continues to evolve, the collaboration between Wonder Group and Blue Apron holds the promise of reshaping the industry and delivering innovative solutions to consumers.

**JM Smucker Sells Sahale Snacks Brand.** Smucker has agreed to sell its nut brand Sahale Snacks to Second Nature for \$34 million in cash. Sahale Snacks is a premium snack brand with a wide variety of nut mixes, trail mixes, and nut bars with roughly \$48 million in annual sales within the U.S.

The divestment allows Smucker to focus resources on their consumer foods business and Smucker's Uncrustables. Despite being a much smaller transaction than the company's purchase of Hostess, announced earlier this year, the divestment shows Smucker's prioritization of high-performance and growth brands. In fiscal 2023 Smucker pulled in \$8.5 billion in sales driven by brands such as Folgers, Jif, and Smucker's Jams.

The acquisition of Sahale Snacks will allow Second Nature to add a premium product to their already strong roster of non-GMO-verified premium snacks. Second Nature CEO Victor Mehren believe the acquisition will "unlock significant new opportunities" for their company.



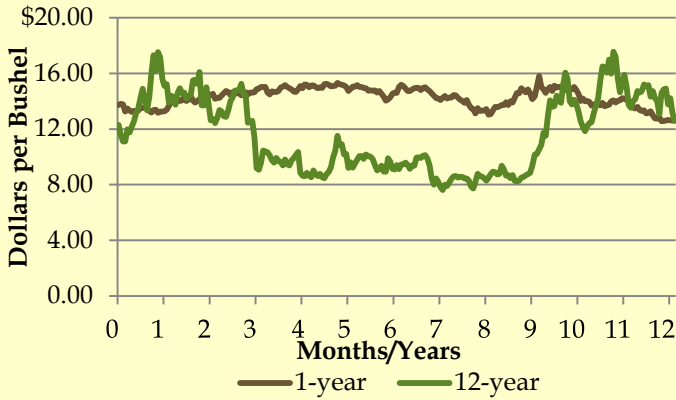
# Dashboard

Sector	Outlook	
	6-month	3-year
<b>INPUTS</b>		
<ul style="list-style-type: none"> <li>s/ Corteva announced the launch of a new product (Reklmela) that will protect row crops from plant-parasitic nematode damage</li> <li>s/ Bayer expands into strawberries, acquires NIAB assets to meet year-round demand with genetics and protection products</li> <li>s/w/ CF Industries is experiencing challenges from weaker nitrogen prices, but it is capitalizing on healthy demand in major markets</li> <li>s/ Increased applications of phosphorus and potash expected due to competitive pricing and enhanced crop yield</li> </ul>	↔	↑
<b>AG EQUIPMENT</b>		
<ul style="list-style-type: none"> <li>s/ AGCO acquiring an 85% stake in navigation products company Trimble for \$2B elevates precision ag to compete against Deere</li> <li>s/ Titan Machinery and Buhler Industries both reported quarterly revenue increases (29.4% and 17.0% respectively)</li> <li>s/ Deere and Yara announce partnership to link Yara's crop nutrition technology with Deere's precision ag software</li> <li>w/ Both tractor and combine sales declined in August compared to last year; 4WD tractor sales increased</li> <li>w/ Deere announces layoffs at harvester facility, raising concerns that a weak harvest could limit equipment demand</li> </ul>	↓	↑
<b>AGRIBUSINESS</b>		
<ul style="list-style-type: none"> <li>w/ Low levels on the Mississippi River is hampering barge movement just as harvest is underway for many crops.</li> <li>w/ El Niño conditions cause uncertainty for the year ahead with its volatility continuing 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> <li>w/ Drought conditions decline in the southeast and TX. If hurricane season is tough, ground wont be able to absorb the moisture</li> </ul>	↔	↑↑
<b>DIVERSIFIED FOODS</b>		
<ul style="list-style-type: none"> <li>s/ Pet owners are transitioning to cheaper pet food option as inflation keeps prices elevated</li> <li>w/ Kellogg, General Mills, Kraft Heinz, Conagra, &amp; Campbell Soup all down between 15 and 25% in 2023</li> <li>w/ General Mills, Kellogg, &amp; Post Holdings all recognize the cereal market is declining</li> <li>s/w/ LFA will be closely monitoring McCormick, Conagra, Constellation Brands, &amp; Lamb Weston, all report earnings next week</li> </ul>	↓	↔
<b>ALTERNATIVE FUELS</b>		
<ul style="list-style-type: none"> <li>s/ U.S. ethanol fuel production bounced back from a down week last week, margins remain strong</li> <li>s/ John Deere is set to present a new ethanol-powered engine</li> <li>s/ Hydrogen powered cars progressing to the market</li> <li>s/w/ Ethanol makers turning to green jet fuel as EVs cut into demand</li> <li>w/ Ethanol consumption is forecasted to fall by 12% by the end of the decade</li> </ul>	↔	↔
<b>FRUIT &amp; VEGETABLE</b>		
<ul style="list-style-type: none"> <li>s/w/ Q2 avocado sales grow 37% in volume given improvements in the MX crop, prices fall</li> <li>s/ Little Leaf Farms becomes the top selling lettuce brand in the Northeast while other greenhouse operators struggle</li> <li>s/ As the apple season begins, strong weather in PNW drives forecasted apple harvesting up 27% from last year</li> <li>s/ Produce companies look for growth in the snacking category with Taylor, Mastronardi, &amp; others launching new product</li> </ul>	↑	↑↑
<b>PROTEIN</b>		
<ul style="list-style-type: none"> <li>w/ 2023 beef production forecast has dropped 40 million lbs. since last month</li> <li>w/ Plant closures have led to higher swine and cattle imports</li> <li>w/ Recent hatchery, production, and trade data has decreased broiler production and export projections</li> <li>s/ Pullet chick placements and breeder productivity beat expectations for August</li> <li>s/ September Market Hogs inventory is expected to be up from last year</li> </ul>	↓	↔

