



# LAKE SHORE

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



## Weekly Update

Monday, March 4<sup>th</sup>, 2024

**U.S. Equities Continue Rally, Reach All-Time Highs.** In 2024, the S&P 500 and NASDAQ have posted positive returns in seven out of nine weeks, both reaching new all-time highs last week. The S&P 500 has marked a gain of 21.5% over four months. Fourth-quarter earnings in the S&P 500 rose 4.0% year-over-year, marking the second consecutive increase. Meanwhile, the Fed's preferred inflation gauge, the Personal Consumption Expenditures Price Index, hit a 2.8% annual rate in January, in line with expectations.

The **Dow Jones Industrial Average** was down 0.1%, finishing at 39,087.

The **S&P 500** increased 0.9% on the week, finishing at 5,137.

The **NASDAQ Composite** grew 1.7% this week, finishing at 16,275.

Yield on the **10-year Treasury** fell seven basis points during the week, ending at 4.19%.

**Crude oil** was up 4.5% on the week, ending at \$79.97 per barrel.

**Corn** was up 2.7% on the week, ending at \$4.25 per bushel.

**NASDAQ Highs:** Balchem Corporation, Costco Wholesale Corporation, Freshpet, Inc., Pilgrim's Pride Corporation, Potbelly Corporation, Sprouts Farmers Market, Inc., Village Super Market, Inc., Vital Farms, Inc., Wingstop Inc. **Lows:** Gladstone Land Corporation

**NYSE Highs:** Brinker International, Inc., Ingredion Incorporated, Performance Food Group Company, Shake Shack Inc., US Foods Holding Corp. **Lows:** None

