



LAKESHORE

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



Weekly Update

Monday, January 29th, 2024

U.S. Fourth Quarter GDP Beats Expectations. The case for a soft landing improved this week as GDP was reported at an annualized rate of 3.3% versus the expected 2.0%, and inflation showed signs of moderation. Economic growth accelerated in the fourth quarter of 2023, the sixth consecutive quarter of greater than 2.0% growth. On the inflation front, the prices-charged index within the PMI report fell to its lowest level since Q2 of 2020, while core Personal Consumption Expenditures (PCE) came in well beneath December expectations at 2.9% year-over-year (the first time under 3.0% since 2021).

The **Dow Jones Industrial Average** was up 0.6%, finishing at 38,109.

The **S&P 500** increased 1.1% on the week, finishing at 4,891.

The **NASDAQ Composite** grew 0.9% this week, finishing at 15,455.

Yield on the **10-year Treasury** was flat during the week, ending at 4.15%.

Crude oil was up 6.5% on the week, ending at \$78.01 per barrel.

Corn was up 0.2% on the week, ending at \$4.46 per bushel.

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NASDAQ Highs: Costco Wholesale Corporation, Freshpet, Inc., Sprouts Farmers Market, Inc., Wingstop Inc. **Lows:** Green Plains, Inc.

NYSE Highs: Chipotle Mexican Grill, Inc., McDonald's Corporation, Performance Food Group Company **Lows:** Archer-Daniels-Midland Company, Bunge Global SA

Featured Stocks of the Week:

Wingstop Inc. (NASDAQ: WING) 8-Year History



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



The Lakeshore Food Chain

Company Name	Price 1/26/24	Price Compared to 1/19/24	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	38,109	0.6%	38,109	31,819	15.0%	4.9%	NA			
S&P 500	4,891	1.1%	4,894	3,856	27.4%	2.6%	20.8			
NASDAQ Composite Index	15,455	0.9%	15,510	11,139	47.7%	(1.2%)	NA			
Russell 3000 Index	2,803	1.1%	2,804	2,225	26.4%	0.5%	NA			
Sector Average:					29.1%	1.7%				
AGRICULTURAL LAND HOLDINGS										
Farmland Partners Inc.	\$11.42	(0.3%)	\$13.32	\$9.44	(8.3%)	(4.4%)	NM	18.59x	33.9x	13.3x
Gladstone Land Corporation	14.08	3.3%	20.00	13.35	(23.3%)	(58.3%)	NM	12.29x	15.7	9.1
Limoneira Company	18.69	2.5%	21.62	12.65	53.1%	24.6%	94.4	2.22x	NM	NM
Sector Average:					7.2%	(12.7%)	94.4	11.03x	24.8	11.2
INPUTS										
American Vanguard Corporation	\$10.79	9.3%	\$22.94	\$8.41	(50.3%)	(34.2%)	18.8x	0.95x	11.8x	5.3x
* BASF SE	45.66	6.1%	54.04	40.25	(1.6%)	(26.1%)	12.7x	0.84x	19.7x	2.8x
* Bayer Aktiengesellschaft	32.32	(0.2%)	65.66	30.22	(33.1%)	(31.2%)	5.5x	1.47x	6.9x	4.6x
CF Industries Holdings, Inc.	77.49	3.3%	91.23	60.08	(9.0%)	9.5%	11.4x	2.27x	4.3x	0.8x
Corteva, Inc.	45.86	0.6%	65.21	43.22	(22.0%)	(3.0%)	16.7x	2.08x	10.5x	1.7x
FMC Corporation	58.35	4.9%	133.37	49.49	(53.2%)	(46.9%)	15.5x	2.27x	9.4x	3.6x
Intrepid Potash, Inc.	19.92	2.5%	34.51	17.23	(31.0%)	(53.4%)	NM	1.00x	4.3x	0.1x
The Mosaic Company	32.23	0.4%	57.46	31.33	(26.5%)	(18.0%)	9.5x	0.93x	4.4x	1.3x
* Nutrien Ltd.	68.37	(1.1%)	113.32	65.35	(30.8%)	(28.1%)	10.7x	1.32x	5.6x	2.2x
S&W Seed Company	0.56	(1.2%)	2.14	0.45	(62.5%)	(79.6%)	NM	1.18x	NM	NM