Sector	Outlook	
	6-month	3-year
<b>WATER LEVELS</b>		
<ul style="list-style-type: none"> <li>s/water levels of California reservoirs have risen substantially this year and are now well above levels of one year ago</li> <li>w/ Colorado river reservoirs are significantly below their historical average at 57%</li> <li>w/ Ogallala aquifer, which 90% of withdrawals are for farm irrigation, predicted to be depleted 70% within 50 years</li> <li>s/ Compared to last year, CA and the west coast is not seeing much drought. TX region is in far worse condition</li> <li>Read the Partner Column on p2 for more on this topic</li> </ul>	↓↓↓	↓↓↓
<b>CANDY &amp; NUT</b>		
<ul style="list-style-type: none"> <li>s/Halloween is the second highest-grossing holiday for candy sales, behind Easter. Sales expected to top \$3.6 billion this year</li> <li>w/Candy prices are up as sugar hits a 12-year high and cocoa hits a 46-year high.</li> <li>s/ Second Nature Brands, a manufacturer of nut-based and chocolate snacks, acquired Sahale Snacks from J.M. Smuckers</li> <li>s/ Ferrero recently opened a 45,000 sqft Innovation and R&amp;D Center in Chicago</li> </ul>	↔	↑
<b>DAIRY</b>		
<ul style="list-style-type: none"> <li>s/w/ U.S. milk production decreased 0.2% YoY in August, the second consecutive monthly decline, according to the USDA</li> <li>w/ Lower US milk production is attributed to narrowing farmgate margins, lower milk-per-cow yields, and increased dairy slaughter</li> <li>s/ CME spot butter reached a new record high of \$3.34/lb. in Sep. due to strong domestic demand and lower-than-expected stocks</li> <li>s/w/ Gains in domestic consumption have lowered dairy product inventories, even as exports volumes remain below year ago levels</li> <li>s/ For a third consecutive month, August milk production in New Zealand was weaker than expected</li> </ul>	↑	↔
<b>WHOLESALE, FOOD SERVICE &amp; DISTRIBUTION</b>		
<ul style="list-style-type: none"> <li>s/ Panera Brands (comprised of Panera Bread, Einstein Bros, and Caribou Coffee again planning IPO in the coming months</li> <li>s/w/ 78% of Gen Z consumers look at online reviews before choosing a restaurant; Gen Z most likely to leave a negative review</li> <li>s/w Latest US Foods quarterly report showed growth in case volume driven by independents as chain volumes slipped</li> <li>s/w/ Collapse of Yellow expected to lead to rise in trucking rates headed into the holiday shipping season</li> <li>w/ A decline in restaurant traffic in August was steepest at full service and white table cloth restaurants</li> </ul>	↓	↔
<b>TRADITIONAL RETAIL</b>		
<ul style="list-style-type: none"> <li>s/ Kroger reached an agreement to divest from 413 stores related to the Albertsons merger. C&amp;S Wholesale to pay \$1.9 B</li> <li>w/ Target will close nine stores in four states due to rampant retail theft. Total losses expected to reach \$500MM in 2023</li> <li>s/ Frozen foods is the fastest growing food-at-home category, seeing 15.6% YoY growth in Q2 2023</li> <li>s/w/ Instacart raised \$660MM in its IPO. The stock shot up to \$42 from its IPO price of \$30 before ending the week even</li> <li>s/ An Amazon Go store has opened in Washington, possibly signaling an end to the pause in expansion announced in February</li> </ul>	↔	↑
<b>NON-TRADITIONAL RETAIL</b>		
<ul style="list-style-type: none"> <li>w/ Rite Aide files for bankruptcy as CVS, Walgreens, and Rite Aid announce plans to close over 1,500 locations</li> <li>s/ Convenience stores continue to grow foodservice offerings as Winsight reports 92% of c-store shoppers come for food</li> <li>w/ Despite inflation and increased traffic, DG's stock is down 56.6% YTD, DLTR down 23.7%</li> <li>s/ Aldi continues its U.S. expansion with announcement of Winn Dixie acquisition</li> </ul>	↑	↑↑
<b>BIG PICTURE INDUSTRY DRIVERS</b>		
<ul style="list-style-type: none"> <li>Farm bill up this month for renegotiations</li> <li>El Niño</li> <li>Interest rate increases done for the year?</li> <li>Water levels &amp; drought</li> <li>Advancements in technology &amp; automation</li> <li>Inflation</li> <li>Geopolitical uncertainty</li> </ul>		

