



LAKE SHORE

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



Weekly Update

Monday, January 8th, 2024

December Job Report Finishes 2023 Strong. The December Job Report showed the U.S. labor market exceeded expectations, with employers adding 216,000 jobs, surpassing estimates of 170,000. The hiring surge was driven by a significant increase of 52,000 government jobs and an additional 38,000 in healthcare-related fields. Average hourly earnings rose by 0.4% for the month and 4.1% from a year ago, exceeding estimates of 0.3% and 3.9%, respectively. The report indicates a strong finish for the U.S. job market in 2023 and positive momentum into 2024.

The **Dow Jones Industrial Average** decreased 0.6%, finishing at 37,466.

The **S&P 500** was down 1.5% on the week, finishing at 4,697.

The **NASDAQ Composite** fell 3.2% this week, finishing at 14,524.

Yield on the **10-year Treasury** increased 17 basis points during the week, ending at 4.05%.

Crude oil rose 3.0% on the week, ending at \$73.81 per barrel.

Corn decreased 2.2% on the week, ending at \$4.61 per bushel.

NASDAQ Highs: Central Garden & Pet Company, Freshpet, Inc., Pilgrim's Pride Corporation, Sprouts Farmers Market, Inc., Village Super Market, Inc. **Lows:** None.

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

Featured Stocks of the Week:

Pilgrim's Pride Corporation (NASDAQ: PPC) 10-Year History



US Foods Holding Corp. (NYSE: USFD) 7-Year History



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Company Name	Price 1/5/24	Price Compared to 12/29/23	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	37,466	(0.6%)	37,715	31,819	13.0%	3.1%	NA			
S&P 500	4,697	(1.5%)	4,783	3,856	22.3%	(1.4%)	20.1			
NASDAQ Composite Index	14,524	(3.2%)	15,099	10,569	38.8%	(7.2%)	NA			
Russell 3000 Index	2,700	(1.8%)	2,760	2,225	21.8%	(3.2%)	NA			
Sector Average:					24.0%	(2.2%)				
AGRICULTURAL LAND HOLDINGS										
Farmland Partners Inc.	\$11.88	(4.8%)	\$13.66	\$9.44	(4.7%)	(0.6%)	NM	18.97x	34.6x	13.3x
Gladstone Land Corporation	13.81	(4.4%)	20.55	13.35	(24.7%)	(59.1%)	NM	12.18x	15.6	9.1
Limoneira Company	19.13	(7.3%)	21.62	12.35	56.7%	27.5%	96.6	2.27x	NM	NM
Sector Average:					9.1%	(10.7%)	96.6	11.14x	25.1	11.2
INPUTS										
American Vanguard Corporation	\$10.53	(4.0%)	\$23.67	\$8.41	(51.5%)	(35.8%)	18.4x	0.94x	11.6x	5.3x
* BASF SE	46.80	(4.1%)	54.04	40.25	0.9%	(24.2%)	12.1x	0.86x	20.0x	2.8x
* Bayer Aktiengesellschaft	35.22	4.7%	65.66	30.22	(27.1%)	(25.1%)	6.0x	1.53x	7.2x	4.6x
CF Industries Holdings, Inc.	81.14	2.1%	91.23	60.08	(4.8%)	14.6%	11.7x	2.36x	4.4x	0.8x
Corteva, Inc.	47.33	(1.2%)	65.21	43.22	(19.5%)	0.1%	17.3x	2.14x	10.8x	1.7x
FMC Corporation	60.78	(3.6%)	133.37	49.49	(51.3%)	(44.7%)	15.9x	2.33x	9.6x	3.6x
Intrepid Potash, Inc.	21.38	(10.5%)	34.51	17.23	(25.9%)	(50.0%)	NM	1.07x	4.6x	0.1x
The Mosaic Company	35.52	(0.6%)	57.46	31.44	(19.0%)	(9.6%)	10.2x	1.00x	4.8x	1.3x
* Nutrien Ltd.	75.06	0.5%	113.32	70.69	(24.1%)	(21.1%)	11.4x	1.40x	6.0x	2.2x
S&W Seed Company	0.61	(13.4%)	2.14	0.45	(59.3%)	(77.8%)	NM	1.21x	NM	NM
Zoetis Inc.	194.85	(1.3%)	201.92	141.52	33.0%	(20.2%)	33.8x	11.29x	26.6x	1.9x
