



# LAKE SHORE

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



## Weekly Update

Monday, March 25<sup>th</sup>, 2024

**Major Indices Set New Record Highs After Fed Reaffirms Rate Cut Expectations.** Last week, the S&P 500, NASDAQ, and Dow each rose by over 2%, a first for 2024, setting record highs. Despite mixed progress in controlling inflation, most Federal Reserve policymakers reaffirmed their expectation for three interest-rate cuts by year-end. Chair Jerome Powell clarified that the first cut will depend on a sustained decline in inflation towards the 2% target. This Friday, the Personal Consumption Expenditures Price Index is set for release, aiming to shed light on recent inflation uncertainties as recent reports have shown slightly higher figures than anticipated.

The **Dow Jones Industrial Average** rose 2.0% this week, ending at 39,476.

The **S&P 500** was up 2.3% on the week, finishing at 5,234.

The **NASDAQ Composite** increased 2.9% on the week, finishing at 16,429.

Yield on the **10-year Treasury** fell nine basis points this week, ending at 4.22%.

**Crude oil** increased 0.1% on the week, ending at \$80.63 per barrel.

**Corn** was up 0.6% on the week, ending at \$4.39 per bushel.

**NASDAQ Highs:** Cal-Maine Foods, Inc., Freshpet, Inc., Pilgrim's Pride Corporation, Village Super Market, Inc., Vital Farms, Inc. **Lows:** The Hain Celestial Group, Inc., J&J Snack Foods Corp.

**NYSE Highs:** Chipotle Mexican Grill, Inc., The Kroger Co., Shake Shack Inc., US Foods Holding Corp., Walmart Inc. **Lows:** The Boston Beer Company, Inc., Brown-Forman Corporation

