



LAKE SHORE

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



Weekly Update

Monday, February 5th, 2024

Strong January Job Report. In January, the U.S. job market surpassed expectations, adding 353,000 nonfarm payrolls, well above the estimated 185,000, while the unemployment rate held steady at 3.7%. Average hourly earnings increased by 0.6%, double the estimate, and on an annual basis, wages rose by 4.5%, exceeding the forecasted 4.1%. The job growth was widespread, led by professional services, health care, and retail trade. This strong performance indicates a solid labor market, supporting broader economic growth.

The **Dow Jones Industrial Average** rose 1.4%, finishing at 38,654.

The **S&P 500** increased 1.4% on the week, finishing at 4,959.

The **NASDAQ Composite** increased 1.1% this week, finishing at 15,629.

Yield on the **10-year Treasury** dropped 12 basis points during the week, ending at 4.03%.

Crude oil decreased 7.3% on the week, ending at \$72.28 per barrel.

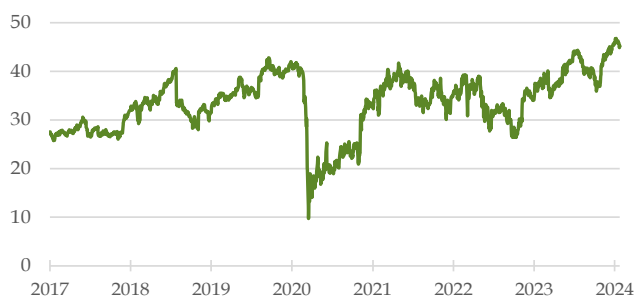
Corn fell 0.8% on the week, ending at \$4.43 per bushel.

NASDAQ Highs: Costco Wholesale Corporation, Wingstop Inc. **Lows:** Calavo Growers, Inc.

NYSE Highs: Brinker International, Inc., Chipotle Mexican Grill, Inc., Performance Food Group Company, Post Holdings, Inc., Sysco Corporation, US Foods Holding Corp., Walmart Inc. **Lows:** Hormel Foods Corporation, The Mosaic Company

Featured Stocks of the Week:

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



Hormel Foods Corporation (NYSE: HRL) 10-Year History



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The Lakeshore Food Chain

Company Name	Price 2/2/24	Price Compared to 1/26/24	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	38,654	1.4%	38,654	31,819	16.6%	6.4%	NA			
S&P 500	4,959	1.4%	4,959	3,856	29.1%	4.0%	20.6			
NASDAQ Composite Index	15,629	1.1%	15,629	11,139	49.3%	(0.1%)	NA			
Russell 3000 Index	2,837	1.2%	2,837	2,225	28.0%	1.8%	NA			
Sector Average:					30.8%	3.0%				
AGRICULTURAL LAND HOLDINGS										
Farmland Partners Inc.	\$11.02	(3.5%)	\$13.32	\$9.44	(11.6%)	(7.8%)	NM	18.26x	33.3x	13.3x
Gladstone Land Corporation	13.68	(2.8%)	19.75	13.35	(25.4%)	(59.5%)	NM	12.13x	15.5	9.1
Limoneira Company	17.92	(4.1%)	21.62	13.75	46.8%	19.5%	90.5	2.15x	NM	NM
Sector Average:					3.3%	(15.9%)	90.5	10.85x	24.4	11.2
INPUTS										
American Vanguard Corporation	\$11.18	3.6%	\$22.86	\$8.41	(48.5%)	(31.8%)	17.2x	0.97x	12.0x	5.3x
* BASF SE	44.68	(2.1%)	54.04	40.25	(3.7%)	(27.7%)	12.7x	0.83x	19.4x	2.8x
* Bayer Aktiengesellschaft	28.69	(11.2%)	65.66	28.24	(40.6%)	(39.0%)	4.9x	1.39x	6.6x	4.6x
CF Industries Holdings, Inc.	76.52	(1.3%)	91.23	60.08	(10.2%)	8.1%	11.3x	2.24x	4.2x	0.8x
Corteva, Inc.	53.04	15.7%	64.98	43.22	(9.8%)	12.2%	18.6x	2.16x	11.2x	0.7x
FMC Corporation	61.43	5.3%	131.77	49.49	(50.8%)	(44.1%)	16.3x	2.34x	9.7x	4.2x
Intrepid Potash, Inc.	18.34	(7.9%)	34.51	17.23	(36.5%)	(57.1%)	NM	0.92x	3.9x	0.1x
The Mosaic Company	30.86	(4.3%)	57.46	30.21	(29.7%)	(21.5%)	9.2x	0.90x	4.3x	1.3x
* Nutrien Ltd.	68.64	0.4%	113.27	65.35	(30.6%)	(27.8%)	11.3x	1.32x	5.6x	2.2x
S&W Seed Company	0.52	(6.2%)	2.14	0.45	(64.9%)	(80.8%)	NM	1.15x	NM	NM
Zoetis Inc.	189.04	(1.3%)	201.92	151.03	29.0%	(22.5%)	32.7x	10.97x	25.9x	1.9x
Sector Average:					(26.9%)	(30.2%)	14.9x	1.42x	10.3x	2.4x
AGRICULTURAL EQUIPMENT										
* Ag Growth International Inc.	\$58.31	3.8%	\$63.40	\$47.07	34.5%	84.1%	10.6x	1.30x	9.5x	4.6x
AGCO Corporation	122.43	(0.6%)	145.53	109.81	(11.7%)	5.5%	9.4x	0.74x	4.9x	0.7x
Art's-Way Manufacturing Co., Inc.	2.13	4.4%	3.11	1.92	10.4%	(39.8%)	NA	0.58x	8.4x	3.7x
* Buhler Industries Inc.	2.33	(2.5%)	2.79	1.97	20.7%	(21.3%)	NA	0.48x	47.8x	35.7x
CNH Industrial N.V.	12.28	2.9%	17.06	9.77	(23.5%)	(36.8%)	7.7x	1.56x	10.5x	7.3x
Deere & Company	392.60	(0.3%)	450.00	345.55	(8.4%)	14.5%	13.9x	2.76x	10.0x	3.8x
Lindsay Corporation	131.70	(1.2%)	159.49	106.46	(19.1%)	(13.4%)	20.9x	2.14x	11.6x	1.1x
Titan Machinery Inc.	26.81	(2.0%)	47.87	21.44	(32.5%)	(20.4%)	6.0x	0.56x	7.0x	4.3x
Sector Average:					(3.7%)	(3.5%)	11.4x	1.27x	8.8x	3.7x
AGRIBUSINESS										
The Andersons, Inc.	\$52.29	(0.5%)	\$58.84	\$35.69	49.4%	35.1%	13.6x	0.13x	5.8x	1.8x
Archer-Daniels-Midland Company	55.69	7.0%	87.30	50.72	(40.0%)	(17.6%)	9.5x	0.39x	6.1x	1.7x
Bunge Global SA	90.47	2.5%	116.59	87.86	(9.3%)	(3.1%)	8.5x	0.29x	3.3x	1.1x
Ingredion Incorporated	111.22	1.8%	113.46	89.54	13.6%	15.1%	11.9x	1.14x	7.7x	1.8x
MGP Ingredients, Inc.	84.14	(5.0%)	124.96	81.11	(20.9%)	(1.0%)	14.1x	2.65x	11.9x	1.8x
* Olam Group Limited	0.94	3.9%	1.71	0.80	(36.0%)	(46.6%)	NA	0.33x	8.7x	8.5x
Sector Average:					(7.2%)	(3.0%)	11.5x	0.82x	7.3x	2.8x
DIVERSIFIED FOODS										
B&G Foods, Inc.	\$10.30	(0.2%)	\$16.68	\$7.20	(7.6%)	(66.5%)	11.3x	1.43x	8.9x	7.6x
Campbell Soup Company	44.82	0.7%	56.04	37.94	(21.0%)	3.1%	14.4x	1.96x	8.6x	2.4x
Conagra Brands, Inc.	29.46	(0.5%)	38.94	25.16	(23.9%)	(13.7%)	11.2x	1.90x	9.4x	4.0x
General Mills, Inc.	64.80	0.4%	90.89	60.33	(22.7%)	(3.8%)	14.3x	2.43x	11.3x	3.0x
The Hain Celestial Group, Inc.	11.04	0.8%	21.93	9.36	(31.8%)	(74.1%)	25.0x	1.05x	12.5x	6.1x
The J. M. Smucker Company	132.70	0.8%	159.92	107.33	(16.3%)	(2.3%)	14.0x	2.19x	9.8x	4.3x
Kellanova	55.06	0.6%	72.30	47.63	(22.7%)	(14.5%)	15.5x	1.62x	11.5x	3.5x
The Kraft Heinz Company	37.65	1.2%	41.47	30.68	(7.5%)	4.9%	12.7x	2.40x	8.3x	2.5x
Lancaster Colony Corporation	202.57	12.6%	220.65	158.88	2.7%	22.3%	30.7x	2.92x	21.1x	0.1x
Mondelez International, Inc.	76.87	2.3%	78.59	60.75	15.3%	15.9%	21.8x	3.38x	14.6x	2.5x
* Nestlé S.A.	98.57	0.1%	116.84	94.42	(8.0%)	(22.7%)	19.5x	3.34x	15.8x	3.1x
* Nomad Foods Limited	18.19	3.5%	19.76	13.56	5.5%	(28.4%)	9.8x	1.57x	9.6x	4.4x
Post Holdings, Inc.	101.01	8.9%	101.95	78.85	11.9%	(10.4%)	18.7x	1.66x	10.2x	5.3x
The Simply Good Foods Company	37.88	(1.7%)	43.00	31.06	(0.4%)	(8.9%)	20.2x	3.18x	16.5x	1.3x
Sovos Brands, Inc.	22.08	(0.0%)	22.73	12.74	53.7%	46.7%	27.8x	2.56x	13.0x	2.6x
SunOpta Inc.	8.28	2.2%	11.94	3.82	(27.2%)	(5.6%)	NA	1.25x	12.3x	4.7x
TreeHouse Foods, Inc.	43.30	3.1%	55.30	36.11	(12.3%)	6.8%	18.0x	1.13x	9.3x	3.9x
Unilever PLC	45.34	1.4%	50.93	42.97	(3.3%)	(3.6%)	NA	2.29x	11.8x	2.7x
Utz Brands, Inc.	18.59	6.8%	19.11	11.17	17.2%	16.6%	29.0x	2.21x	24.0x	7.6x
WK Kellogg Co	13.13	(4.1%)	21.00	9.66	NA	NA	9.1x	0.62x	23.9x	9.2x
Sector Average:					(5.2%)	(7.3%)	18.5x	2.13x	12.6x	3.8x