Sector Average:					(22.6%)	(26.7%)	15.2x	1.48x	10.6x	2.4x
AGRICULTURAL EQUIPMENT										
* Ag Growth International Inc.	\$50.25	(0.5%)	\$63.40	\$42.61	15.9%	58.6%	9.0x	1.20x	8.7x	4.6x
AGCO Corporation	122.01	0.5%	145.53	109.81	(12.0%)	5.2%	9.2x	0.73x	4.9x	1.0x
Art's-Way Manufacturing Co., Inc.	2.06	(0.5%)	3.11	1.92	6.7%	(41.8%)	NA	0.57x	8.2x	3.7x
* Buhler Industries Inc.	2.31	(5.3%)	2.79	1.88	19.7%	(22.0%)	NA	0.48x	47.6x	35.7x
CNH Industrial N.V.	12.06	(1.0%)	17.98	9.77	(24.9%)	(37.9%)	7.6x	1.55x	10.4x	7.3x
Deere & Company	395.96	(1.0%)	450.00	345.55	(7.6%)	15.5%	14.0x	2.78x	10.1x	3.8x
Lindsay Corporation	133.00	3.0%	166.33	106.46	(18.3%)	(12.5%)	21.2x	2.17x	11.7x	1.1x
Titan Machinery Inc.	27.92	(3.3%)	47.87	21.44	(29.7%)	(17.1%)	6.0x	0.57x	7.2x	4.3x
Sector Average:					(6.3%)	(6.5%)	11.2x	1.26x	8.7x	3.7x
AGRIBUSINESS										
The Andersons, Inc.	\$54.93	(4.5%)	\$58.84	\$33.92	57.0%	41.9%	14.3x	0.14x	6.1x	1.8x
Archer-Daniels-Midland Company	70.81	(2.0%)	89.32	69.31	(23.7%)	4.8%	10.8x	0.48x	7.4x	1.7x
Bunge Global SA	98.02	(2.9%)	116.59	87.87	(1.8%)	5.0%	8.2x	0.31x	3.6x	1.1x
Ingredion Incorporated	106.46	(1.9%)	113.46	89.54	8.7%	10.2%	11.4x	1.10x	7.4x	2.0x
MGP Ingredients, Inc.	93.21	(5.4%)	124.96	82.60	(12.4%)	9.7%	15.6x	2.89x	13.0x	1.8x
* Olam Group Limited	0.99	(5.3%)	1.71	0.80	(32.5%)	(43.7%)	NA	0.33x	8.8x	8.5x
Sector Average:					(0.8%)	4.6%	12.1x	0.87x	7.7x	2.8x
DIVERSIFIED FOODS										
B&G Foods, Inc.	\$10.27	(2.2%)	\$16.68	\$7.20	(7.9%)	(66.6%)	11.3x	1.43x	8.9x	7.6x
Campbell Soup Company	43.61	0.9%	57.24	37.94	(23.2%)	0.3%	14.0x	1.93x	8.5x	2.4x
Conagra Brands, Inc.	28.21	(1.6%)	41.30	25.16	(27.1%)	(17.4%)	10.7x	1.85x	9.0x	3.9x
General Mills, Inc.	64.99	(0.2%)	90.89	60.33	(22.5%)	(3.5%)	14.3x	2.44x	11.3x	3.0x
The Hain Celestial Group, Inc.	10.79	(1.5%)	22.14	9.36	(33.3%)	(74.7%)	22.8x	1.03x	12.4x	6.1x
The J. M. Smucker Company	128.10	1.4%	163.07	107.33	(19.2%)	(5.7%)	13.5x	2.13x	9.6x	4.3x
Kellanova	56.66	1.3%	72.67	47.63	(20.5%)	(12.0%)	15.9x	1.66x	11.7x	3.5x
The Kraft Heinz Company	37.94	2.6%	42.80	30.68	(6.8%)	5.7%	12.8x	2.41x	8.3x	2.5x
Lancaster Colony Corporation	163.11	(2.0%)	220.65	158.88	(17.3%)	(1.5%)	27.1x	2.38x	18.3x	0.1x
Mondelez International, Inc.	73.09	0.9%	78.59	60.75	9.7%	10.2%	21.5x	3.34x	14.6x	2.6x
* Nestlé S.A.	98.63	1.1%	116.84	96.12	(7.9%)	(22.6%)	19.3x	3.34x	15.8x	3.1x
* Nomad Foods Limited	17.71	4.5%	19.76	13.56	2.7%	(30.2%)	9.6x	1.54x	9.4x	4.4x
Post Holdings, Inc.	91.27	3.6%	98.84	78.85	1.1%	(19.0%)	18.3x	1.67x	10.3x	5.5x
The Simply Good Foods Company	41.09	3.8%	43.00	31.06	8.0%	(1.2%)	21.9x	3.43x	17.8x	1.3x
Sovos Brands, Inc.	22.01	(0.1%)	22.73	12.74	53.2%	46.2%	28.1x	2.55x	13.0x	2.6x
SunOpta Inc.	7.22	(0.1%)	13.03	3.82	(36.6%)	(17.7%)	NA	1.16x	11.4x	4.7x
TreeHouse Foods, Inc.	40.78	(1.6%)	55.30	36.11	(17.4%)	0.6%	17.2x	1.09x	9.0x	3.9x
Unilever PLC	44.57	1.6%	50.93	42.97	(4.9%)	(5.3%)	NA	2.27x	11.7x	2.7x
Útz Brands, Inc.	17.17	5.7%	19.11	11.17	8.3%	7.6%	27.1x	2.13x	23.1x	7.6x
WK Kellogg Co	13.39	1.9%	21.00	9.66	NA	NA	9.3x	0.63x	24.3x	9.2x
Sector Average:					(8.5%)	(10.9%)	18.0x	2.09x	12.3x	3.8x