### Featured Stocks of the Week:

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



Cal-Maine Foods, Inc. (NASDAQ: CALM) 10-Year History



Mary Burke  
Partner  
312.348.7081  
mburke@lakeshorefoodadvisors.com

Lakeshore Food Advisors, LLC  
20 North Wacker  
Suite 2800  
Chicago, IL 60606

# The Lakeshore Food Chain

Company Name	Price 3/22/24	Price Compared to 3/15/24	52-Week Range		Price as Compared to YE:		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM EBITDA
			High	Low	2023	2022		Revenue	EBITDA	
Dow Jones Industrial Average	39,476	2.0%	39,781	32,238	4.7%	19.1%	NA			
S&P 500	5,234	2.3%	5,242	3,971	9.7%	36.3%	21.7			
NASDAQ Composite Index	16,429	2.9%	16,429	11,716	9.4%	57.0%	NA			
Russell 3000 Index	2,996	2.3%	3,003	2,283	9.0%	35.1%	NA			
Sector Average:					8.2%	36.9%				
<b>AGRICULTURAL LAND HOLDINGS</b>										
Farmland Partners Inc.	\$10.87	0.6%	\$13.27	\$9.75	(12.9%)	(12.8%)	NM	17.20x	31.3x	11.4x
Gladstone Land Corporation	12.89	(0.8%)	17.48	12.73	(10.8%)	(29.8%)	NM	11.85x	15.0	8.9
Limoneira Company	19.34	0.8%	21.62	13.88	(6.3%)	58.4%	120.3	2.34x	NM	NM
Sector Average:					(10.0%)	5.3%	120.3	10.46x	23.2	10.2
<b>INPUTS</b>										
American Vanguard Corporation	\$12.62	(2.2%)	\$22.58	\$8.41	15.0%	(41.9%)	16.4x	0.89x	9.6x	3.0x
* BASF SE	52.72	6.9%	52.90	40.25	8.1%	13.6%	14.6x	0.96x	9.8x	3.2x
* Bayer Aktiengesellschaft	26.75	1.9%	61.91	24.96	(20.5%)	(44.7%)	5.2x	1.28x	5.3x	3.8x
CF Industries Holdings, Inc.	83.66	0.3%	87.90	60.08	5.2%	(1.8%)	13.2x	2.95x	6.0x	1.0x
Corteva, Inc.	55.07	(0.0%)	63.37	43.22	14.9%	(6.3%)	19.4x	2.26x	11.4x	0.9x
FMC Corporation	62.36	(4.1%)	125.20	49.49	(1.1%)	(50.0%)	16.2x	2.59x	12.8x	4.5x
Intrepid Potash, Inc.	18.58	(4.1%)	28.35	17.23	(22.2%)	(35.6%)	NM	0.99x	4.8x	0.2x
The Mosaic Company	31.18	(2.9%)	48.92	29.25	(12.7%)	(28.9%)	10.4x	1.04x	5.4x	1.7x
* Nutrien Ltd.	71.09	(2.4%)	101.31	64.89	(4.8%)	(28.1%)	13.1x	1.36x	6.6x	2.2x
S&W Seed Company	0.43	(4.6%)	1.66	0.41	(38.3%)	(71.0%)	NM	1.16x	NM	NM
Zoetis Inc.	168.90	(2.1%)	201.92	151.03	(14.4%)	15.3%	29.2x	9.61x	23.0x	1.9x
Sector Average:					(6.4%)	(25.4%)	15.3x	1.55x	9.4x	2.2x
<b>AGRICULTURAL EQUIPMENT</b>										
* Ag Growth International Inc.	\$62.05	(0.7%)	\$64.51	\$47.07	22.8%	43.1%	10.5x	1.31x	8.7x	3.9x
AGCO Corporation	118.36	1.7%	140.46	105.77	(2.5%)	(14.7%)	9.1x	0.68x	4.6x	0.8x
Art's-Way Manufacturing Co., Inc.	2.09	1.5%	3.11	1.85	1.0%	8.3%	NA	0.62x	8.0x	3.5x
* Buhler Industries Inc.	2.14	3.4%	2.79	1.97	(12.3%)	10.9%	NA	0.47x	45.9x	35.7x
CNH Industrial N.V.	12.73	3.2%	15.74	9.77	4.5%	(20.7%)	8.2x	1.63x	10.9x	8.1x
