



LAKE SHORE

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



Weekly Update

Monday, March 18th, 2024

February Inflation Data Creates Concern Around Potential Interest Rate Cuts. Last week the Producer Price Index data for February was released. The data showed a 1.6% increase in U.S. wholesale inflation, the highest increase experienced in months. Due to the increase, investors and economists are now concerned the Federal Reserve will take a more conservative approach to potential interest rate cuts in 2024.

The **Dow Jones Industrial Average** was flat this week, finishing at 38,715.

The **S&P 500** was down 0.1% on the week, finishing at 5,117.

The **NASDAQ Composite** shrunk 0.7% this week, finishing at 15,973.

Yield on the **10-year Treasury** increased 22 basis points during the week, ending at 4.31%.

Crude oil rose 2.1% during the week, ending at \$80.58 per barrel.

Corn decreased 0.3% on the week, ending at \$4.37 per bushel.

NASDAQ Highs: Monster Beverage Corporation, Pilgrim's Pride Corporation, Village Super Market, Inc., Vital Farms, Inc. **Lows:** Art's-Way Manufacturing Co., Inc., The Hain Celestial Group, Inc., Noodles & Company, Rocky Mountain Chocolate Factory, Inc.

NYSE Highs: Chipotle Mexican Grill, Inc., Ingredion Incorporated, The Kroger Co., Natural Grocers by Vitamin Cottage, Inc., Walmart Inc. **Lows:** The Boston Beer Company, Inc.

Featured Stocks of the Week:

CF Industries Holdings, Inc. (NYSE: CF) 10-Year History



Dollar Tree Inc (NASDAQ: DLTR) 10-Year History



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The Lakeshore Food Chain

Company Name	Price	Price	52-Week Range		Price as Compared to		Forward	Enterprise Value to		Total Debt to LTM
	3/15/24	Compared to 3/8/24	High	Low	YE: 2023 2022			LTM: Revenue EBITDA	EBITDA	
Dow Jones Industrial Average	38,715	(0.0%)	39,132	31,862	2.7%	16.8%	NA			
S&P 500	5,117	(0.1%)	5,175	3,917	7.3%	33.3%	21.2			
NASDAQ Composite Index	15,973	(0.7%)	16,275	11,631	6.4%	52.6%	NA			
Russell 3000 Index	2,930	(0.3%)	2,963	2,254	6.6%	32.1%	NA			
Sector Average:					5.8%	33.7%				
AGRICULTURAL LAND HOLDINGS										
Farmland Partners Inc.	\$10.80	(2.0%)	\$13.27	\$9.44	(13.5%)	(13.3%)	NM	17.12x	31.2x	11.4x
Gladstone Land Corporation	13.00	(2.3%)	17.48	12.73	(10.0%)	(29.2%)	NM	11.89x	15.1	8.9
Limoneira Company	19.18	3.2%	21.62	13.88	(7.0%)	57.1%	119.4	2.33x	NM	NM
Sector Average:					(10.2%)	4.9%	119.4	10.45x	23.1	10.2
INPUTS										
American Vanguard Corporation	\$12.90	19.1%	\$22.58	\$8.41	17.6%	(40.6%)	16.8x	0.90x	9.7x	3.0x
* BASF SE	49.31	1.0%	50.92	40.25	1.1%	6.3%	13.6x	0.91x	9.4x	3.2x
* Bayer Aktiengesellschaft	26.24	(0.2%)	61.91	24.96	(22.0%)	(45.7%)	4.9x	1.27x	5.2x	3.8x
CF Industries Holdings, Inc.	83.42	(1.1%)	87.90	60.08	4.9%	(2.1%)	13.2x	2.94x	6.0x	1.0x
Corteva, Inc.	55.09	0.7%	63.37	43.22	15.0%	(6.3%)	19.4x	2.26x	11.4x	0.9x
FMC Corporation	65.05	3.8%	125.20	49.49	3.2%	(47.9%)	16.9x	2.66x	13.1x	4.5x
Intrepid Potash, Inc.	19.37	(4.2%)	28.35	17.23	(18.9%)	(32.9%)	NM	1.03x	5.0x	0.2x
The Mosaic Company	32.10	1.6%	48.92	29.25	(10.2%)	(26.8%)	10.7x	1.06x	5.5x	1.7x
* Nutrien Ltd.	72.81	2.0%	104.31	64.89	(2.5%)	(26.3%)	13.5x	1.39x	6.7x	2.2x
