



LAKESHORE

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



Weekly Update

Monday, December 11th, 2023

U.S. Indices Report Modest Gains Last Week Ahead of a Big Upcoming Week. A survey taken by the University of Michigan found that U.S. consumer expectations for inflation were at their lowest levels since March 2021. This comes ahead of a busy week with the Fed's last meeting this year and monthly CPI data both scheduled for this week. Additionally, last week crude oil fell below \$70/barrel for the first time in five months and the unemployment rate fell from 3.9% to 3.7%.

The **Dow Jones Industrial Average** was flat, finishing at 36,248.

The **S&P 500** increased 0.2% on the week, finishing at 4,604.

The **NASDAQ Composite** grew 0.7% this week, finishing at 14,404.

Yield on the **10-year Treasury** increased one basis point during the week, ending at 4.23%.

Crude oil was down 3.8% on the week, ending at \$71.23 per barrel.

Corn was up 0.2% on the week, ending at \$4.86 per bushel.

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NASDAQ Highs: Costco Wholesale Corporation, Limoneira Company, Sprouts Farmers Market, Inc., Village Super Market, Inc., Wingstop Inc. **Lows:** Green Plains, Inc.

NYSE Highs: Chipotle Mexican Grill, Inc., Performance Food Group Company, US Foods Holding Corp. **Lows:** None

Featured Stocks of the Week:

Costco Wholesale Corp (NASDAQ: COST) 10-Year History



Performance Food Group (NYSE: PFGC) 8-Year History



The Lakeshore Food Chain

Company Name	Price	Price	52-Week Range		Price as Compared to		Forward	Enterprise Value to		Total Debt
	12/8/23	Compared to 12/1/23	High	Low	YE:			LTM:		
					2022	2021	P/E	Revenue	EBITDA	EBITDA
Dow Jones Industrial Average	36,248	0.0%	36,248	31,819	9.4%	(0.2%)	NA			
S&P 500	4,604	0.2%	4,604	3,783	19.9%	(3.4%)	19.6			
NASDAQ Composite Index	14,404	0.7%	14,404	10,213	37.6%	(7.9%)	NA			
Russell 3000 Index	2,642	0.3%	2,644	2,182	19.2%	(5.2%)	NA			
			Sector Average:		21.5%	(4.2%)				
AGRICULTURAL LAND HOLDINGS										
Farmland Partners Inc.	\$12.50	(0.9%)	\$13.66	\$9.44	0.3%	4.6%	234.5x	19.49x	35.5x	13.3x
Gladstone Land Corporation	14.21	(3.4%)	20.55	13.35	(22.6%)	(57.9%)	NM	12.34x	15.8	9.1
Limoneira Company	19.07	4.2%	19.49	12.01	56.2%	27.1%	103.2	2.25x	NM	NM
			Sector Average:		11.3%	(8.7%)	168.9	11.36x	25.7	11.2
INPUTS										
American Vanguard Corporation	\$10.10	1.1%	\$23.67	\$8.41	(53.5%)	(38.4%)	17.6x	0.92x	11.3x	5.3x
* BASF SE	45.19	4.5%	54.04	40.25	(2.6%)	(26.9%)	15.9x	0.84x	19.5x	2.8x
* Bayer Aktiengesellschaft	31.90	2.5%	65.66	30.22	(34.0%)	(32.1%)	5.2x	1.46x	6.9x	4.6x
CF Industries Holdings, Inc.	76.56	0.3%	101.12	60.08	(10.1%)	8.2%	11.0x	2.24x	4.2x	0.8x
Corteva, Inc.	45.15	(2.3%)	65.21	43.22	(23.2%)	(4.5%)	16.4x	2.05x	10.4x	1.7x
FMC Corporation	55.88	0.2%	133.37	49.49	(55.2%)	(49.1%)	14.2x	2.20x	9.1x	3.6x
Intrepid Potash, Inc.	19.45	(6.7%)	35.32	17.23	(32.6%)	(54.5%)	NM	0.97x	4.2x	0.1x
The Mosaic Company	35.68	(3.3%)	57.46	31.44	(18.7%)	(9.2%)	10.1x	1.01x	4.8x	1.3x
* Nutrien Ltd.	73.96	(1.5%)	113.32	70.69	(25.2%)	(22.2%)	10.9x	1.39x	5.9x	2.2x
S&W Seed Company	0.55	(16.4%)	2.14	0.50	(63.1%)	(79.9%)	NM	1.17x	NM	NM