Deere & Company	398.86	4.0%	450.00	345.55	(0.3%)	(7.0%)	14.8x	2.82x	10.3x	3.9x
Lindsay Corporation	113.28	(1.5%)	152.23	106.46	(12.3%)	(30.4%)	19.0x	1.84x	9.9x	1.1x
Titan Machinery Inc.	23.55	(7.9%)	35.88	21.44	(18.5%)	(40.7%)	7.3x	0.57x	7.3x	5.0x
Sector Average:					(2.2%)	(6.4%)	11.5x	1.24x	8.5x	3.8x
<b>AGRIBUSINESS</b>										
The Andersons, Inc.	\$56.02	4.9%	\$58.84	\$35.69	(2.6%)	60.1%	18.9x	0.15x	5.3x	1.7x
Archer-Daniels-Midland Company	62.00	4.5%	87.30	50.72	(14.2%)	(33.2%)	10.9x	0.43x	6.6x	1.7x
Bunge Global SA	99.22	3.8%	116.59	86.10	(1.7%)	(0.6%)	10.5x	0.31x	3.5x	1.1x
Ingredion Incorporated	117.13	2.1%	118.83	89.54	7.9%	19.6%	12.2x	1.19x	7.6x	1.9x
MGP Ingredients, Inc.	83.31	(0.4%)	124.96	75.78	(15.4%)	(21.7%)	13.5x	2.53x	10.4x	1.5x
* Olam Group Limited	1.04	4.0%	1.65	0.80	0.0%	(28.8%)	NA	0.35x	7.5x	7.2x
Sector Average:					(4.3%)	(0.8%)	13.2x	0.83x	6.8x	2.5x
<b>DIVERSIFIED FOODS</b>										
B&G Foods, Inc.	\$11.11	3.3%	\$16.68	\$7.20	5.8%	(0.4%)	12.9x	1.43x	8.9x	6.4x
Campbell Soup Company	43.55	2.0%	56.04	37.94	0.7%	(23.3%)	14.0x	1.90x	8.4x	2.3x
Conagra Brands, Inc.	28.99	3.3%	38.94	25.16	1.2%	(25.1%)	11.0x	1.88x	9.3x	4.0x
General Mills, Inc.	69.10	3.5%	90.89	60.33	6.1%	(17.6%)	15.1x	2.54x	11.3x	2.8x
The Hain Celestial Group, Inc.	8.10	(6.0%)	18.33	8.09	(26.0%)	(49.9%)	20.2x	0.88x	10.4x	5.9x
The J. M. Smucker Company	124.47	2.0%	159.92	107.33	(1.5%)	(21.5%)	12.5x	2.67x	11.5x	4.6x
Kellanova	55.55	3.7%	72.30	47.63	(0.6%)	(22.0%)	15.5x	1.94x	13.0x	3.3x
The Kraft Heinz Company	35.85	4.3%	41.47	30.68	(3.1%)	(11.9%)	11.8x	2.36x	8.8x	2.9x
Lancaster Colony Corporation	206.02	3.9%	220.65	158.88	23.8%	4.4%	30.8x	2.97x	21.5x	0.1x
Mondelez International, Inc.	72.40	2.3%	78.59	60.75	(0.0%)	8.6%	20.6x	3.22x	13.9x	2.5x
* Nestlé S.A.	94.36	(0.9%)	116.84	91.01	(3.2%)	(11.9%)	18.7x	3.19x	14.9x	2.9x
* Nomad Foods Limited	19.57	(0.4%)	20.05	13.56	15.5%	13.5%	10.2x	1.52x	9.3x	4.3x
Post Holdings, Inc.	105.60	2.1%	107.00	78.85	19.9%	17.0%	19.0x	1.70x	10.3x	5.2x
The Simply Good Foods Company	33.37	(0.0%)	43.00	31.06	(15.7%)	(12.3%)	17.9x	2.82x	14.6x	1.3x
SunOpta Inc.	8.91	(5.3%)	11.58	3.82	23.2%	(21.7%)	NA	1.86x	15.1x	5.1x
TreeHouse Foods, Inc.	38.09	3.7%	55.30	34.76	(8.1%)	(22.9%)	17.0x	0.97x	8.2x	3.9x
Unilever PLC	46.41	2.8%	50.93	42.97	5.8%	(1.0%)	NA	2.37x	12.1x	2.6x
Utz Brands, Inc.	18.57	1.9%	19.21	11.17	14.3%	17.1%	28.0x	2.20x	23.2x	7.3x
WK Kellogg Co	18.59	11.4%	21.00	9.66	41.5%	NA	12.3x	0.73x	6.1x	1.6x
Sector Average:					3.2%	(10.0%)	17.2x	2.13x	12.5x	3.7x