S&W Seed Company	0.45	(0.2%)	1.70	0.41	(35.3%)	(69.6%)	NM	1.18x	NM	NM
Zoetis Inc.	172.57	(5.3%)	201.92	151.03	(12.6%)	17.8%	29.7x	9.81x	23.4x	1.9x
Sector Average:					(5.4%)	(24.9%)	15.4x	1.56x	9.5x	2.2x
AGRICULTURAL EQUIPMENT										
* Ag Growth International Inc.	\$62.50	0.7%	\$64.51	\$47.07	23.7%	44.2%	10.5x	1.31x	8.7x	3.9x
AGCO Corporation	116.43	3.3%	140.46	105.77	(4.1%)	(16.1%)	8.9x	0.67x	4.5x	0.8x
Art's-Way Manufacturing Co., Inc.	2.06	8.4%	3.11	1.85	(0.5%)	6.7%	NA	0.61x	7.9x	3.5x
* Buhler Industries Inc.	2.07	(4.2%)	2.79	1.97	(15.2%)	7.3%	NA	0.46x	45.2x	35.7x
CNH Industrial N.V.	12.34	4.1%	15.74	9.77	1.3%	(23.2%)	8.0x	1.63x	10.9x	8.1x
Deere & Company	383.39	2.5%	450.00	345.55	(4.1%)	(10.6%)	14.3x	2.75x	10.1x	3.9x
Lindsay Corporation	115.05	0.1%	152.23	106.46	(10.9%)	(29.4%)	19.3x	1.87x	10.1x	1.1x
Titan Machinery Inc.	25.56	1.5%	35.88	21.44	(11.5%)	(35.7%)	5.7x	0.55x	6.9x	4.3x
Sector Average:					(2.7%)	(7.1%)	11.1x	1.23x	8.4x	3.7x
AGRIBUSINESS										
The Andersons, Inc.	\$53.38	(2.7%)	\$58.84	\$35.69	(7.2%)	52.6%	18.0x	0.14x	5.1x	1.7x
Archer-Daniels-Midland Company	59.31	8.2%	87.30	50.72	(17.9%)	(36.1%)	10.4x	0.41x	6.4x	1.7x
Bunge Global SA	95.56	3.6%	116.59	86.10	(5.3%)	(4.2%)	10.1x	0.29x	3.1x	1.1x
Ingredion Incorporated	114.75	(2.3%)	118.83	89.54	5.7%	17.2%	11.9x	1.17x	7.5x	1.9x
MGP Ingredients, Inc.	83.64	1.2%	124.96	75.78	(15.1%)	(21.4%)	13.6x	2.54x	10.4x	1.5x
* Olam Group Limited	1.00	(4.8%)	1.65	0.80	(3.8%)	(31.5%)	NA	0.35x	7.4x	7.2x
Sector Average:					(7.3%)	(3.9%)	12.8x	0.82x	6.7x	2.5x
DIVERSIFIED FOODS										
B&G Foods, Inc.	\$10.75	(3.9%)	\$16.68	\$7.20	2.4%	(3.6%)	12.5x	1.42x	8.8x	6.4x
Campbell Soup Company	42.71	1.1%	56.04	37.94	(1.2%)	(24.7%)	13.7x	1.87x	8.3x	2.3x
Conagra Brands, Inc.	28.07	(0.2%)	38.94	25.16	(2.1%)	(27.5%)	10.6x	1.85x	9.1x	4.0x
General Mills, Inc.	66.76	2.3%	90.89	60.33	2.5%	(20.4%)	14.7x	2.49x	11.6x	3.0x
The Hain Celestial Group, Inc.	8.62	(8.0%)	18.33	8.54	(21.3%)	(46.7%)	21.5x	0.91x	10.7x	5.9x
The J. M. Smucker Company	122.07	2.1%	159.92	107.33	(3.4%)	(23.0%)	12.3x	2.64x	11.3x	4.6x
Kellanova	53.56	(1.2%)	72.30	47.63	(4.2%)	(24.8%)	15.0x	1.89x	12.6x	3.3x
The Kraft Heinz Company	34.37	(1.3%)	41.47	30.68	(7.1%)	(15.6%)	11.3x	2.29x	8.5x	2.9x
Lancaster Colony Corporation	198.20	(3.5%)	220.65	158.88	19.1%	0.5%	29.6x	2.86x	20.7x	0.1x
Mondelez International, Inc.	70.75	(1.5%)	78.59	60.75	(2.3%)	6.2%	20.1x	3.15x	13.6x	2.5x
* Nestlé S.A.	95.23	1.5%	116.84	91.01	(2.3%)	(11.1%)	18.9x	3.21x	15.0x	2.9x
* Nomad Foods Limited	19.64	0.6%	20.04	13.56	15.9%	13.9%	10.2x	1.52x	9.3x	4.3x
Post Holdings, Inc.	103.47	0.5%	107.00	78.85	17.5%	14.6%	18.7x	1.69x	10.2x	5.2x
The Simply Good Foods Company	33.38	(0.3%)	43.00	31.06	(15.7%)	(12.2%)	17.8x	2.82x	14.6x	1.3x
SunOpta Inc.	9.41	2.8%	11.58	3.82	30.2%	(17.3%)	NA	1.93x	15.7x	5.1x
TreeHouse Foods, Inc.	36.74	0.3%	55.30	34.76	(11.4%)	(25.6%)	16.4x	0.95x	8.0x	3.9x
Unilever PLC	45.14	0.2%	50.93	42.97	2.9%	(3.7%)	NA	2.31x	11.8x	2.6x
Utz Brands, Inc.	18.22	2.1%	19.21	11.17	12.2%	14.9%	27.0x	2.18x	23.0x	7.3x
WK Kellogg Co	16.69	15.3%	21.00	9.66	27.0%	NA	11.0x	0.67x	5.6x	1.6x
Sector Average:					1.8%	(11.5%)	16.9x	2.11x	12.4x	3.7x