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

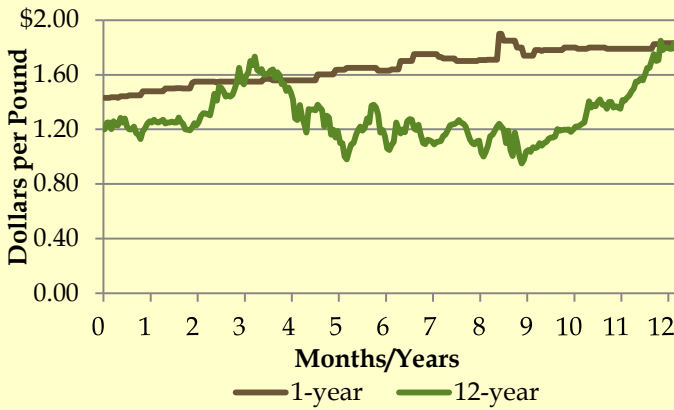
## Soybeans



## Sugar



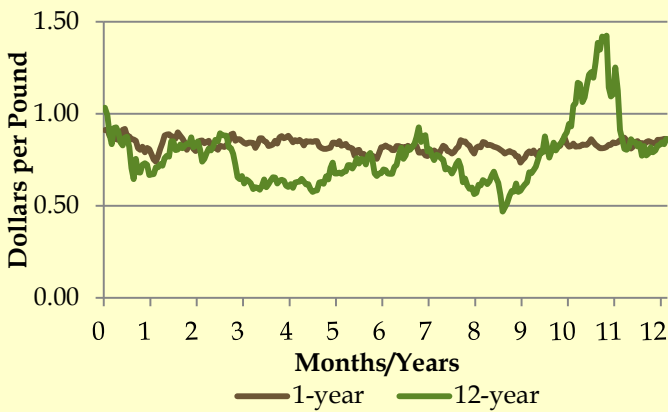
## Cattle



## Milk



## Cotton



## Oil



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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