Company Name	Price 3/22/24	Price Compared to 3/15/24	52-Week Range		Price as Compared to YE:		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM EBITDA
			High	Low	2023	2022		Revenue	EBITDA	
<b>ETHANOL</b>										
Alto Ingredients, Inc.	\$1.96	(1.0%)	\$4.98	\$1.20	(26.3%)	(31.9%)	NM	0.18x	17.7x	8.3x
Green Plains Inc.	21.81	7.7%	36.02	19.44	(13.5%)	(28.5%)	29.6x	0.57x	29.9x	10.9x
REX American Resources Corporation	44.56	0.4%	51.19	27.42	(5.8%)	39.9%	18.6x	0.63x	5.9x	0.2x
Sector Average:					(15.2%)	(6.9%)	24.1x	0.46x	17.9x	6.5x
<b>FRUIT &amp; VEGETABLE</b>										
Calavo Growers, Inc.	\$27.75	(3.8%)	\$38.97	\$21.42	(5.6%)	(5.6%)	20.5x	0.58x	16.9x	2.1x
Dole plc	11.95	0.9%	14.01	10.55	(2.8%)	23.8%	10.0x	0.30x	5.3x	3.2x
Fresh Del Monte Produce Inc.	25.21	1.3%	30.95	21.41	(4.0%)	(3.7%)	10.7x	0.41x	5.3x	1.8x
Lamb Weston Holdings, Inc.	103.17	1.1%	117.38	81.26	(4.6%)	15.5%	16.4x	2.91x	10.1x	2.5x
Mission Produce, Inc.	11.71	(3.0%)	13.99	8.19	16.1%	0.8%	37.8x	1.07x	11.2x	2.8x
Seneca Foods Corporation	53.67	0.5%	59.99	32.50	2.3%	(11.9%)	NA	0.70x	8.6x	5.5x
Sector Average:					0.2%	3.1%	19.1x	1.00x	9.6x	3.0x
<b>PROTEIN</b>										
Beyond Meat, Inc.	\$7.90	(7.1%)	\$19.25	\$5.58	(11.2%)	(35.8%)	NM	4.48x	NM	NM
Cal-Maine Foods, Inc.	61.17	3.0%	62.58	42.25	6.6%	12.3%	13.1x	0.91x	3.7x	NA
Darling Ingredients Inc.	45.34	2.0%	71.60	38.97	(9.0%)	(27.6%)	13.0x	1.74x	7.6x	3.9x
Hormel Foods Corporation	34.38	0.7%	41.73	28.51	7.1%	(24.5%)	21.4x	1.74x	11.2x	1.8x
* JBS S.A.	23.05	(0.9%)	25.33	15.12	(7.5%)	4.8%	11.8x	0.41x	9.0x	7.3x
Nathan's Famous, Inc.	69.22	1.3%	83.00	61.35	(11.3%)	3.0%	NA	2.43x	9.1x	1.8x
Pilgrim's Pride Corporation	33.85	0.5%	34.13	19.96	22.4%	42.6%	11.7x	0.63x	9.0x	3.0x
Seaboard Corporation	3233.80	1.5%	4080.11	3145.03	(9.4%)	(14.3%)	NA	0.41x	7.7x	4.5x
Tyson Foods, Inc.	58.05	3.4%	63.28	44.94	8.0%	(6.7%)	22.1x	0.55x	10.1x	3.4x
Vital Farms, Inc.	22.96	6.4%	23.43	10.00	46.3%	53.9%	32.2x	1.83x	3.4x	0.1x
Sector Average:					4.2%	0.8%	15.5x	1.18x	7.9x	3.2x
<b>BAKING &amp; INGREDIENTS</b>										
Balchem Corporation	\$155.55	(0.5%)	\$159.52	\$110.74	4.6%	27.4%	36.4x	5.73x	24.4x	1.5x
Flowers Foods, Inc.	23.05	1.5%	29.10	19.64	2.4%	(19.8%)	18.7x	1.21x	10.5x	2.3x
* Gruma, S.A.B. de C.V.	296.59	0.6%	337.70	249.47	(4.7%)	13.7%	13.6x	1.21x	7.9x	1.9x
* Grupo Bimbo, S.A.B. de C.V.	73.98	3.2%	103.41	69.39	(13.9%)	(10.2%)	18.8x	1.15x	7.9x	2.4x
J&J Snack Foods Corp.	141.97	(1.0%)	177.71	139.81	(15.1%)	(5.2%)	27.3x	1.83x	14.6x	0.8x
* Kerry Group plc	81.72	(0.6%)	100.00	71.08	3.9%	(3.0%)	17.8x	1.97x	14.0x	2.3x
Krispy Kreme, Inc.	12.48	5.1%	16.22	11.52	(17.3%)	20.9%	42.8x	2.11x	12.4x	4.9x
McCormick & Company, Incorporated	70.03	2.7%	94.39	59.13	2.4%	(15.5%)	24.7x	3.50x	17.3x	3.6x
* Tate & Lyle plc	6.01	0.7%	8.38	5.87	(8.9%)	(15.6%)	10.8x	1.50x	7.9x	2.1x
Sector Average:					(5.2%)	(0.8%)	23.4x	2.25x	13.0x	2.4x
<b>CANDY, NUTS, &amp; SNACKS</b>										
Bridgford Foods Corporation	\$11.36	4.8%	\$14.51	\$10.03	3.3%	(4.7%)	NA	0.40x	7.0x	0.5x
The Hershey Company	197.99	2.3%	276.88	178.82	6.2%	(14.5%)	20.6x	4.04x	15.0x	1.7x
John B. Sanfilippo & Son, Inc.	106.44	(1.1%)	127.26	90.02	3.3%	30.9%	NA	1.28x	11.1x	0.4x
Laird Superfood, Inc.	2.95	(8.1%)	3.48	0.65	224.2%	251.2%	NM	0.59x	NM	NM
Rocky Mountain Chocolate Factory, Inc.	3.76	5.3%	5.99	3.45	(18.3%)	(34.0%)	NA	0.85x	NM	NM
Tootsie Roll Industries, Inc.	32.28	1.4%	44.65	28.22	0.0%	(19.6%)	NA	2.75x	15.5x	0.1x
Sector Average:					36.5%	34.9%	20.6x	1.65x	12.2x	0.7x
<b>PET FOOD AND PRODUCTS</b>										
Central Garden & Pet Company	\$42.86	1.2%	\$51.71	\$35.60	(14.5%)	14.4%	17.5x	1.05x	8.4x	3.3x
Freshpet, Inc.	115.05	5.0%	115.27	54.60	32.6%	118.0%	NM	7.41x	197.2x	13.8x
Sector Average:					9.1%	66.2%	17.5x	4.23x	8.4x	8.6x
<b>WINE &amp; BEVERAGE</b>										
The Boston Beer Company, Inc.	\$307.12	4.1%	\$395.52	\$287.33	(11.1%)	(6.8%)	31.1x	1.70x	15.6x	0.2x
Brown-Forman Corporation	50.90	(5.2%)	71.27	50.89	(10.9%)	(22.5%)	26.3x	6.35x	20.4x	2.6x
The Coca-Cola Company	60.49	1.0%	64.99	51.55	2.6%	(4.9%)	21.5x	6.41x	17.7x	3.0x
Constellation Brands, Inc.	268.24	0.2%	273.65	214.67	11.0%	15.7%	20.6x	6.21x	18.7x	3.1x
Crimson Wine Group, Ltd.	5.78	(0.4%)	6.96	5.38	(2.1%)	2.9%	NA	1.48x	22.0x	3.6x
* Diageo plc	29.01	(0.2%)	37.80	26.76	1.6%	(20.5%)	19.0x	4.85x	13.8x	3.2x
Monster Beverage Corporation	59.50	(1.6%)	61.23	47.13	3.3%	17.2%	32.6x	8.23x	28.0x	0.0x
National Beverage Corp.	47.42	0.7%	55.12	43.74	(4.6%)	1.9%	23.9x	3.57x	16.9x	0.2x
PepsiCo, Inc.	172.02	4.5%	196.88	155.83	1.3%	(4.8%)	21.1x	2.99x	15.4x	2.7x
Starbucks Corporation	90.71	0.7%	115.48	89.21	(5.5%)	(8.6%)	21.5x	3.38x	11.8x	2.4x
Willamette Valley Vineyards, Inc.	5.16	3.0%	6.59	4.63	(3.7%)	(13.5%)	NA	2.16x	24.5x	5.6x
Sector Average:					(1.6%)	(4.0%)	24.2x	4.30x	18.6x	2.4x