Zoetis Inc.	184.60	3.1%	194.99	140.76	26.0%	(24.4%)	32.0x	10.72x	25.3x	1.9x
			Sector Average:		(26.6%)	(30.3%)	14.8x	1.42x	10.2x	2.4x
AGRICULTURAL EQUIPMENT										
* Ag Growth International Inc.	\$52.06	(0.2%)	\$63.40	\$42.00	20.1%	64.3%	9.2x	1.23x	8.9x	4.6x
AGCO Corporation	116.06	(1.1%)	145.53	109.81	(16.3%)	0.0%	8.2x	0.70x	4.6x	1.0x
Art's-Way Manufacturing Co., Inc.	2.00	(0.5%)	3.11	1.82	3.6%	(43.5%)	NA	0.56x	8.1x	3.7x
* Buhler Industries Inc.	2.22	(3.5%)	2.79	1.70	15.0%	(25.0%)	NA	0.47x	46.7x	35.7x
CNH Industrial N.V.	11.11	(0.6%)	17.98	9.77	(30.8%)	(42.8%)	6.7x	1.51x	10.2x	7.3x
Deere & Company	363.67	(1.4%)	450.00	345.55	(15.2%)	6.1%	12.9x	2.65x	10.6x	4.1x
Lindsay Corporation	120.55	0.7%	177.78	106.46	(26.0%)	(20.7%)	18.8x	1.93x	10.3x	1.1x
Titan Machinery Inc.	26.01	5.6%	47.87	21.44	(34.5%)	(22.8%)	5.6x	0.55x	6.9x	4.3x
			Sector Average:		(10.5%)	(10.5%)	10.2x	1.20x	8.5x	3.7x
AGRIBUSINESS										
The Andersons, Inc.	\$53.04	4.4%	\$53.60	\$33.20	51.6%	37.0%	13.8x	0.14x	5.9x	1.8x
Archer-Daniels-Midland Company	73.75	(1.8%)	96.16	69.31	(20.6%)	9.1%	11.1x	0.49x	7.7x	1.7x
Bunge Global SA	104.50	(4.3%)	116.59	87.87	4.7%	11.9%	8.7x	0.32x	3.7x	1.1x
Ingredion Incorporated	106.12	1.5%	113.46	89.54	8.4%	9.8%	11.4x	1.10x	7.4x	2.0x
MGP Ingredients, Inc.	88.05	(0.9%)	124.96	82.60	(17.2%)	3.6%	14.8x	2.75x	12.4x	1.8x
* Olam Group Limited	1.01	1.0%	1.71	0.80	(30.8%)	(42.3%)	NA	0.33x	8.8x	8.5x
			Sector Average:		(0.7%)	4.9%	12.0x	0.86x	7.6x	2.8x
DIVERSIFIED FOODS										
B&G Foods, Inc.	\$10.22	7.5%	\$16.68	\$7.20	(8.3%)	(66.7%)	11.2x	1.42x	8.9x	7.6x
Campbell Soup Company	42.91	5.7%	57.78	37.94	(24.4%)	(1.3%)	13.8x	1.90x	8.4x	2.4x
Conagra Brands, Inc.	29.52	4.1%	41.30	25.16	(23.7%)	(13.6%)	11.0x	1.90x	8.9x	3.8x
General Mills, Inc.	65.47	2.1%	90.89	60.33	(21.9%)	(2.8%)	14.4x	2.47x	11.9x	3.0x
The Hain Celestial Group, Inc.	10.06	(7.2%)	22.14	9.36	(37.8%)	(76.4%)	21.3x	1.00x	11.9x	6.1x
The J. M. Smucker Company	119.33	7.1%	163.07	107.33	(24.7%)	(12.1%)	12.6x	2.02x	9.1x	4.4x
Kellanova	53.70	1.6%	74.72	47.63	(24.6%)	(16.6%)	15.1x	1.59x	11.3x	3.5x
The Kraft Heinz Company	36.23	2.0%	42.80	30.68	(11.0%)	0.9%	12.2x	2.34x	8.0x	2.5x
Lancaster Colony Corporation	166.42	(0.5%)	220.65	158.88	(15.7%)	0.5%	27.7x	2.43x	18.7x	0.1x
Mondelez International, Inc.	71.09	0.4%	78.59	60.75	6.7%	7.2%	21.0x	3.27x	14.3x	2.6x
* Nestlé S.A.	99.38	0.4%	116.84	97.09	(7.2%)	(22.0%)	19.3x	3.36x	15.9x	3.1x
* Nomad Foods Limited	16.51	1.6%	19.76	13.56	(4.2%)	(35.0%)	9.1x	1.48x	9.0x	4.4x
Post Holdings, Inc.	86.66	1.3%	98.84	78.85	(4.0%)	(23.1%)	17.5x	1.63x	10.1x	5.5x
The Simply Good Foods Company	39.79	1.8%	40.47	31.06	4.6%	(4.3%)	22.0x	3.38x	17.4x	1.4x
Sovos Brands, Inc.	21.97	0.2%	22.73	12.74	52.9%	46.0%	28.0x	2.55x	13.0x	2.6x
SunOpta Inc.	6.59	(4.6%)	13.03	3.82	(42.1%)	(24.9%)	NA	1.09x	10.7x	4.7x
TreeHouse Foods, Inc.	41.67	1.3%	55.30	36.11	(15.6%)	2.8%	17.5x	1.10x	9.1x	3.9x
Unilever PLC	44.17	0.3%	50.93	42.97	(5.8%)	(6.1%)	NA	2.25x	11.6x	2.7x
Utz Brands, Inc.	13.53	(0.1%)	19.11	11.17	(14.7%)	(15.2%)	21.2x	1.92x	20.9x	7.6x
WK Kellogg Co	11.84	4.0%	21.00	9.66	NA	NA	8.3x	0.58x	22.4x	9.2x
			Sector Average:		(11.7%)	(13.8%)	17.4x	2.06x	12.1x	3.8x