Company Name	Price 2/2/24	Price Compared to 1/26/24	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.	\$1.80	(5.8%)	\$4.98	\$1.20	(37.5%)	(62.6%)	NM	0.16x	NM	NM
Green Plains Inc.	20.47	(5.3%)	37.49	19.68	(32.9%)	(41.1%)	22.8x	0.53x	84.3x	34.3x
REX American Resources Corporation	41.28	(1.4%)	51.19	27.42	29.6%	29.0%	17.2x	0.56x	5.3x	0.2x
Sector Average:					(13.6%)	(24.9%)	20.0x	0.42x	44.8x	17.2x
FRUIT & VEGETABLE										
Calavo Growers, Inc.	\$27.37	0.5%	\$38.97	\$21.42	(6.9%)	(35.4%)	20.9x	0.60x	17.5x	2.9x
Dole plc	11.28	(2.3%)	14.01	10.55	16.9%	(15.3%)	8.9x	0.26x	5.1x	3.1x
Fresh Del Monte Produce Inc.	24.53	(2.3%)	32.49	21.41	(6.3%)	(11.1%)	10.7x	0.40x	5.1x	1.8x
Lamb Weston Holdings, Inc.	106.10	1.8%	117.38	81.26	18.7%	67.4%	16.9x	2.97x	10.3x	2.5x
Mission Produce, Inc.	10.22	0.0%	13.99	8.19	(12.0%)	(34.9%)	37.2x	1.00x	13.0x	3.6x
Seneca Foods Corporation	54.04	(1.2%)	64.30	32.50	(11.3%)	12.7%	NA	0.61x	7.3x	4.4x
Sector Average:					(0.2%)	(2.8%)	18.9x	0.97x	9.7x	3.1x
PROTEIN										
Beyond Meat, Inc.	\$6.43	(10.1%)	\$22.87	\$5.58	(47.8%)	(90.1%)	NM	4.04x	NM	NM
Cal-Maine Foods, Inc.	56.94	1.4%	61.91	42.25	4.6%	53.9%	18.9x	0.83x	3.4x	NA
Darling Ingredients Inc.	43.26	(2.0%)	71.60	38.97	(30.9%)	(37.6%)	11.6x	1.65x	7.0x	4.0x
Hormel Foods Corporation	30.60	(1.3%)	46.04	29.91	(32.8%)	(37.3%)	19.8x	1.60x	10.2x	1.9x
* JBS S.A.	23.00	(5.5%)	25.33	15.12	4.6%	(39.4%)	12.4x	0.41x	8.9x	7.3x
Nathan's Famous, Inc.	68.24	(6.2%)	83.00	61.35	1.5%	16.9%	NA	2.40x	9.0x	1.8x
Pilgrim's Pride Corporation	27.04	(1.9%)	29.02	19.96	13.9%	(4.1%)	11.1x	0.56x	10.0x	4.2x
Seaboard Corporation	3594.00	(0.4%)	4080.11	3402.38	(4.8%)	(8.7%)	NA	0.36x	4.4x	1.9x
Tyson Foods, Inc.	56.36	2.5%	65.31	44.94	(9.5%)	(35.3%)	26.6x	0.56x	11.4x	3.4x
Vital Farms, Inc.	14.75	(1.2%)	17.73	10.00	(1.1%)	(18.3%)	27.4x	1.20x	2.3x	0.1x
Sector Average:					(10.2%)	(20.0%)	16.7x	1.06x	7.4x	3.1x
BAKING & INGREDIENTS										
Balchem Corporation	\$143.14	2.7%	\$150.82	\$110.74	17.2%	(15.1%)	36.5x	5.33x	23.0x	1.9x
Flowers Foods, Inc.	23.51	3.0%	29.10	19.64	(18.2%)	(14.4%)	18.7x	1.24x	10.5x	2.2x
* Gruma, S.A.B. de C.V.	313.98	0.9%	337.70	243.34	20.4%	19.6%	14.3x	1.28x	8.5x	2.0x
* Grupo Bimbo, S.A.B. de C.V.	77.90	(1.5%)	103.41	69.39	(5.4%)	23.7%	18.4x	1.16x	8.5x	2.4x
J&J Snack Foods Corp.	160.05	(0.4%)	177.71	138.17	6.9%	1.3%	28.5x	2.03x	16.5x	0.8x
* Kerry Group plc	79.32	(2.4%)	100.00	71.08	(5.8%)	(30.0%)	17.6x	1.77x	13.2x	2.1x
Krispy Kreme, Inc.	13.58	0.3%	16.22	11.52	31.6%	(28.2%)	38.4x	2.27x	14.4x	5.3x
McCormick & Company, Incorporated	67.68	(2.0%)	94.39	59.13	(18.3%)	(29.9%)	23.7x	3.41x	16.9x	3.6x
* Tate & Lyle plc	6.17	(2.5%)	8.38	6.00	(13.3%)	(20.1%)	11.0x	1.54x	8.1x	2.1x
Sector Average:					1.7%	(10.3%)	23.0x	2.23x	13.3x	2.5x
CANDY, NUTS, & SNACKS										
Bridgford Foods Corporation	\$10.88	(0.6%)	\$14.51	\$10.03	(8.7%)	(10.2%)	NA	0.36x	6.5x	0.5x
The Hershey Company	197.66	3.9%	276.88	178.82	(14.6%)	2.2%	20.4x	4.05x	14.8x	1.7x
John B. Sanfilippo & Son, Inc.	105.04	(1.3%)	127.26	87.38	29.2%	16.5%	NA	1.27x	11.0x	0.4x
Laird Superfood, Inc.	0.90	(0.5%)	1.44	0.65	7.2%	(93.1%)	NM	0.04x	NM	NM
Rocky Mountain Chocolate Factory, Inc.	4.10	(8.9%)	5.99	3.72	(28.1%)	(47.8%)	NA	0.93x	NM	NM
Tootsie Roll Industries, Inc.	32.79	(1.8%)	46.11	29.07	(20.7%)	(4.0%)	NA	2.73x	15.8x	0.1x
Sector Average:					(6.0%)	(22.7%)	20.4x	1.56x	12.0x	0.7x
PET FOOD AND PRODUCTS										
Central Garden & Pet Company	\$46.77	(3.0%)	\$51.71	\$35.60	24.9%	(11.1%)	18.3x	0.96x	7.9x	3.4x
Freshpet, Inc.	88.50	0.4%	89.48	45.13	67.7%	(7.1%)	NM	6.07x	NM	42.1x
Sector Average:					46.3%	(9.1%)	18.3x	3.52x	7.9x	22.8x
WINE & BEVERAGE										
The Boston Beer Company, Inc.	\$357.07	(0.6%)	\$414.22	\$296.27	8.4%	(29.3%)	32.6x	1.96x	17.7x	0.2x
Brown-Forman Corporation	56.80	0.2%	71.27	52.59	(13.5%)	(22.0%)	27.0x	7.03x	22.0x	2.3x
The Coca-Cola Company	60.54	2.0%	64.99	51.55	(4.8%)	2.2%	21.9x	6.43x	17.8x	2.9x
Constellation Brands, Inc.	250.59	0.4%	273.65	210.15	8.1%	(0.2%)	19.3x	5.88x	17.7x	3.1x
Crimson Wine Group, Ltd.	5.88	1.0%	6.96	5.38	4.8%	(28.7%)	NA	1.55x	22.6x	3.6x
* Diageo plc	29.37	3.1%	37.80	26.76	(19.5%)	(27.2%)	19.0x	4.91x	14.0x	3.2x
Monster Beverage Corporation	55.35	(0.2%)	60.47	47.13	9.0%	15.3%	31.4x	7.89x	27.2x	0.0x
National Beverage Corp.	46.58	(1.3%)	55.12	43.54	0.1%	2.8%	24.2x	3.51x	16.9x	0.2x
PepsiCo, Inc.	170.97	1.9%	196.88	155.83	(5.4%)	(1.6%)	21.4x	2.97x	15.7x	2.6x
Starbucks Corporation	92.99	0.2%	115.48	89.21	(6.3%)	(20.5%)	22.0x	3.45x	12.1x	2.4x
Willamette Valley Vineyards, Inc.	5.21	0.7%	6.59	5.00	(12.7%)	(39.8%)	NA	2.16x	24.6x	5.6x
Sector Average:					(2.9%)	(13.6%)	24.3x	4.34x	18.9x	2.4x