### Featured Stocks of the Week:

**Sprouts Farmers Market, Inc. (NASDAQ: SFM)**  
10-Year History



**Costco Wholesale Corporation (NASDAQ: COST)**  
10-Year History



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# The Lakeshore Food Chain

Company Name	Price 3/1/24	Price Compared to 2/23/24	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	39,087	(0.1%)	39,132	31,819	3.7%	17.9%	NA			
S&P 500	5,137	0.9%	5,137	3,856	7.7%	33.8%	21.2			
NASDAQ Composite Index	16,275	1.7%	16,275	11,139	8.4%	55.5%	NA			
Russell 3000 Index	2,945	1.1%	2,945	2,225	7.2%	32.8%	NA			
Sector Average:					6.7%	35.0%				
<b>AGRICULTURAL LAND HOLDINGS</b>										
Farmland Partners Inc.	\$11.49	3.7%	\$13.27	\$9.44	(7.9%)	(7.8%)	NM	17.69x	31.8x	11.3x
Gladstone Land Corporation	13.13	0.8%	18.19	12.73	(9.1%)	(28.4%)	NM	11.94x	15.1	8.9
Limoneira Company	17.97	2.2%	21.62	13.88	(12.9%)	47.2%	90.8	2.15x	NM	NM
Sector Average:					(10.0%)	3.6%	90.8	10.60x	23.5	10.1
<b>INPUTS</b>										
American Vanguard Corporation	\$10.82	(1.0%)	\$22.58	\$8.41	(1.4%)	(50.2%)	16.4x	0.95x	11.8x	5.3x
* BASF SE	47.99	3.0%	50.92	40.25	(1.6%)	3.4%	13.3x	0.90x	9.2x	3.2x
* Bayer Aktiengesellschaft	28.33	(1.7%)	61.91	27.40	(15.8%)	(41.4%)	4.8x	1.38x	6.6x	4.6x
CF Industries Holdings, Inc.	82.50	2.6%	87.90	60.08	3.8%	(3.2%)	13.0x	2.92x	5.9x	1.0x
Corteva, Inc.	53.66	(2.3%)	64.04	43.22	12.0%	(8.7%)	18.9x	2.21x	11.1x	0.9x
FMC Corporation	57.31	9.4%	129.14	49.49	(9.1%)	(54.1%)	15.0x	2.45x	13.1x	4.9x
Intrepid Potash, Inc.	21.07	2.5%	34.44	17.23	(11.8%)	(27.0%)	NM	1.06x	4.5x	0.1x
The Mosaic Company	31.63	0.5%	57.46	29.25	(11.5%)	(27.9%)	10.6x	1.02x	5.3x	1.5x
* Nutrien Ltd.	70.84	(1.5%)	113.27	64.89	(5.1%)	(28.3%)	12.9x	1.36x	6.6x	2.2x
S&W Seed Company	0.52	(25.5%)	1.85	0.45	(25.6%)	(65.0%)	NM	1.22x	NM	NM
Zoetis Inc.	190.82	(3.2%)	201.92	151.03	(3.3%)	30.2%	33.0x	10.79x	25.8x	1.9x
Sector Average:					(6.3%)	(24.7%)	15.3x	1.55x	10.0x	2.6x
<b>AGRICULTURAL EQUIPMENT</b>										
* Ag Growth International Inc.	\$58.40	3.3%	\$63.40	\$47.07	15.6%	34.7%	10.7x	1.31x	9.5x	4.6x
AGCO Corporation	110.46	2.1%	145.53	105.77	(9.0%)	(20.4%)	8.5x	0.64x	4.3x	0.8x
Art's-Way Manufacturing Co., Inc.	1.98	(4.8%)	3.11	1.90	(4.3%)	2.6%	NA	0.60x	7.7x	3.5x
* Buhler Industries Inc.	2.17	0.0%	2.79	1.97	(11.1%)	12.4%	NA	0.47x	46.2x	35.7x
CNH Industrial N.V.	12.06	(1.3%)	17.06	9.77	(1.0%)	(24.9%)	7.8x	1.60x	11.2x	8.4x
Deere & Company	367.85	0.9%	450.00	345.55	(8.0%)	(14.2%)	13.7x	2.68x	9.8x	3.9x