Company Name	Price 12/8/23	Price Compared to 12/1/23	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	
ETHANOL										
Alto Ingredients, Inc.	\$2.63	4.4%	\$4.98	\$1.20	(8.7%)	(45.3%)	NM	0.21x	NM	NM
Green Plains Inc.	23.31	(8.4%)	37.49	22.85	(23.6%)	(32.9%)	16.5x	0.56x	87.6x	34.3x
REX American Resources Corporation	42.41	(10.1%)	51.19	27.42	33.1%	32.5%	17.0x	0.59x	5.5x	0.2x
Sector Average:					0.3%	(15.2%)	16.7x	0.45x	46.6x	17.2x
FRUIT & VEGETABLE										
Calavo Growers, Inc.	\$27.22	18.7%	\$38.97	\$21.59	(7.4%)	(35.8%)	17.9x	0.60x	14.2x	2.4x
Dole plc	11.84	0.9%	14.01	9.32	22.7%	(11.1%)	9.4x	0.27x	5.2x	3.1x
Fresh Del Monte Produce Inc.	23.85	2.7%	32.49	21.41	(8.9%)	(13.6%)	10.9x	0.39x	5.0x	1.8x
Lamb Weston Holdings, Inc.	100.96	0.0%	117.38	81.26	13.0%	59.3%	17.4x	3.05x	11.1x	2.6x
Mission Produce, Inc.	9.35	7.7%	16.15	8.19	(19.5%)	(40.4%)	19.5x	1.00x	21.1x	6.8x
Seneca Foods Corporation	50.00	(1.1%)	65.65	32.50	(18.0%)	4.3%	NA	0.60x	7.1x	4.4x
Sector Average:					(3.0%)	(6.2%)	15.0x	0.98x	10.6x	3.5x
PROTEIN										
Beyond Meat, Inc.	\$9.09	20.1%	\$22.87	\$5.58	(26.2%)	(86.0%)	NM	4.54x	NM	NM
Cal-Maine Foods, Inc.	51.70	5.0%	65.32	42.25	(5.1%)	39.8%	23.4x	0.65x	2.2x	NA
Darling Ingredients Inc.	47.59	5.1%	71.60	38.97	(24.0%)	(31.3%)	11.3x	1.75x	7.4x	4.0x
Hormel Foods Corporation	31.38	0.2%	47.73	30.12	(31.1%)	(35.7%)	20.2x	1.64x	10.5x	1.9x
* JBS S.A.	23.88	0.1%	23.94	15.12	8.6%	(37.1%)	13.0x	0.42x	9.1x	7.3x
Nathan's Famous, Inc.	70.99	4.5%	83.00	61.35	5.6%	21.6%	NA	2.53x	9.0x	2.3x
Pilgrim's Pride Corporation	26.28	2.7%	26.66	19.96	10.7%	(6.8%)	10.8x	0.55x	9.8x	4.2x
Seaboard Corporation	3618.00	2.3%	4080.11	3402.38	(4.2%)	(8.1%)	NA	0.36x	4.5x	1.9x
Tyson Foods, Inc.	51.38	6.6%	66.79	44.94	(17.5%)	(41.1%)	26.8x	0.52x	10.7x	3.9x
Vital Farms, Inc.	15.21	9.4%	18.18	10.00	1.9%	(15.8%)	31.0x	1.24x	2.4x	0.1x
Sector Average:					(8.1%)	(20.1%)	17.6x	1.07x	7.3x	3.2x
BAKING & INGREDIENTS										
Balchem Corporation	\$133.13	6.6%	\$143.68	\$110.74	9.0%	(21.0%)	33.7x	4.98x	21.5x	1.9x
Flowers Foods, Inc.	21.70	2.2%	29.46	19.64	(24.5%)	(21.0%)	17.3x	1.17x	9.8x	2.2x
* Gruma, S.A.B. de C.V.	321.18	0.7%	337.70	243.34	23.2%	22.3%	14.0x	1.30x	8.6x	2.0x
* Grupo Bimbo, S.A.B. de C.V.	87.27	0.3%	103.41	69.39	6.0%	38.6%	20.0x	1.26x	9.3x	2.4x
J&J Snack Foods Corp.	170.29	1.5%	177.71	133.27	13.7%	7.8%	30.3x	2.16x	17.6x	0.6x
* Kerry Group plc	74.28	1.1%	100.00	71.08	(11.8%)	(34.4%)	16.4x	1.68x	12.5x	2.1x
Krispy Kreme, Inc.	13.09	(1.1%)	16.22	10.21	26.8%	(30.8%)	37.8x	2.22x	14.0x	5.3x
McCormick & Company, Incorporated	67.09	1.7%	94.39	59.13	(19.1%)	(30.6%)	24.1x	3.44x	17.7x	3.9x
* Tate & Lyle plc	6.44	3.2%	8.38	6.00	(9.4%)	(16.5%)	11.4x	1.60x	8.4x	2.1x
Sector Average:					1.5%	(9.5%)	22.8x	2.20x	13.3x	2.5x
CANDY, NUTS, & SNACKS										
Bridgford Foods Corporation	\$10.68	2.0%	\$14.51	\$10.03	(10.4%)	(11.8%)	NA	0.36x	6.9x	0.6x
The Hershey Company	185.74	(2.7%)	276.88	183.74	(19.8%)	(4.0%)	18.7x	3.83x	14.0x	1.7x
John B. Sanfilippo & Son, Inc.	97.96	3.9%	127.26	76.49	20.5%	8.7%	NA	1.18x	10.2x	0.2x
Laird Superfood, Inc.	1.05	5.4%	1.49	0.65	25.0%	(91.9%)	NM	0.09x	NM	NM
Rocky Mountain Chocolate Factory, Inc.	4.14	0.5%	6.01	3.72	(27.4%)	(47.3%)	NA	0.81x	NM	NM
Tootsie Roll Industries, Inc.	34.12	1.2%	46.11	29.07	(17.4%)	(0.1%)	NA	2.80x	16.2x	0.1x
Sector Average:					(4.9%)	(24.4%)	18.7x	1.51x	11.8x	0.7x
PET FOOD AND PRODUCTS										
Central Garden & Pet Company	\$44.89	6.9%	\$48.48	\$35.60	19.9%	(14.7%)	17.6x	0.94x	7.7x	3.4x
Freshpet, Inc.	76.25	6.3%	84.70	45.13	44.5%	(20.0%)	NM	5.25x	NM	42.1x
Sector Average:					32.2%	(17.3%)	17.6x	3.09x	7.7x	22.8x
WINE & BEVERAGE										
The Boston Beer Company, Inc.	\$346.03	(2.8%)	\$420.50	\$296.27	5.0%	(31.5%)	32.8x	1.90x	17.1x	0.2x
Brown-Forman Corporation	55.08	(8.1%)	71.27	52.59	(16.1%)	(24.4%)	26.1x	6.84x	21.5x	2.3x
The Coca-Cola Company	58.61	(0.1%)	64.99	51.55	(7.9%)	(1.0%)	21.2x	6.25x	17.3x	2.9x
Constellation Brands, Inc.	234.44	(3.1%)	273.65	208.12	1.2%	(6.6%)	18.5x	5.62x	17.5x	3.1x
Crimson Wine Group, Ltd.	5.86	(0.5%)	6.96	5.11	4.5%	(29.0%)	NA	1.55x	22.6x	3.6x
* Diageo plc	28.29	0.5%	37.90	27.19	(22.5%)	(29.9%)	18.0x	4.70x	13.1x	3.0x
Monster Beverage Corporation	53.92	(2.4%)	60.47	47.13	6.2%	12.3%	30.7x	7.68x	26.4x	0.0x
National Beverage Corp.	46.58	(3.0%)	55.12	42.09	0.1%	2.8%	24.2x	3.51x	16.9x	0.2x
PepsiCo, Inc.	165.68	(1.8%)	196.88	155.83	(8.3%)	(4.6%)	20.7x	2.89x	15.3x	2.6x
Starbucks Corporation	96.61	(2.6%)	115.48	89.21	(2.6%)	(17.4%)	23.3x	3.63x	12.9x	2.5x
Willamette Valley Vineyards, Inc.	5.23	(0.0%)	6.59	5.00	(12.4%)	(39.7%)	NA	2.17x	24.6x	5.6x
Sector Average:					(4.8%)	(15.4%)	23.9x	4.25x	18.7x	2.4x