Zoetis Inc.	191.52	1.7%	201.92	151.03	30.7%	(21.5%)	33.2x	11.10x	26.2x	1.9x
Sector Average:					(26.3%)	(30.2%)	14.9x	1.43x	10.3x	2.4x
AGRICULTURAL EQUIPMENT										
* Ag Growth International Inc.	\$56.20	(1.8%)	\$63.40	\$47.07	29.6%	77.4%	10.2x	1.28x	9.3x	4.6x
AGCO Corporation	123.15	4.7%	145.53	109.81	(11.2%)	6.1%	9.4x	0.74x	4.9x	1.0x
Art's-Way Manufacturing Co., Inc.	2.04	0.0%	3.11	1.92	5.7%	(42.4%)	NA	0.56x	8.2x	3.7x
* Buhler Industries Inc.	2.39	3.5%	2.79	1.95	23.8%	(19.3%)	NA	0.49x	48.4x	35.7x
CNH Industrial N.V.	11.93	2.4%	17.98	9.77	(25.7%)	(38.6%)	7.5x	1.54x	10.4x	7.3x
Deere & Company	393.62	2.8%	450.00	345.55	(8.2%)	14.8%	13.9x	2.76x	10.1x	3.8x
Lindsay Corporation	133.35	2.9%	159.49	106.46	(18.1%)	(12.3%)	21.1x	2.17x	11.7x	1.1x
Titan Machinery Inc.	27.37	7.1%	47.87	21.44	(31.1%)	(18.8%)	6.2x	0.56x	7.1x	4.3x
Sector Average:					(4.4%)	(4.1%)	11.4x	1.26x	8.8x	3.7x
AGRIBUSINESS										
The Andersons, Inc.	\$52.55	(0.5%)	\$58.84	\$35.56	50.2%	35.8%	13.7x	0.13x	5.9x	1.8x
Archer-Daniels-Midland Company	52.05	(23.7%)	87.30	50.72	(43.9%)	(23.0%)	8.9x	0.37x	5.8x	1.7x
Bunge Global SA	88.30	(4.7%)	116.59	87.86	(11.5%)	(5.4%)	8.2x	0.28x	3.3x	1.1x
Ingredion Incorporated	109.27	(0.6%)	113.46	89.54	11.6%	13.1%	11.7x	1.12x	7.6x	2.0x
MGP Ingredients, Inc.	88.56	(1.8%)	124.96	82.60	(16.8%)	4.2%	14.8x	2.77x	12.4x	1.8x
* Olam Group Limited	0.90	(3.7%)	1.71	0.80	(38.4%)	(48.6%)	NA	0.32x	8.6x	8.5x
Sector Average:					(8.1%)	(4.0%)	11.4x	0.83x	7.3x	2.8x
DIVERSIFIED FOODS										
B&G Foods, Inc.	\$10.32	4.5%	\$16.68	\$7.20	(7.4%)	(66.4%)	11.3x	1.43x	9.0x	7.6x
Campbell Soup Company	44.50	3.1%	56.04	37.94	(21.6%)	2.4%	14.3x	1.95x	8.6x	2.4x
Conagra Brands, Inc.	29.62	3.5%	38.94	25.16	(23.5%)	(13.3%)	11.2x	1.91x	9.4x	4.0x
General Mills, Inc.	64.51	2.2%	90.89	60.33	(23.1%)	(4.3%)	14.2x	2.42x	11.3x	3.0x
The Hain Celestial Group, Inc.	10.95	8.8%	22.14	9.36	(32.3%)	(74.3%)	24.4x	1.04x	12.5x	6.1x
The J. M. Smucker Company	131.69	1.9%	159.92	107.33	(16.9%)	(3.0%)	13.9x	2.18x	9.8x	4.3x
Kellanova	54.74	1.5%	72.30	47.63	(23.2%)	(15.0%)	15.4x	1.62x	11.4x	3.5x
The Kraft Heinz Company	37.21	0.4%	41.47	30.68	(8.6%)	3.6%	12.6x	2.38x	8.2x	2.5x
Lancaster Colony Corporation	179.86	4.6%	220.65	158.88	(8.8%)	8.6%	29.8x	2.63x	20.2x	0.1x
Mondelez International, Inc.	75.14	3.1%	78.59	60.75	12.7%	13.3%	22.0x	3.42x	15.0x	2.6x
* Nestlé S.A.	98.49	1.1%	116.84	94.42	(8.1%)	(22.7%)	19.5x	3.34x	15.8x	3.1x
* Nomad Foods Limited	17.58	(0.5%)	19.76	13.56	2.0%	(30.8%)	9.5x	1.54x	9.4x	4.4x
Post Holdings, Inc.	92.79	0.7%	98.84	78.85	2.8%	(17.7%)	18.7x	1.68x	10.4x	5.5x
The Simply Good Foods Company	38.52	(6.9%)	43.00	31.06	1.3%	(7.3%)	20.5x	3.23x	16.7x	1.3x
Sovos Brands, Inc.	22.09	(0.1%)	22.73	12.74	53.7%	46.8%	27.9x	2.56x	13.0x	2.6x
SunOpta Inc.	8.10	5.6%	11.94	3.82	(28.8%)	(7.6%)	NA	1.24x	12.1x	4.7x
TreeHouse Foods, Inc.	42.00	2.6%	55.30	36.11	(14.9%)	3.6%	17.5x	1.11x	9.1x	3.9x
Unilever PLC	44.74	3.4%	50.93	42.97	(4.6%)	(4.9%)	NA	2.27x	11.7x	2.7x
Utz Brands, Inc.	17.41	7.9%	19.11	11.17	9.8%	9.2%	27.5x	2.14x	23.3x	7.6x
WK Kellogg Co	13.69	7.3%	21.00	9.66	NA	NA	9.5x	0.64x	24.6x	9.2x
Sector Average:					(7.3%)	(9.5%)	18.2x	2.11x	12.5x	3.8x