Company Name	Price 3/22/24	Price Compared to 3/15/24	52-Week Range		Price as Compared to YE:		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM EBITDA
			High	Low	2023	2022		Revenue	EBITDA	
<b>DAIRY</b>										
* Danone S.A.	\$59.57	(0.1%)	\$63.80	\$50.59	1.5%	21.0%	16.7x	1.76x	10.5x	3.6x
Lifeway Foods, Inc.	16.49	50.0%	17.33	5.61	23.0%	197.1%	16.5x	1.45x	11.4x	0.1x
* Saputo Inc.	25.99	0.7%	36.70	25.57	(3.1%)	(22.5%)	14.6x	0.85x	10.0x	2.7x
Sector Average:					7.1%	65.2%	15.9x	1.35x	10.6x	2.1x
<b>WHOLESALE, FOOD SERVICE, &amp; DISTRIBUTION</b>										
The Chefs' Warehouse, Inc.	\$36.47	(3.6%)	\$39.00	\$17.29	23.9%	9.6%	28.2x	0.68x	10.3x	4.1x
Performance Food Group Company	75.87	(0.5%)	78.54	52.92	9.7%	29.9%	16.4x	0.31x	10.7x	3.2x
SpartanNash Company	20.02	0.2%	25.40	19.04	(12.8%)	(33.8%)	10.0x	0.16x	5.4x	3.1x
Sysco Corporation	81.59	0.8%	82.89	62.24	11.6%	6.7%	18.0x	0.68x	13.4x	3.3x
United Natural Foods, Inc.	11.76	(1.7%)	28.37	11.38	(27.5%)	(69.6%)	35.5x	0.14x	6.0x	5.1x
US Foods Holding Corp.	53.97	(0.1%)	54.53	34.18	18.9%	58.6%	17.3x	0.51x	12.0x	3.4x
Sector Average:					4.0%	0.2%	20.9x	0.41x	9.6x	3.7x
<b>MASS MERCHANDISE, CLUB STORES, &amp; DOLLAR STORES</b>										
Bj's Wholesale Club	\$77.35	3.0%	\$78.97	\$60.33	16.0%	16.9%	19.7x	0.66x	9.5x	2.1x
Costco Wholesale Corporation	734.80	1.3%	787.08	476.75	11.3%	61.0%	44.4x	1.31x	28.1x	0.8x
Dollar General Corporation	150.70	(0.8%)	222.99	101.09	10.8%	(38.8%)	20.8x	1.31x	10.1x	3.6x
Dollar Tree, Inc.	125.71	(1.3%)	161.10	102.77	(11.5%)	(11.1%)	18.1x	1.21x	11.9x	3.3x
Grocery Outlet Holding Corp.	28.22	5.2%	36.54	23.41	4.7%	(3.3%)	24.1x	1.03x	11.5x	3.9x
Walmart Inc.	60.87	0.3%	61.66	46.87	15.8%	28.8%	25.8x	0.85x	13.0x	1.5x
Sector Average:					7.9%	8.9%	25.5x	1.06x	14.0x	2.6x
<b>TRADITIONAL &amp; SPECIALTY RETAIL</b>										
Albertsons	\$20.90	0.5%	\$23.88	\$19.86	(9.1%)	0.8%	8.0x	0.33x	5.3x	2.9x
* Ahold Delhaize	27.33	(0.8%)	32.51	25.40	5.0%	1.8%	10.8x	0.45x	6.2x	2.7x
Amazon.com, Inc.	178.87	2.6%	181.42	96.29	17.7%	112.9%	42.5x	3.36x	19.7x	1.6x
Ingles Markets, Incorporated	75.52	1.1%	94.68	73.00	(12.6%)	(21.7%)	NA	0.30x	4.6x	1.6x
The Kroger Co.	56.55	0.9%	57.26	42.10	23.7%	26.9%	12.8x	0.39x	6.4x	2.1x
Natural Grocers by Vitamin Cottage, Inc.	17.07	(4.5%)	18.12	9.95	6.7%	86.8%	NA	0.65x	5.8x	2.9x
Sprouts Farmers Market, Inc.	63.59	(1.5%)	65.53	32.12	32.2%	96.4%	21.6x	1.15x	9.6x	2.0x
* Tesco PLC	2.94	2.3%	3.04	2.18	1.3%	31.2%	11.9x	0.47x	7.3x	3.6x
Village Super Market, Inc.	28.08	1.8%	28.66	20.25	7.1%	20.6%	NA	0.30x	4.2x	2.4x
Weis Markets, Inc.	63.92	(0.8%)	86.67	58.75	(0.1%)	(22.3%)	NA	0.32x	4.9x	0.6x
Sector Average:					7.2%	33.3%	17.9x	0.77x	7.4x	2.3x
<b>TRADITIONAL RESTAURANTS</b>										
Brinker International, Inc.	\$46.08	(3.9%)	\$49.85	\$28.23	6.7%	44.4%	11.7x	0.97x	6.3x	3.2x
The Cheesecake Factory Incorporated	34.68	(3.0%)	38.19	28.58	(0.9%)	9.4%	11.3x	1.04x	7.5x	3.9x
Cracker Barrel Old Country Store, Inc.	65.90	(2.0%)	121.17	62.69	(14.5%)	(30.4%)	13.8x	0.77x	7.8x	3.5x
Darden Restaurants, Inc.	165.11	(4.0%)	176.84	133.36	0.5%	19.4%	17.6x	2.35x	12.3x	3.2x
Dine Brands Global, Inc.	44.02	(7.3%)	70.32	42.00	(11.3%)	(31.9%)	6.8x	2.54x	9.4x	7.1x
Jack in the Box Inc.	67.30	(8.2%)	99.56	60.43	(17.6%)	(1.4%)	10.1x	2.69x	8.0x	5.7x
McDonald's Corporation	282.63	1.3%	302.39	245.73	(4.7%)	7.2%	22.7x	9.91x	16.4x	3.5x
Papa John's International, Inc.	65.74	(5.6%)	86.38	60.66	(13.8%)	(20.1%)	25.1x	1.45x	11.6x	3.6x
Texas Roadhouse, Inc.	152.69	0.3%	157.12	91.06	24.9%	67.9%	27.2x	2.35x	18.5x	1.3x
The Wendy's Company	18.57	1.3%	23.90	17.64	(4.7%)	(17.9%)	18.5x	3.41x	12.3x	6.9x
Yum! Brands, Inc.	136.23	(0.4%)	143.25	115.53	4.3%	6.4%	23.5x	7.04x	19.0x	4.6x
Sector Average:					(2.8%)	4.8%	17.1x	3.14x	11.7x	4.2x
<b>HIGH-GROWTH RESTAURANTS</b>										
Chipotle Mexican Grill, Inc.	\$2,882.04	4.6%	\$3,023.98	\$1,609.13	26.0%	107.7%	54.0x	8.28x	33.3x	1.6x
El Pollo Loco Holdings, Inc.	9.01	5.6%	11.02	8.11	2.2%	(9.5%)	13.8x	1.17x	7.2x	3.6x
Noodles & Company	1.85	2.8%	5.29	1.65	(41.3%)	(66.3%)	NM	0.76x	5.6x	4.4x
Potbelly Corporation	12.38	8.1%	14.36	7.12	18.8%	122.3%	52.7x	1.06x	6.4x	2.3x
Shake Shack Inc.	109.27	5.4%	110.90	52.40	47.4%	163.1%	158.8x	4.43x	25.3x	4.0x
Wingstop Inc.	356.30	2.5%	375.32	150.08	38.9%	158.9%	118.9x	24.12x	82.0x	5.4x
Sector Average:					15.3%	79.4%	79.6x	6.64x	26.6x	3.6x
<b>CANNABIS &amp; CBD</b>										
Canopy Growth Corporation	\$10.48	150.7%	\$26.50	\$3.74	55.0%	(66.6%)	NM	4.03x	NM	NM
Cronos Group Inc.	3.55	24.6%	3.58	2.15	28.2%	3.2%	NM	1.86x	NM	NM
Jones Soda Co.	0.22	(7.5%)	0.29	0.12	52.2%	(16.6%)	NA	1.12x	NM	NA
The Scotts Miracle-Gro Company	73.35	6.7%	78.25	43.67	15.1%	51.0%	25.4x	2.17x	20.8x	7.1x
Tilray Brands, Inc.	2.31	33.5%	3.40	1.50	0.4%	(14.1%)	NM	2.87x	NM	NM
Village Farms International, Inc.	1.03	40.0%	1.17	0.55	35.3%	(23.1%)	NM	0.58x	34.9x	13.8x
Sector Average:					31.0%	(11.1%)	25.4x	2.11x	27.9x	10.5x