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			High	Low	2022	2021		Revenue	EBITDA	
DAIRY										
* Danone S.A.	\$60.94	(0.6%)	\$62.45	\$49.92	23.8%	11.6%	17.4x	1.77x	11.0x	3.7x
Lifeway Foods, Inc.	12.52	(3.6%)	17.33	5.37	125.6%	172.2%	15.0x	1.15x	10.8x	0.4x
* Saputo Inc.	28.21	(0.3%)	37.50	25.75	(15.8%)	(1.0%)	16.6x	0.89x	10.2x	2.6x
Sector Average:					44.5%	60.9%	16.3x	1.27x	10.7x	2.2x
WHOLESALE, FOOD SERVICE, & DISTRIBUTION										
The Chefs' Warehouse, Inc.	\$33.05	4.3%	\$39.50	\$17.29	(0.7%)	(0.8%)	26.4x	0.66x	11.0x	4.5x
Performance Food Group Company	74.47	5.2%	74.74	52.32	27.5%	62.3%	16.4x	0.31x	11.0x	3.4x
SpartanNash Company	22.55	(1.1%)	32.36	20.51	(25.4%)	(12.5%)	9.7x	0.16x	6.2x	3.2x
Sysco Corporation	81.48	8.4%	82.89	62.24	6.6%	3.7%	18.1x	0.68x	13.4x	3.3x
United Natural Foods, Inc.	16.01	7.4%	43.95	12.88	(58.6%)	(67.4%)	61.1x	0.15x	6.1x	4.9x
US Foods Holding Corp.	47.20	4.3%	47.48	33.96	38.7%	35.5%	15.3x	0.46x	11.2x	3.4x
Sector Average:					(2.0%)	3.5%	24.5x	0.40x	9.8x	3.8x
MASS MERCHANDISE, CLUB STORES, & DOLLAR STORES										
BJ's Wholesale Club	\$64.51	(0.3%)	\$78.88	\$60.33	(2.5%)	(3.7%)	16.1x	0.60x	8.6x	2.3x
Costco Wholesale Corporation	709.48	3.3%	714.28	465.33	55.4%	25.0%	44.7x	1.25x	27.0x	0.8x
Dollar General Corporation	136.16	2.0%	233.74	101.09	(44.7%)	(42.3%)	19.1x	1.22x	8.4x	3.2x
Dollar Tree, Inc.	138.71	4.5%	161.10	102.77	(1.9%)	(1.3%)	20.1x	1.36x	8.7x	2.3x
Grocery Outlet Holding Corp.	24.69	(2.6%)	36.54	24.20	(15.4%)	(12.7%)	23.3x	0.94x	10.6x	4.0x
Walmart Inc.	169.57	3.2%	170.58	136.09	19.6%	17.2%	24.8x	0.82x	12.8x	1.8x
Sector Average:					1.7%	(3.0%)	24.7x	1.03x	12.7x	2.4x
TRADITIONAL & SPECIALTY RETAIL										
Albertsons	\$21.35	(2.2%)	\$23.88	\$19.14	2.9%	(29.3%)	8.2x	0.34x	5.3x	2.9x
* Ahold Delhaize	26.12	0.7%	32.51	25.40	(2.7%)	(13.3%)	10.3x	0.45x	6.1x	3.0x
Amazon.com, Inc.	171.81	8.0%	172.50	88.12	104.5%	3.1%	40.2x	3.23x	18.9x	1.6x
Ingles Markets, Incorporated	83.10	(1.8%)	95.98	73.38	(13.9%)	(3.8%)	NA	0.31x	4.4x	1.4x
The Kroger Co.	46.14	(0.3%)	50.36	42.10	3.5%	1.9%	10.3x	0.35x	5.9x	2.3x
Natural Grocers by Vitamin Cottage, Inc.	15.07	(2.1%)	17.49	9.67	64.9%	5.8%	NA	0.61x	5.6x	3.0x
Sprouts Farmers Market, Inc.	51.46	3.4%	52.02	30.20	59.0%	73.4%	18.3x	0.99x	8.4x	2.1x
* Tesco PLC	2.91	(0.9%)	3.07	2.18	29.7%	0.3%	11.7x	0.47x	7.3x	3.6x
Village Super Market, Inc.	25.44	(2.7%)	26.99	20.25	9.2%	8.8%	NA	0.29x	4.0x	2.5x
Weis Markets, Inc.	60.03	(2.3%)	88.55	58.75	(27.1%)	(8.9%)	NA	0.32x	4.9x	0.6x
Sector Average:					23.0%	3.8%	16.5x	0.74x	7.1x	2.3x
TRADITIONAL RESTAURANTS										
Brinker International, Inc.	\$45.27	14.9%	\$46.11	\$28.23	41.9%	23.7%	11.6x	0.96x	6.3x	3.2x
The Cheesecake Factory Incorporated	35.42	5.5%	41.08	28.58	11.7%	(9.5%)	12.2x	1.04x	7.9x	4.1x
Cracker Barrel Old Country Store, Inc.	82.29	7.4%	121.17	62.69	(13.1%)	(36.0%)	16.4x	0.89x	8.8x	3.6x
Darden Restaurants, Inc.	166.52	3.4%	173.06	133.36	20.4%	10.5%	18.0x	2.43x	12.7x	3.3x
Dine Brands Global, Inc.	46.97	1.9%	82.43	42.00	(27.3%)	(38.0%)	7.7x	2.66x	10.5x	7.5x
Jack in the Box Inc.	78.94	1.6%	99.56	60.43	15.7%	(9.8%)	12.3x	2.69x	7.9x	5.5x
McDonald's Corporation	297.05	1.6%	302.39	245.73	12.7%	10.8%	24.2x	10.47x	17.3x	3.4x
Papa John's International, Inc.	74.06	(3.1%)	97.78	60.66	(10.0%)	(44.5%)	26.8x	1.63x	13.7x	4.0x
Texas Roadhouse, Inc.	130.50	6.3%	130.82	91.06	43.5%	46.2%	26.1x	2.10x	16.6x	1.3x
The Wendy's Company	19.07	(0.6%)	23.90	18.19	(15.7%)	(20.0%)	17.8x	3.45x	13.7x	7.8x
Yum! Brands, Inc.	128.75	(0.3%)	143.25	115.53	0.5%	(7.3%)	23.3x	6.75x	18.5x	4.8x
Sector Average:					7.3%	(6.7%)	17.9x	3.19x	12.2x	4.4x
HIGH-GROWTH RESTAURANTS										
Chipotle Mexican Grill, Inc.	\$2,482.28	6.7%	\$2,492.95	\$1,470.05	78.9%	42.0%	49.0x	7.41x	29.9x	1.7x
El Pollo Loco Holdings, Inc.	9.34	(1.3%)	13.00	8.11	(6.2%)	(34.2%)	13.9x	1.19x	7.3x	3.5x
Noodles & Company	2.48	(8.5%)	6.55	1.96	(54.8%)	(72.7%)	NM	0.77x	5.7x	4.2x
Potbelly Corporation	13.20	3.5%	13.33	7.09	137.0%	136.6%	68.6x	1.14x	7.0x	2.5x
Shake Shack Inc.	77.50	5.2%	80.58	52.01	86.6%	7.4%	181.7x	3.43x	16.5x	3.5x
Wingstop Inc.	287.77	5.3%	290.24	150.08	109.1%	66.5%	106.2x	20.82x	68.1x	5.4x
Sector Average:					58.4%	24.3%	83.9x	5.79x	22.4x	3.5x
CANNABIS & CBD										
Canopy Growth Corporation	\$6.28	2.4%	\$42.40	\$4.55	(80.0%)	(94.3%)	NM	2.89x	NM	NM
Cronos Group Inc.	2.82	6.0%	3.57	2.15	(18.0%)	(43.4%)	72.9x	NM	NM	NM
Jones Soda Co.	0.14	(4.2%)	0.28	0.12	(47.2%)	(80.8%)	NA	0.53x	NM	NA
The Scotts Miracle-Gro Company	57.44	(0.6%)	88.61	43.67	18.2%	(64.3%)	21.1x	1.72x	14.6x	5.6x
Tilray Brands, Inc.	1.88	(1.6%)	3.40	1.50	(30.1%)	(73.3%)	NM	2.41x	NM	NM
Village Farms International, Inc.	0.85	(1.6%)	1.25	0.55	(36.6%)	(86.8%)	NM	0.50x	NM	NM
Sector Average:					(32.3%)	(73.8%)	47.0x	1.61x	14.6x	5.6x