Company Name	Price 1/26/24	Price Compared to 1/19/24	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.	\$1.91	(7.7%)	\$4.98	\$1.20	(33.7%)	(60.3%)	NM	0.17x	NM	NM
Green Plains Inc.	21.61	3.2%	37.49	19.68	(29.1%)	(37.8%)	20.5x	0.56x	87.6x	34.3x
REX American Resources Corporation	41.88	(4.5%)	51.19	27.42	31.5%	30.9%	17.5x	0.58x	5.4x	0.2x
Sector Average:					(10.5%)	(22.4%)	19.0x	0.43x	46.5x	17.2x
FRUIT & VEGETABLE										
Calavo Growers, Inc.	\$27.24	1.6%	\$38.97	\$21.59	(7.3%)	(35.8%)	18.9x	0.60x	14.2x	2.4x
Dole plc	11.54	(0.3%)	14.01	10.42	19.6%	(13.4%)	9.1x	0.26x	5.2x	3.1x
Fresh Del Monte Produce Inc.	25.11	0.4%	32.49	21.41	(4.1%)	(9.0%)	10.9x	0.40x	5.2x	1.8x
Lamb Weston Holdings, Inc.	104.19	(4.6%)	117.38	81.26	16.6%	64.4%	16.6x	2.93x	10.1x	2.5x
Mission Produce, Inc.	10.22	1.6%	13.99	8.19	(12.0%)	(34.9%)	37.2x	1.00x	13.0x	3.6x
Seneca Foods Corporation	54.71	2.2%	64.30	32.50	(10.2%)	14.1%	NA	0.62x	7.3x	4.4x
Sector Average:					0.4%	(2.4%)	18.5x	0.97x	9.2x	3.0x
PROTEIN										
Beyond Meat, Inc.	\$7.15	(2.3%)	\$22.87	\$5.58	(41.9%)	(89.0%)	NM	4.18x	NM	NM
Cal-Maine Foods, Inc.	56.16	3.7%	61.91	42.25	3.1%	51.8%	18.6x	0.82x	3.3x	NA
Darling Ingredients Inc.	44.15	1.4%	71.60	38.97	(29.5%)	(36.3%)	11.4x	1.68x	7.1x	4.0x
Hormel Foods Corporation	30.99	1.1%	46.04	30.12	(32.0%)	(36.5%)	20.0x	1.62x	10.3x	1.9x
* JBS S.A.	24.34	2.5%	25.33	15.12	10.7%	(35.9%)	13.4x	0.42x	9.1x	7.3x
Nathan's Famous, Inc.	72.73	1.3%	83.00	61.35	8.2%	24.6%	NA	2.58x	9.2x	2.3x
Pilgrim's Pride Corporation	27.55	(1.2%)	29.02	19.96	16.1%	(2.3%)	11.3x	0.57x	10.1x	4.2x
Seaboard Corporation	3609.99	(1.9%)	4080.11	3402.38	(4.4%)	(8.3%)	NA	0.36x	4.5x	1.9x
Tyson Foods, Inc.	54.99	3.6%	65.81	44.94	(11.7%)	(36.9%)	27.5x	0.55x	11.2x	3.9x
Vital Farms, Inc.	14.93	3.6%	18.04	10.00	0.1%	(17.3%)	27.8x	1.21x	2.4x	0.1x
Sector Average:					(8.1%)	(18.6%)	17.0x	1.09x	7.5x	3.2x
BAKING & INGREDIENTS										
Balchem Corporation	\$139.43	(1.2%)	\$150.82	\$110.74	14.2%	(17.3%)	35.3x	5.20x	22.4x	1.9x
Flowers Foods, Inc.	22.83	2.1%	29.10	19.64	(20.6%)	(16.9%)	18.2x	1.21x	10.2x	2.2x
* Gruma, S.A.B. de C.V.	311.27	1.4%	337.70	243.34	19.4%	18.6%	14.1x	1.27x	8.4x	2.0x
* Grupo Bimbo, S.A.B. de C.V.	79.05	(6.4%)	103.41	69.39	(4.0%)	25.5%	18.6x	1.17x	8.6x	2.4x
J&J Snack Foods Corp.	160.67	(0.9%)	177.71	133.27	7.3%	1.7%	28.6x	2.04x	16.6x	0.6x
* Kerry Group plc	81.26	3.7%	100.00	71.08	(3.5%)	(28.2%)	17.9x	1.81x	13.5x	2.1x
Krispy Kreme, Inc.	13.54	(2.2%)	16.22	11.52	31.2%	(28.4%)	39.1x	2.26x	14.3x	5.3x
McCormick & Company, Incorporated	69.08	6.2%	94.39	59.13	(16.7%)	(28.5%)	24.3x	3.45x	17.1x	3.6x
* Tate & Lyle plc	6.33	2.4%	8.38	6.00	(11.1%)	(18.0%)	11.2x	1.57x	8.3x	2.1x
Sector Average:					1.8%	(10.2%)	23.0x	2.22x	13.3x	2.5x
CANDY, NUTS, & SNACKS										
Bridgford Foods Corporation	\$10.95	(1.7%)	\$14.51	\$10.03	(8.2%)	(9.6%)	NA	0.37x	7.1x	0.6x
The Hershey Company	190.21	(0.1%)	276.88	178.82	(17.9%)	(1.7%)	19.6x	3.91x	14.3x	1.7x
John B. Sanfilippo & Son, Inc.	106.39	1.8%	127.26	79.98	30.8%	18.0%	NA	1.28x	11.1x	0.2x
Laird Superfood, Inc.	0.90	(1.2%)	1.49	0.65	7.7%	(93.1%)	NM	0.05x	NM	NM
Rocky Mountain Chocolate Factory, Inc.	4.50	3.5%	5.99	3.72	(21.1%)	(42.7%)	NA	1.01x	NM	NM
Tootsie Roll Industries, Inc.	33.39	0.0%	46.11	29.07	(19.2%)	(2.2%)	NA	2.76x	16.0x	0.1x
Sector Average:					(4.6%)	(21.9%)	19.6x	1.56x	12.1x	0.7x
PET FOOD AND PRODUCTS										
Central Garden & Pet Company	\$48.22	1.6%	\$51.71	\$35.60	28.8%	(8.4%)	18.9x	0.98x	8.1x	3.4x
Freshpet, Inc.	88.15	1.5%	89.48	45.13	67.0%	(7.5%)	NM	6.05x	NM	42.1x
Sector Average:					47.9%	(7.9%)	18.9x	3.51x	8.1x	22.8x
WINE & BEVERAGE										
The Boston Beer Company, Inc.	\$359.40	0.5%	\$420.50	\$296.27	9.1%	(28.8%)	32.8x	1.98x	17.8x	0.2x
Brown-Forman Corporation	56.69	3.8%	71.27	52.59	(13.7%)	(22.2%)	26.9x	7.02x	22.0x	2.3x
The Coca-Cola Company	59.37	(0.8%)	64.99	51.55	(6.7%)	0.3%	21.5x	6.32x	17.5x	2.9x
Constellation Brands, Inc.	249.50	(1.8%)	273.65	210.15	7.7%	(0.6%)	19.2x	5.86x	17.7x	3.1x
Crimson Wine Group, Ltd.	5.82	(1.2%)	6.96	5.38	3.7%	(29.5%)	NA	1.53x	22.3x	3.6x
* Diageo plc	28.49	4.9%	37.80	26.76	(21.9%)	(29.4%)	18.5x	4.72x	13.2x	3.0x
Monster Beverage Corporation	55.44	(3.0%)	60.47	47.13	9.2%	15.5%	31.5x	7.91x	27.2x	0.0x
National Beverage Corp.	47.17	0.4%	55.12	42.79	1.4%	4.1%	24.5x	3.56x	17.1x	0.2x
PepsiCo, Inc.	167.86	1.3%	196.88	155.83	(7.1%)	(3.4%)	21.0x	2.93x	15.4x	2.6x
Starbucks Corporation	92.80	(1.1%)	115.48	89.21	(6.5%)	(20.7%)	22.6x	3.50x	12.4x	2.5x
Willamette Valley Vineyards, Inc.	5.17	1.2%	6.59	5.00	(13.3%)	(40.3%)	NA	2.16x	24.5x	5.6x
Sector Average:					(3.5%)	(14.1%)	24.3x	4.32x	18.8x	2.4x