Company Name	Price 3/15/24	Price Compared to 3/8/24	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	
ETHANOL										
Alto Ingredients, Inc.	\$1.98	(8.8%)	\$4.98	\$1.20	(25.6%)	(31.3%)	NM	0.18x	17.8x	8.3x
Green Plains Inc.	20.26	(2.0%)	36.02	19.44	(19.7%)	(33.6%)	27.5x	0.54x	28.4x	10.9x
REX American Resources Corporation	44.40	1.1%	51.19	27.42	(6.1%)	39.4%	18.5x	0.63x	5.9x	0.2x
Sector Average:					(17.1%)	(8.5%)	23.0x	0.45x	17.4x	6.5x
FRUIT & VEGETABLE										
Calavo Growers, Inc.	\$28.86	(1.5%)	\$38.97	\$21.42	(1.9%)	(1.8%)	21.3x	0.60x	17.5x	2.1x
Dole plc	11.84	1.5%	14.01	10.55	(3.7%)	22.7%	9.9x	0.30x	5.3x	3.2x
Fresh Del Monte Produce Inc.	24.89	0.5%	30.95	21.41	(5.2%)	(5.0%)	10.6x	0.41x	5.3x	1.8x
Lamb Weston Holdings, Inc.	102.06	0.9%	117.38	81.26	(5.6%)	14.2%	16.2x	2.88x	10.0x	2.5x
Mission Produce, Inc.	12.07	9.6%	13.99	8.19	19.6%	3.9%	38.9x	1.10x	11.5x	2.8x
Seneca Foods Corporation	53.38	4.8%	59.99	32.50	1.8%	(12.4%)	NA	0.70x	8.6x	5.5x
Sector Average:					0.9%	3.6%	19.4x	1.00x	9.7x	3.0x
PROTEIN										
Beyond Meat, Inc.	\$8.50	4.3%	\$19.25	\$5.58	(4.5%)	(31.0%)	NM	4.59x	NM	NM
Cal-Maine Foods, Inc.	59.41	2.7%	61.91	42.25	3.5%	9.1%	14.0x	0.88x	3.6x	NA
Darling Ingredients Inc.	44.44	2.1%	71.60	38.97	(10.8%)	(29.0%)	12.6x	1.72x	7.5x	3.9x
Hormel Foods Corporation	34.14	0.1%	41.73	28.51	6.3%	(25.0%)	21.3x	1.73x	11.1x	1.8x
* JBS S.A.	23.25	7.2%	25.33	15.12	(6.7%)	5.7%	11.9x	0.41x	9.0x	7.3x
Nathan's Famous, Inc.	68.36	(1.1%)	83.00	61.35	(12.4%)	1.7%	NA	2.40x	9.0x	1.8x
Pilgrim's Pride Corporation	33.69	4.0%	33.99	19.96	21.8%	42.0%	11.8x	0.63x	9.0x	3.0x
Seaboard Corporation	3186.92	(0.7%)	4080.11	3145.03	(10.7%)	(15.6%)	NA	0.41x	7.7x	4.5x
Tyson Foods, Inc.	56.15	3.8%	63.28	44.94	4.5%	(9.8%)	21.4x	0.53x	9.9x	3.4x
Vital Farms, Inc.	21.58	5.2%	22.22	10.00	37.5%	44.6%	30.3x	1.71x	3.2x	0.1x
Sector Average:					2.9%	(0.7%)	15.5x	1.16x	7.8x	3.2x
BAKING & INGREDIENTS										
Balchem Corporation	\$156.39	(0.0%)	\$159.52	\$110.74	5.1%	28.1%	36.6x	5.76x	24.6x	1.5x
Flowers Foods, Inc.	22.70	(1.0%)	29.10	19.64	0.8%	(21.0%)	18.4x	1.20x	10.4x	2.3x
* Gruma, S.A.B. de C.V.	294.82	0.5%	337.70	249.47	(5.2%)	13.1%	13.5x	1.21x	7.9x	1.9x
* Grupo Bimbo, S.A.B. de C.V.	71.71	(0.2%)	103.41	69.39	(16.6%)	(12.9%)	18.2x	1.12x	7.7x	2.4x
J&J Snack Foods Corp.	143.34	(1.0%)	177.71	139.98	(14.2%)	(4.3%)	27.6x	1.85x	14.7x	0.8x
* Kerry Group plc	82.18	0.8%	100.00	71.08	4.5%	(2.4%)	17.9x	1.98x	14.0x	2.2x
Krispy Kreme, Inc.	11.87	(8.2%)	16.22	11.52	(21.3%)	15.0%	41.0x	2.05x	12.0x	4.9x
McCormick & Company, Incorporated	68.17	(0.6%)	94.39	59.13	(0.4%)	(17.8%)	24.1x	3.43x	17.0x	3.6x
* Tate & Lyle plc	5.97	0.9%	8.38	5.87	(9.5%)	(16.1%)	10.7x	1.49x	7.9x	2.1x
Sector Average:					(6.3%)	(2.0%)	23.1x	2.23x	12.9x	2.4x
CANDY, NUTS, & SNACKS										
Bridgford Foods Corporation	\$10.84	2.4%	\$14.51	\$10.03	(1.5%)	(9.1%)	NA	0.38x	6.7x	0.5x
The Hershey Company	193.54	(0.5%)	276.88	178.82	3.8%	(16.4%)	20.1x	3.96x	14.7x	1.7x
John B. Sanfilippo & Son, Inc.	107.67	4.6%	127.26	90.02	4.5%	32.4%	NA	1.30x	11.2x	0.4x
Laird Superfood, Inc.	3.21	277.6%	3.25	0.65	252.7%	282.1%	NM	0.66x	NM	NM
Rocky Mountain Chocolate Factory, Inc.	3.57	(10.1%)	5.99	3.45	(22.4%)	(37.4%)	NA	0.81x	NM	NM
Tootsie Roll Industries, Inc.	31.83	(0.1%)	44.65	28.22	(1.4%)	(20.7%)	NA	2.69x	15.1x	0.1x
Sector Average:					39.3%	38.5%	20.1x	1.63x	11.9x	0.7x
PET FOOD AND PRODUCTS										
Central Garden & Pet Company	\$42.35	2.7%	\$51.71	\$35.60	(15.5%)	13.1%	17.3x	1.03x	8.3x	3.3x
Freshpet, Inc.	109.54	1.2%	114.31	54.60	26.3%	107.6%	NM	7.07x	188.0x	13.8x
Sector Average:					5.4%	60.3%	17.3x	4.05x	98.2x	8.6x
WINE & BEVERAGE										
The Boston Beer Company, Inc.	\$295.10	(1.2%)	\$395.52	\$292.83	(14.6%)	(10.4%)	29.9x	1.63x	14.9x	0.2x
Brown-Forman Corporation	53.72	(1.3%)	71.27	52.59	(5.9%)	(18.2%)	27.8x	6.67x	21.4x	2.6x
The Coca-Cola Company	59.88	0.6%	64.99	51.55	1.6%	(5.9%)	21.3x	6.35x	17.6x	3.0x
Constellation Brands, Inc.	267.64	3.9%	273.65	210.15	10.7%	15.5%	20.6x	6.20x	18.7x	3.1x
Crimson Wine Group, Ltd.	5.80	(0.9%)	6.96	5.38	(1.6%)	3.4%	NA	1.51x	22.1x	3.6x
* Diageo plc	29.07	1.1%	37.80	26.76	1.8%	(20.4%)	19.1x	4.86x	13.8x	3.2x
Monster Beverage Corporation	60.45	2.1%	61.23	47.13	4.9%	19.1%	33.1x	8.36x	28.4x	0.0x
National Beverage Corp.	47.08	(5.5%)	55.12	43.74	(5.3%)	1.2%	23.8x	3.54x	16.8x	0.2x
PepsiCo, Inc.	164.66	1.0%	196.88	155.83	(3.0%)	(8.9%)	20.2x	2.88x	14.9x	2.7x
Starbucks Corporation	90.12	(1.0%)	115.48	89.21	(6.1%)	(9.2%)	21.3x	3.36x	11.7x	2.4x
Willamette Valley Vineyards, Inc.	5.01	(1.0%)	6.59	4.63	(6.5%)	(16.0%)	NA	2.14x	24.3x	5.6x
Sector Average:					(2.2%)	(4.5%)	24.1x	4.32x	18.6x	2.4x