Company Name	Price 1/5/24	Price Compared to 12/29/23	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.	\$2.70	1.5%	\$4.98	\$1.20	(6.2%)	(43.9%)	NM	0.22x	NM	NM	
Green Plains Inc.	24.53	(2.7%)	37.49	22.85	(19.6%)	(29.4%)	17.4x	0.58x	90.9x	34.3x	
REX American Resources Corporation	47.03	(0.6%)	51.19	27.42	47.6%	47.0%	12.4x	0.68x	6.4x	0.2x	
Sector Average:					7.3%	(8.8%)	14.9x	0.49x	48.7x	17.2x	
FRUIT & VEGETABLE											
Calavo Growers, Inc.	\$28.11	(4.4%)	\$38.97	\$21.59	(4.4%)	(33.7%)	18.5x	0.62x	14.5x	2.4x	
Dole plc	12.52	1.9%	14.01	9.75	29.7%	(6.0%)	9.9x	0.27x	5.4x	3.1x	
Fresh Del Monte Produce Inc.	27.10	3.2%	32.49	21.41	3.5%	(1.8%)	11.8x	0.42x	5.5x	1.8x	
Lamb Weston Holdings, Inc.	106.02	(1.9%)	117.38	81.26	18.6%	67.3%	16.9x	2.97x	10.3x	2.5x	
Mission Produce, Inc.	10.02	(0.7%)	13.99	8.19	(13.8%)	(36.2%)	36.4x	0.99x	12.9x	3.6x	
Seneca Foods Corporation	52.73	0.6%	65.65	32.50	(13.5%)	10.0%	NA	0.61x	7.2x	4.4x	
Sector Average:					3.4%	(0.1%)	18.7x	0.98x	9.3x	3.0x	
PROTEIN											
Beyond Meat, Inc.	\$8.44	(5.2%)	\$22.87	\$5.58	(31.4%)	(87.0%)	NM	4.42x	NM	NM	
Cal-Maine Foods, Inc.	55.31	(3.6%)	61.91	42.25	1.6%	49.5%	18.3x	0.80x	3.3x	NA	
Darling Ingredients Inc.	46.21	(7.3%)	71.60	38.97	(26.2%)	(33.3%)	11.0x	1.72x	7.3x	4.0x	
Hormel Foods Corporation	32.16	0.2%	47.03	30.12	(29.4%)	(34.1%)	20.7x	1.67x	10.7x	1.9x	
* JBS S.A.	24.07	(3.4%)	25.33	15.12	9.5%	(36.6%)	13.2x	0.42x	9.1x	7.3x	
Nathan's Famous, Inc.	74.80	(4.1%)	83.00	61.35	11.3%	28.1%	NA	2.64x	9.4x	2.3x	
Pilgrim's Pride Corporation	28.31	2.3%	28.48	19.96	19.3%	0.4%	11.7x	0.58x	10.3x	4.2x	
Seaboard Corporation	3635.00	1.8%	4080.11	3402.38	(3.7%)	(7.6%)	NA	0.36x	4.5x	1.9x	
Tyson Foods, Inc.	54.92	2.2%	66.79	44.94	(11.8%)	(37.0%)	28.5x	0.55x	11.2x	3.9x	
Vital Farms, Inc.	15.35	(2.2%)	18.18	10.00	2.9%	(15.0%)	30.1x	1.25x	2.4x	0.1x	
Sector Average:					(5.8%)	(17.3%)	17.2x	1.11x	7.6x	3.2x	
BAKING & INGREDIENTS											
Balchem Corporation	\$140.17	(5.8%)	\$150.82	\$110.74	14.8%	(16.9%)	35.5x	5.23x	22.5x	1.9x	
Flowers Foods, Inc.	22.80	1.3%	29.23	19.64	(20.7%)	(17.0%)	18.1x	1.21x	10.2x	2.2x	
* Gruma, S.A.B. de C.V.	327.14	5.1%	337.70	243.34	25.5%	24.6%	14.7x	1.32x	8.8x	2.0x	
* Grupo Bimbo, S.A.B. de C.V.	88.62	3.1%	103.41	69.39	7.6%	40.7%	20.3x	1.28x	9.4x	2.4x	
J&J Snack Foods Corp.	160.21	(4.1%)	177.71	133.27	7.0%	1.4%	28.5x	2.04x	16.6x	0.6x	
* Kerry Group plc	77.14	(1.9%)	100.00	71.08	(8.4%)	(31.9%)	17.0x	1.74x	12.9x	2.1x	
Krispy Kreme, Inc.	14.18	(6.0%)	16.22	10.74	37.4%	(25.1%)	41.0x	2.33x	14.7x	5.3x	
McCormick & Company, Incorporated	67.24	(1.7%)	94.39	59.13	(18.9%)	(30.4%)	24.2x	3.45x	17.8x	3.9x	
* Tate & Lyle plc	6.42	(2.7%)	8.38	6.00	(9.8%)	(16.9%)	11.3x	1.59x	8.4x	2.1x	
Sector Average:					3.8%	(7.9%)	23.4x	2.24x	13.5x	2.5x	
CANDY, NUTS, & SNACKS											
Bridgford Foods Corporation	\$11.67	6.1%	\$14.51	\$10.03	(2.1%)	(3.6%)	NA	0.40x	7.5x	0.6x	
The Hershey Company	187.64	0.6%	276.88	178.82	(19.0%)	(3.0%)	19.2x	3.86x	14.1x	1.7x	
John B. Sanfilippo & Son, Inc.	99.94	(3.0%)	127.26	76.49	22.9%	10.8%	NA	1.20x	10.4x	0.2x	
Laird Superfood, Inc.	1.01	11.0%	1.49	0.65	20.2%	(92.3%)	NM	0.07x	NM	NM	
Rocky Mountain Chocolate Factory, Inc.	4.65	1.1%	5.99	3.72	(18.4%)	(40.8%)	NA	0.91x	NM	NM	
Tootsie Roll Industries, Inc.	33.87	1.9%	46.11	29.07	(18.1%)	(0.8%)	NA	2.78x	16.1x	0.1x	
Sector Average:					(2.4%)	(21.6%)	19.2x	1.54x	12.1x	0.7x	
PET FOOD AND PRODUCTS											
Central Garden & Pet Company	\$48.90	(2.4%)	\$51.71	\$35.60	30.6%	(7.1%)	19.2x	0.99x	8.2x	3.4x	
Freshpet, Inc.	84.47	(2.6%)	89.06	45.13	60.1%	(11.3%)	NM	5.80x	NM	42.1x	
Sector Average:					45.3%	(9.2%)	19.2x	3.40x	8.2x	22.8x	
WINE & BEVERAGE											
The Boston Beer Company, Inc.	\$327.25	(5.3%)	\$420.50	\$296.27	(0.7%)	(35.2%)	31.2x	1.79x	16.1x	0.2x	
Brown-Forman Corporation	55.09	(3.5%)	71.27	52.59	(16.1%)	(24.4%)	26.1x	6.87x	21.5x	2.3x	
The Coca-Cola Company	59.67	1.3%	64.99	51.55	(6.2%)	0.8%	21.6x	6.35x	17.6x	2.9x	
Constellation Brands, Inc.	247.53	2.4%	273.65	208.45	6.8%	(1.4%)	19.0x	5.85x	19.5x	3.3x	
Crimson Wine Group, Ltd.	5.90	0.1%	6.96	5.38	5.2%	(28.4%)	NA	1.56x	22.7x	3.6x	
* Diageo plc	27.65	(3.2%)	37.90	27.19	(24.2%)	(31.5%)	17.8x	4.61x	12.9x	3.0x	
Monster Beverage Corporation	57.54	(0.1%)	60.47	47.13	13.3%	19.8%	32.6x	8.22x	28.3x	0.0x	
National Beverage Corp.	51.42	3.4%	55.12	42.09	10.5%	13.4%	26.7x	3.90x	18.7x	0.2x	
PepsiCo, Inc.	168.94	(0.5%)	196.88	155.83	(6.5%)	(2.7%)	21.1x	2.94x	15.5x	2.6x	
Starbucks Corporation	92.99	(3.1%)	115.48	89.21	(6.3%)	(20.5%)	22.5x	3.51x	12.5x	2.5x	
Willamette Valley Vineyards, Inc.	5.37	0.2%	6.59	5.00	(10.0%)	(38.0%)	NA	2.18x	24.8x	5.6x	
Sector Average:					(3.1%)	(13.5%)	24.3x	4.34x	19.1x	2.4x	