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DAIRY										
* Danone S.A.	\$61.29	(0.5%)	\$62.08	\$49.32	24.5%	12.3%	17.5x	1.78x	11.1x	3.7x
Lifeway Foods, Inc.	12.99	(8.3%)	17.33	5.26	134.1%	182.4%	15.6x	1.20x	11.2x	0.4x
* Saputo Inc.	28.30	0.0%	37.50	25.75	(15.6%)	(0.7%)	15.7x	0.90x	10.2x	2.6x
Sector Average:					47.7%	64.7%	16.3x	1.29x	10.8x	2.2x
WHOLESALE, FOOD SERVICE, & DISTRIBUTION										
The Chefs' Warehouse, Inc.	\$31.68	4.3%	\$39.50	\$17.29	(4.8%)	(4.9%)	25.3x	0.65x	10.7x	4.5x
Performance Food Group Company	70.80	(0.1%)	71.86	52.32	21.3%	54.3%	15.6x	0.30x	10.6x	3.4x
SpartanNash Company	22.80	2.5%	32.36	20.51	(24.6%)	(11.5%)	9.7x	0.16x	6.2x	3.2x
Sysco Corporation	75.15	(0.1%)	79.02	62.24	(1.7%)	(4.3%)	17.0x	0.64x	12.9x	3.1x
United Natural Foods, Inc.	14.90	1.7%	43.95	12.88	(61.5%)	(69.6%)	49.7x	0.15x	6.0x	4.9x
US Foods Holding Corp.	45.24	(1.7%)	47.10	33.96	33.0%	29.9%	14.7x	0.45x	10.8x	3.4x
Sector Average:					(6.4%)	(1.0%)	22.0x	0.39x	9.5x	3.7x
MASS MERCHANDISE, CLUB STORES, & DOLLAR STORES										
BJ's Wholesale Club	\$64.73	(1.5%)	\$78.88	\$60.33	(2.2%)	(3.3%)	16.1x	0.60x	8.6x	2.3x
Costco Wholesale Corporation	686.88	(1.2%)	698.66	465.33	50.5%	21.0%	43.3x	1.21x	26.1x	0.8x
Dollar General Corporation	133.45	0.9%	238.40	101.09	(45.8%)	(43.4%)	18.7x	1.20x	8.3x	3.2x
Dollar Tree, Inc.	132.73	1.7%	161.10	102.77	(6.2%)	(5.5%)	19.2x	1.32x	8.4x	2.3x
Grocery Outlet Holding Corp.	25.35	(2.1%)	36.54	24.95	(13.2%)	(10.4%)	23.9x	0.96x	10.8x	4.0x
Walmart Inc.	164.27	1.2%	169.94	136.09	15.9%	13.5%	24.0x	0.80x	12.4x	1.8x
Sector Average:					(0.2%)	(4.7%)	24.2x	1.01x	12.4x	2.4x
TRADITIONAL & SPECIALTY RETAIL										
Albertsons	\$21.84	(0.7%)	\$23.88	\$19.14	5.3%	(27.7%)	8.4x	0.34x	5.4x	2.9x
* Ahold Delhaize	25.94	1.8%	32.51	25.40	(3.4%)	(13.9%)	10.3x	0.45x	6.0x	3.0x
Amazon.com, Inc.	159.12	2.4%	160.72	88.12	89.4%	(4.6%)	47.1x	3.15x	20.3x	1.9x
Ingles Markets, Incorporated	84.65	0.8%	96.14	73.38	(12.2%)	(2.0%)	NA	0.32x	4.5x	1.4x
The Kroger Co.	46.30	0.8%	50.36	42.10	3.9%	2.3%	10.4x	0.35x	5.9x	2.3x
Natural Grocers by Vitamin Cottage, Inc.	15.39	0.9%	17.49	9.50	68.4%	8.0%	NA	0.62x	5.6x	3.0x
Sprouts Farmers Market, Inc.	49.75	(3.6%)	52.02	30.20	53.7%	67.6%	17.7x	0.96x	8.1x	2.1x
* Tesco PLC	2.94	(0.8%)	3.07	2.18	30.9%	1.2%	11.9x	0.47x	7.3x	3.6x
Village Super Market, Inc.	26.15	1.7%	26.99	20.25	12.3%	11.8%	NA	0.29x	4.1x	2.5x
Weis Markets, Inc.	61.47	2.2%	88.55	58.75	(25.3%)	(6.7%)	NA	0.32x	5.0x	0.6x
Sector Average:					22.3%	3.6%	17.6x	0.73x	7.2x	2.3x
TRADITIONAL RESTAURANTS										
Brinker International, Inc.	\$39.41	1.3%	\$44.97	\$28.23	23.5%	7.7%	10.7x	0.93x	6.2x	3.4x
The Cheesecake Factory Incorporated	33.56	2.6%	41.28	28.58	5.8%	(14.3%)	11.4x	1.01x	7.6x	4.1x
Cracker Barrel Old Country Store, Inc.	76.65	4.3%	121.17	62.69	(19.1%)	(40.4%)	15.3x	0.85x	8.4x	3.6x
Darden Restaurants, Inc.	160.99	1.1%	173.06	133.36	16.4%	6.9%	17.5x	2.37x	12.3x	3.3x
Dine Brands Global, Inc.	46.09	2.6%	82.43	42.00	(28.7%)	(39.2%)	7.6x	2.64x	10.4x	7.5x
Jack in the Box Inc.	77.73	(0.3%)	99.56	60.43	13.9%	(11.1%)	12.2x	2.68x	7.9x	5.5x
McDonald's Corporation	292.26	(2.8%)	302.39	245.73	10.9%	9.0%	23.8x	10.33x	17.0x	3.3x
Papa John's International, Inc.	76.44	2.0%	97.78	60.66	(7.1%)	(42.7%)	27.7x	1.67x	14.0x	4.0x
Texas Roadhouse, Inc.	122.82	3.4%	124.02	91.06	35.0%	37.6%	24.5x	1.99x	15.7x	1.3x
The Wendy's Company	19.18	(0.1%)	23.90	18.19	(15.2%)	(19.6%)	17.9x	3.46x	13.8x	7.8x
Yum! Brands, Inc.	129.09	(2.4%)	143.25	115.53	0.8%	(7.0%)	23.3x	6.77x	18.6x	4.8x
Sector Average:					3.3%	(10.3%)	17.4x	3.15x	12.0x	4.4x
HIGH-GROWTH RESTAURANTS										
Chipotle Mexican Grill, Inc.	\$2,326.25	(0.4%)	\$2,352.76	\$1,470.05	67.7%	33.1%	45.9x	6.96x	28.1x	1.7x
El Pollo Loco Holdings, Inc.	9.46	4.9%	13.00	8.11	(5.0%)	(33.3%)	13.7x	1.20x	7.3x	3.5x
Noodles & Company	2.71	4.6%	6.55	1.96	(50.6%)	(70.1%)	NM	0.79x	5.9x	4.2x
Potbelly Corporation	12.75	(1.3%)	13.33	7.09	128.9%	128.5%	58.8x	1.11x	6.8x	2.5x
Shake Shack Inc.	73.68	9.2%	80.58	52.01	77.4%	2.1%	173.2x	3.29x	15.8x	3.5x
Wingstop Inc.	273.19	(0.9%)	285.74	150.08	98.5%	58.1%	101.1x	19.84x	64.9x	5.4x
Sector Average:					52.8%	19.7%	78.5x	5.53x	21.5x	3.5x
CANNABIS & CBD										
Canopy Growth Corporation	\$6.13	4.4%	\$42.80	\$4.55	(80.5%)	(94.4%)	NM	2.85x	NM	NM
Cronos Group Inc.	2.66	(0.4%)	3.57	2.15	(22.7%)	(46.6%)	68.7x	NM	NM	NM
Jones Soda Co.	0.15	3.6%	0.28	0.12	(44.9%)	(80.0%)	NA	0.57x	NM	NA
The Scotts Miracle-Gro Company	57.81	(1.8%)	88.61	43.67	19.0%	(64.1%)	21.2x	1.73x	14.7x	5.6x
Tilray Brands, Inc.	1.91	(4.5%)	3.59	1.50	(29.0%)	(72.8%)	NM	2.45x	NM	NM
Village Farms International, Inc.	0.86	2.9%	1.25	0.55	(35.5%)	(86.5%)	NM	0.51x	NM	NM
Sector Average:					(32.3%)	(74.1%)	45.0x	1.62x	14.7x	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