Lindsay Corporation	120.50	(1.1%)	158.32	106.46	(6.7%)	(26.0%)	18.9x	1.96x	10.6x	1.1x
Titan Machinery Inc.	25.76	(0.7%)	47.87	21.44	(10.8%)	(35.2%)	5.7x	0.55x	6.9x	4.3x
Sector Average:					(4.4%)	(8.9%)	10.9x	1.22x	8.6x	3.8x
<b>AGRIBUSINESS</b>										
The Andersons, Inc.	\$55.46	5.1%	\$58.84	\$35.69	(3.6%)	58.5%	20.0x	0.14x	5.2x	1.7x
Archer-Daniels-Midland Company	54.24	1.5%	87.30	50.72	(24.9%)	(41.6%)	9.3x	0.38x	6.0x	1.7x
Bunge Global SA	93.11	(0.6%)	116.59	86.10	(7.8%)	(6.7%)	9.9x	0.28x	3.1x	1.1x
Ingredion Incorporated	117.13	1.9%	118.15	89.54	7.9%	19.6%	12.1x	1.19x	7.6x	1.9x
MGP Ingredients, Inc.	86.04	7.9%	124.96	75.78	(12.7%)	(19.1%)	14.0x	2.61x	10.7x	1.5x
* Olam Group Limited	0.98	4.8%	1.71	0.80	(5.8%)	(32.9%)	NA	0.35x	7.4x	7.2x
Sector Average:					(7.8%)	(3.7%)	13.1x	0.83x	6.7x	2.5x
<b>DIVERSIFIED FOODS</b>										
B&G Foods, Inc.	\$11.91	26.3%	\$16.68	\$7.20	13.4%	6.8%	13.8x	1.46x	9.1x	6.4x
Campbell Soup Company	42.87	1.0%	56.04	37.94	(0.8%)	(24.5%)	13.8x	1.90x	8.4x	2.4x
Conagra Brands, Inc.	27.78	(1.8%)	38.94	25.16	(3.1%)	(28.2%)	10.5x	1.84x	9.0x	4.0x
General Mills, Inc.	63.94	(2.1%)	90.89	60.33	(1.8%)	(23.7%)	14.1x	2.41x	11.2x	3.0x
The Hain Celestial Group, Inc.	9.41	(2.3%)	18.33	9.01	(14.1%)	(41.8%)	23.5x	0.95x	11.2x	5.9x
The J. M. Smucker Company	122.54	(2.7%)	159.92	107.33	(3.0%)	(22.7%)	12.3x	2.65x	11.3x	4.6x
Kellanova	54.83	(2.8%)	72.30	47.63	(1.9%)	(23.0%)	15.3x	1.91x	12.8x	3.3x
The Kraft Heinz Company	35.13	(2.6%)	41.47	30.68	(5.0%)	(13.7%)	11.6x	2.33x	8.6x	2.9x
Lancaster Colony Corporation	206.25	3.2%	220.65	158.88	24.0%	4.5%	30.8x	2.98x	21.5x	0.1x
Mondelez International, Inc.	72.37	(2.2%)	78.59	60.75	(0.1%)	8.6%	20.6x	3.21x	13.9x	2.5x
* Nestlé S.A.	92.54	(2.9%)	116.84	91.01	(5.1%)	(13.6%)	18.4x	3.13x	14.7x	2.9x
* Nomad Foods Limited	19.50	4.9%	19.76	13.56	15.0%	13.1%	10.1x	1.53x	9.2x	4.2x
Post Holdings, Inc.	104.29	(1.5%)	107.00	78.85	18.4%	15.5%	18.7x	1.69x	10.3x	5.2x
The Simply Good Foods Company	35.15	(1.2%)	43.00	31.06	(11.2%)	(7.6%)	18.8x	2.96x	15.3x	1.3x
Sovos Brands, Inc.	22.77	0.9%	22.81	12.82	3.4%	58.5%	24.9x	2.53x	16.8x	3.2x
SunOpta Inc.	9.19	18.7%	11.94	3.82	27.1%	(19.2%)	NA	1.92x	16.2x	5.3x
TreeHouse Foods, Inc.	35.39	(3.6%)	55.30	35.01	(14.6%)	(28.3%)	15.7x	0.93x	7.9x	3.9x
Unilever PLC	45.17	(3.6%)	50.93	42.97	3.0%	(3.6%)	NA	2.31x	11.6x	2.5x
Utz Brands, Inc.	17.52	(8.5%)	19.21	11.17	7.9%	10.5%	25.6x	2.14x	22.6x	7.3x
WK Kellogg Co	14.72	1.1%	21.00	9.66	12.0%	NA	9.7x	0.61x	10.7x	3.2x
Sector Average:					2.7%	(7.0%)	17.6x	2.15x	12.7x	3.7x