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			High	Low	2023	2022		Revenue	EBITDA	
DAIRY										
* Danone S.A.	\$59.60	1.4%	\$63.80	\$50.59	1.6%	21.1%	16.8x	1.76x	10.5x	3.6x
Lifeway Foods, Inc.	10.99	(4.9%)	17.33	5.61	(18.0%)	98.0%	13.2x	1.01x	9.4x	0.4x
* Saputo Inc.	25.80	(4.1%)	36.70	25.57	(3.8%)	(23.0%)	14.5x	0.84x	9.9x	2.7x
Sector Average:					(6.8%)	32.0%	14.8x	1.20x	9.9x	2.2x
WHOLESALE, FOOD SERVICE, & DISTRIBUTION										
The Chefs' Warehouse, Inc.	\$37.84	1.4%	\$39.00	\$17.29	28.6%	13.7%	29.2x	0.69x	10.5x	4.1x
Performance Food Group Company	76.24	(0.1%)	78.54	52.92	10.3%	30.6%	16.5x	0.31x	10.7x	3.2x
SpartanNash Company	19.98	(2.9%)	25.40	19.04	(12.9%)	(33.9%)	9.9x	0.16x	5.5x	3.1x
Sysco Corporation	80.92	0.4%	82.89	62.24	10.7%	5.8%	17.9x	0.68x	13.3x	3.3x
United Natural Foods, Inc.	11.96	1.7%	28.37	11.38	(26.3%)	(69.1%)	36.1x	0.14x	6.1x	5.1x
US Foods Holding Corp.	54.01	2.6%	54.48	33.96	18.9%	58.8%	17.3x	0.51x	12.0x	3.4x
Sector Average:					4.9%	1.0%	21.2x	0.42x	9.7x	3.7x
MASS MERCHANDISE, CLUB STORES, & DOLLAR STORES										
BJ's Wholesale Club	\$75.09	(0.5%)	\$78.97	\$60.33	12.6%	13.5%	19.2x	0.65x	12.4x	2.8x
Costco Wholesale Corporation	725.63	0.0%	787.08	476.75	9.9%	59.0%	43.9x	1.29x	27.8x	0.8x
Dollar General Corporation	151.95	(3.4%)	222.99	101.09	11.8%	(38.3%)	20.9x	1.32x	10.1x	3.6x
Dollar Tree, Inc.	127.42	(13.9%)	161.10	102.77	(10.3%)	(9.9%)	18.2x	1.22x	12.0x	3.3x
Grocery Outlet Holding Corp.	26.82	3.4%	36.54	23.41	(0.5%)	(8.1%)	22.9x	0.99x	11.1x	3.9x
Walmart Inc.	60.68	0.9%	61.57	45.86	15.5%	28.4%	25.7x	0.84x	13.0x	1.5x
Sector Average:					6.5%	7.4%	25.1x	1.05x	14.4x	2.7x
TRADITIONAL & SPECIALTY RETAIL										
Albertsons	\$20.80	(0.3%)	\$23.88	\$19.14	(9.6%)	0.3%	7.9x	0.33x	5.3x	2.9x
* Ahold Delhaize	27.56	(1.6%)	32.51	25.40	5.9%	2.7%	10.9x	0.46x	6.2x	2.7x
Amazon.com, Inc.	174.42	(0.5%)	180.14	95.70	14.8%	107.6%	41.5x	3.28x	19.2x	1.6x
Ingles Markets, Incorporated	74.70	(1.5%)	94.68	73.00	(13.5%)	(22.6%)	NA	0.29x	4.6x	1.6x
The Kroger Co.	56.06	0.2%	56.45	42.10	22.6%	25.8%	12.7x	0.38x	6.4x	2.1x
Natural Grocers by Vitamin Cottage, Inc.	17.88	4.8%	18.12	9.95	11.8%	95.6%	NA	0.67x	6.0x	2.9x
Sprouts Farmers Market, Inc.	64.53	1.9%	65.53	32.12	34.1%	99.4%	21.9x	1.17x	9.7x	2.0x
* Tesco PLC	2.88	0.5%	3.04	2.18	(1.0%)	28.3%	11.6x	0.46x	7.2x	3.6x
Village Super Market, Inc.	27.58	3.1%	27.90	20.25	5.1%	18.4%	NA	0.30x	4.1x	2.4x
Weis Markets, Inc.	64.45	(2.2%)	86.67	58.75	0.8%	(21.7%)	NA	0.32x	5.0x	0.6x
Sector Average:					7.1%	33.4%	17.7x	0.77x	7.4x	2.3x
TRADITIONAL RESTAURANTS										
Brinker International, Inc.	\$47.93	(2.3%)	\$49.85	\$28.23	11.0%	50.2%	12.2x	0.99x	6.4x	3.2x
The Cheesecake Factory Incorporated	35.76	(3.1%)	38.19	28.58	2.1%	12.8%	11.6x	1.06x	7.6x	3.9x
Cracker Barrel Old Country Store, Inc.	67.27	(5.2%)	121.17	62.69	(12.7%)	(29.0%)	14.1x	0.78x	7.9x	3.5x
Darden Restaurants, Inc.	171.96	0.2%	176.84	133.36	4.7%	24.3%	18.6x	2.49x	13.0x	3.3x
Dine Brands Global, Inc.	47.50	(5.7%)	70.32	42.00	(4.3%)	(26.5%)	7.3x	2.60x	9.6x	7.1x
Jack in the Box Inc.	73.35	1.2%	99.56	60.43	(10.1%)	7.5%	11.0x	2.76x	8.2x	5.7x
McDonald's Corporation	279.14	(4.6%)	302.39	245.73	(5.9%)	5.9%	22.4x	9.81x	16.3x	3.5x
Papa John's International, Inc.	69.61	(0.7%)	86.38	60.66	(8.7%)	(15.4%)	26.7x	1.51x	12.1x	3.6x
Texas Roadhouse, Inc.	152.26	2.6%	157.12	91.06	24.6%	67.4%	27.1x	2.34x	18.4x	1.3x
The Wendy's Company	18.33	(0.5%)	23.90	17.64	(5.9%)	(19.0%)	18.3x	3.39x	12.2x	6.9x
Yum! Brands, Inc.	136.84	(1.9%)	143.25	115.53	4.7%	6.8%	23.6x	7.07x	19.1x	4.6x
Sector Average:					(0.0%)	7.7%	17.5x	3.16x	11.9x	4.2x
HIGH-GROWTH RESTAURANTS										
Chipotle Mexican Grill, Inc.	\$2,756.39	2.6%	\$2,775.66	\$1,592.30	20.5%	98.7%	51.6x	7.94x	31.9x	1.6x
El Pollo Loco Holdings, Inc.	8.53	(2.0%)	11.37	8.11	(3.3%)	(14.4%)	13.1x	1.14x	7.0x	3.6x
Noodles & Company	1.80	(19.6%)	5.29	1.65	(42.9%)	(67.2%)	NM	0.75x	5.6x	4.4x
Potbelly Corporation	11.45	(10.9%)	14.36	7.12	9.9%	105.6%	48.7x	1.00x	6.0x	2.3x
Shake Shack Inc.	103.69	0.1%	108.39	52.40	39.9%	149.7%	150.7x	4.23x	24.1x	4.0x
Wingstop Inc.	347.65	(1.8%)	375.32	150.08	35.5%	152.6%	116.0x	23.57x	80.1x	5.4x
Sector Average:					9.9%	70.8%	76.0x	6.44x	25.8x	3.6x
CANNABIS & CBD										
Canopy Growth Corporation	\$4.18	2.2%	\$28.00	\$3.74	(38.2%)	(86.7%)	NM	2.45x	NM	NM
Cronos Group Inc.	2.85	6.7%	3.57	2.15	2.9%	(17.2%)	NM	NM	NM	NM
Jones Soda Co.	0.24	0.0%	0.29	0.12	64.5%	(9.8%)	NA	1.23x	NM	NA
The Scotts Miracle-Gro Company	68.76	1.1%	78.25	43.67	7.9%	41.5%	23.8x	2.10x	20.1x	7.1x
Tilray Brands, Inc.	1.73	1.8%	3.40	1.50	(24.8%)	(35.7%)	NM	2.25x	NM	NM
Village Farms International, Inc.	0.74	2.5%	1.17	0.55	(3.3%)	(45.1%)	NM	0.46x	28.0x	13.8x
Sector Average:					1.5%	(25.5%)	23.8x	1.70x	24.1x	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