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			High	Low	2022	2021		Revenue	EBITDA	
DAIRY										
* Danone S.A.	\$59.22	1.1%	\$61.88	\$48.04	20.3%	8.5%	16.8x	1.73x	10.8x	3.7x
Lifeway Foods, Inc.	12.86	(13.6%)	17.33	5.26	131.7%	179.6%	15.4x	1.18x	11.1x	0.4x
* Saputo Inc.	26.40	(0.2%)	37.50	25.75	(21.2%)	(7.4%)	14.3x	0.85x	9.7x	2.6x
Sector Average:					43.6%	60.2%	15.5x	1.25x	10.5x	2.2x
WHOLESALE, FOOD SERVICE, & DISTRIBUTION										
The Chefs' Warehouse, Inc.	\$28.01	2.8%	\$39.50	\$17.29	(15.8%)	(15.9%)	21.4x	0.60x	10.0x	4.5x
Performance Food Group Company	65.45	0.2%	67.14	52.32	12.1%	42.6%	14.4x	0.29x	10.1x	3.4x
SpartanNash Company	22.94	1.7%	32.63	20.51	(24.1%)	(10.9%)	9.8x	0.16x	6.2x	3.2x
Sysco Corporation	73.83	1.4%	84.79	62.24	(3.4%)	(6.0%)	16.7x	0.63x	12.7x	3.1x
United Natural Foods, Inc.	15.00	(3.8%)	43.95	12.88	(61.3%)	(69.4%)	53.2x	0.15x	6.0x	4.9x
US Foods Holding Corp.	44.64	1.8%	44.95	33.68	31.2%	28.2%	14.5x	0.44x	10.7x	3.4x
Sector Average:					(10.2%)	(5.2%)	21.7x	0.38x	9.3x	3.7x
MASS MERCHANDISE, CLUB STORES, & DOLLAR STORES										
BJ's Wholesale Club	\$65.92	0.5%	\$78.88	\$60.33	(0.4%)	(1.6%)	16.4x	0.61x	8.7x	2.3x
Costco Wholesale Corporation	610.78	2.4%	613.61	447.90	33.8%	7.6%	39.0x	1.10x	24.1x	1.0x
Dollar General Corporation	127.22	(5.5%)	251.00	101.09	(48.3%)	(46.1%)	17.8x	1.17x	8.1x	3.1x
Dollar Tree, Inc.	124.41	(1.4%)	161.10	102.77	(12.0%)	(11.5%)	18.0x	1.26x	8.0x	2.3x
Grocery Outlet Holding Corp.	29.25	2.7%	36.54	25.71	0.2%	3.4%	27.4x	1.05x	12.0x	4.0x
Walmart Inc.	150.86	(2.3%)	169.94	136.09	6.4%	4.3%	22.0x	0.74x	11.5x	1.8x
Sector Average:					(3.4%)	(7.3%)	23.4x	0.99x	12.1x	2.4x
TRADITIONAL & SPECIALTY RETAIL										
Albertsons	\$22.19	1.0%	\$23.88	\$19.14	7.0%	(26.5%)	8.5x	0.34x	5.5x	3.0x
* Ahold Delhaize	27.28	3.0%	32.51	26.15	1.6%	(9.5%)	10.7x	0.47x	6.3x	3.0x
Amazon.com, Inc.	147.42	0.3%	149.26	81.43	75.5%	(11.6%)	44.4x	2.93x	18.9x	1.9x
Ingles Markets, Incorporated	84.82	2.4%	102.99	73.38	(12.1%)	(1.8%)	NA	0.32x	4.5x	1.4x
The Kroger Co.	44.58	(0.0%)	50.36	42.10	0.0%	(1.5%)	10.0x	0.34x	5.8x	2.3x
Natural Grocers by Vitamin Cottage, Inc.	16.64	2.1%	17.49	8.00	82.1%	16.8%	NA	0.64x	5.8x	3.2x
Sprouts Farmers Market, Inc.	46.02	4.8%	46.53	30.10	42.2%	55.1%	16.4x	0.90x	7.7x	2.1x
* Tesco PLC	2.88	3.0%	3.07	2.20	28.4%	(0.7%)	11.8x	0.47x	7.3x	3.6x
Village Super Market, Inc.	25.07	(3.3%)	26.66	20.25	7.6%	7.2%	NA	0.29x	4.0x	2.5x
Weis Markets, Inc.	62.61	2.4%	89.22	58.75	(23.9%)	(5.0%)	NA	0.33x	5.1x	0.6x
Sector Average:					20.8%	2.3%	16.9x	0.70x	7.1x	2.4x
TRADITIONAL RESTAURANTS										
Brinker International, Inc.	\$39.77	5.9%	\$42.12	\$28.23	24.6%	8.7%	10.9x	0.93x	6.2x	3.4x
The Cheesecake Factory Incorporated	33.27	1.2%	41.28	28.58	4.9%	(15.0%)	11.4x	1.01x	7.6x	4.1x
Cracker Barrel Old Country Store, Inc.	73.19	1.1%	121.17	62.69	(22.7%)	(43.1%)	14.6x	0.83x	8.2x	3.6x
Darden Restaurants, Inc.	158.95	(0.6%)	173.06	131.90	14.9%	5.5%	17.7x	2.40x	12.8x	3.4x
Dine Brands Global, Inc.	49.23	6.6%	82.43	42.00	(23.8%)	(35.1%)	8.0x	2.70x	10.6x	7.5x
Jack in the Box Inc.	79.51	3.3%	99.56	60.43	16.5%	(9.1%)	12.4x	2.70x	7.9x	5.5x
McDonald's Corporation	285.53	(0.2%)	299.35	245.73	8.3%	6.5%	23.3x	10.13x	16.7x	3.3x
Papa John's International, Inc.	70.14	3.7%	97.78	60.66	(14.8%)	(47.4%)	25.0x	1.57x	13.2x	4.0x
Texas Roadhouse, Inc.	113.52	(0.8%)	118.16	90.38	24.8%	27.2%	22.6x	1.85x	14.6x	1.3x
The Wendy's Company	19.13	(2.1%)	23.90	18.19	(15.5%)	(19.8%)	17.8x	3.46x	13.8x	7.8x
Yum! Brands, Inc.	124.34	(2.3%)	143.25	115.53	(2.9%)	(10.5%)	22.4x	6.58x	18.0x	4.8x
Sector Average:					1.3%	(12.0%)	16.9x	3.11x	11.8x	4.4x
HIGH-GROWTH RESTAURANTS										
Chipotle Mexican Grill, Inc.	\$2,242.95	0.4%	\$2,248.39	\$1,344.05	61.7%	28.3%	44.6x	6.72x	27.2x	1.7x
El Pollo Loco Holdings, Inc.	8.72	1.4%	13.00	8.11	(12.4%)	(38.5%)	12.6x	1.15x	7.0x	3.5x
Noodles & Company	3.33	5.7%	6.55	1.96	(39.3%)	(63.3%)	NM	0.84x	6.3x	4.2x
Potbelly Corporation	9.27	(1.9%)	11.14	5.20	66.4%	66.1%	53.7x	0.90x	5.5x	2.5x
Shake Shack Inc.	60.98	(1.1%)	80.58	40.83	46.8%	(15.5%)	142.2x	2.80x	13.5x	3.5x
Wingstop Inc.	247.18	1.9%	250.70	129.46	79.6%	43.0%	92.0x	18.09x	59.2x	5.4x
Sector Average:					33.8%	3.4%	69.0x	5.08x	19.8x	3.5x
CANNABIS & CBD										
Canopy Growth Corporation	\$1.07	28.9%	\$4.31	\$0.46	(65.9%)	(90.3%)	NM	3.74x	NM	NM
Cronos Group Inc.	2.86	1.1%	4.11	2.15	(16.9%)	(42.6%)	NM	NM	NM	NM
Jones Soda Co.	0.14	(12.4%)	0.36	0.12	(49.1%)	(81.5%)	NA	0.50x	NM	NA
The Scotts Miracle-Gro Company	60.60	4.2%	88.61	43.67	24.7%	(62.4%)	22.2x	1.77x	15.0x	5.6x
Tilray Brands, Inc.	1.92	1.1%	3.72	1.50	(28.6%)	(72.7%)	NM	2.34x	NM	NM
Village Farms International, Inc.	0.79	(4.3%)	1.78	0.55	(41.0%)	(87.7%)	NM	0.48x	NM	NM
Sector Average:					(29.5%)	(72.9%)	22.2x	1.77x	15.0x	5.6x