Company Name	Price 3/1/24	Price Compared to 2/23/24	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.	\$2.22	1.4%	\$4.98	\$1.20	(16.5%)	(22.9%)	NM	0.19x	NM	NM	
Green Plains Inc.	21.26	(3.6%)	36.02	19.44	(15.7%)	(30.3%)	24.7x	0.56x	29.4x	10.9x	
REX American Resources Corporation	43.30	(0.1%)	51.19	27.42	(8.5%)	35.9%	18.0x	0.61x	5.7x	0.2x	
Sector Average:					(13.6%)	(5.8%)	21.4x	0.45x	17.5x	5.5x	
<b>FRUIT &amp; VEGETABLE</b>											
Calavo Growers, Inc.	\$28.90	2.0%	\$38.97	\$21.42	(1.7%)	(1.7%)	22.8x	0.63x	18.3x	2.9x	
Dole plc	11.69	5.2%	14.01	10.55	(4.9%)	21.1%	9.8x	0.29x	5.3x	3.2x	
Fresh Del Monte Produce Inc.	24.37	1.9%	32.31	21.41	(7.2%)	(6.9%)	10.3x	0.40x	5.2x	1.8x	
Lamb Weston Holdings, Inc.	102.05	(0.6%)	117.38	81.26	(5.6%)	14.2%	16.2x	2.88x	10.0x	2.5x	
Mission Produce, Inc.	10.73	1.6%	13.99	8.19	6.3%	(7.7%)	39.0x	1.04x	13.6x	3.6x	
Seneca Foods Corporation	51.85	10.8%	59.99	32.50	(1.1%)	(14.9%)	NA	0.69x	8.5x	5.5x	
Sector Average:					(2.4%)	0.7%	19.6x	0.99x	10.1x	3.3x	
<b>PROTEIN</b>											
Beyond Meat, Inc.	\$9.77	25.1%	\$19.25	\$5.58	9.8%	(20.6%)	NM	4.83x	NM	NM	
Cal-Maine Foods, Inc.	55.80	(2.8%)	61.91	42.25	(2.8%)	2.5%	18.5x	0.81x	3.3x	NA	
Darling Ingredients Inc.	43.67	3.2%	71.60	38.97	(12.4%)	(30.2%)	12.4x	1.70x	7.4x	3.9x	
Hormel Foods Corporation	33.37	9.4%	41.73	28.51	3.9%	(26.7%)	20.8x	1.70x	10.9x	1.8x	
* JBS S.A.	22.51	5.9%	25.33	15.12	(9.6%)	2.4%	12.2x	0.41x	8.9x	7.3x	
Nathan's Famous, Inc.	69.81	0.9%	83.00	61.35	(10.5%)	3.9%	NA	2.44x	9.2x	1.8x	
Pilgrim's Pride Corporation	32.09	11.2%	32.63	19.96	16.0%	35.2%	11.4x	0.61x	8.7x	3.0x	
Seaboard Corporation	3317.49	(1.6%)	4080.11	3254.88	(7.1%)	(12.1%)	NA	0.42x	7.9x	4.5x	
Tyson Foods, Inc.	53.20	(1.1%)	63.28	44.94	(1.0%)	(14.5%)	20.3x	0.51x	9.5x	3.4x	
Vital Farms, Inc.	18.26	8.4%	18.45	10.00	16.4%	22.4%	33.9x	1.52x	3.0x	0.1x	
Sector Average:					0.3%	(3.8%)	15.9x	1.13x	7.6x	3.2x	
<b>BAKING &amp; INGREDIENTS</b>											
Balchem Corporation	\$156.93	0.0%	\$158.27	\$110.74	5.5%	28.5%	36.8x	5.78x	24.6x	1.5x	
Flowers Foods, Inc.	22.23	(3.4%)	29.10	19.64	(1.2%)	(22.7%)	18.0x	1.18x	10.2x	2.3x	
* Gruma, S.A.B. de C.V.	302.62	0.9%	337.70	249.47	(2.7%)	16.1%	14.0x	1.23x	8.1x	1.9x	
* Grupo Bimbo, S.A.B. de C.V.	71.68	(2.6%)	103.41	69.39	(16.6%)	(13.0%)	17.8x	1.12x	7.7x	2.4x	
J&J Snack Foods Corp.	142.94	(0.7%)	177.71	138.17	(14.5%)	(4.5%)	27.5x	1.84x	14.7x	0.8x	