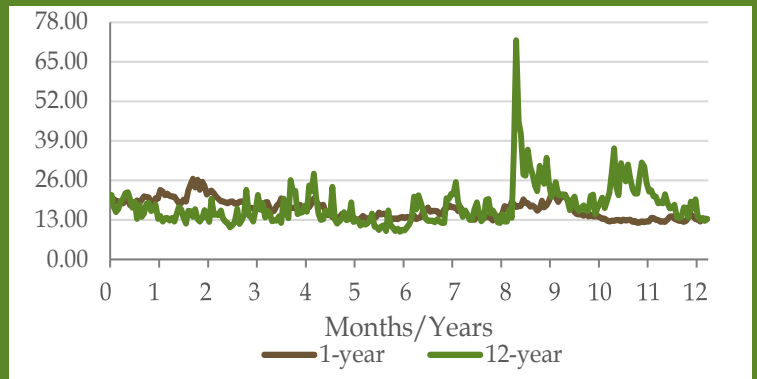
Dow Jones Industrial Average



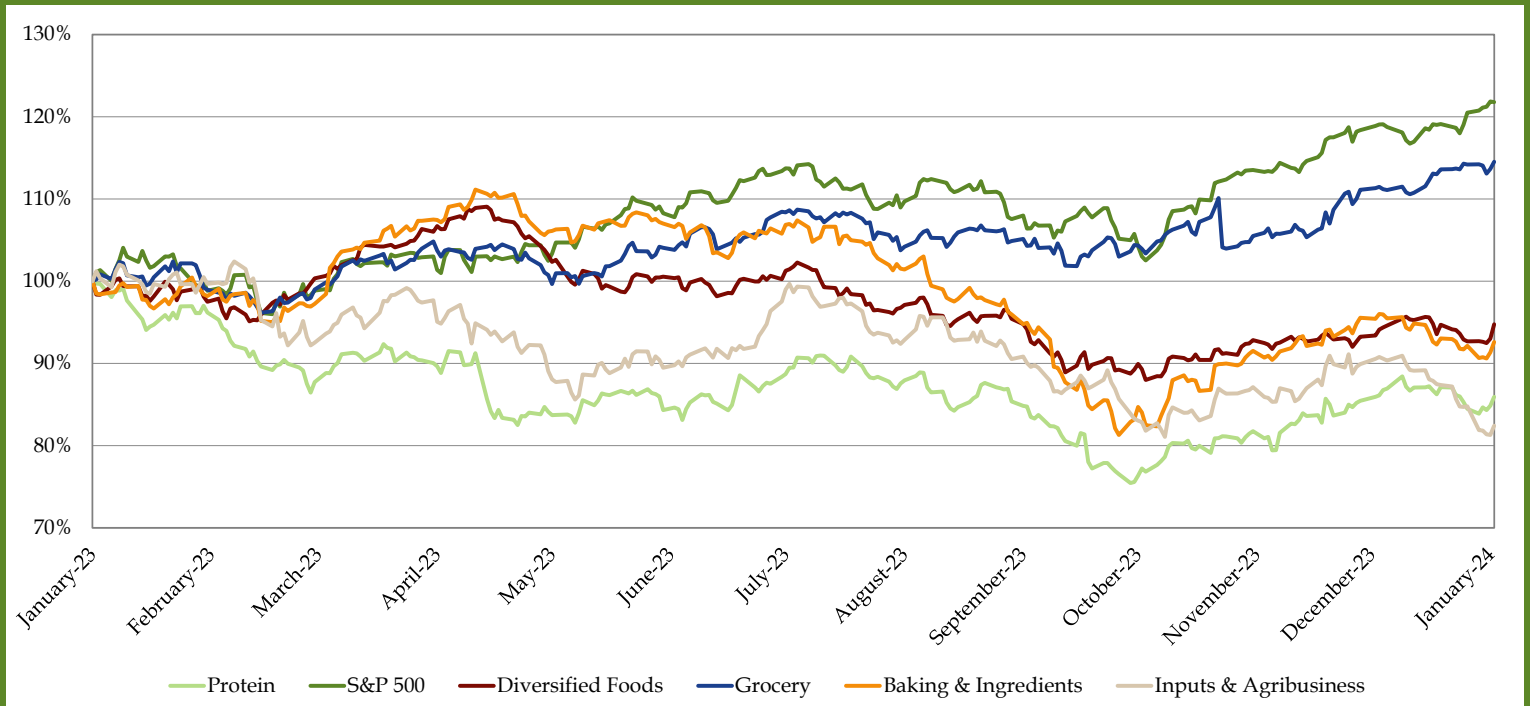
10-year Treasury



CBOE Market Volatility Index - VIX



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



Food For Thought...