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



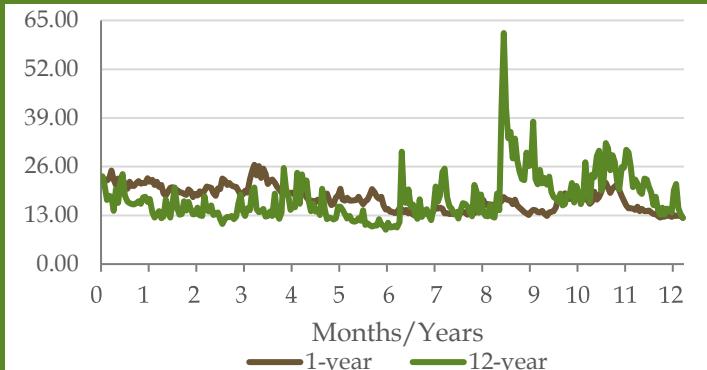
Dow Jones Industrial Average



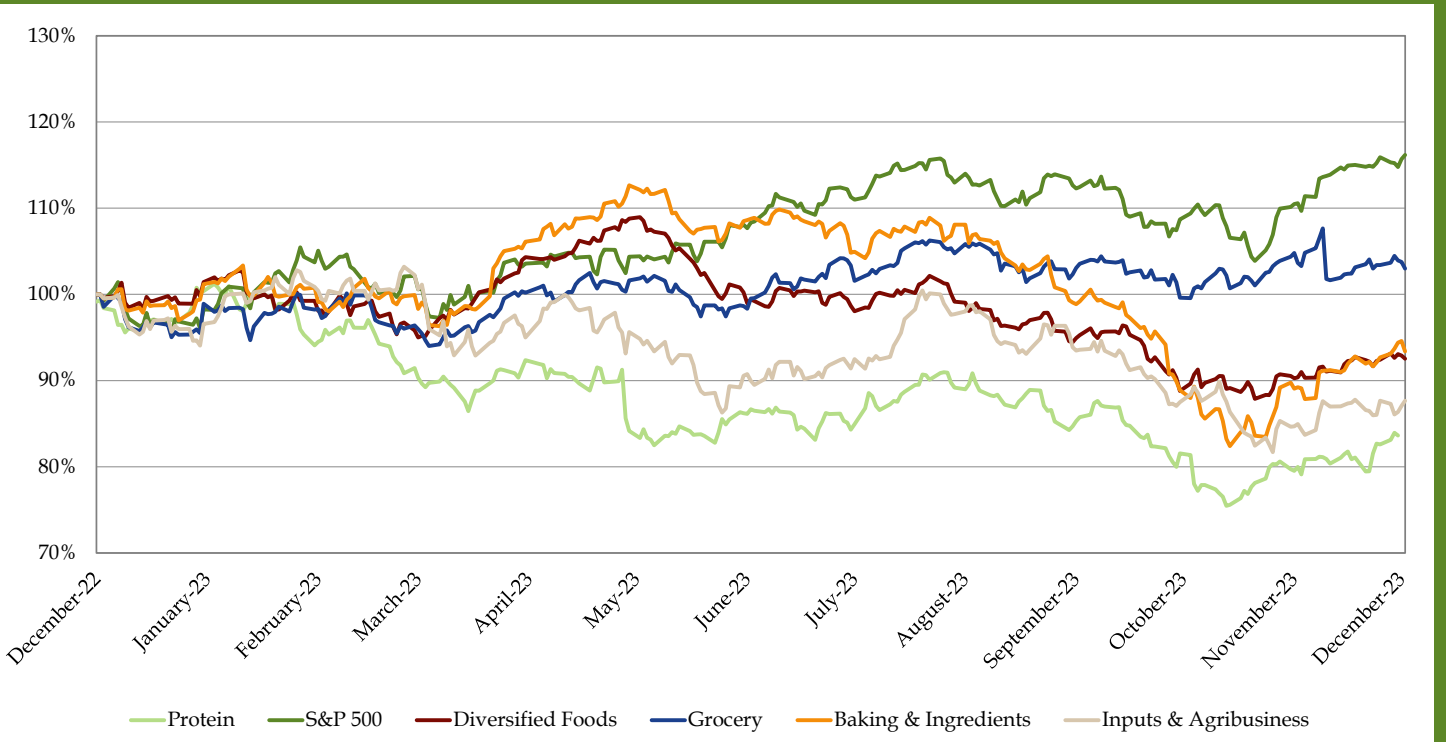
10-year Treasury



CBOE Market Volatility Index - VIX



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



Food For Thought...

Partner Column

Written by Mary Burke

Since it is the holiday time with lots of extra eating between Hanukkah and Christmas, not to mention New Years, I thought this information regarding the similarities and differences between the two largest food service distributors, Sysco and US Foods, would be interesting.

US Foods has an evenly balanced customer mix and a heavier product mix of meats and seafood; a higher margin segment. Sysco has warehouses overseas, while US Foods does not. The British economy is not recovering quickly, which will be a drain on their earnings. Independently-owned restaurant sales have grown 70% from 2019 to 2022. Independents have grown greater than 95% of the new units nationwide. It is an important segment but harder to service.

Given inflation across the food and labor sectors, the equivalent value bought at grocery stores is 2.2x vs restaurants, according to a recent study by J.P. Morgan. This may only expand, given the current economic headwinds.