* Kerry Group plc	81.24	(0.6%)	100.00	71.08	3.3%	(3.6%)	17.7x	1.96x	13.9x	2.2x	
Krispy Kreme, Inc.	12.47	(6.7%)	16.22	11.52	(17.4%)	20.8%	43.1x	2.11x	13.2x	5.2x	
McCormick & Company, Incorporated	67.81	(0.4%)	94.39	59.13	(0.9%)	(18.2%)	23.9x	3.41x	16.9x	3.6x	
* Tate & Lyle plc	6.05	(1.4%)	8.38	5.93	(8.2%)	(14.9%)	10.9x	1.51x	8.0x	2.1x	
Sector Average:					(5.9%)	(1.3%)	23.3x	2.24x	13.0x	2.4x	
<b>CANDY, NUTS, &amp; SNACKS</b>											
Bridgford Foods Corporation	\$10.45	(1.0%)	\$14.51	\$10.03	(5.0%)	(12.3%)	NA	0.34x	6.2x	0.5x	
The Hershey Company	188.05	(3.0%)	276.88	178.82	0.9%	(18.8%)	19.5x	3.86x	14.4x	1.7x	
John B. Sanfilippo & Son, Inc.	100.47	1.3%	127.26	87.38	(2.5%)	23.5%	NA	1.21x	10.5x	0.4x	
Laird Superfood, Inc.	0.82	12.2%	1.44	0.65	(10.0%)	(2.5%)	NM	0.02x	NM	NM	
Rocky Mountain Chocolate Factory, Inc.	4.10	(2.4%)	5.99	3.72	(10.9%)	(28.1%)	NA	0.93x	NM	NM	
Tootsie Roll Industries, Inc.	32.53	3.1%	45.98	29.07	(2.1%)	(21.3%)	NA	2.64x	14.8x	0.1x	
Sector Average:					(4.9%)	(9.9%)	19.5x	1.50x	11.5x	0.7x	
<b>PET FOOD AND PRODUCTS</b>											
Central Garden & Pet Company	\$43.97	1.9%	\$51.71	\$35.60	(12.3%)	17.4%	17.6x	1.06x	8.6x	3.3x	
Freshpet, Inc.	110.80	20.4%	114.31	45.13	27.7%	110.0%	NM	7.14x	190.1x	13.8x	
Sector Average:					7.7%	63.7%	17.6x	4.10x	99.3x	8.6x	
<b>WINE &amp; BEVERAGE</b>											
The Boston Beer Company, Inc.	\$304.48	(14.1%)	\$395.52	\$296.27	(11.9%)	(7.6%)	29.9x	1.68x	15.4x	0.2x	
Brown-Forman Corporation	60.37	5.0%	71.27	52.59	5.7%	(8.1%)	28.8x	7.37x	23.1x	2.3x	
The Coca-Cola Company	59.53	(2.7%)	64.99	51.55	1.0%	(6.4%)	21.2x	6.32x	17.5x	3.0x	
Constellation Brands, Inc.	250.00	1.1%	273.65	210.15	3.4%	7.9%	19.2x	5.87x	17.7x	3.1x	
Crimson Wine Group, Ltd.	5.85	0.2%	6.96	5.38	(0.9%)	4.2%	NA	1.53x	22.4x	3.6x	
* Diageo plc	29.64	(0.8%)	37.80	26.76	3.8%	(18.8%)	19.3x	4.94x	14.1x	3.2x	
Monster Beverage Corporation	58.79	6.3%	60.47	47.13	2.0%	15.8%	32.2x	8.11x	28.7x	NA	
National Beverage Corp.	51.62	1.0%	55.12	43.74	3.8%	10.9%	26.8x	3.91x	18.8x	0.2x	
PepsiCo, Inc.	164.59	(3.0%)	196.88	155.83	(3.1%)	(8.9%)	20.2x	2.88x	14.9x	2.7x	
Starbucks Corporation	93.16	(2.6%)	115.48	89.21	(3.0%)	(6.1%)	22.0x	3.45x	12.1x	2.4x	
Willamette Valley Vineyards, Inc.	5.25	1.2%	6.59	5.00	(2.0%)	(12.0%)	NA	2.17x	24.6x	5.6x	
Sector Average:					(0.1%)	(2.6%)	24.4x	4.39x	19.0x	2.6x	