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			High	Low	2022	2021		Revenue	EBITDA	
DAIRY										
* Danone S.A.	\$60.51	3.1%	\$61.88	\$48.30	22.9%	10.8%	17.1x	1.76x	11.0x	3.7x
Lifeway Foods, Inc.	14.33	6.9%	17.33	5.26	158.2%	211.5%	17.2x	1.32x	12.4x	0.4x
* Saputo Inc.	26.68	(0.6%)	37.50	25.75	(20.4%)	(6.4%)	14.6x	0.86x	9.8x	2.6x
Sector Average:					53.6%	72.0%	16.3x	1.31x	11.0x	2.2x
WHOLESALE, FOOD SERVICE, & DISTRIBUTION										
The Chefs' Warehouse, Inc.	\$30.00	1.9%	\$39.50	\$17.29	(9.9%)	(9.9%)	23.2x	0.63x	10.4x	4.5x
Performance Food Group Company	70.05	1.3%	70.76	52.32	20.0%	52.6%	15.4x	0.30x	10.5x	3.4x
SpartanNash Company	23.30	1.5%	32.36	20.51	(22.9%)	(9.5%)	9.9x	0.16x	6.3x	3.2x
Sysco Corporation	75.65	3.4%	82.38	62.24	(1.0%)	(3.7%)	17.1x	0.64x	12.9x	3.1x
United Natural Foods, Inc.	15.34	(5.5%)	43.95	12.88	(60.4%)	(68.7%)	51.2x	0.15x	6.1x	4.9x
US Foods Holding Corp.	46.73	2.9%	46.99	33.96	37.4%	34.2%	15.2x	0.46x	11.1x	3.4x
Sector Average:					(6.1%)	(0.8%)	22.0x	0.39x	9.5x	3.7x
MASS MERCHANDISE, CLUB STORES, & DOLLAR STORES										
BJ's Wholesale Club	\$65.24	(2.1%)	\$78.88	\$60.33	(1.4%)	(2.6%)	16.2x	0.60x	8.6x	2.3x
Costco Wholesale Corporation	656.01	(0.6%)	681.91	462.22	43.7%	15.6%	41.1x	1.15x	24.9x	0.8x
Dollar General Corporation	135.76	(0.1%)	251.00	101.09	(44.9%)	(42.4%)	19.0x	1.22x	8.4x	3.2x
Dollar Tree, Inc.	136.29	(4.1%)	161.10	102.77	(3.6%)	(3.0%)	19.7x	1.35x	8.6x	2.3x
Grocery Outlet Holding Corp.	26.50	(1.7%)	36.54	25.71	(9.2%)	(6.3%)	25.0x	0.98x	11.2x	4.0x
Walmart Inc.	156.71	(0.6%)	169.94	136.09	10.5%	8.3%	22.9x	0.76x	11.9x	1.8x
Sector Average:					(0.8%)	(5.1%)	24.0x	1.01x	12.3x	2.4x
TRADITIONAL & SPECIALTY RETAIL										
Albertsons	\$23.04	0.2%	\$23.88	\$19.14	11.1%	(23.7%)	8.8x	0.35x	5.6x	3.0x
* Ahold Delhaize	27.00	3.8%	32.51	25.97	0.6%	(10.4%)	10.6x	0.46x	6.2x	3.0x
Amazon.com, Inc.	145.24	(4.4%)	155.63	81.43	72.9%	(12.9%)	43.8x	2.89x	18.6x	1.9x
Ingles Markets, Incorporated	88.28	2.2%	99.65	73.38	(8.5%)	2.2%	NA	0.33x	4.7x	1.4x
The Kroger Co.	46.05	0.7%	50.36	42.10	3.3%	1.7%	10.3x	0.35x	5.9x	2.3x
Natural Grocers by Vitamin Cottage, Inc.	15.86	(0.9%)	17.49	8.00	73.5%	11.3%	NA	0.62x	5.7x	3.0x
Sprouts Farmers Market, Inc.	49.20	2.3%	49.66	30.10	52.0%	65.8%	17.5x	0.95x	8.1x	2.1x
* Tesco PLC	3.01	3.6%	3.07	2.18	34.2%	3.8%	12.3x	0.48x	7.5x	3.6x
Village Super Market, Inc.	25.64	(2.2%)	26.99	20.25	10.1%	9.6%	NA	0.29x	4.0x	2.5x
Weis Markets, Inc.	65.07	1.7%	89.22	58.75	(20.9%)	(1.2%)	NA	0.35x	5.4x	0.6x
Sector Average:					22.8%	4.6%	17.2x	0.71x	7.2x	2.3x
TRADITIONAL RESTAURANTS										
Brinker International, Inc.	\$39.80	(7.8%)	\$44.97	\$28.23	24.7%	8.8%	10.9x	0.93x	6.2x	3.4x
The Cheesecake Factory Incorporated	33.43	(4.5%)	41.28	28.58	5.4%	(14.6%)	11.4x	1.01x	7.6x	4.1x
Cracker Barrel Old Country Store, Inc.	74.19	(3.7%)	121.17	62.69	(21.7%)	(42.3%)	14.8x	0.84x	8.3x	3.6x
Darden Restaurants, Inc.	162.08	(1.4%)	173.06	133.36	17.2%	7.6%	17.6x	2.38x	12.4x	3.3x
Dine Brands Global, Inc.	45.86	(7.6%)	82.43	42.00	(29.0%)	(39.5%)	7.5x	2.64x	10.4x	7.5x
Jack in the Box Inc.	83.68	2.5%	99.56	60.43	22.6%	(4.3%)	13.1x	2.75x	8.1x	5.5x
McDonald's Corporation	288.99	(2.5%)	299.35	245.73	9.7%	7.8%	23.6x	10.23x	16.9x	3.3x
Papa John's International, Inc.	69.42	(8.9%)	97.78	60.66	(15.7%)	(48.0%)	24.8x	1.56x	13.1x	4.0x
Texas Roadhouse, Inc.	118.30	(3.2%)	124.02	91.06	30.1%	32.5%	23.7x	1.92x	15.2x	1.3x
The Wendy's Company	18.99	(2.5%)	23.90	18.19	(16.1%)	(20.4%)	17.7x	3.45x	13.7x	7.8x
Yum! Brands, Inc.	128.34	(1.8%)	143.25	115.53	0.2%	(7.6%)	23.1x	6.74x	18.5x	4.8x
Sector Average:					2.5%	(10.9%)	17.1x	3.13x	11.8x	4.4x
HIGH-GROWTH RESTAURANTS										
Chipotle Mexican Grill, Inc.	\$2,212.80	(3.2%)	\$2,348.42	\$1,365.12	59.5%	26.6%	43.9x	6.64x	26.8x	1.7x
El Pollo Loco Holdings, Inc.	8.76	(0.7%)	13.00	8.11	(12.0%)	(38.3%)	12.6x	1.15x	7.0x	3.5x
Noodles & Company	2.91	(7.6%)	6.55	1.96	(47.0%)	(67.9%)	NM	0.81x	6.0x	4.2x
Potbelly Corporation	10.83	3.9%	11.14	5.41	94.4%	94.1%	62.8x	0.99x	6.1x	2.5x
Shake Shack Inc.	70.02	(5.5%)	80.58	45.24	68.6%	(3.0%)	162.2x	3.15x	15.1x	3.5x
Wingstop Inc.	245.23	(4.4%)	261.97	131.56	78.2%	41.9%	91.2x	17.96x	58.7x	5.4x
Sector Average:					40.3%	8.9%	74.6x	5.12x	20.0x	3.5x
CANNABIS & CBD										
Canopy Growth Corporation	\$6.38	24.9%	\$42.80	\$4.41	(79.7%)	(94.2%)	NM	2.77x	NM	NM
Cronos Group Inc.	2.94	6.1%	3.57	2.15	(14.5%)	(41.0%)	NM	NM	NM	NM
Jones Soda Co.	0.15	3.3%	0.36	0.12	(43.4%)	(79.5%)	NA	0.59x	NM	NA
The Scotts Miracle-Gro Company	61.86	(3.0%)	88.61	43.67	27.3%	(61.6%)	22.9x	1.79x	15.2x	5.6x
Tilray Brands, Inc.	2.28	(0.9%)	3.59	1.50	(15.2%)	(67.6%)	NM	2.78x	NM	NM
Village Farms International, Inc.	0.79	3.8%	1.71	0.55	(41.1%)	(87.7%)	NM	0.48x	NM	NM
Sector Average:					(27.8%)	(71.9%)	22.9x	1.68x	15.2x	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