Notes:

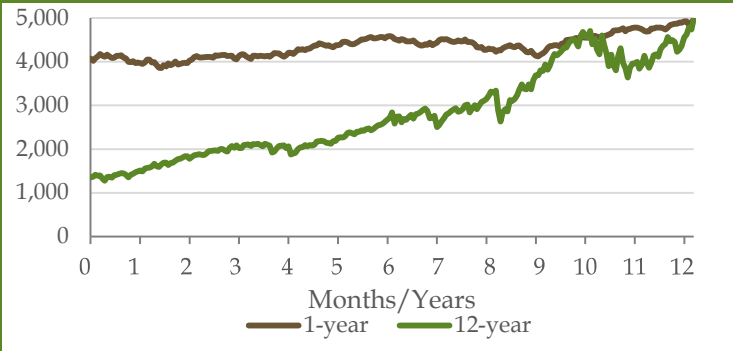
*Denotes local currency.

Source: Capital IQ.

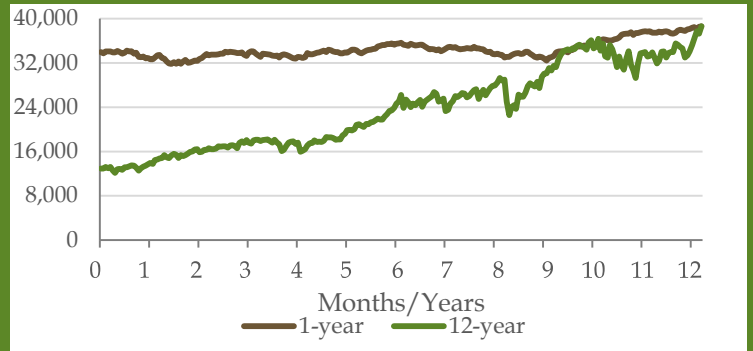
Summary multiples adjusted for extraordinary and non-recurring items; outliers excluded from mean calculation.

Major Indices (1-year & 12-year History)