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<b>DAIRY</b>										
* Danone S.A.	\$58.72	(3.3%)	\$63.80	\$50.59	0.1%	19.3%	16.6x	1.77x	9.7x	NA
Lifeway Foods, Inc.	12.32	17.2%	17.33	5.61	(8.1%)	122.0%	14.8x	1.13x	10.6x	0.4x
* Saputo Inc.	27.18	(3.2%)	36.75	25.75	1.3%	(18.9%)	15.3x	0.87x	10.3x	2.7x
Sector Average:					(2.3%)	40.8%	15.5x	1.26x	10.2x	1.5x
<b>WHOLESALE, FOOD SERVICE, &amp; DISTRIBUTION</b>										
The Chefs' Warehouse, Inc.	\$38.17	4.5%	\$38.57	\$17.29	29.7%	14.7%	29.5x	0.70x	10.6x	4.1x
Performance Food Group Company	76.78	1.5%	77.14	52.32	11.0%	31.5%	16.6x	0.31x	10.8x	3.2x
SpartanNash Company	20.77	(0.8%)	28.09	19.04	(9.5%)	(31.3%)	10.5x	0.16x	5.6x	3.1x
Sysco Corporation	79.96	(1.1%)	82.89	62.24	9.3%	4.6%	17.6x	0.67x	13.2x	3.3x
United Natural Foods, Inc.	15.38	(2.7%)	42.69	12.88	(5.2%)	(60.3%)	58.7x	0.15x	6.1x	4.9x
US Foods Holding Corp.	50.59	(0.9%)	51.77	33.96	11.4%	48.7%	16.2x	0.49x	11.5x	3.4x
Sector Average:					7.8%	1.3%	24.8x	0.41x	9.6x	3.7x
<b>MASS MERCHANDISE, CLUB STORES, &amp; DOLLAR STORES</b>										
BJ's Wholesale Club	\$71.47	(0.2%)	\$78.88	\$60.33	7.2%	8.0%	17.7x	0.64x	9.2x	2.3x
Costco Wholesale Corporation	749.44	1.6%	752.56	465.33	13.5%	64.2%	46.7x	1.32x	28.6x	0.8x
Dollar General Corporation	149.26	6.3%	222.99	101.09	9.8%	(39.4%)	20.9x	1.29x	8.9x	3.2x
Dollar Tree, Inc.	148.44	1.8%	161.10	102.77	4.5%	4.9%	21.4x	1.43x	9.2x	2.3x
Grocery Outlet Holding Corp.	26.38	1.5%	36.54	23.41	(2.2%)	(9.6%)	22.6x	0.98x	17.8x	6.4x
Walmart Inc.	58.76	0.4%	60.45	45.36	11.8%	24.3%	24.9x	0.82x	12.6x	1.5x
Sector Average:					7.5%	8.7%	25.7x	1.08x	14.4x	2.7x
<b>TRADITIONAL &amp; SPECIALTY RETAIL</b>										
Albertsons	\$20.25	(5.6%)	\$23.88	\$19.14	(12.0%)	(2.4%)	7.7x	0.33x	5.2x	2.9x
* Ahold Delhaize	27.48	(0.6%)	32.51	25.40	5.6%	2.4%	10.8x	0.46x	5.9x	2.6x
Amazon.com, Inc.	178.22	1.8%	178.73	88.12	17.3%	112.2%	42.5x	3.35x	19.6x	1.6x
Ingles Markets, Incorporated	76.27	(1.1%)	95.21	73.38	(11.7%)	(20.9%)	NA	0.30x	4.6x	1.6x
The Kroger Co.	49.16	2.0%	50.36	42.10	7.5%	10.3%	11.0x	0.36x	6.2x	2.3x
Natural Grocers by Vitamin Cottage, Inc.	16.49	7.7%	17.75	9.95	3.1%	80.4%	NA	0.64x	5.7x	2.9x
Sprouts Farmers Market, Inc.	63.39	6.3%	63.48	32.12	31.8%	95.8%	21.6x	1.15x	9.6x	2.0x
* Tesco PLC	2.78	(0.8%)	3.07	2.18	(4.4%)	23.8%	11.2x	0.45x	7.1x	3.6x
Village Super Market, Inc.	26.22	1.5%	27.59	20.25	(0.0%)	12.6%	NA	0.29x	4.1x	2.5x
Weis Markets, Inc.	64.24	4.6%	86.67	58.75	0.4%	(21.9%)	NA	0.35x	6.6x	0.8x
Sector Average:					3.8%	29.2%	17.5x	0.77x	7.5x	2.3x
<b>TRADITIONAL RESTAURANTS</b>										
Brinker International, Inc.	\$46.24	(0.1%)	\$47.43	\$28.23	7.1%	44.9%	11.7x	0.97x	6.3x	3.2x
The Cheesecake Factory Incorporated	35.41	(1.2%)	38.93	28.58	1.1%	11.7%	11.6x	1.05x	7.6x	3.9x
Cracker Barrel Old Country Store, Inc.	66.31	(5.9%)	121.17	62.69	(14.0%)	(30.0%)	13.8x	0.77x	7.8x	3.5x
Darden Restaurants, Inc.	171.29	1.1%	173.06	133.36	4.3%	23.8%	18.5x	2.48x	12.9x	3.3x
Dine Brands Global, Inc.	49.06	7.4%	75.46	42.00	(1.2%)	(24.1%)	7.5x	2.63x	9.7x	7.1x
Jack in the Box Inc.	74.62	5.3%	99.56	60.43	(8.6%)	9.4%	11.2x	2.78x	8.1x	5.6x
McDonald's Corporation	290.73	(2.4%)	302.39	245.73	(1.9%)	10.3%	23.4x	10.14x	16.8x	3.5x
Papa John's International, Inc.	69.94	(2.6%)	87.72	60.66	(8.3%)	(15.0%)	26.4x	1.51x	12.7x	3.8x
Texas Roadhouse, Inc.	149.60	0.5%	152.55	91.06	22.4%	64.5%	26.6x	2.31x	18.1x	1.3x
The Wendy's Company	18.02	(1.5%)	23.90	17.64	(7.5%)	(20.4%)	18.0x	3.36x	12.1x	6.9x
Yum! Brands, Inc.	137.42	(0.7%)	143.25	115.53	5.2%	7.3%	23.8x	7.09x	19.1x	4.6x
Sector Average:					(0.1%)	7.5%	17.5x	3.19x	11.9x	4.3x
<b>HIGH-GROWTH RESTAURANTS</b>										
Chipotle Mexican Grill, Inc.	\$2,688.78	1.6%	\$2,725.83	\$1,494.07	17.6%	93.8%	50.4x	7.75x	31.1x	1.6x
El Pollo Loco Holdings, Inc.	9.17	1.2%	12.29	8.11	4.0%	(7.9%)	13.6x	1.18x	7.2x	3.5x
Noodles & Company	2.51	(0.2%)	6.14	1.96	(20.5%)	(54.4%)	NM	0.77x	5.7x	4.2x
Potbelly Corporation	14.12	5.3%	14.14	7.12	35.5%	153.5%	71.5x	1.19x	7.3x	2.5x
Shake Shack Inc.	107.25	9.4%	107.41	52.01	44.7%	158.2%	159.6x	4.36x	24.9x	4.0x
Wingstop Inc.	366.28	8.1%	366.40	150.08	42.8%	166.2%	123.0x	24.75x	84.1x	5.4x
Sector Average:					20.7%	84.9%	83.6x	6.67x	26.7x	3.5x
<b>CANNABIS &amp; CBD</b>										
Canopy Growth Corporation	\$4.35	(4.6%)	\$31.45	\$4.28	(35.7%)	(86.1%)	NM	2.49x	NM	NM
Cronos Group Inc.	2.75	(9.2%)	3.57	2.15	(0.7%)	(20.1%)	NM	NM	NM	NM
Jones Soda Co.	0.23	(17.9%)	0.29	0.12	58.3%	(13.2%)	NA	1.07x	NM	NA
The Scotts Miracle-Gro Company	67.18	14.2%	86.77	43.67	5.4%	38.3%	23.2x	2.07x	19.9x	7.1x
Tilray Brands, Inc.	1.73	(1.7%)	3.40	1.50	(24.8%)	(35.7%)	NM	2.25x	NM	NM
Village Farms International, Inc.	0.76	(4.9%)	1.17	0.55	(0.1%)	(43.3%)	NM	0.47x	NM	NM
Sector Average:					0.4%	(26.7%)	23.2x	1.67x	19.9x	7.1x