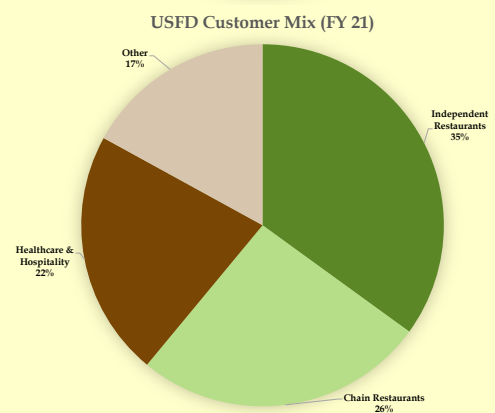
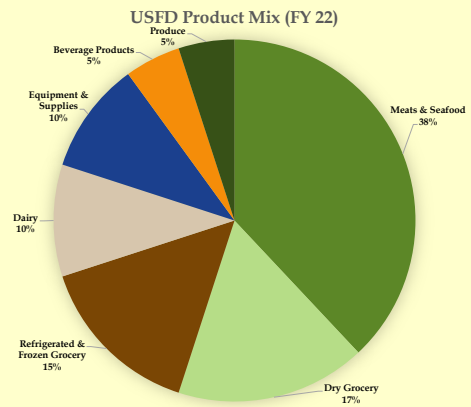
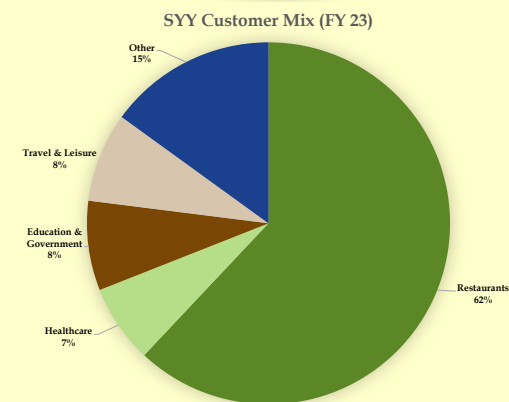
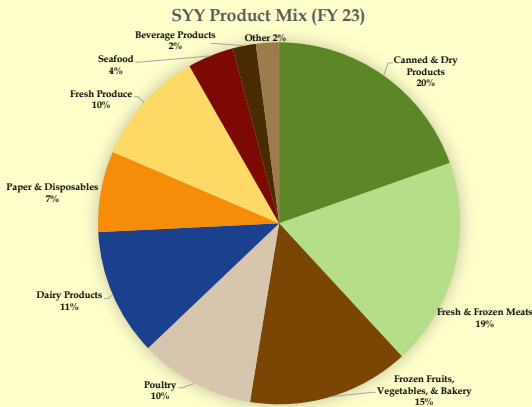
Following retailer earnings, we are seeing more commentary about private label growth and contribution to earnings. Not a surprise and we expect it to continue.

Speaking of retailers, a recent study by Brick Meets Click shows that same-store online sales at regional grocers was down 13.5% versus a year ago compared to the third quarter. Another example of consumers watching their pocketbooks. Walmart also commented that it will be hard to predict what 2024 holds for them due to consumer strain. The company noted it saw “anomalous types of behavior with rising credit card balances and dwindling household bank accounts”.

As we have seen beef prices continue to climb – smaller supply being the biggest contributing factor – Tysons called it out in recent comments as have others.

The best news, for last ... expect a price war in the candy aisles. Yes, sugar and cocoa are at record prices, as I wrote about last week, but Hershey, Mars and Ferrero/Ferrera have started a price war –with additional marketing to lure consumers to their products. In previous difficult economic times, consumers have splurged and bought chocolates for themselves and goodies for their pets. This time, on the chocolate side, it does not appear so. At least so far, branded chocolate sales are down while private label is growing slightly, but is less than 3% of the market.

Have a good week!



Coca-Cola Amongst the First Food Companies to Utilize AI in Marketing and R&D. There has not been a hotter topic in the past year than artificial intelligence (AI). The rise of engines such as ChatGPT by OpenAI has captured workers' attention in advertising, technology, and broader cultural spheres. Coca-Cola has emerged as a frontrunner in embracing generative AI among consumer brands. In a span of just nine months, the beverage giant has harnessed this technology in various ways, resulting in one of the standout campaigns of the year and providing a roadmap for other brands to follow in 2024 and beyond.

While many brands are still witnessing the AI arms race from the sidelines, Coca-Cola has swiftly capitalized on a partnership between management consultancy Bain & Company and OpenAI to launch its "Create Real Magic" platform. Since then, the company has integrated the technology across various digital and experiential channels, showcasing its versatility. A recent campaign, leveraging the excitement around the Las Vegas Sphere, stands out as a testament to Coke's proactive adoption of generative AI.

As the holiday approaches, Coke has utilized generative AI to create various Christmas advertisements and has even begun using AI in research and development to help create new flavors such as Y3000. When asked about the launch of the Y3000 flavor, Selman Careaga, President of the global Coca-Cola category, noted, "The intent was to use AI to understand how people think of the future: the emotions, the color, the flavors, the taste. We used those insights and then we worked with our R&D team and they came up with a formula for Y3000."

As AI progresses exponentially, Coca-Cola plans to stay at the forefront of the race. More brands will likely follow suit and tap into the power of artificial intelligence.

United Natural Foods Inc. Reports Earnings. United Natural Foods Inc. (UNFI) reported a stronger-than-expected adjusted EBITDA of \$117 million for the quarter ended October 28, 2023, a \$24 million improvement vs. the prior quarter, but a \$90 million decrease year-over-year. The company reaffirmed its full-year outlook and ongoing efficiency improvements. The ongoing transformation plan targets \$150 million in operating efficiencies by the end of the fiscal year 2024. This involves rigorous budgeting, organizational streamlining, removing unprofitable products, reducing shrink, and carefully reviewing commercial contracts with suppliers and customers. These measures are expected to partially offset the impact of short-term margin pressures resulting from strategic investments.

The Company has faced challenges in recent quarters, primarily

attributed to unexpected deceleration in wholesale commodity inflation, leading to margin compression. Additionally, the company faced the hurdle of natural, independent, or organic grocers ceding market share to discount grocers and mass merchandisers (e.g., Walmart).

Chief Executive Officer Sandy Douglas acknowledged the challenging market environment and highlighted the growth potential within independent retailers. He stressed the importance of consumer-packaged-goods (CPG) companies recognizing avenues to enhance value and anticipates increased investment in the upcoming year.

UNFI's recent earnings call illustrates a company undergoing a substantial transformation, confronting industry challenges with a well-defined strategy and a focus on sustained growth. By reiterating the full-year outlook and continually enhancing operational efficiency, UNFI seeks to navigate prevailing market difficulties while positioning itself for future success.

Americans Love Cheese. Fresh data from the U.S. Department of Agriculture (USDA) reveals that Americans are embarking on a new phase in their affinity for dairy products. The per capita consumption of all dairy products surged to 653 pounds per person in 2022, marking a noteworthy 63 pounds above the historical average since the USDA began tracking this metric in 1975. Notably, cheese consumption reached an unprecedented high, hitting almost 42 pounds per person, indicating a half-pound increase from the previous year. To put this in perspective, the average American consumed 32.2 pounds of cheese in 2000 and 21.9 pounds in 1980. Meanwhile, ice cream consumption in 2022 showed a slight uptick from the previous year, while other dairy products remained near recent highs.

The USDA data underscores a significant trend of Americans embracing dairy in various facets of their lives, whether as part of a health regimen, for celebratory occasions, or to enhance meal and snacking routines. Despite cost-conscious shopping habits, consumers continue to choose dairy products, highlighting the affordability and accessibility of dairy for people of all demographics. Dairy has evolved into more than just a food or beverage; it has become an integral part of daily life for over 95% of U.S. households.