S&P 500



Dow Jones Industrial Average



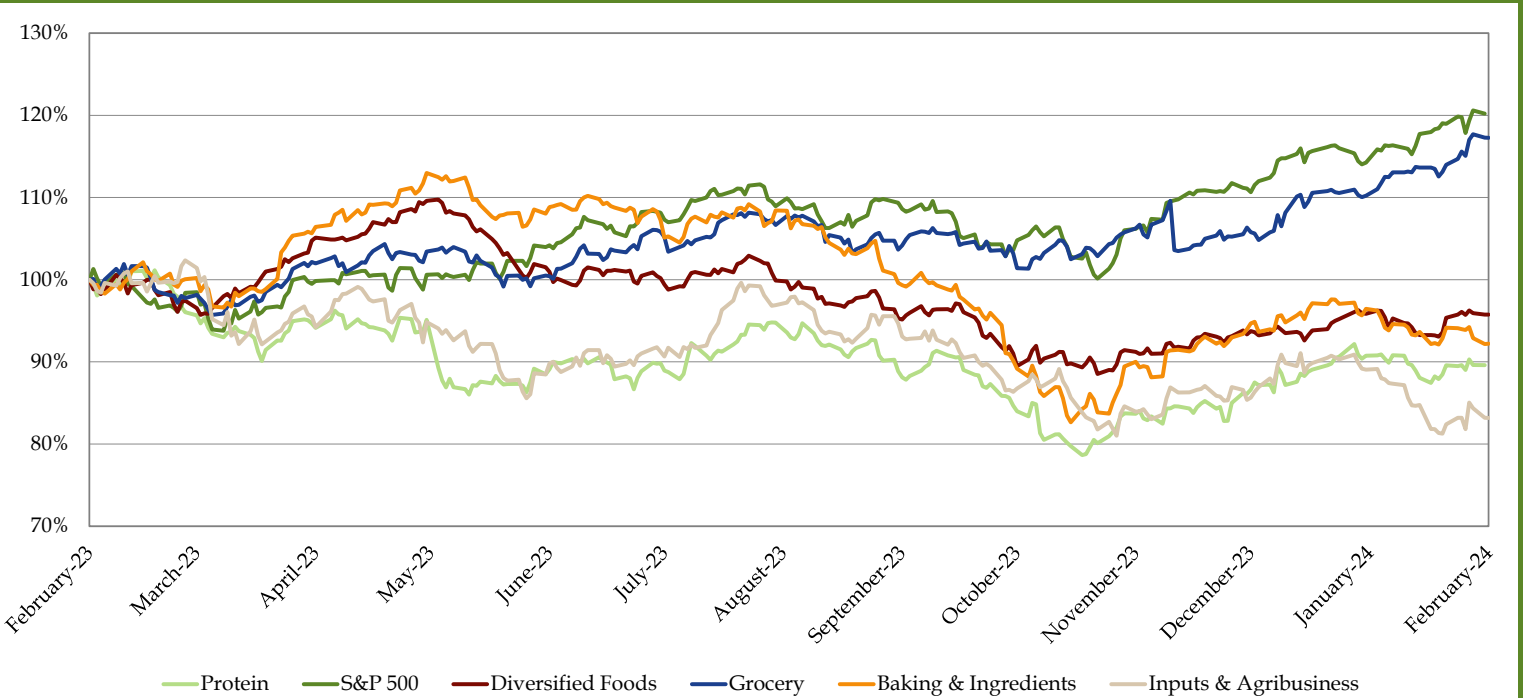
10-year Treasury



CBOE Market Volatility Index - VIX



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



Food For Thought...

Partner Column

Written by Mary Burke

February is usually a dreary month – lots of snow and cold weather in the northern part of the US and sunny and good weather in the south. We are just past the holidays of the year-end and those in the beginning of the new year and have the Chinese New Year and Super Bowl ahead. It is a good time to do a gut check.

With this setting, I have five questions that all companies should be able to answer:

- 1) Are the right employees doing the right jobs?
- 2) How does the company measure success? Is this communicated throughout the company?
- 3) How do we make money? Is it supply driven, or demand driven?
- 4) What needs to be true for the company to be successful?
- 5) Do I know the controllable and uncontrollable risks that can hurt my company?

As our Dashboard shows on page 9, many sectors are experiencing bumpy times – some self-inflicted and others the result of uncontrollable geo-political issues. All of these issues have one point in common – history does repeat itself!

Briefly...is your company prepared and have the best employees to succeed?

Have a good week!

Food For Thought...

Massive Week of Food & Agribusiness Earnings. It was a crowded calendar of earnings releases across the industry this past week.

In order of announcement: Sysco Corporation; Starbucks Corporation; Mondelez International, Inc.; Brinker International, Inc.; American Vanguard Corporation; Corteva, Inc.; and Post Holdings, Inc. all reported this week. See below for a breakdown of how they all did compared to analyst expectations and their guidance for the rest of 2024.

Company:	Earnings Versus Expectations?	FY2024 Guidance?
Sysco Corporation	Beat	Reiterated
Starbucks Corp.	Beat	Lowered
Mondelez Intl.	In Line	Reiterated
Brinker Intl.	Beat	Increased
American Vanguard Corp.	In Line	Reiterated
Corteva, Inc.	Beat	Increased
Post Holdings	Beat	Increased

Starbucks reported weak earnings this quarter; however, it still beat analysts' extremely bearish expectations for the company. Mondelez saw demand for its products begin to fall due to price hikes. Post Holdings produced the most bullish earnings reports, with increases across both the top and bottom lines YoY, beating estimates and sending its stock price skyward.

A mixed bag of earnings across the industries tells an interesting story. Restaurant giants Starbucks and Brinker each appear to be heading in opposite directions, while chemical companies American Vanguard and Corteva both fared well over the last quarter, maintaining or raising their guidance for the rest of the year. Starbucks cited boycotts as a critical driver of its poor results. However, one can't help but wonder if the company has deeper underlying issues. With price hikes affecting demand for Mondelez's snacks, could consumers also be increasingly wary of spending \$6 on a coffee? Brinker International, however, fared far better than Starbucks. The Chili's Grill and Bar and Maggiano's Little Italy parent target a different demographic than the high-priced coffee chain. Brinker posted strong financial performance, including significant sales growth across both restaurant concepts. Darden Restaurants, which operates several chains in the same sector as Brinker, reports earnings on March 28th; LFA will be monitoring closely to see if the sector can continue Brinker's momentum.

U.S. Cattle Herd Falls to Lowest Level in 73 Years. The USDA's biannual National Agriculture Statistics Survey (NASS) was published Wednesday. The NASS reported the herd is down another two percent from last year, falling to 87.2 million head, the smallest since 1951. Milk cows and heifers are also down from 2023, while cattle and calves for the slaughter market were the only demographic with an increased headcount as ranchers continued sending cows to slaughter.

Herd size is not expected to rebound anytime soon. The 2023 calf crop in the U.S. also fell two percent to 33.6 million heads. Ranchers have culled their herds for the past four years due to rising feed costs and persistent droughts, which made it expensive and challenging to maintain entire herds. Expect beef prices to remain elevated for the foreseeable future as the cattle cycle takes years to recover due to the over two years needed for cattle to reach maturity. For comparison, a chicken can go from egg to slaughter in less than a few months.

Food Safety Standard Heightening in 2024. Analysts and food safety specialists predict that the Food and Drug Administration (FDA) will have an increased focus on chemical risks, allergen thresholds, and enforcement of the Food Safety Modernization Act (FSMA). The recent concerns about high lead levels in certain applesauce products are cited as the catalyst for the increased attention to chemical risks. As of January 26th, there have been 404 cases of dangerously high lead levels, mainly in children, after consuming recalled WanaBana, Schnucks, or Weis brand applesauce pouches.

The ban on certain chemical additives in California, such as Red No. 3, brominated vegetable oil, potassium bromate, and propylparaben, has further prompted the FDA to address chemical residues in food. States are taking the lead in regulatory efforts, with California's ban setting a precedent and Illinois and New York making their own pushes for regulation.

Enforcement of the Food Safety Modernization Act remains a priority for the FDA in 2024. The Food Safety Modernization Act (FSMA) is a comprehensive and preventive approach to food safety regulation in the United States, aiming to ensure the safety of the nation's food supply by shifting the focus from responding to contamination to preventing it. The FDA may also reconsider its stance on allergen thresholds in 2024, particularly for the nine major allergens.

Heard on the Street...

Walmart Announces Plans to Add or Expand 150 Stores.

Walmart announced plans to open or expand 150 stores in the U.S. over the next five years. This marks a departure from its previous strategy, which aimed at maintaining a flat store count. The move reverses the slowdown in new store openings initiated in 2016 as Walmart focused on online growth and improving existing stores.