**Notes:**

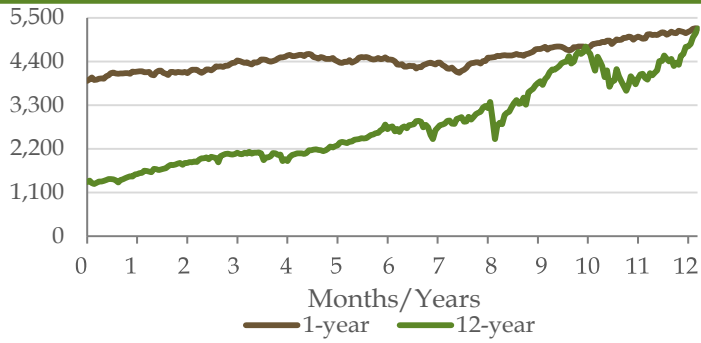
\* Denotes local currency.

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



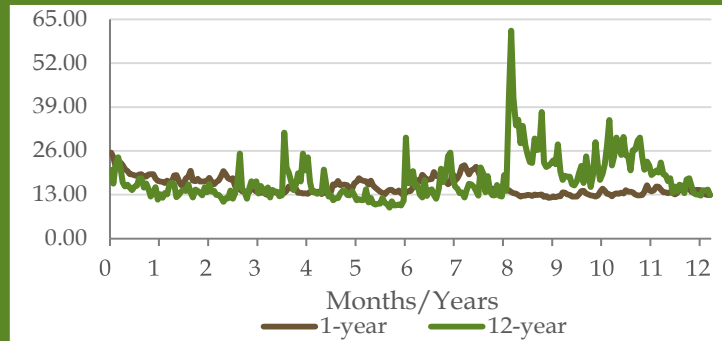
### Dow Jones Industrial Average



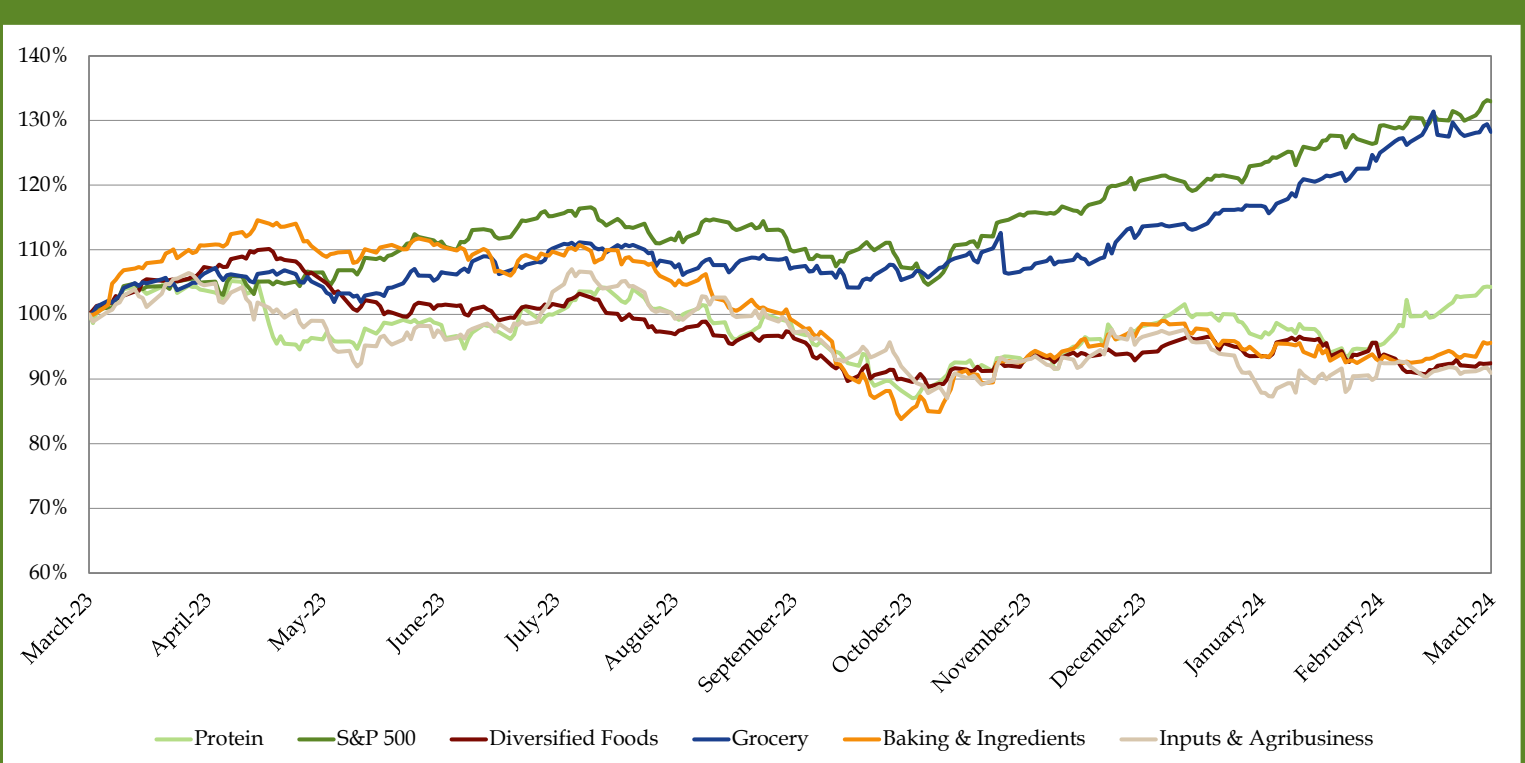
### 10-year Treasury



### 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.

*Have a Good Week!*



## Food For Thought...

**General Mills, Inc. Reports Earnings.** During its earnings call last week, Chief Executive Officer Jeff Harmening highlighted that while inflation remains elevated, it has moderated compared to previous periods, with current cost inflation at 4%. This marks a notable improvement from the double-digit figures reported last year.

The company reported a 1% decline in sales for the third quarter, with higher prices partly offsetting lower volumes. "We've seen an increase in value-seeking behaviors from consumers," Harmening said. Peers, including Kraft Heinz, have experienced similar quarterly volume declines.

General Mills has ramped up investments in brand-building activities to address sales growth challenges, with a significant increase in media spending observed over the past few years. Looking ahead, General Mills reaffirmed its fiscal 2024 guidance, anticipating sales to range from a 1% decline to flat.

Although sales experienced a moderate decline, profitability improved due to productivity initiatives. Operating income for the quarter rose by 27% to \$935.7 million, accompanied by a 392 basis points increase in margin.

Management noted some emerging tailwinds it sees, including improving consumer confidence in the U.S. economy, which is supported by wage growth and a strong labor market. "In the next few months, we expect to lap two dynamics that have led to increased volatility over the past year," Harmening said. "First, SNAP (Supplemental Nutrition Assistance Program) reduction headwinds in the U.S., and second, the normalization in on-shelf availability of our competitors, driven by stabilized supply chains."

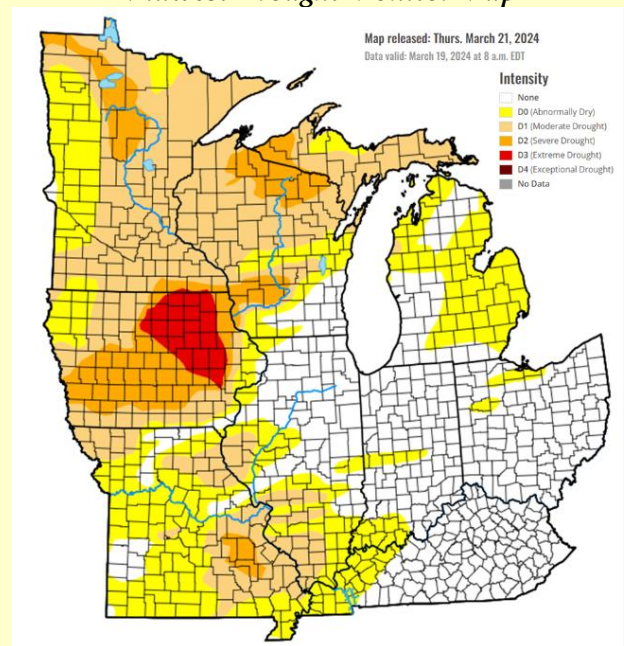
**U.S. Regulators Recommend Lawmakers Investigate Retail Grocery Profits.** Last week, the U.S. Federal Trade Commission (FTC) released its study on the supply chain crisis during the pandemic, which led to significant price hikes on household essentials. As a result of the study, the FTC called on policymakers to investigate the profits of grocery store operators following the pandemic and the promotional tactics used by consumer product manufacturers.