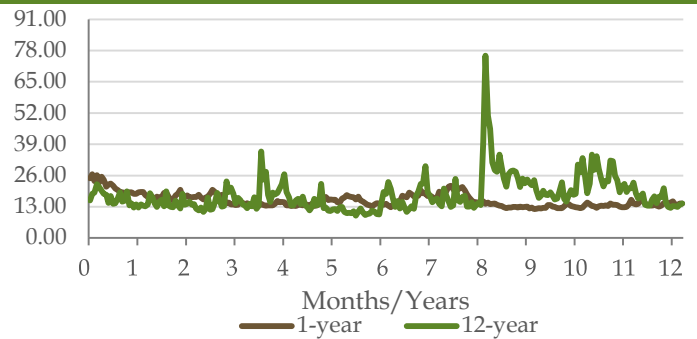
Dow Jones Industrial Average



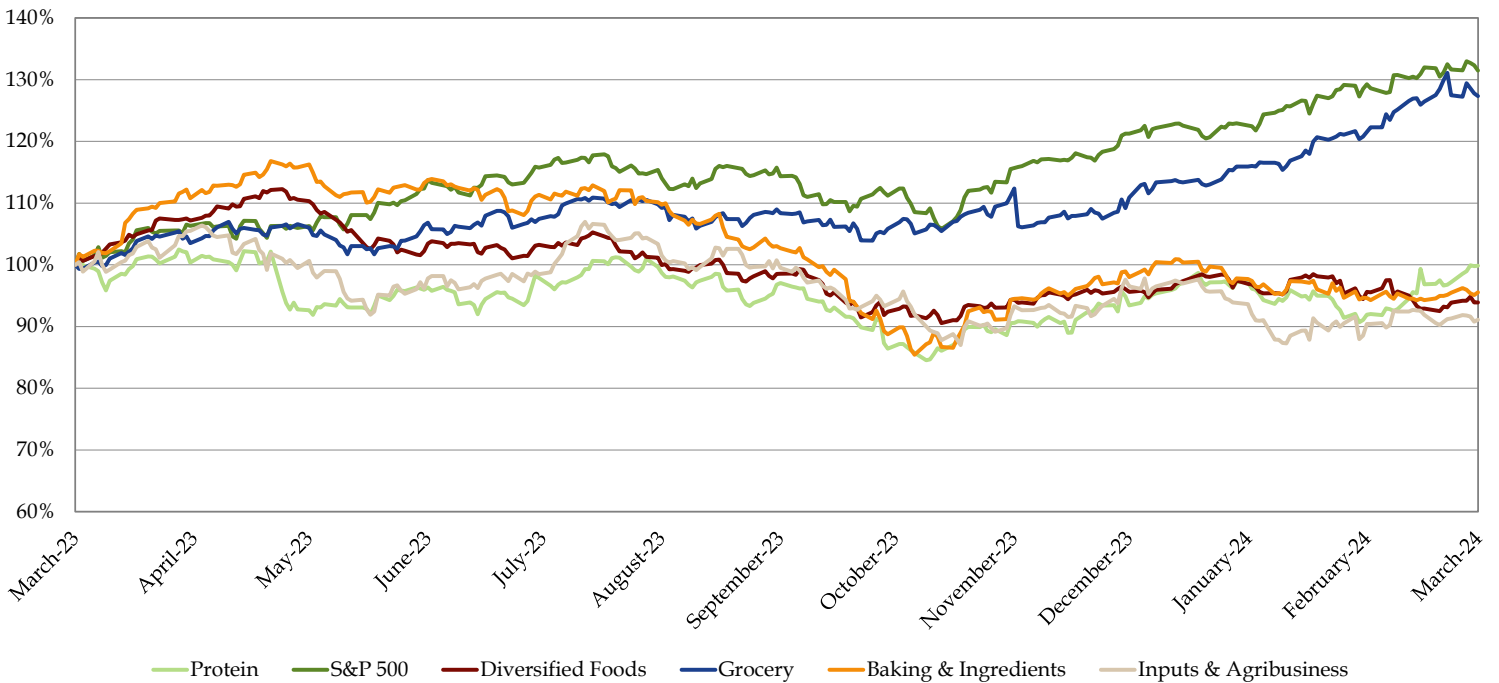
10-year Treasury



CBOE Market Volatility Index - VIX



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



Food For Thought...

Boston Market has to be one of the quickest demise stories in a while. At the start of 2023 there were 300 restaurants open and operating. Thirty days ago, they had 30 and today they are all closed. Boston Market went from family started and operated in 1985, to growing too quickly without adequate capital, to a chapter 11 filing in 1998, to McDonalds purchasing them for \$173.5 million in 2000, to McDonalds selling it to Sun Capital in 2007. In 2020 Sun sold it to Engage Brands, owned by the Rohan Group. The trend line has declined with multiple lawsuits in the past year including unpaid wages. The complete story on their demise has not been written yet—but for sure there is much to learn starting with mismanagement and not knowing the profitability drivers.