Over the past decade, per capita consumption of cheese has risen by 17.1%, and per capita butter consumption has seen a 9.0% increase. The overall USDA data reveals a consistent annual increase in American dairy per capita consumption, with a 0.4% rise in 2022 over the past five years, a 7.5% increase over the past 15 years, and a notable 16.1% surge over the past 30 years.

Heard on the Street...

Rise Buys Two New Pie Plants. Rise Baking Co., has completed the acquisition of two pie facilities from Wonder Brands Holdings Inc. and FGF Brands Inc. These facilities, situated in Kent, Wash., and Brampton, Ont., form part of the comprehensive "Pies" platform, a scaled, full-line pies initiative designed to introduce products into the retail channel throughout North America.

Rise Baking Co., an Olympic Partners portfolio company, specializes in crafting premium cookies, cakes, brownies, muffins, dessert bars, icings, artisan bread, and flatbreads for retail bakeries and foodservice providers in North America. With the addition of Pies, Rise's combined business will span 18 facilities across the United States and Canada.

Mike Horgan, Partner at Olympus, expressed enthusiasm about supporting the Rise Baking team, stating, "The Pies acquisition aligns with Rise's strategy of broadening their product range in complementary categories, ultimately benefiting Rise's customers. The Rise team has demonstrated an unparalleled capability in building a robust organization, achieving growth through both organic means and strategic acquisitions, showcasing their adeptness in effectively integrating and expanding newly acquired businesses."

White River Soy Processing Selected for Oilseed Plant Development. White River Soy Processing has been chosen by the North Platte Chamber & Development Corporation to establish an oilseed processing plant at the Hershey Rail Park in Nebraska. The announcement reflects the outcome of an extensive feasibility study conducted by the Chamber, showcasing the region's ideal Midwestern location and the presence of an emerging industrial rail park and inland port authority.

Gary Person, President of the Chamber, expressed excitement about the partnership with White River, highlighting the attractiveness of the incentive package for potential investors. The Hershey Rail Park, situated eight miles west of North Platte, is poised to become a significant business park with the oilseed processing plant as its anchor.

Governor Pillen sees the oilseed processing plant as a favorable opportunity for Nebraska's soybean farmers and livestock producers, with the potential to contribute substantially to the economic growth of North Platte and surrounding communities.

In October 2023, White River acquired a soybean processing facility in Seymour, Indiana, from Benson Hill for \$36 million.

"Following the selection of White River for the exclusive development of this project, we are now focused on completing the capital raise," said Walter Cronin, Co-Founder and President of White River. "The support from our investors and partners has been instrumental to our progress and will continue to play a crucial role in bringing this great opportunity to fruition. We also extend a sincere thank you to the Chamber for selecting us as the developer and to Gov. Pillen and many community partners for their support."

Tyson Debuts \$300 Million Automated Chicken Plant. Meat production giant, Tyson Foods, has just opened a \$300 million chicken plant in Danville, Virginia. The plant is highly automated and expected to produce nearly four million pounds of chicken every week as LFA reported last week.

The opening of the cutting-edge plant follows a sequence of facility shutdowns as Tyson aims to streamline operations and increase the production of more lucrative value-added products; six chicken and two case-ready meat plants were closed earlier this year.

The Danville plant, initially announced in 2021, will heavily rely on automated technology to transform meat into prepared foods. The facility will also implement wearable armband devices to ensure worker safety and productivity. Metal detection, X-ray, and vision grading will aid the product inspection process. This aims to prevent product mishaps, such as a recent recall of 30,000 pounds of dinosaur-shaped chicken nuggets.

Tyson's President of Poultry, Wes Morris, emphasized that the combination of the team and technology at the Danville facility will bolster their capability to meet the demand for fully-cooked Tyson brand products in both retail and foodservice.

In addition to the Danville plant, Tyson has recently expanded or initiated construction on other prepared food facilities. The company invested \$83 million in expanding a cocktail sausage manufacturing plant, and a \$355 million bacon production facility in Bowling Green, Kentucky, is slated to become operational later this year. Additionally, Tyson's Chief Executive Officer informed investors of several operations launching outside the United States.

Despite these strategic moves, Tyson is making adjustments to future capital expenditures due to a slowdown in sales. Chief Financial Officer John Tyson reported a \$600 million reduction in capital investment for fiscal year 2023, responding to market conditions affecting profitability and operating cash flow.

Capital

The global IPO market remains sluggish, with the final quarter of 2023 on track to be the least active Q4 since 2019. Wall Street Horizon data indicates a continuous decline in the four-quarter moving average of new offerings. Despite a few notable IPOs earlier in the year, overall performance for these newcomers has been underwhelming. Notably, two Q3 highlights, Arm Holdings (ARM), the largest offering of the year at \$52.3 billion, and Instacart (CART), did not meet expectations, experiencing significant drops from their initial highs. While Arm has recovered and retested its YTD peak, Instacart's performance remains weak. Despite these shortfalls, the third quarter of 2023 marked the first quarter-over-quarter increase in activity since Q4 2021 in terms of the total number of transactions.

Global equity issuance has faced challenges since the Federal Reserve initiated interest rate hikes in early 2022. The total amount of global equity issued has consistently been below \$100 billion in the past seven quarters, marking a significant drop from the quarterly average of over \$215 billion in 2021. The equity market experienced setbacks in 2022 due to rapid interest rate increases and heightened inflation. Investors, influenced by turmoil in the banking sector, economic uncertainty, and increased financing costs, adopted a risk-averse approach.

During the first three quarters of 2022, the S&P 500 witnessed a substantial decline of nearly 25%, and the overall value of global equity deals plummeted by 65% compared to the same period in the previous year. However, in the same time period, the S&P Food & Beverage Index saw a decline of just 2.9%. Despite the food industry showing relative resilience, this did not seem to promote equity issuance in the space, with only a handful of IPOs in both 2022 and 2023.