The FTC's study, initiated in 2021, scrutinized companies, including Walmart, Kroger, and Procter & Gamble, demanding detailed information on the crisis's impact. FTC Chair Lina Khan emphasized the challenges smaller, independent grocers faced during the pandemic, noting that limited resources disproportionately affected them. Concerns were raised about the potential market dominance of big corporations, given their ability to weather supply chain disruptions more effectively.

Furthermore, the study highlighted trade promotions, wherein consumer goods companies pay retailers for favorable product placement, as an area deserving of scrutiny. The study claims, the reduction in spending on these promotions adversely impacted traditional grocers while benefiting retailers like Walmart, known for their "everyday low pricing" strategy.

**Drought Concerns Mount as Planting Nears.** As Iowa faces its fourth consecutive year of drought, grain farmers preparing for planting confront mandatory water restrictions. With sub-soil moisture depleted, farmers anticipate a challenging growing season. Approximately 23% of Iowa's corn and 19% of its soybean acres face extreme drought conditions. While spring rains may offer temporary relief, forecasts suggest worsening drought conditions in certain regions, particularly in northern and eastern Iowa, leading into summer, according to the National Weather Service.

**Midwest Drought Monitor Map**



Source: National Drought Mitigation Center

**Hyllo Receives Exemption.** Hyllo, a TX-based agricultural drone company, has received unprecedented approval from the Federal Aviation Administration to allow its drones to be "swarmed" or flown collectively under a single operator. This capability positions drones to compete directly with traditional large sprayers, marking a significant advancement in the agricultural industry. Additionally, the approval permits spraying after sundown. Drones face size limitations akin to helicopters, reaching an estimated cap of around 1,000 pounds or 40-60 gallons per drone before becoming cost prohibitive.

## Heard on the Street...

**Peak Rock Capital Announces Acquisition of California Custom Fruits and Flavors.** Established in 1986, California Custom Fruits and Flavors ("CCFF") specializes in processing and supplying fruit and flavor ingredients to manufacturers of yogurt, ice cream, baked goods, beverages, desserts, and restaurant and coffee chains. Operating from two facilities situated in CA and IN, CCFF has significantly expanded its production capacity in recent years. In direct response to heightened demand in the Midwest, the company constructed its second facility in Indiana in 2020. This expansion effectively doubled the company's production capabilities.

Peak Rock confirmed that the current management team will continue leading CCFF with plans to increase production. The focus will remain on targeting high-growth markets, especially those seeking "better-for-you" healthier alternatives with strong consumer demand. Specific plans include the development of specialized items, such as "non-GMO" labeled products, eliminating genetically modified ingredients, alongside offerings like dairy-free milk and aseptic milk, processed through ultrahigh temperature pasteurization, eliminating the need for refrigeration.

**ClonBio Group Announces Expansion of Wisconsin Ethanol Facility.** ClonBio Group, an international biofuels and food products company, announced its plan to invest \$400 million to expand its Johnson Creek, WI, ethanol facility. This expansion aims to diversify operations, introduce plant-based human food products, produce fertilizer and a heat and power plant, and create one of the U.S.'s largest cellulosic renewable natural gas plants.

Acquired from Valero in 2022, the facility was previously operated primarily as a fuel ethanol plant. ClonBio's vision is to convert the facility into a corn biorefinery, emphasizing the production of food products alongside ethanol. The expansion into non-fuel products is a positive development within the ethanol space, as the preferable "blend wall" has limited demand growth for corn-based fuel products. The company intends to manufacture various products, including corn protein concentrate and dietary fiber for human consumption. Presently processing 40 million bushels of corn annually, ClonBio aims to increase capacity to 50 million bushels.

**Unilever Announces Plans to Separate Ice Cream Division.** Unilever, the owner of renowned brands Ben & Jerry's, Magnum, Wall's, Breyers, Popsicle, and Klondike, among others, has announced its intention to separate its ice-cream division into a standalone business, potentially through a spinoff. This move follows a strategic decision to streamline

operations and enhance growth prospects under new Chief Executive Hein Schumacher's leadership. The restructuring plan aims to achieve significant cost savings, projected at \$870 million over three years, impacting around 7,500 jobs globally.

Unilever's ice cream division, a cornerstone of its portfolio for over a century, faces challenges stemming from sluggish financial performance and operational complexities. Despite generating \$8.6 billion in revenue last year, the division witnessed tepid growth rates, prompting the company to explore strategic alternatives. Issues such as consumer price sensitivity and weather-dependent fluctuations in sales have contributed to the division's underperformance. Moreover, Ben & Jerry's has presented challenges due to its independent governance and disagreements with Unilever over strategic decisions, including legal disputes. The separation process is expected to conclude next year, although the listing destination is undecided. This move aligns with Unilever's strategy to divest non-core assets and prioritize growth segments.

The ice cream industry's challenges echo broader trends observed across the consumer goods sector, with companies like Nestlé also divesting their ice cream businesses to adapt to changing market conditions.

**HP Hoods Sells One Facility and Announces Expansion of Another.** Lynnfield, MA-based HP Hood, a leading dairy processing company, has unveiled plans for an expansion project at its Batavia, New York facility. This \$120 million investment aims to bolster the facility's capabilities and augment production capacity. The Batavia site, one of the company's 13 locations across the U.S., was acquired from Dairy Farmers of America in 2017. The expansion encompasses a 32,500-square-foot extension and will introduce new batching and processing systems alongside other upgrades, enabling capacity enhancement and a new production line.

Concurrently, Maryland & Virginia Milk Cooperative Association, Inc. ("MDVA") has completed the acquisition of HP Hood's extended shelf-life ultra-high-temperature dairy processing facility in Philadelphia, PA. MDVA intends to increase the facility's processing capacity from approximately 12 million to 25 million gallons annually by 2026. The Philadelphia facility specializes in the production of coffee creamers, half-and-half, and other extended shelf-life products.

The transaction was supported by financial assistance totaling \$7.3 million from a Pennsylvania Industrial Development Authority loan, \$2.5 million from Redevelopment Assistance Capital Program funding, and a \$300,000 workforce development grant for employee training.