In a recent staff memo, Walmart disclosed its plan to open approximately 12 new stores this year and convert a smaller location into a Walmart Supercenter. Over the next few years, the company intends to convert several smaller-format stores to Supercenters while concurrently building new locations. A Walmart spokesperson did not disclose specific details, including costs and locations.

With approximately 4,700 U.S. locations, Walmart reported robust sales growth during the pandemic, and its stores played a vital role in its e-commerce supply chain. Despite closing stores in urban areas, Walmart emphasizes the significance of physical stores in its overall e-commerce strategy.

Walmart also revealed plans to remodel about 650 U.S. locations in the next 12 months, following substantial upgrades to approximately 1,400 stores in the last two years, amounting to a \$9 billion investment. Additionally, as the company expands its store base, efforts are underway to attract and retain store managers, with enhanced bonuses for top performers, promising annual compensation exceeding \$400,000.

Scoular Expands Footprint in Central Kansas. The Omaha-based company, The Scoular Co., has significantly increased its storage capacity in central Kansas through the acquisition of three grain handling facilities near its Pratt shuttle-loader from Skyland Grain. The financial details of the transaction disclosed on January 30 remain undisclosed.

The newly acquired facilities in Trousdale, Cullison, and Greensburg more than double Scoular's storage capacity in the region, providing expanded market opportunities for local farmers. These facilities complement Scoular's existing shuttle-loading facility in Pratt, where the company completed significant upgrades in 2022, enhancing unloading speeds and storage capabilities. Scoular aims to handle a variety of grains, including corn, wheat, soybeans, milo, and canola at these new facilities. The strategic location of Pratt, situated on the Union Pacific Railroad mainline, facilitates the transportation of grains through Scoular's extensive supply chain network, providing

increased market access for local producers.

The acquisition not only strengthens Scoular's presence in central Kansas but also reinforces its ability to supply 100% of the feedstock required by its partner, Pratt Energy, for ethanol production. TJ Mandl, Scoular's Regional Manager, emphasized the company's commitment to responsible growth opportunities and building lasting relationships within the region. Scoular, listed as the eighth-largest North American grain handling company, operates a comprehensive grain handling network across the Midwest with over 50 facilities in Missouri, Iowa, Kansas, Colorado, and Nebraska, boasting 73 grain storage facilities and 170 million bushels of licensed storage.

Our Home Purchases Facilities and Brands from Utz. In a \$182.5 million acquisition, snack maker Our Home acquired three manufacturing plants along with the Good Health and R.W. Garcia brands from Utz Brands. Our Home, most well-known for its Popchips brand, acquired Utz's facilities in Lincolnton, North Carolina; Lititz, Pennsylvania; and Las Vegas, Nevada. As part of the deal, the two companies will enter into a dual co-manufacturing arrangement where each company will produce certain products for the other. Utz said it plans to use the proceeds to reduce its long-term debt balance, saving roughly \$12 million in interest expense in fiscal 2024 alone.

Mission Foods Building New Tortilla Plant in Mexico. A subsidiary of Gruma, S.A.B. de C.V.: Mission Foods Mexico, announced its plans to invest 1.5 billion pesos, or \$87.5 million, in a new tortilla, toast, and packaged snack plant in Yucatán. The new facility will allow Mission to service the Southeast U.S. and the Caribbean with an incremental capacity of 56,000 tons of product per year. According to the company, the new facility will directly employ around 800 people while indirectly generating another 2,000 jobs in Yucatán. Mission expects 55% of the jobs to be filled by women.

Yucatán has benefited greatly from recent infrastructure improvements, such as the expansion of Puerto Progreso. The port makes Yucatán an ideal region for exporting to the southern U.S. and the Caribbean. Mission joins Heineken in the region, who just announced in September that it is constructing a new 8.7-billion-peso (approximately \$500 million) brewery.