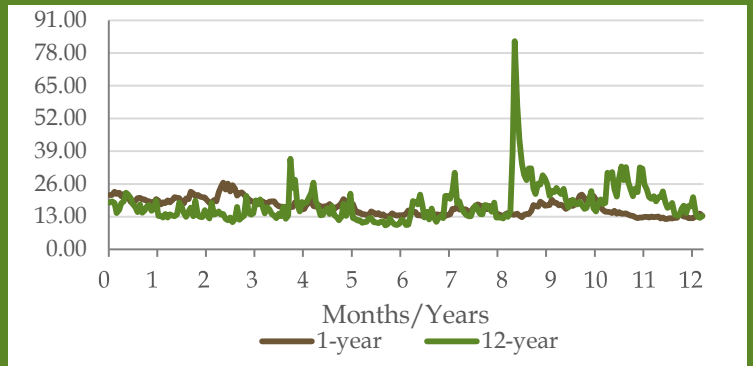
Dow Jones Industrial Average



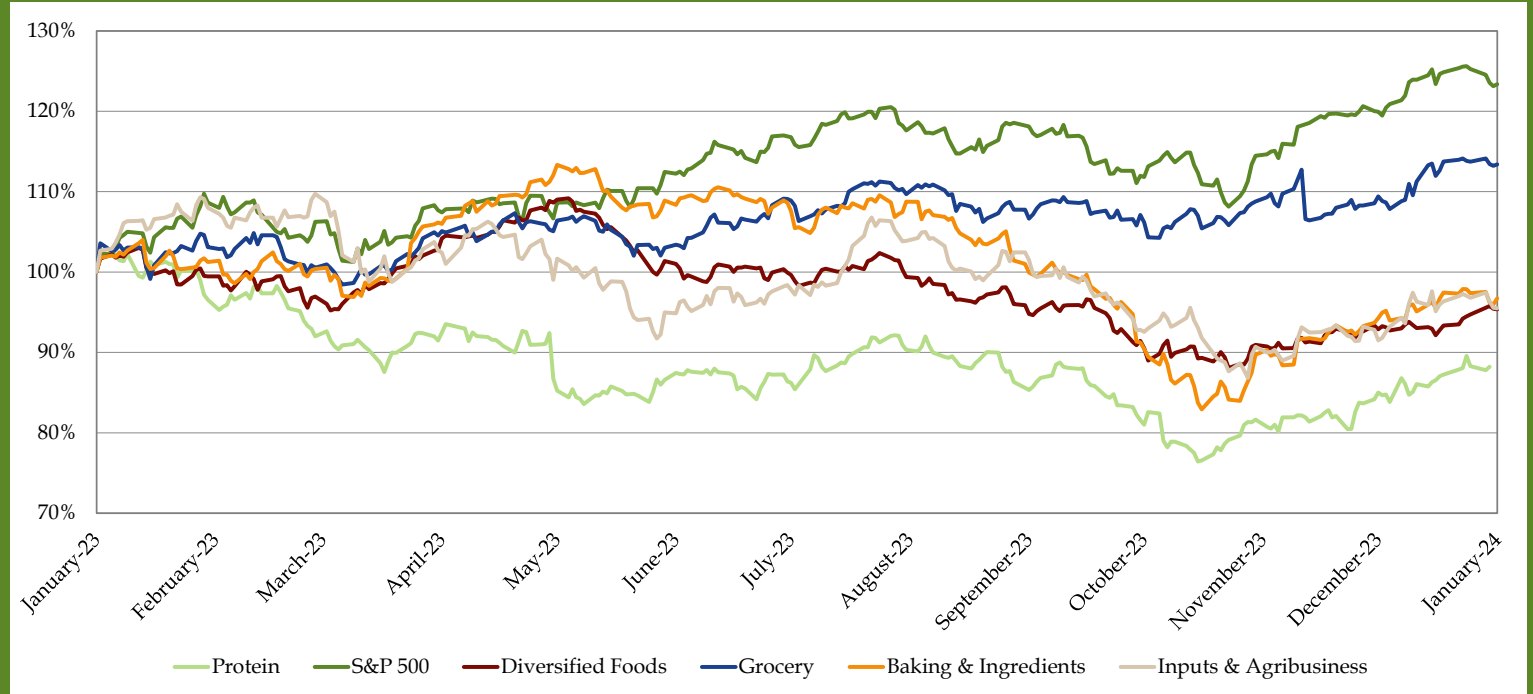
10-year Treasury



CBOE Market Volatility Index - VIX



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



Food For Thought...

Partner Column

Written by Mary Burke

Who really controls the grocery shelf? Is it the retailer who has the real estate and “rents” it? Or is it the manufacturer trying to have consumers purchase their product? Yes, retailers and manufacturers rely on the profits from the consumer’s purchases so both can operate, but who controls it?

I have written previously that the proposed merger of Kroger and Albertsons will impact the shelf in many ways. The recent move by Carrefour against Pepsi is a further sign of retailers showing their muscle. Carrefour announced last week that it was dropping several Pepsi products in their Italy, Spain, France and Belgium stores. Additionally, in front of those items, Carrefour is posting a sign that says they are no longer carrying certain items due to unacceptable price increases.

A couple of points on Pepsi’s price increase:

- PepsiCo reported Q3 earnings on October 10, 2023 which showed its seventh consecutive quarter of double-digit price increases.
- Effective net pricing was up 11% over all markets and 13% in Europe from the previous quarter, driven by both increases in prices and shrinking package sizes – PepsiCo attributes the shrinkflation to more convenient and healthy snacking.
- Pepsi’s Net Effective Pricing in Europe increased 20 and 23% in the two previous quarters.
- Inflation in France increased to 4.1% in December 2023, with food price inflation slightly easing from 7.7% to 7.1%.
- Coca Cola reported recently that it would not continue to increase prices in U.S. and European markets for the foreseeable future, while Pepsi indicated in their last earnings report that there would be “modest” price increase into 2024.

More to come on this topic I am sure.

As this is the first partner column of 2024, it is a great opportunity to look back at 2023 and see some predictions for 2024.

Looking back:

- January 2023 saw a strong start in retail and dining spend, but trends were soon reversed as consumers ate out less and stayed in more.

- Late-night dining experienced a resurgence, with more consumers eating at the 10:00 p.m. or later daypart, particularly at Taco Bell and Jack in the Box- showing a 4% growth, particularly between 1 a.m. and 6 a.m.
- Dollar Tree paused egg sales due to persistently high prices, expected to continue throughout 2023.
- Sprouts Farmers Markets, Natural Grocers by Vitamin Cottage, and Costco experienced significant share-price gains in 2023, while many other food retailers struggled.
- Food halls were a notable trend, offered quick, solitary eating options and catered to various local merchants, from fresh produce to emerging chefs
- Brunch traffic grew by 6%, reflecting a desire for sophisticated morning dining experiences.
- 81% of retailers expanded digital channels in the past 12 months.
- Online shopping remains crucial, contributing to 43% of reported revenue.