We have written previously about the slowing economy in China. Starbucks is the latest to report earnings saying a bulk of their declines in quarterly revenue was traffic headwinds in China and the Middle East. There is also increased competition in China for Starbucks - lots of moving pieces for sure.

Planting season is upon us, so a quick overview may be helpful. The grain stock-to-use ratio remains at historically low levels with tight supply conditions for wheat and rice. Corn is 2.7% over its ten-year average and the highest since 2018/2019. Soybeans stock to use is relatively flat compared to previous years. Across the board lower nitrogen, phosphate and potash prices should stimulate demand for fertilizers. Last year all three main inputs experienced challenges which drove pricing up. This year operations seem more in line with history so there should be plenty of product for planting season.

Transportation is one unknown as shipping costs are up almost double on some routes. Stay tuned as there will be much more about this in the next earnings season as it will impact profitability significantly.

Sambazon, a privately owned company based in San Clemente, California continued their leadership in the Acai and smoothie bowl business with the acquisition of SunOpta's similar business. Their ready to eat bowls are produced in two facilities in Brazil near the Acai producers. Sambazon's products are in over 30,000 grocery stores in fifty countries. If you do not know what Acai is—then you were not at ExpoWest for the past couple of years nor following the trends.

Restaurant sales continued to fall and February was no different. Consumers appear to be going to the grocery store's deli department. The department sales grew 4.1% in February. Fresh produce unit sales are up 1.2%. The area that is off was refrigerated plant-based meat alternatives. Sales were down 15.5% in February versus a year ago—the second year in a row of declines.

One last point, Kraft Heinz promo levels are above the 2019 levels—a similar story we are hearing from most CPG companies.

Have a good week!

A Warmer Winter and Lower Snowfall Impacts Fertilizer Applications. This year the Midwest experienced a warmer than average winter with less amounts of snow. Farmers are currently mulling over their application decisions as warmer drier winters tend to limit fertilizer loss. An earlier spring allows land to thaw quicker and prevents long durations of wet land resulting from snow melt. This leads to greater nitrogen retention in fields as saturated soil causes denitrification.

The potential for farmers to start plantings earlier and with less fertilizer need is a welcome sight for farmers. Farm incomes are projected to fall in 2024 as commodity crop prices have fallen from the highs of 2023 (as previously reported by Lakeshore). The drier weather combined with lower crop prices will dissuade farmers from overapplying as incremental yield will not experience the same level of profit as it did last year.

Expect farmers, commodity traders, and input companies to continuously monitor Midwest weather as the next few weeks will have a material impact on what is discussed above.

International Avocado Leaders Report Mixed Results on Higher Avocado Prices. Last week Mission Produce and Calavo Growers reported earnings for the first quarter of fiscal 2024. Both companies reported improvements in per unit avocado margins driven by increased pricing. Mission reported a 22.8% year-over-year increase in the average per pound selling price of avocados whereas Calavo reported a 20.0% increase. Both Calavo and Mission were able to translate higher prices to improved per unit avocado margins.

Despite experiencing comparable price increases, Calavo and Mission had drastically different volume changes. For the three months ending January 31, 2024, Mission sold 151.6 million pounds of avocados at \$1.40 per pound compared to 152.3 million pounds at \$1.14 per pound in the same period the year prior. Calavo experienced volume declines of 18.0% year-over-year as the company eliminated lower margin sales.

Both companies have spent time and money diversifying their businesses. Mission into blueberries and Calavo into tomatoes and ready-to-eat convenience meals.

Mission's blueberry segment, which is focused on Peruvian berries, was impacted by regional weather conditions. The segment experienced a 90% year-over-year increase in average selling price which was partially offset by a 43% decline in volume sold. Overall, EBITDA in the segment grew \$9.2 million to \$8.7 million year-over-year.

Calavo's tomato business, which is primarily focused in Mexico,

was down \$1.1 million in gross margin primarily related to lower volumes sold. Calavo executed a letter of intent to divest its ready-to-eat division (formerly Renaissance Food Group) to F&S Fresh Foods. The transaction value is approximately \$100 million and is anticipated to close in the second fiscal quarter. Renaissance's results are not reported independently.

Overall, Calavo's revenue declined 3.9% to \$127.6 million and gross profit fell from \$13.1 million to \$12.5 million, year-over-year. While Calavo's revenues and margins fell, Mission's sales grew 21% to \$258.7 million while gross profit improved from \$9.0 million to \$28.7 million.

As evidenced by the difference in earnings, increased prices do not always translate to improved performance. Businesses should be prepared for price fluctuations and able seize opportunities as they arise.

Archer-Daniels Suffers from Lower Crop Prices and Accounting Fraud. Last week Archer-Daniels-Midland reported results for the fourth fiscal quarter of 2023. The earnings release comes after a two-month delay resulting from a criminal probe into the company's accounting practices. ADM's segment operating profit fell 23% year-over-year as a result of lower crush and origination margins and unplanned downtime at the company's flagship facility in Decatur, IL.

ADM's Ag Services and Oilseeds division, which focuses on oilseed crushing and oil refining, experienced a 20% decline in operating margin. The decrease was driven by a recovery in global stocks which pressured oilseed prices lower. The decline was partially offset by large export volumes out of Brazil following a strong harvest.

Carbohydrate Solutions, which focuses on corn and wheat milling, experienced a growth in operating profit of 12%. The division was buoyed by higher average selling prices for starches and sweeteners combined with strong corn exports and increased domestic ethanol production.

Nutrition, which focuses on value-add products for the human food and animal feed markets, saw operating profits decline 110%. The decline was a result of lower volumes, higher manufacturing costs, unplanned downtime, and the write-down of a joint venture.

In addition to the above, ADM restated historical segment level profitability benefiting Ag Services and Oilseeds and Carbohydrate Solutions at the expense of Nutrition. The saga demonstrates the importance of aligning executive incentives and following best practices.

Heard on the Street...

Walmart Plans Expansion into Texas Dairy with Third Milk Processing Plant. Walmart, the country's largest seller of groceries, recently announced plans to build a third milk processing facility in Robinson, TX. The company will own and operate the facility in an attempt to increase visibility into the sources of its products and improve control of the company's supply chain. The facility will cost \$350 million and will service over 750 Walmart and Sam's Club locations across Texas, Oklahoma, Louisiana, and parts of Arkansas and Mississippi.