Dashboard

Sector	Outlook		Sector	Outlook	
	6-month	3-year		6-month	3-year
INPUTS			Labor		
s/ Expect biological applications to increase in the U.S. as they have proven successful in South America.			U.S. Labor Force Participation rate is nearing pre-pandemic levels of 63.5% (Feb 2020) vs. 62.5% (Jan 2024)		
s/w/ CHS announces a new phosphate hub in MN, further adding to the number of plants currently in construction			Reliance on H-2A guest workers is increasing as labor shortages increase		
w/ Farm income is forecasted to decline in 2024 (USDA), expect demand for fertilizer to follow	↓	↔	More than 50% of U.S. meatpacking workers and 75% of U.S. farmworkers are immigrants		
s/ The U.S. loses an average of 1.8 million acres of farmland per year, improvements in yield are needed to match population growth			It's been two years since the first Starbucks stores unionized; ~380 locations have since followed, but not one has a contract		
AG EQUIPMENT			CANDY, COFFEE, & NUT		
s/ Ag equipment dealers reported a rise in precision sales YoY from 2022, with 42% of dealers experiencing a growth of +8%			s/ Upcoming Chinese New Year and Super Bowl celebrations anticipated to drive increased candy and nut consumption		
w/ Farm tractor sales declined nearly 9% in 2023; <40 hp tractors led the decline at ~12% while 100+ hp tractors grew 5%	↓	↑	s/ The E.U. elected to continue the suspension of its 25% import tariff on U.S. peanut butter, which was set to resume on Dec 31st	↑	↑
w/ John Deere invested heavily into dealer incentives in 2023, dulling some of the decline brought on by higher interest rates			w/ Cocoa futures have climbed nearly 20% since Jan 8th of this year as volatile weather affects crop outlook		
s/w/ Sentiment continues to be negative for 2024 large ticket sales, but short-line/attachment manufacturers expect strong growth			w/ Sugar futures reversed their downward trend in Jan, erasing about half of Dec losses		
AGRIBUSINESS			DAIRY		
s/w/ As Federal spending bills get pushed out further, farm bill renewal is more and more likely to overlap with the election calendar			s/w/ IDFA estimates \$7B in dairy processing facility expansion in coming years, dubbed the "processing gap" due to low production		
s/w/ With new crushing capacity coming online, a shift in 2024 acreage towards soybeans is expected		↑	s/ U.S. cheese production is expected to increase by 2% in 2024. Production is up nearly 10% since 2019	↑	↔
s/w/ Improving outlook for South American crops have helped stabilize corn and soybean prices	↔	↑	s/w/ CME spot butter has come down to \$2.55/lb. after breaking all time highs at \$3.40+/lb. in October 2023		
w/ Attacks on ships near the Red Sea and low water levels in the Panama Canal are delaying shipments and raising freight rates			w/ The closure of a packaging plant has led to a months-long shortage of 8oz milk cartons used for school lunches		
DIVERSIFIED FOODS			WHOLESALE, FOOD SERVICE & DISTRIBUTION		
s/ Despite many headwinds in 2023, Mondelez reported rising revenues and earnings driven by price increases and mix changes			s/w/ Pricing of moving goods is falling as volume falls. Truck and ocean freighters are all at pre Covid levels		
s/ Conagra's Frozen Food 2024 report highlighted more global flavors, a focus on breakfast, and rising use of air fryers as key trends	↑	↔	w/ The teamsters recently negotiated autoworkers salary increases will give momentum to unions in this space		
s/w/ CPGs continue to try different pack sizes and configurations to attract and retain consumers			s/ With lower gas prices, consumers are willing to drive further to find their products or a favorite store	↓	↔
s/ Kraft Heinz partners with Taco Bell to create "Cravings Kits", a grocery store meal kit replicating Taco Bell's offerings			w/ The fight for control of the shelves will increase with pushback on slotting fees offset by less overall real estate		
ALTERNATIVE FUELS			w/ Weather related disruptions causing outages and among virilities especially in the perishable sector		
s/ POET, the largest U.S. producer of biofuels, and Summit Carbon Solutions partner to reduce carbon footprint at ethanol facilities			TRADITIONAL RETAIL		
s/ U.S. electricity demand is expected to grow by 4.7% in the next five years, compared to a 1.6% YoY decrease in 2023	↑	↑↑	w/ Albertsons-Kroger gets delayed again, FTC is not anticipated to make a decision until August 2024		
s/ First Solar announced plans to spend \$1.1 billion on its fifth U.S. factory to meet demand for American-made solar panels			w/ Walmart plans to open 150 new stores while modernizing others with new quick service food options, how will groceries respond?	↑	↑
s/ The Department of Energy is set to lend \$1.5 billion to restart a shuttered U.S. nuclear reactor in MI			s/ Publix and HEB tie with Costco for highest customer satisfaction, showing dominance in two of the country's largest markets		
w/ In 2023, renewables accounted for just over half of all U.S. energy capacity added to the grid versus two-thirds last year			s/ Southeastern Grocers completes divestiture of Fresco y Mas stores, clearing the way for Aldi purchase		
FRUIT & VEGETABLE			s/w/ Despite cooling inflation, do not expect lower grocery prices in 2024		
s/ Chile's stone fruit committee forecasts 15% increase in export volume over 2022-23 growing season, world's leading cherry exporter			NON-TRADITIONAL RETAIL		
s/w/ 2023-24 California and Arizona citrus seasons started late but are producing abnormally large sizes per Sunkist Growers	↔	↑	s/ Research indicates consumers continue to bargain hunt for food products, likely pushing them to lower cost club and C-stores		
w/ The California Avocado Commission is forecasting over a 10% decrease in avocado production for its 2023-24 fiscal year			s/ Since 2019, traditional retailers have lost +2% market share to mass and club retailers, and even more share in meat and seafood	↑	↑↑
s/w/ Prima Wawona laying off over 5,400 workers as part of bankruptcy proceedings, plans to liquidate assets as farmers eye farmland			s/ Berkshire Hathaway purchased the remaining 20% of Pilot Travel Centers, signaling continued optimism for the industry		
PROTEIN			s/w/ Amazon plans to restart their rollout of Amazon Fresh stores, as food delivery continues to gain traction		
s/ Tyson opened a new \$355 million bacon production facility in Bowling Green, KY, expected to produce 2mm lbs. per week			BIG PICTURE INDUSTRY DRIVERS		
w/ The resurgence of HPAI in November 2023 caused table egg prices to more than double to \$2.38/ doz since October 2023			Labor balance - immigration & labor shortage		
w/ As of January, the total number of U.S. cattle fell to its lowest level since 1951	↓	↔	Timing of interest rate cuts		
w/ 2024 US beef production is projected to total 25.81 billion lbs. in 2024, down 1.12 billion lbs., or 4.2% from 2023			Election year		
s/ Americans will consume about 1.42 billion chicken wings on Super Bowl Sunday - enough to circle the earth three times			Unionization		
			Return of HPAI		
			El Nino		
			Geopolitical unrest		
			Consumer sentiment		

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

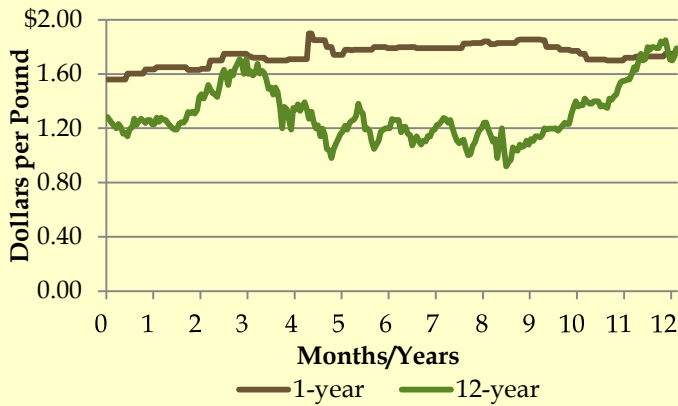
Soybeans



Sugar



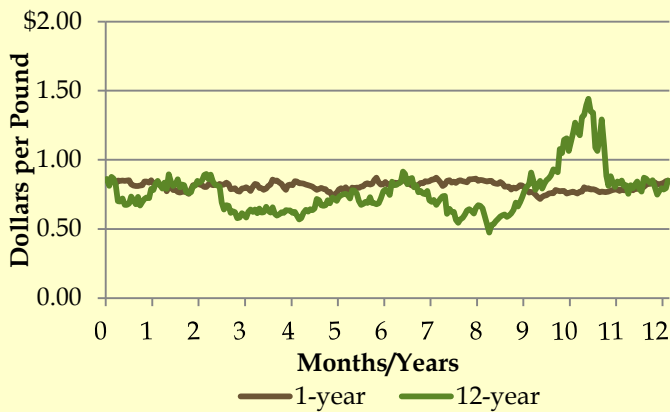
Cattle



Milk



Cotton



Oil



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

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

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