Looking forward to 2024, some predictions:

- In 2024, retailers should focus on delivering and communicating value to maximize both online and offline store visits.
- Shoppers are increasingly seeking value in the current inflationary environment, with 54% willing to change stores for savings.
- Unprecedented shifts to private label purchasing have been observed, with some private label products outpacing national brand competitors by more than 5X.
- McDonald's plans to expand its loyalty program from 150 million to 250 million by 2027
- 70% of foodservice operators are planning to upgrade food preparation equipment for labor savings.
- Grab-n-go trend is expected to resurge, catering to consumers seeking convenient, on-the-go options.
- Drive-thru lanes are preferred in limited-service restaurants - 1 in 5 visits eaten in the car.
- Continued labor shortages will be a challenge for the retail industry.
- Anticipation for sophisticated tasting single-serve, non-alcoholic fizzy and non-fizzy drinks.
- Brands showcasing versatile uses, low-stress flavor building, and longer shelf life will grow.

*Best wishes for a healthy, prosperous and fun 2024,
The team at Lakeshore*

White House Warns of Economic Impact from Red Sea Turmoil. The White House is preparing for higher shipping costs to begin affecting the U.S. economy because of the diversion of ships from the Red Sea. White House spokesman John Kirby said the impact will depend on how long Houthi rebels continue to attack commercial vessels. "It would depend on how long this threat goes and on how much more energetic the Houthis think they might become," Kirby said. "Make no mistake, this is a key international waterway. Countries more and more are becoming aware to this increasing threat to the free flow of commerce."

Kirby was speaking at the White House to announce an ultimatum issued by the U.S. and 12 other countries condemning the recent attacks on commercial shipping by the Houthis. The Red Sea is a crucial shipping lane. Around 15% of global maritime trade travels through the Red Sea, including eight percent of each of the global grain and liquified natural gas trades.

Maersk, the second-largest ocean shipper, announced on Tuesday it would suspend all Red Sea transits indefinitely by rerouting ships around the Cape of Good Hope following a Houthi missile attack and firefight involving one of its ships on New Year's Eve. Maersk had attempted to resume activities in the Red Sea using contracted security forces and American naval support following a previous December pause in Red Sea journeys. German shipper and the world's fifth largest container liner, Hapag-Lloyd also announced it will avoid the Suez Canal until at least January 9th. The ultimatum issued by the 13 countries detailed how the rerouting of shipping around the Cape of Good Hope imperils "the movement of critical food, fuel, and humanitarian assistance throughout the world."

The comments by the U.S., its allies, as well as shipping associations around the world highlight the need to take decisive action to bring the situation under control. Shipping rates have begun to take on the effects of rerouting: the Shanghai Containerized Freight Index (SCFI) jumped over 40% in the week ended December 29th. According to Linerlytica, this was only the fourth time since 2009 that the SCFI experienced a 40% or greater leap in one week. Meanwhile, the average rate on the Far East-Mediterranean route exploded by over 48% in the first few days of the new year, according to Xeneta, and the Freightos Baltic Daily Index (FBX) surged over 87% since December 29th.

Approximately 20% of all U.S. agricultural production is exported. According to a 2023 joint study between the University of Georgia and North Dakota State University, "waterborne container shipments account for about a quarter of port-level U.S. agricultural exports by volume" and "over half of the value of U.S. agricultural exports (54% over the last 5 years)."

El Niño Expected to Send Sweet Treat Prices Skyward in 2024. While agriculture prices are generally receding, orange juice, cocoa, coffee, and sugar futures spiked in 2023 because of El Niño's volatile weather patterns and supply chain challenges. While elevated futures pricing has not yet trickled down to end consumers, experts predict significant price increases in orange juice and cocoa products on retail shelves in 2024. Orange juice futures surged 71% in 2023, while cocoa was also up 65% to 46-year highs.

As a reminder, the El Niño weather pattern is a naturally occurring phenomenon where sea temperatures in the east Pacific surpass the long-term average by 0.5 degrees Celsius. In the U.S., El Niño causes drier conditions than usual from the Pacific Northwest to the Ohio Valley but wetter conditions from southern California to the Gulf Coast. The phenomenon also includes the possibility of warmer winters than usual across the northern U.S.

Dryness in the eastern Pacific helped to drive the sugar, coffee, and cocoa futures surge, according to Rabobank's 2024 annual outlook. Rabobank sees improvements in sugar production and a short-lived El Niño, allowing cocoa, orange juice, and sugar to follow the downward trend of corn, soybeans, and wheat. CME soybean futures began 2024 at multi-month lows, with improved moisture levels in Brazil sending the March 2024 contract to its lowest level since June 30th.

Commodity	1-yr Change in Mar'24 Future
Cocoa	65.45%
Orange Juice	71.27%
Sugar	19.55%
Corn	(23.11%)
Soybeans	(8.72%)
Wheat	(21.58%)

Source: CNBC Intercontinental Exchange U.S.

Cal-Maine Reports Second Quarter Earnings for FY2024. Cal-Maine Foods, Inc., the largest fresh shell egg producer and distributor in America, reported results on Wednesday for the 13 weeks ending December 13, 2023, representing the company's second quarter of the 2024 fiscal year. Sales revenue was down compared to the same quarter last year at \$523.2 million due to a decrease in the average selling price partially offset by sales volume, which was up 1.4%. Operating income fell drastically year-over-year because of the decrease in selling price as well, dropping from \$259.9 million last year to \$14.2 million this year. Part of the fall in operating income is also attributed to "ongoing investments ... to mitigate the risk of highly pathogenic avian influenza," according to Vice President and Chief Financial Officer Max Bowman.

Heard on the Street...

ADM Concludes 2023 by Announcing Two Ingredient Company Acquisitions. Chicago-based Archer-Daniels-Midland Company announced the acquisition of two companies at the end of 2023. ADM announced the first acquisition on December 18th of Revela Foods, a developer and producer of dairy flavor ingredients from New Heritage Capital. ADM announced the second acquisition a day later, acquiring FDL, a U.K.-based developer and manufacturer of premium flavor and functional ingredient systems.

Revela belonged to New Heritage capital since 2019, operating three production facilities in the Midwest and employing around 400 people. While the deal's financial terms were not disclosed, Revela had projected sales of nearly \$240 million in 2023.

Terms of the FDL acquisition were also not disclosed, but the deal is expected to be completed by the end of January 2024. FDL is smaller than Revela, with \$120 million in 2023 projected sales, but offers significant innovation and is a key player in the European foodservice market. FDL runs three production facilities and two customer innovation centers in the United Kingdom. FDL's over 10,000 proprietary flavor formulations will greatly help expand ADM's offerings.

Calvin McEvoy, president of global flavors for ADM, sees the company's acquisition strategy as part of a plan to become a leader in the food and beverage ingredients sector. McEvoy explained: "our ongoing investments to add to our flavors portfolio are helping power our strategic work to build a global leader in Nutrition."