Partner Column

Written by Mary Burke

Due to travel, there is no partner column this week.

Illinois Senate Proposes Ban on Five Food Additives. The Illinois Senate is reviewing a bill to ban food additives, including brominated vegetable oil, potassium bromate, propylparaben, red dye 3, and titanium dioxide. These additives have been linked to potential health risks, including cancer, reproductive issues, and childhood behavioral problems. The bill proposes penalties for selling products containing these additives and is currently pending assignment in the Illinois Senate, with a proposed compliance date of January 1, 2027.

The Illinois Food Safety Act follows in the footsteps of California's recently passed Food Safety Act, which passed in October and banned four of the five same food additives. Unlike California's law, the Illinois bill would focus on retail sales, exempting manufacturers. Another similar bill in New York is also under consideration. The California Food Safety Act appears to be influencing other states and could eventually lead to a nationwide ban.

Prompted by California legislation, the FDA proposed revoking regulations that previously authorized the use of brominated vegetable oil in food and announced reviews of red dye 3, propylparaben, and potassium bromate. The Illinois Food Safety Act is part of a broader conversation around food additives. The bill has garnered support from Illinois Secretary of State Alexi Giannoulias, emphasizing its role in enhancing food safety without banning specific products.

States Divided on Summer Food Aid for Children. The U.S. Department of Agriculture has announced the expansion of grocery benefits for children during the summer of 2024. This initiative, known as the Summer Electronic Benefit Transfer program, will provide eligible families \$40 per month for each child in the summer months. 35 states, five territories, and four Native American tribes have opted into the program for this summer.

However, fifteen states, including Alabama, Alaska, Florida, Georgia, Idaho, Iowa, Louisiana, Mississippi, Nebraska, Oklahoma, South Carolina, South Dakota, Texas, Vermont, and Wyoming, chose not to participate. Several officials from these states argued that their states either did not require additional funds or lacked the capacity to administer the program.

Iowa Governor Kim Reynolds highlighted concerns about the sustainability of federal COVID-era cash benefit programs and suggested that EBT cards do not promote nutrition effectively. Similarly, Nebraska Governor Jim Pillen emphasized that the state's existing summer nutrition programs were sufficient and rejected the additional funds, stating that pandemic-era relief

programs should end. Mississippi Governor Tate Reeves rejected the program, expressing a desire to resist the expansion of the welfare state.

Despite the opposition, the USDA estimates that the program will serve nearly 21 million children and provide nearly \$2.5 billion in grocery benefits during the summer of 2024. The inaugural year of the program allows states to opt in later if they choose not to participate initially.

McCormick Reports Earnings. In its fourth-quarter earnings call, McCormick & Company, Inc. reported a mixed performance, with top-line results falling short of expectations due to shifts in consumer behavior and increased emphasis on value. Despite this, the company saw a 3% increase in sales, partly attributed to favorable currency impacts. However, volume and product mix experienced a 3% decline. Cash flow from operations reached \$1.2 billion, with \$419 million returned to shareholders.

McCormick aims to drive volume growth and improve its financial position by the end of 2024, projecting growth in gross margin of 4% to 6%. The company is confident in its strategies for volume improvement, margin recovery, and long-term growth. McCormick has raised its dividend for 38 consecutive years and maintained payments for 53 straight years. The company's CEO outlined five priorities for the upcoming year: global leadership, profitable growth, digital transformation, people culture, and competitive advantages.

Egg Prices Back on the Rise. According to recent CPI data, egg prices in the U.S. rose 8.9% from November to December, following a 2.2% increase the month before. The increase is attributed to the reemergence of Highly Pathogenic Avian Influenza (HPAI) in U.S. commercial table-egg farms at the end of 2023. HPAI caused an egg shortage in 2022-23, leading to record-high prices. Despite the recent price jump, a dozen large grade A eggs cost \$2.51 in December, still below the peak of \$4.82 in January 2023.

HPAI, after subsiding briefly in 2023, reemerged in commercial U.S. table-egg flocks in early November, resulting in the loss of over 14 million egg-laying chickens in November and December. Helping to limit losses is the relatively dry weather in the Midwest's big egg-producing counties, which has seen significantly lower contamination rates compared to the previous outbreak. The virus typically thrives in wetter conditions. The volatile nature of HPAI has raised uncertainty for 2024's egg supply and prices.

Heard on the Street...

ADM Accounting Probe Raises Uncertainty. Archer-Daniels-Midland (ADM) is facing controversy after an investigation was opened surrounding certain accounting practices. According to the company's press release, the investigation, initiated by an SEC request and conducted by ADM's outside counsel as well as the Board's Audit Committee, is in regards to "accounting practices and procedures with respect to ADM's Nutrition reporting segment, including as related to certain intersegment transactions." ADM has yet to disclose any other specific details regarding the investigation.

Despite constituting less than 10% of ADM's revenue, the Nutrition segment has played a significant role in executive bonuses. A considerable share of senior executives' stock award payouts has been tied to the profitability growth of the Nutrition unit, contributing to shares worth over \$70 million for executives.

ADM announced it had placed its CFO, Vikram Luthar, under administrative leave, effective immediately. The company's profit outlook was cut significantly, and the filing of its annual report was postponed, leading to a 24% drop in ADM shares on Monday following the news break on Sunday night.

Analysts expressed concerns that the investigation's fallout could affect ADM's shares, considering the Nutrition segment was once the fastest-growing and most profitable. Credit rating agency S&P Global warned of potential downgrades for ADM's credit ratings.