**Notes:**

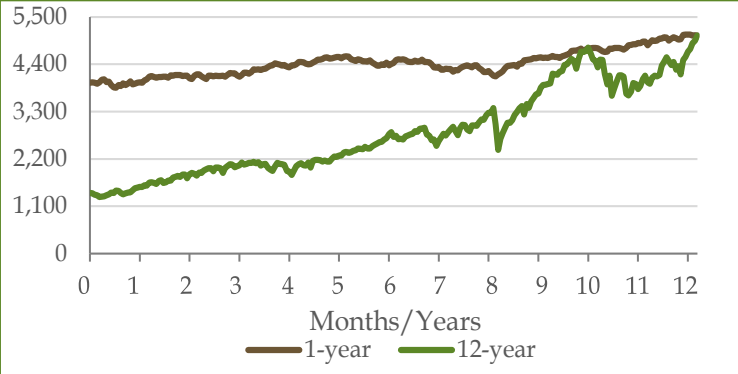
\* Denotes local currency.

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



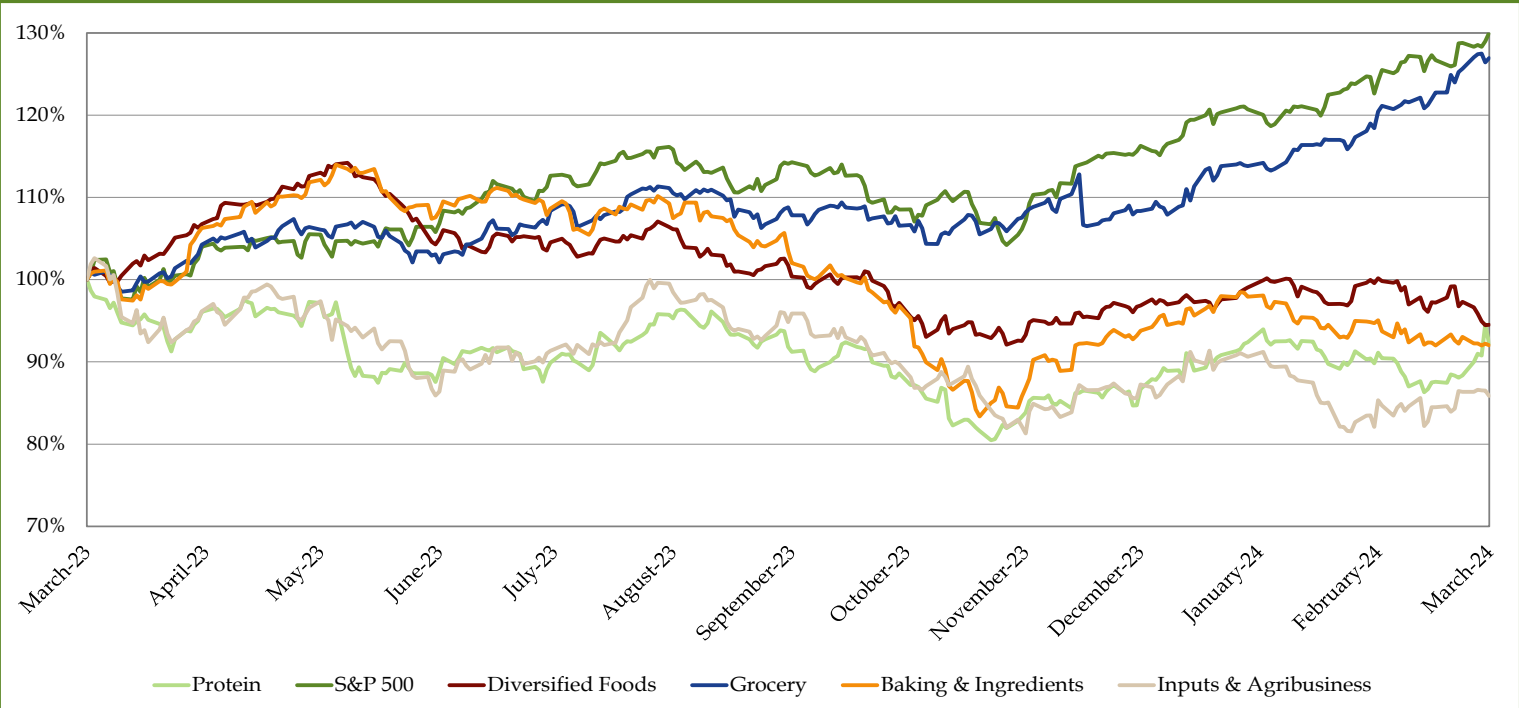
### 10-year Treasury



### CBOE Market Volatility Index - VIX



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



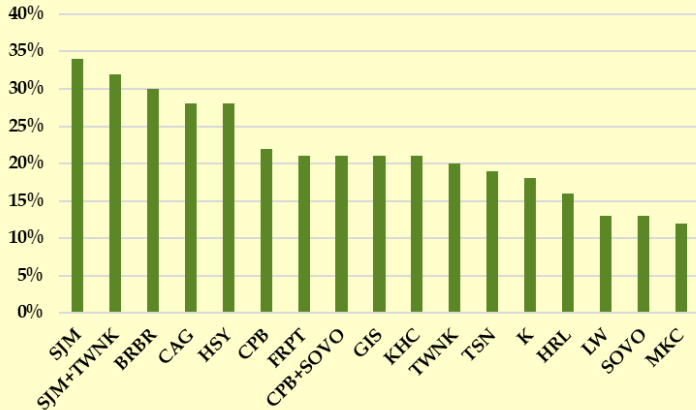
# Food For Thought...

Partner Column

Written by Mary Burke

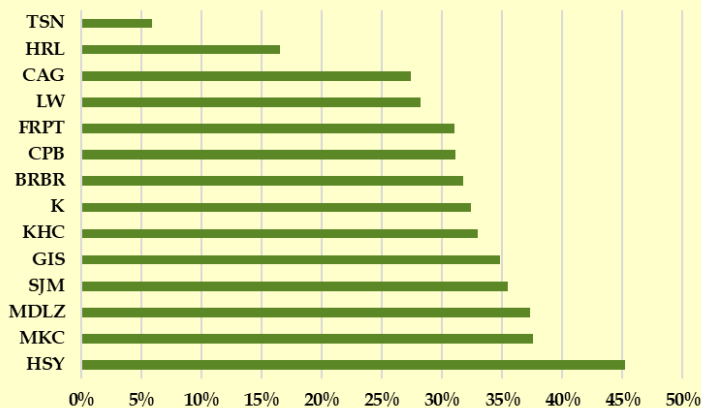
Customer concentration is a gray area- how much is too much and how much not enough? Everyone has a different opinion. The right answer some say is different for younger companies than more established ones. Below is what major CPG companies have with Walmart-the largest retail grocery seller in the US.

**Walmart's Share of Total Sales**



Also, in the world of comparing CPG companies, the chart below shows the gross margin, calculated equally for many of the companies. Selling in the retail channel has a large impact on this as well as cost management, obviously.

**CPG Companies' Gross Margin**



Source: Citigroup

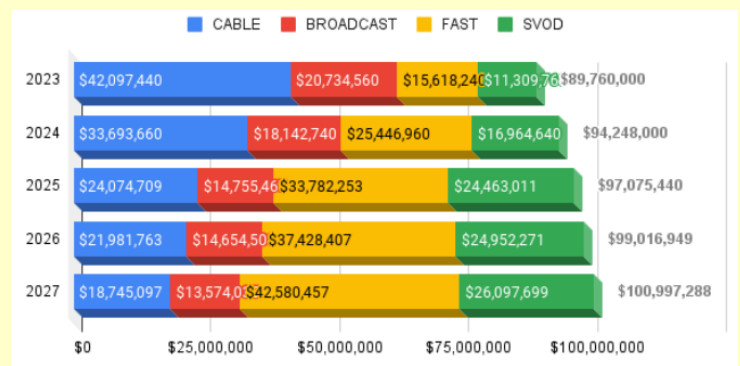
If you had said five years ago that 45% of Yum Brands system wide sales come through digital channels, I would have said no way. Consumer buy-in was not enough, not to mention that the technology was not there. For calendar year 2023, that is what they achieved. Being sticky or not sticky customers has not been reported yet, but that data is easy to calculate. It should be one of the measurements the company is judged on.