Danone Offloads Horizon Organic and Wallaby Businesses to Private Equity Firm. Continuing the trend of dairy acquisitions in this iteration of the Weekly Update: Platinum Equity is acquiring both entities from Danone SA on undisclosed terms. Horizon Organic's line of USDA-certified products consists of yogurt, cheese, butter, creamers, and whiteners, while Wallaby produces Greek yogurt with an Australian flair. The two businesses join Platinum Equity's portfolio of ~50 companies, including food businesses such as Biscuit International, wine producer Fantini Group Vini, and seafood leader Iberconsa.

In March 2022, Danone announced a portfolio review and asset rotation program as part of its Renew Danon strategy; then, last January, Danone announced it was looking into strategic options related to both businesses. It appears the company has settled on the best path forward for the two units, which represent about 3% of Danone's global revenues.

Cal-Maine Foods Adds Egg Production Capacity through Acquisition of Tyson Plant. Cal-Maine Foods, Inc. is purchasing Tyson's broiler processing plant, hatchery, and feed mill in Dexter, Missouri. The announcement comes on the heels of Cal-Maine's acquisition of Fassio Egg Farms, which was announced on October 4, 2023.

Cal-Maine will initially convert the Dexter facility into an egg grading facility but plans to retrofit the broiler processing plant into an egg and egg product processing plant. Tyson initially announced the facility's closure in its FY2023 Q3 earnings call at the same time as three other closings. As part of the purchase, Cal-Maine will enter into agreements with some of Tyson's former contract farmers to support cage-free, free-range, and pasture-raised egg production operations.

While the terms of the transaction were not disclosed, it was reported that Cal-Maine will invest approximately \$13 million to retrofit the facility to meet its needs. The investment is expected to add 96 jobs to the area.

Cal-Maine's profitability has fluctuated severely over the past few years, but despite this, the company has built a cash pile of over \$565 million thanks to its strong previous year. It will be interesting to see how Cal-Maine deploys this moving forward. Could there be more acquisitions on the way, or will they decide to pay down debt or increase dividends?

Chobani Entering the Coffee Space with La Colombe Acquisition. Chobani announced it is acquiring coffee manufacturer and marketer La Colombe Coffee Roasters for \$900 million. La Colombe will remain an independent brand allowed to operate independently. The deal comes after Keurig Dr Pepper (KDP) invested \$300 million for a 33% stake in La Colombe back in July as part of a broader partnership where KDP will distribute La Colombe ready-to-drink coffees and branded K-cup coffee pods.

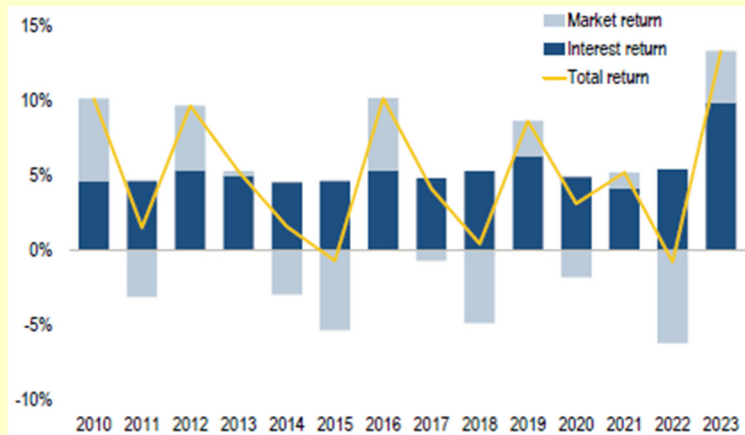
Chobani has been working to break into the coffee segment, having already invested in its own line of coffee creamers and now officially enters the segment through La Colombe. Chobani financed the deal with cash, a \$500 million loan, and the conversion of KDP's stake in La Colombe to Chobani equity.

The deal will help La Colombe expand into new channels, including convenience and retail. La Colombe will benefit from improved procurement procedures, cost efficiencies, and raised operational effectiveness with the support of KDP and Chobani behind it.

Loans

The U.S. leveraged loan market closed 2023 with strong returns coupled with an overall contraction in size. The asset class closed the year with a 13.3% gain, the best since the aftermath of the Global Financial Crisis. The strong performance of leveraged loans in 2023 was attributed to the perception that the Federal Reserve has concluded its rate hikes.

U.S. Leverage Loan Annual Returns

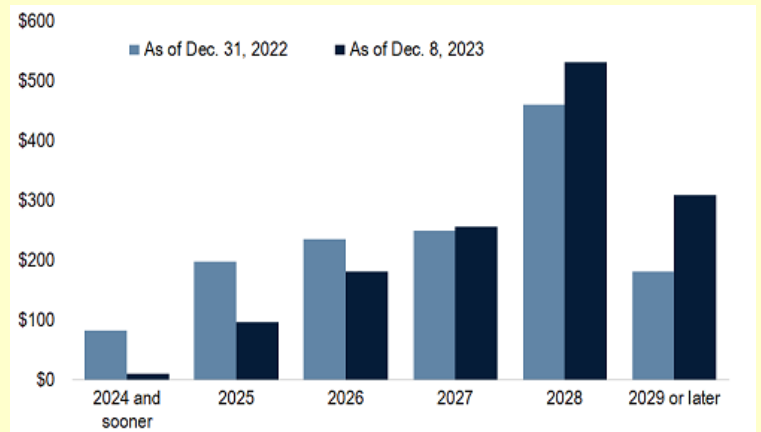


Source: Pitchbook

However, this increase was juxtaposed against a shrinking market, marking the first decline since 2010, and evident in the par amount outstanding, which closed the year at \$1.4 trillion, down 1.2% from the previous year. The decline in the market size can be traced back to the reduction in M&A activity. In 2023, companies raised a mere \$70 billion in syndicated loans for M&A activity – its lowest level since 2010 (\$62.8 billion) and down from an all-time high of \$330.4 billion just two years prior, in 2021. Refinancing issuance accounted for 59% of the annual total, overshadowing the 30% contribution from M&A-related activities. The challenges of rising debt costs and macroeconomic uncertainties acted as deterrents, causing a steep drop in M&A transactions and, consequently, a contraction in the loan market.

M&A volume in 2023, including sponsored and corporate activity, reached its lowest level since 2010, with new LBO supply at a 13-year low. Refinancing issuance, however, remained elevated, reflecting issuers' focus on extending maturities. Looking ahead to 2024, the focus on refinancing is expected to persist as borrowers address the maturity wall. The 2025-2026 maturity wall stood at \$277 billion as of December 8, 2023. Looking further into the future, loan maturities in 2027 amount to \$256 billion, peaking at \$532 billion in 2028.