Caribou Coffee, JDE Peet's Reach Licensing Agreement. Caribou Coffee, a global premium coffeehouse, has entered into a licensing agreement valued at \$260 million with JDE Peet's. The agreement includes transferring Caribou Coffee's roasting operations in Minnesota and its office coffee and foodservice contracts. The deal is expected to close in the first quarter of 2024, subject to customary closing conditions.

Under the licensing agreement, JDE Peet's will manufacture, market, and sell Caribou Coffee's consumer packaged goods and foodservice coffee products outside of Caribou Coffee's coffeehouses. JDE Peet's will also be responsible for supplying Caribou Coffee's specialty-grade coffee sold in its retail locations. The two companies will collaborate to ensure the branded coffee products reach new consumers across various channels.

With over 800 coffeehouses in 11 countries, Caribou Coffee aims to focus on its retail expansion plan, including company-owned development and a franchise program. The company plans to double domestic coffeehouses in the coming years and expects

similar development internationally through expanded agreements with current franchisees.

JDE Peet's sees the addition of Caribou to its portfolio of premium brands as an opportunity to strengthen its presence in North America. The collaboration aims to serve more coffee drinkers in the largest coffee market globally. The transaction is not expected to result in material closures or position eliminations within Caribou Coffee's coffeehouses.

Tyson Opens Bacon Facility in Kentucky. Tyson Foods, Inc. has officially opened a new \$355 million food production facility in Bowling Green, Kentucky, aimed at expanding its bacon production capabilities. The 400,000-square-foot plant is expected to produce two million pounds a week of Jimmy Dean and Wright Brand bacon retail products, catering to the growing market for bacon. The facility will generate around 450 new jobs in South-central Kentucky, contributing to economic development in the region. The company plans to leverage the plant to innovate with new bacon flavors, cuts, and products, including fully-cooked bacon.

Tyson Foods chose Bowling Green due to its proximity to raw materials in the company's pork supply chain and efficient transportation routes. The state-of-the-art facility prioritizes the well-being and safety of its team members, incorporating advanced automation with robots to handle physically demanding tasks and autonomous vehicles for various operations. Tyson Foods is also collaborating with South-central Kentucky Community and Technical College to provide technical training, including a robotics lab, as part of its commitment to creating a competitive, safe, and healthy workplace for its employees.

Greater Omaha Packing Acquires Neighboring Company. Greater Omaha Packing Inc. has acquired Heartland Proteins, a Nebraska-based company founded by Keith Fulton in 2018. Heartland Proteins, which operates with Progressive Protein, the wholly-owned rendering operations of Greater Omaha Packing, specializes in purchasing and distributing meat and bone meal for the animal feed industry. Their unique approach involves blending diverse meat and bone meal sources to cater to specific pork, poultry, and pet food needs.

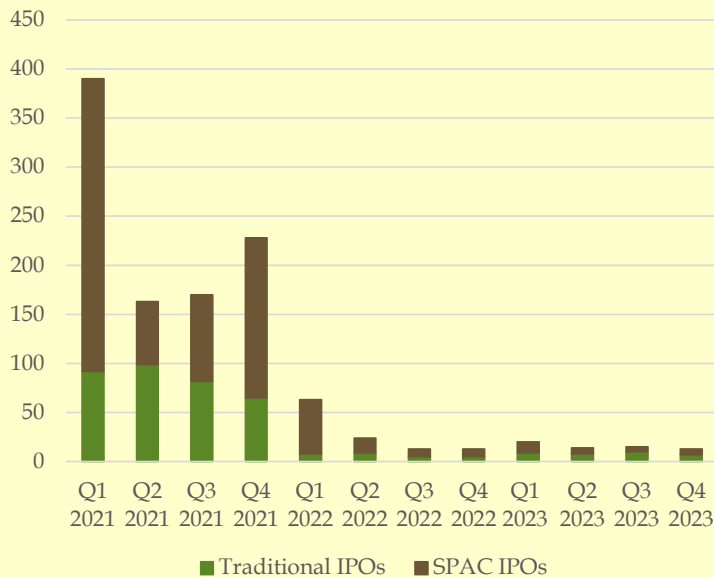
Mike Drury, President of Greater Omaha, praised Keith Fulton's exceptional business acumen and customer-centric approach, stating that the acquisition reflects shared values. Drury looks forward to supporting and growing the business with additional capital needs, emphasizing Fulton's continued involvement.

Capital

The capital markets have experienced a tumultuous last two years. Increased rates, an unclear economic future, volatility in the market, and geopolitical unrest have all weighed on decision makers. IPOs, mergers and acquisitions, venture and private equity capital raises, and debt issuance volumes have all fallen since 2021 as fund managers and corporate executives have emphasized preserving capital over spending it.

One of the most telling stories in today's capital markets is the amount of initial public offerings that occurred in 2022 and 2023 compared to 2021. The chart below shows the number of offerings that have occurred per quarter since 2021.

Initial Public Offerings by Quarter (2021 - 2023)
By total offerings

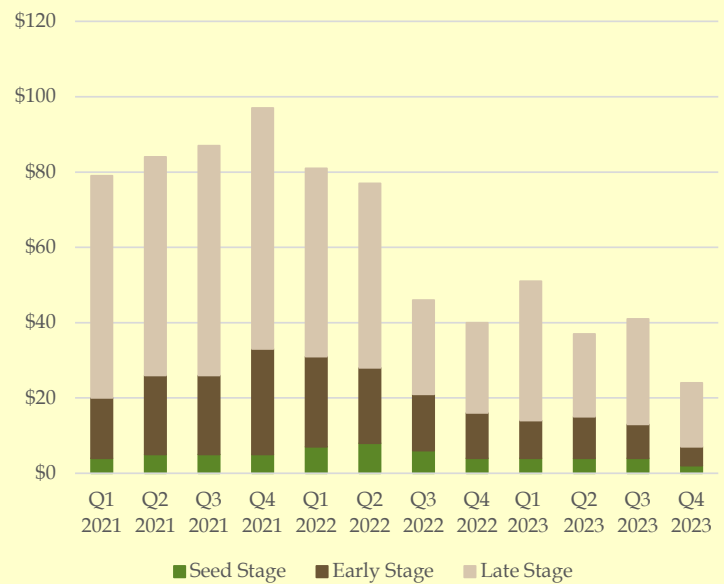


There were only 62 IPOs (including SPAC deals) in 2023, down 93.4% from the 951 experienced in 2021.