Notable 2023 IPOs in the food sector include Cava Group, BranchOut Foods, and Instacart. Cava Group successfully entered the market with an IPO that garnered a \$4.7 billion

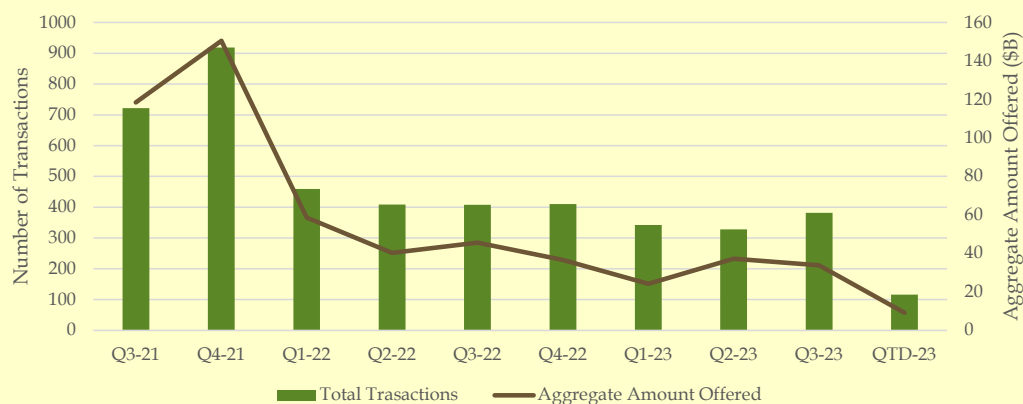
valuation. The shares, initially priced at \$22, surged by 89% to \$42 upon debut on the New York Stock Exchange, raising \$318 million by selling approximately 14.4 million shares. Founded in 2006 Cava has thrived in the quick-service restaurant sector, and has reported robust sales even amidst an impending U.S. recession.

BranchOut Food Inc., specializing in dehydrated plant-based foods, concluded its IPO in June by selling 1.2 million shares at \$6.00 each, generating around \$7.14 million. Founded in 2017, the company boasts a proprietary technology platform for processing delicate fruits and vegetables like avocados and bananas. The IPO funds are designated for debt settlement, working capital, and general business expenses.

Instacart made a notable Nasdaq debut, trading 40% above its \$30 IPO price, reaching \$40 before settling with a 12% increase. Founded in 2012, Instacart, facilitating food deliveries from local grocery stores, gained popularity during COVID-19 lockdowns. Its market capitalization increased to \$11.1 billion from its initial valuation of \$9.9 billion.

Looking ahead, Panera Brands, owned by investment group JAB, has confidentially filed for an IPO in the U.S., aiming to go public in 2024. JAB's previous attempt to sell Panera Brands to itself through a continuation fund failed, leading to the decision to go public. In preparation for the IPO, Panera announced a 17% workforce reduction to streamline operations. J.P. Morgan has been appointed as the lead underwriter. Although the IPO market has been hindered by rising interest rates and poor performance, 2024 should bring renewed confidence with a recent stock market rally and expectations of Federal Reserve interest rate cuts. Panera Brands' filing, alongside other potential listings like Impossible Foods, food and alcohol delivery service GoPuff, and canned water company Liquid Death, reflects growing optimism in the IPO market.

Global IPO Activity (Q3-21 to Date)

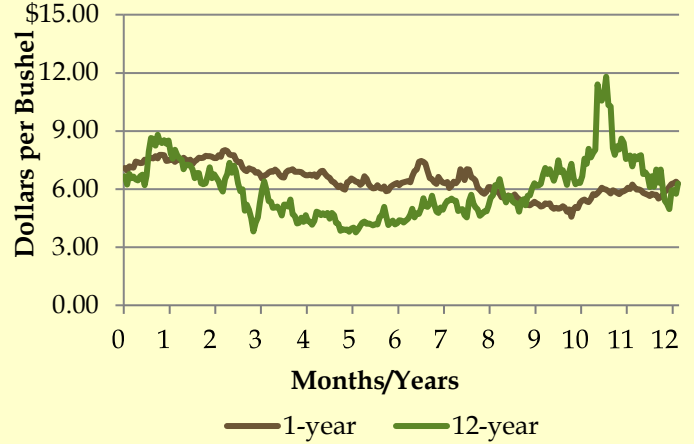


Commodities Overview (1-year & 12-year History)

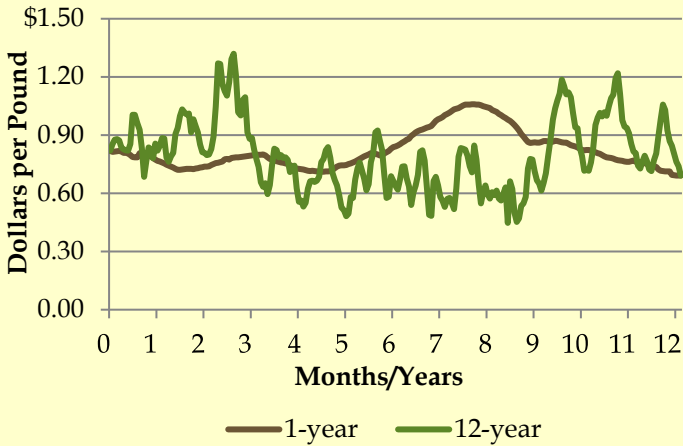
Corn



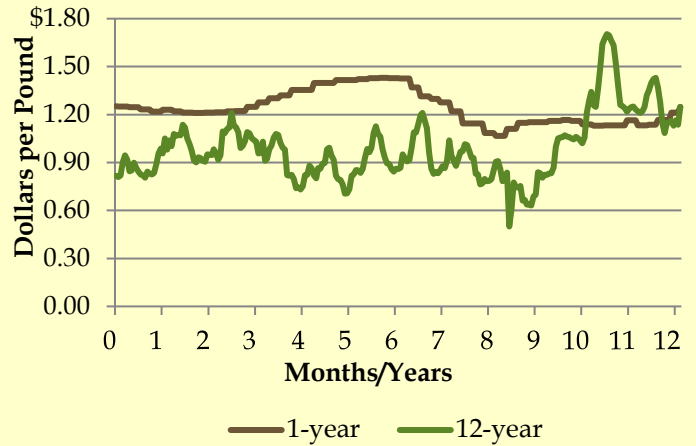
Wheat



Hogs



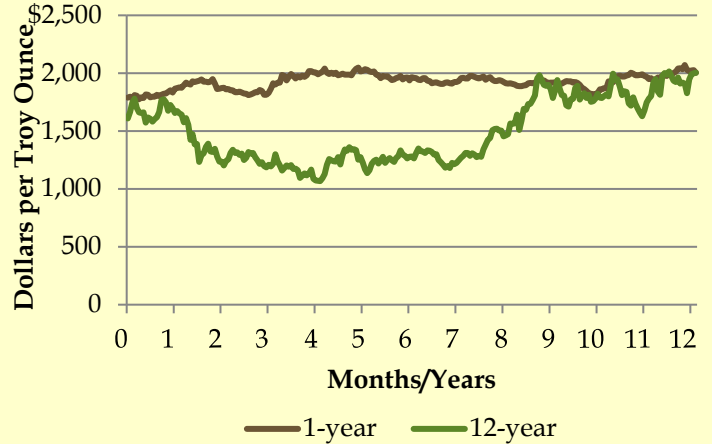
Broilers



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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