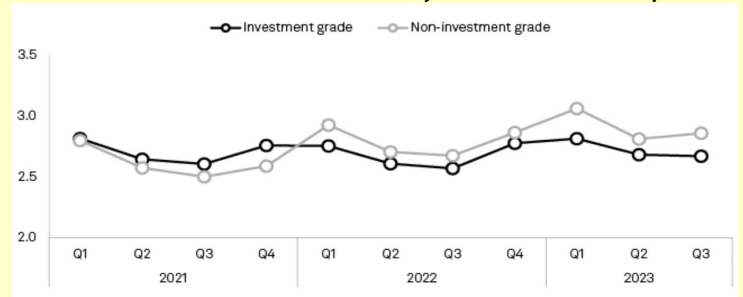
U.S. Leverage Loan Maturity Wall (USD Billions)



Source: Pitchbook

The most recent data for total nonfinancial U.S. investment-grade debt also showed a decrease, falling below \$6 trillion for the first time since 2022. The declines meant debt was largely stable relative to EBITDA. The median total debt-to-EBITDA ratio for nonfinancial U.S. companies rated investment-grade fell slightly to 2.67x in the third quarter from 2.68x. For companies with credit ratings lower than BBB-, the ratio rose slightly to 2.86x from 2.81x despite the fall in total debt.

Median Total Debt/EBITDA - Nonfinancial U.S. Companies

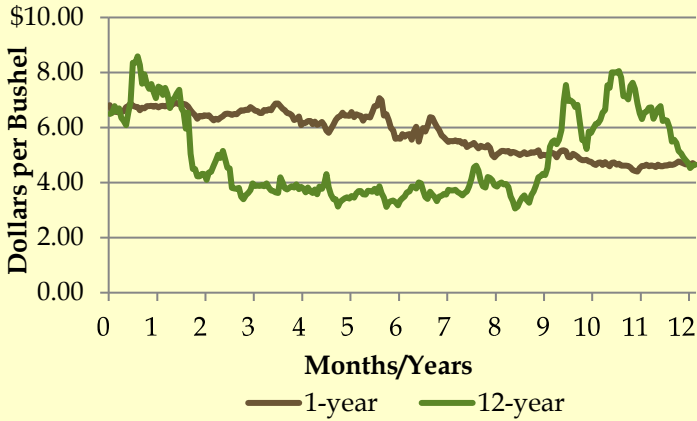


Source: Capital IQ

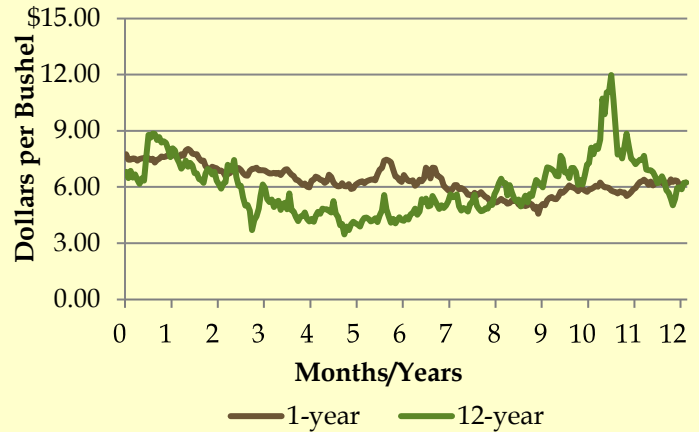
Despite the deleveraging efforts, companies continued to tap into the bond market, with total U.S. investment-grade corporate debt issuance in 2023 surpassing \$1.22 trillion, according to data from the Securities Industry and Financial Markets Association (SIFMA) trade group, below 2021 and 2020 totals of \$1.47 trillion and \$1.85 trillion, respectively. Investors and other market participants now see issuance picking up next year following expectations of a quicker pace of interest-rate easing.

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

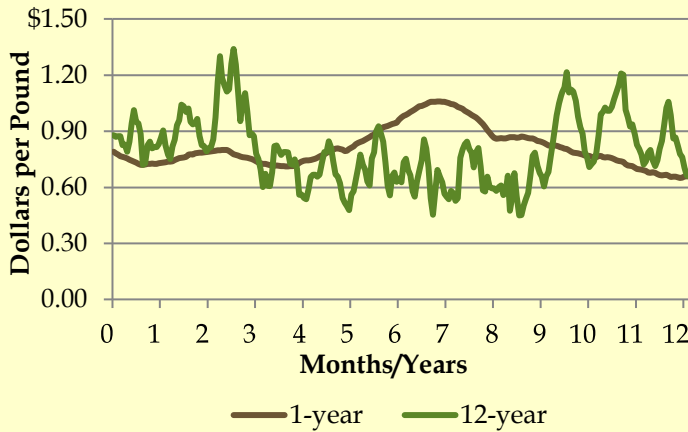
Corn



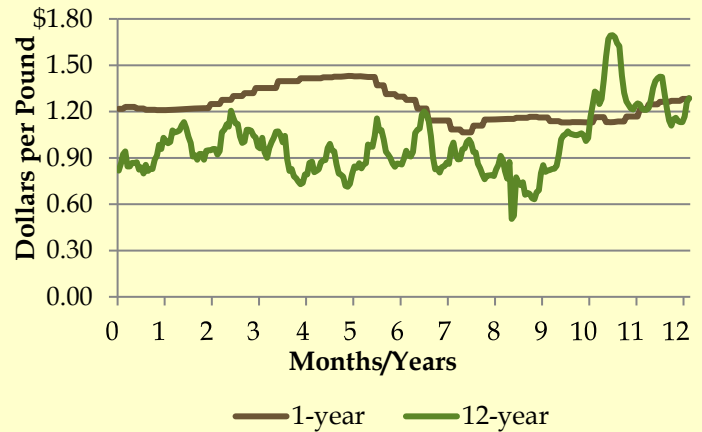
Wheat



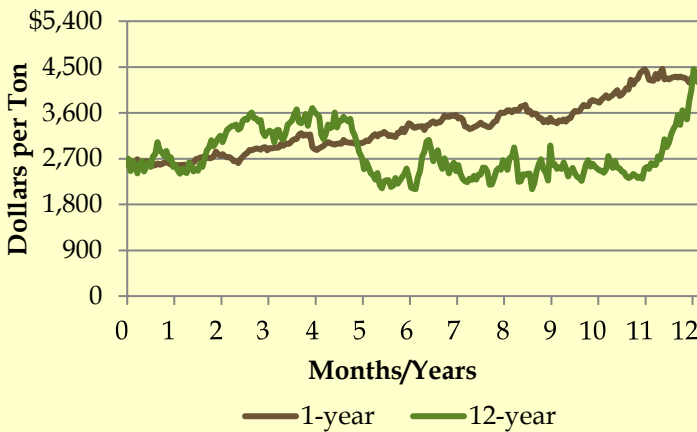
Hogs



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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