The facility will be able to produce gallons and half gallons of whole, 2%, 1%, skim, and chocolate milk products. All of the facility's production will be sold under Walmart's Great Value or Sam's Member's Mark brands.

The Texas facility will be Walmart's third milk plant. The company opened its first milk plant in Fort Wayne, IN in 2018 and is in the process of constructing a \$350 million plant in Valdosta, GA which is scheduled to be operational in 2025.

Texas is among the nation's top milk producing states with 2022 production valued at over \$4.2 billion (USDA). Growth in cheese and yogurt has helped buoy the nation's dairy market. As a result of increased cheese and milk popularity, per capita consumption of dairy (calculated on a milk pounds basis) reached an all-time high of 653 pounds per person in 2022.

Walmart has increasingly focused on vertically integrating. The company has also opened prepackaged beef plants in Georgia and Kansas. The new Walmart production facilities play into two major trends impacting the food chain: 1) greater control of and visibility into your supply chain, and 2) increasing private label offerings.

SunOpta Divests Another Business Unit. Last week SunOpta announced that it had sold its frozen acai and smoothie bowl business to Sambazon. The transaction includes a U.S. based manufacturing facility. Terms of the transaction have not been released.

Sambazon currently operates two smoothie bowl facilities in Brazil. The acquisition will double the buyer's total capacity, expand product offerings, and improve their ability to sell in the United States. The deal will enhance Sambazon's offerings with new dry toppings, savory toppings, organic fruit inclusions, additional tropical fruit purees, and seed bowls.

The Sambazon deal is the second major divestment that SunOpta has made in the past few months. In December, the company announced the sale of its frozen fruit assets to Nature's

Touch. The transactions come as part of SunOpta's portfolio optimization strategy which is focused on plant-based drinks, better-for-you snacks, and nutrition beverages.

The transaction demonstrates the importance of geographic diversification and product innovation for Sambazon. It also shows the need to focus on your strengths and commit to a direction for your company.

Dollar Tree to Close 1,000 Locations as Consumable Sales Grow. Last week Dollar Tree announced plans to close 1,000 locations following a review of its store portfolio. 600 of these stores will close in the coming months with the remaining 400 scheduled to close over the coming years as their lease terms expire. In total 970 of the locations are under the Family Dollar banner with the remaining 30 under the Dollar Tree banner.

The announcement came at the same time as Dollar Tree's quarterly earnings report. The Company announced same-store sales growth of 6.3% at Dollar Tree and same-store sales declines of 1.2% at Family Dollar.

Despite the closures and struggles at Family Dollar, the company announced it was seeing encouraging results from new food-based initiatives including the introduction of multiple price points and increased cooler space for frozen and refrigerated foods.

Consumable product sales were up 10.8% in the fourth quarter at Dollar Tree locations as the company has been able to attract new higher-income customers for consumable products as consumers continue to trade down due to increased grocery prices. Offsetting this, Family Dollar experienced a 2.2% decline in consumable sales largely attributed to reductions in the Supplemental Nutrition Assistance Program (SNAP).

Tyson to Close Another Pork Facility. Last week Tyson Foods announced plans to close another production facility. The company released over 1,200 workers at its Iowa pork processing plant with intentions to permanently shutter the facility. The closure comes after Tyson closed two chicken plants in 2023 with announced plans to close four other facilities by the end of 2024.

Processor margins, specifically chicken but also pork, have improved over the past few months largely in relation to the decline in feed prices driven by lower commodity prices. Despite improvement, Tyson has demonstrated commitment to optimizing its operations.

Loans

Last week February inflation data was released. The data showed an expected rise in pricing creating a headache for investors and economists. The Producer Price Index, released last Tuesday, showed U.S. wholesale inflation rising 1.6% for the twelve months ended in February, the fastest clip reported in months. The renewed worries around inflation have impacted economic sentiment and called into question if the Federal Reserve will follow through on anticipated rate cuts.

A potential delay in rate cuts is unwelcome news for those looking to raise debt in the near future. Already, fewer companies have been taking on new debt in 2024. U.S. non-financial companies issued \$127.8 billion in new debt from January 1st to February 20th, a 16% year-over-year decline (S&P Global Market Intelligence). The unwillingness to take on new debt is driven by anticipated higher-for-longer interest rates. From March 2022 to July 2023, the Federal Reserve raised rates by 525 basis points.

Despite lower issuances, corporate debt-to-ebitda (earnings before interest, taxes, depreciation, and amortization) ratios have not fallen. In the last quarter of 2023 average debt-to-ebitda ratios for investment grade companies grew from 2.60 to 2.64 from the preceding quarter. Non investment grade companies saw a slight decline from 3.64 to 3.58 during the same period.

Higher-for-longer rates translate to higher corporate interest payments eating into U.S. corporate profits. In the fourth quarter of 2023, ebit (earnings before interest and tax) for investment grade companies was able to cover debt related interest payments a median of 6.78 times. This represents a

significant reduction from the 6.92 median experienced by the same companies the year prior. Higher rates translating to reduced profitability has made new borrowings and refinancings more expensive. While the Federal Reserve is still expected to cut rates in 2024, the resurgence of inflation calls into question the timing and severity of those cuts.