In 2023, the S&P 500 grew by 23.8%, whereas the average stock that IPO'd in 2023 fell by approximately 5%. The decline in volume demonstrates a broader market trend; investors are putting their money in more stable investments. The SPAC boom of 2021 provided companies an alternative opportunity to raise capital; however, many were unable to meet their lofty projections. In 2023, 21 companies that SPAC'd in 2021 declared bankruptcy, and over \$46 billion of value was lost. The losses incurred by companies and investors has created a drought in opportunity for growth companies to turn to the public markets for capital. The days of limitless cheap capital have passed, requiring companies to focus on where they are spending.

While not as severe, the private markets have felt a similar pain. In 2023, private companies raised approximately \$153 billion, down 55.9% from the \$347 billion raised in 2021. Many companies have been forced to accept down rounds this year as it has been a buyer's market with investors focused on stability and profitability over growth.

Private Market Capital Raised by Quarter (2021 - 2023)
In billions



Private equity managers also felt the pain that companies had in trying to raise money. According to a Harvard study, private equity funds raised approximately \$556 billion in 2023. This represents a 22.8% decline from the \$733 billion raised in 2021.

Despite all of the negativity, there will always be investors for companies that: creatively solve problems, are led by experienced, knowledgeable management teams, and have strong underlying fundamentals. According to CapitalIQ, there is over \$2.59 trillion of active dry powder in the market today, the highest amount there has ever been. Eventually, limited partners will grow tired of fund managers sitting on their capital and force funds to either deploy their capital or lose it.

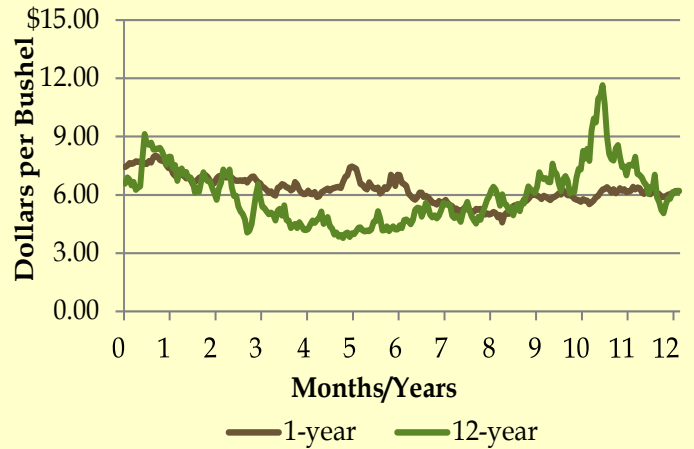
There is pent-up demand in the capital markets; companies are growing weary of sitting still while investors are feeling the need to start deploying the dry powder they have been holding onto. With the Federal Reserve indicating cutting rates later this year (albeit modestly), expect an increase in fundraising, mergers and acquisitions, capital expenditures, and overall growth.

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

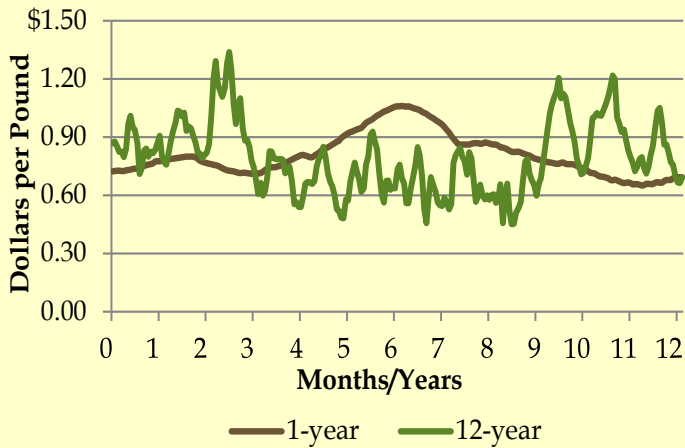
Corn



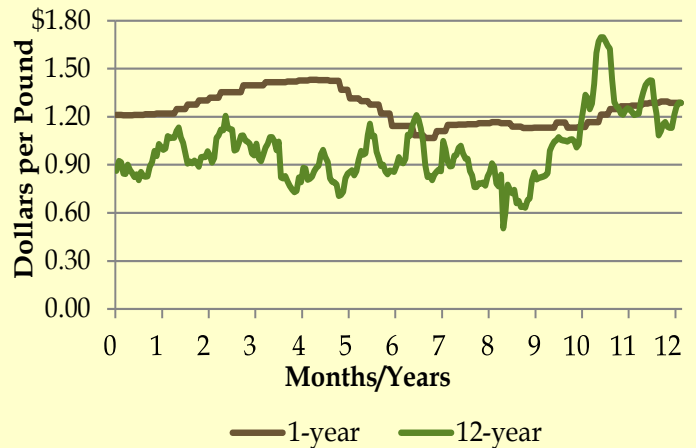
Wheat



Hogs



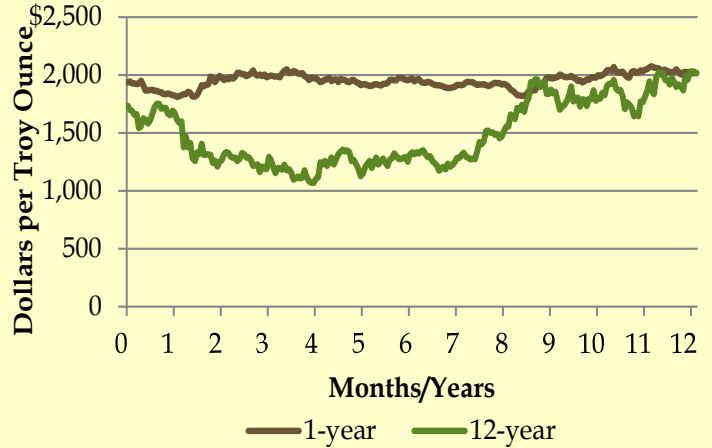
Broilers



Cocoa



Gold



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

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

Please send your feedback and comments to Mary Burke at 312.348.7080 or lakeshorefoodadvisors@lakeshorefoodadvisors.com.