## Recent U.S. Food &amp; Agribusiness M&amp;A Activity

(\$ in millions)

Date	Target	Acquirer	Enterprise Value (\$mm)	EV/ Revenue	EV/ EBITDA	Target Description
03/20/2024	BuzzBallz, LLC.	Sazerac Company, Inc.	-	-	-	Producer of ready-to-drink cocktails
03/19/2024	Assets of HP Hood, LLLC	Maryland & Virginia Milk Producers Cooperative Association, Inc.	-	-	-	Dairy processing facility located in Philadelphia, PA
03/18/2024	Goli Nutrition Inc.	Bastion Capital Group Inc.; Group KPS	-	-	-	Manufacturer of apple cider vinegar gummies
03/18/2024	Assets of The Kroger Co. (NYSE:KR)	CarelonRx, Inc.	-	-	-	Specialty pharmacy business of The Kroger Co.
03/15/2024	Burklund Distributors, Inc.	AMCON Distributing Company (NYSEAM:DIT)	\$18.90	-	-	Distributor to nationwide convenience store chains, offering a diverse array of products
03/14/2024	The Los Angeles Cotton Candy Cart	Beach Town Enterprises	-	-	-	Manufacturer of customized organic, gluten-free cotton candy
03/14/2024	Sprout Brothers, LLC	Mumms Sprouting Seeds Ltd.	-	-	-	Providers of organic sprouting seeds, home-growing kits, and sprouting essentials
03/14/2024	Assets of Tyson Foods, Inc. (NYSE:TSN)	Cal-Maine Foods, Inc. (NasdaqGS:CALM)	-	-	-	Broiler processing plant, hatchery, and feed mill in Dexter, MO
03/13/2024	California Custom Fruits & Flavors, Inc.	Peak Rock Capital LLC	-	-	-	Manufacturer and distributor of fruit and flavor ingredients for the dairy, bakery, beverage, and foodservice industries
03/13/2024	Assets of Trident Seafoods Corporation	Silver Bay Seafoods LLC	-	-	-	Salmon processing facility in Ketchikan, AK
03/11/2024	Performance Produce	GrubMarket, Inc.	-	-	-	Supplier of fresh produce to retailers and restaurants
03/08/2024	Assets of SunOpta Inc. (NasdaqGS:STKL)	Sambazon, Inc.	\$6.00	-	-	Comprised of the frozen Açaí and Smoothie bowls business
03/07/2024	Concord Foods, LLC	Sugar Foods Corporation	-	-	-	Supplier of food products and ingredients for supermarkets, foodservice operators, and food manufacturers in the United States
03/06/2024	Danos Seasoning LLC	Crosby Interactive LLC	-	-	-	Manufacturer of a range of spice blends and seasonings for both home cooks and professional chefs
02/29/2024	Better Than Brittle LLC	Fawson and Hancock Foods, LLC.	-	-	-	Producer of peanut butter candies
02/28/2024	Censea, Inc.	Infifresh Foods Private Limited	-	-	-	Importer and marketer of frozen seafood products to retail and commercial buyers in the United States
02/27/2024	Progressive Produce Corporation	PTF Holdings, LLC	\$120.25	-	-	Vertically integrated company involved in growing, packing, and distributing fresh produce
02/26/2024	Kitchen Garden Farm, LLC	Management of Kitchen Garden Farm, LLC	\$2.20	-	-	Grower of organic produce and specialty crops, supplying fresh ingredients to chefs and retailers
02/23/2024	Smith Frozen Foods, Inc.	Twin City Foods, Inc.	-	-	-	Private-label manufacturer of quick-frozen vegetables
02/23/2024	The Wine Group LLC	Carbyne Investimentos	-	-	-	Producer and marketer of over 60 company-owned brands of wine
02/21/2024	D & M Chem, Inc.	The McGregor Company, Inc.	-	-	-	Producer of apples, hops, cherries, blueberries, and other crops

Source: Capital IQ.

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

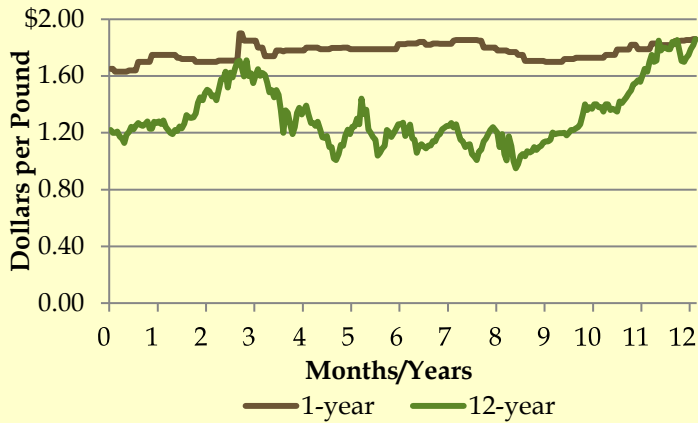
### Soybeans



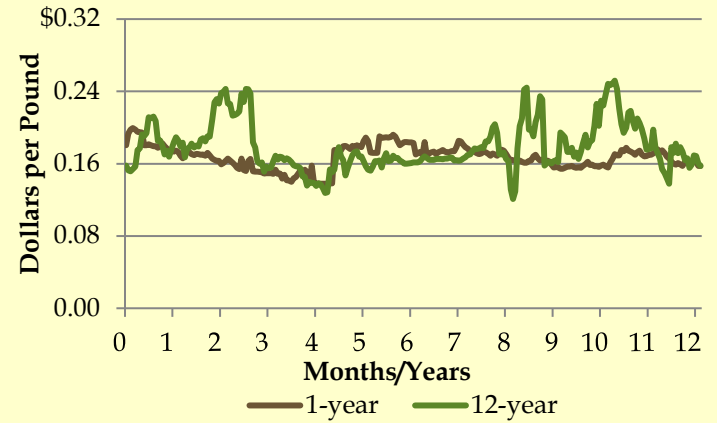
### Sugar



### Cattle



### Milk



### Cotton



### Oil



Commodity prices are based off the closing price of their respective nearby futures contract.

Sources: Thompson 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) 348-7081 or [lakeshorefoodadvisors@lakeshorefoodadvisors.com](mailto:lakeshorefoodadvisors@lakeshorefoodadvisors.com).