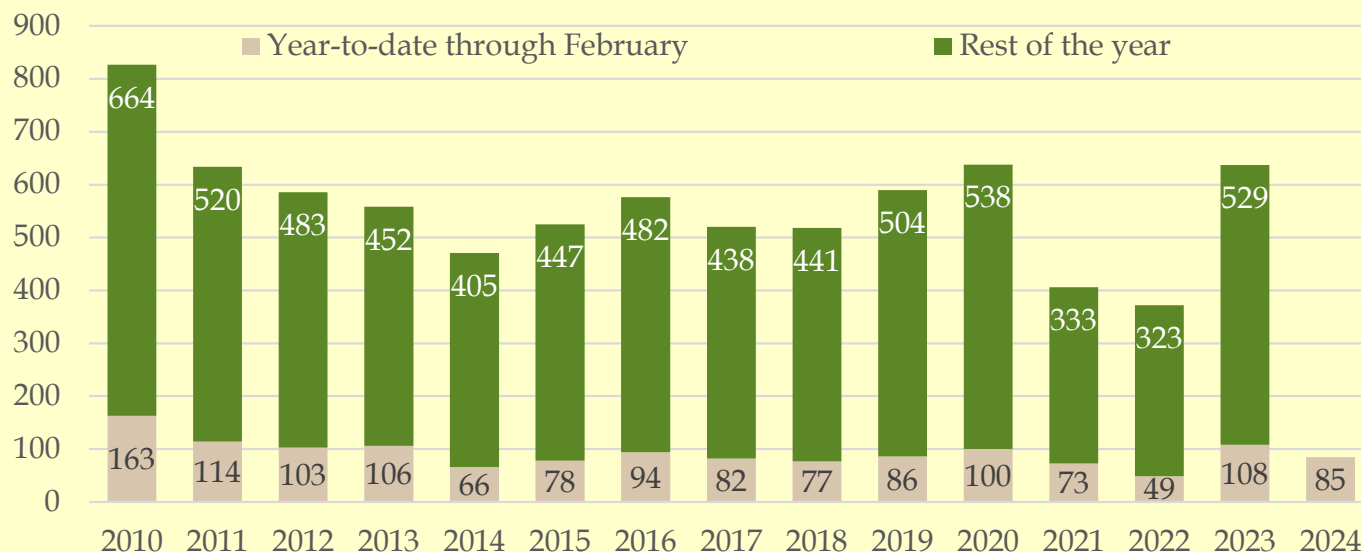
All of the previous points mentioned have led to an increase in U.S. corporate bankruptcies. 50 new bankruptcy filings were reported in the month of February, up from 35 in January. Year-to-date there have been less filings compared to 2023, but the 85 filings experienced this year is higher than what was experienced in 2021 and 2022 (see the below chart).

See the below data table for a listing of food companies that filed for bankruptcy in February.

U.S. Food Bankruptcies in February 2024 (\$ in millions)

Company	Date Filed	Sector	Liabilities	Assets
Boxer Ramen	2/9/2024	QSR	1 - 10	0.5 - 1
Mr. Tortilla Inc.	2/14/2024	Branded Tortillas	10 - 50	1 - 10
Smallhold Inc.	2/18/2024	Organic Mushrooms	1 - 10	10 - 50
Trinitas Farming	2/19/2024	Tree Nuts	10 - 50	10 - 50
Blue Marble Productions	2/23/2024	Alcohol Co-Manufacturing	NA	NA
La Lampadarie Inc.	2/26/2024	Bistro	NA	NA
Heycart Inc.	2/28/2024	Online Cheese Boards	23.5	1.2

U.S. Bankruptcy Filings by Year and Year-to-Date Through February



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

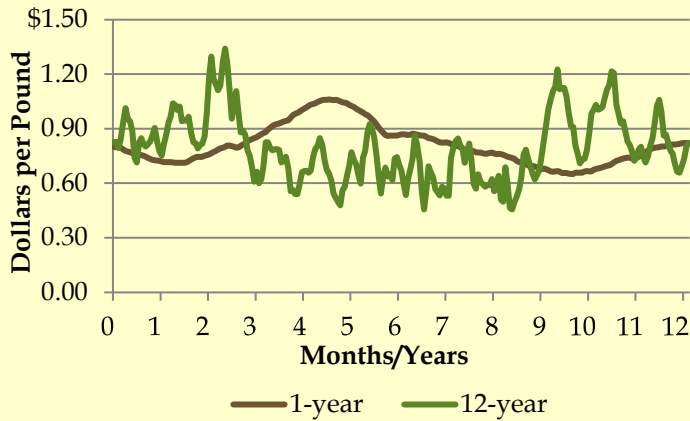
Corn



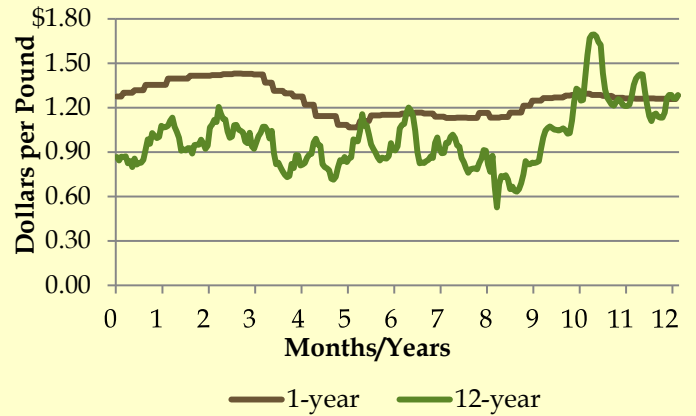
Wheat



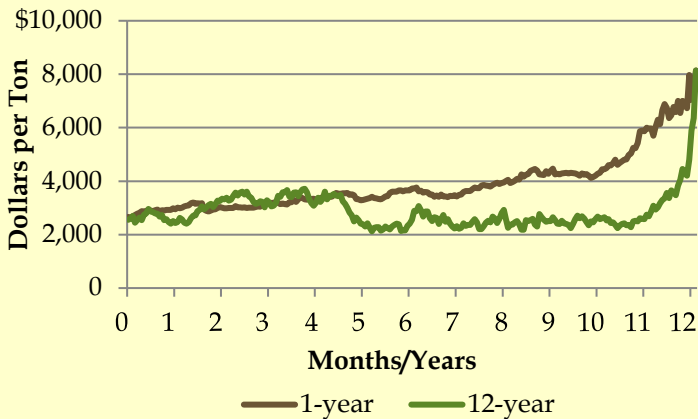
Hogs



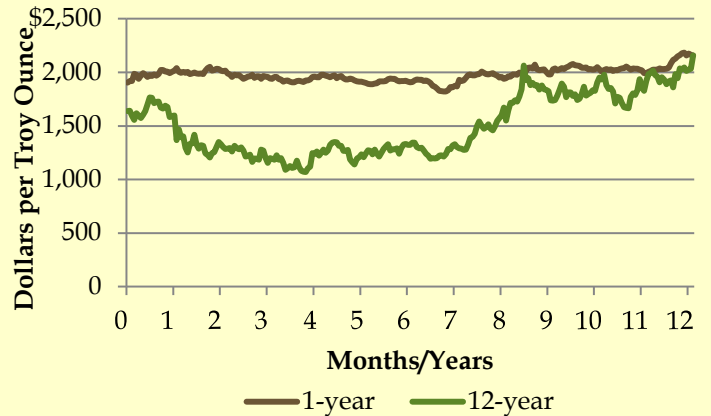
Broilers



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.