Starbucks' new approach to online ordering is rolling out with a number of stores now achieving over 80% of their sales through online ordering. The space needed for the stores is far less. From my experience they still need to work-out some kinks in the pick-up processes. It should be much more efficient for them once it is working correctly.

Speaking of bricks and mortar, Walmart commented that they will invest over \$9 billion within the next two years to upgrade and modernize more than 1,400 of their stores across the U.S. Their research states that almost 90% of the U.S. population lives with ten miles of a Walmart. These construction projects are investments in those communities they state. Today, Walmart owns 25.2% of all grocery dollars in the U.S., an increase of about 1.5% since 2021.

Lastly, the purchase by Walmart of Vizio is interesting and could be a game changer. Firstly, remember the original soap operas? They got their name because Proctor & Gamble and other health and beauty companies did all of the advertising on those and imbedded their products in the shows. What people see when they watch television has changed significantly since then. The acquisition was a play for advertising space. Vizio's TV service, SmartCast, is a Free Ad-Supported TV (FAST) service. While most FAST services are applications that can be downloaded to any Smart TV, SmartCast is only compatible with Vizio TVs. SmartCast gives you access to 260 free channels (supported by advertisements). The market for FAST service is expected to see rapid growth in coming years, surpassing Cable, Broadcast, and Subscription Video On Demand (SVOD) services like Netflix and Hulu. The chart below shows just how fast this expansion is expected to take place.

**Aggregate Ad Spend: Broadcast, Cable, SVOD, FAST 2023-2027**



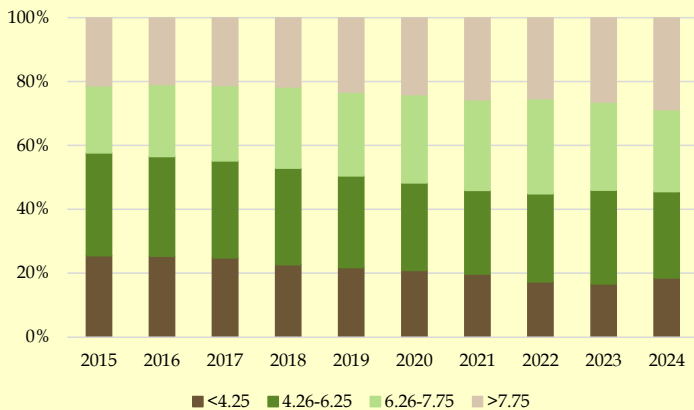
Have a good Week!

**Improving Chicken Margins Drive Pilgrim's Fourth Quarter Results.** Last week Pilgrim's Pride, the Greeley, CO-based chicken integrator, reported results for their fourth quarter of fiscal 2023. The company reported higher year-over-year revenue, gross profit, and EBITDA driven by stronger commodity market pricing and operational improvements.

The chicken industry has shown strength compared to a year ago, as demonstrated by Pilgrim's and Tyson's recently reported results. The improved margins in chicken processing have corresponded to higher pullet placements. Pilgrim's reported a 6.7% increase in eight-month placements as compared to the same period last year.

Commodity processors have been increasing the average size of the birds they process. Bigger chickens are cheaper to produce on a per pound basis than their lightweight counterparts. This trend is demonstrated by the below chart which shows Pilgrim's historical mix of birds processed by size.

**Chickens Processed by Size (2015-2024)**  
In Pounds



**Beyond Meat Sees 25% Weekly Stock Gain on the Back of Higher Volumes and a Strategic Review.** Last week, Beyond Meat, a manufacturer and marketer of plant-based meat alternatives, reported results for their fourth quarter of fiscal 2023. Despite year-over-year declines in sales and profit, the company's stock rose 25% this week corresponding to an announced strategic review that will eliminate a minimum of \$70 million from the company's operating budget.

Beyond's net revenue fell 7.8% to \$73.7 million in the fourth quarter, compared to the year-ago period. The decrease in revenue was driven by a 14.6% decline in average price per pound, partially offset by an 8.0% increase in net pounds sold. Lower prices were attributed to changes in product mix and

increased trade discounts. Volume growth was attributed to increased sales in foreign markets. U.S. sales volume declined.

**Strength in Bananas is Offset by Weakness in Cherries in Dole's Earnings.** Last week, Dole, a Dublin, Ireland headquartered fruit and vegetable grower, packer, processor, shipper, and marketer, reported financial results for their fourth quarter. The company reported stagnant results for the quarter as a result of strength in bananas and European vegetables being offset by weakness in cherries and berries.

The company reported global increases in bananas sold, lower volumes of pineapples sold at a higher price, lower volumes of cherries sold due to seasonal timing differences, and challenges in the U.S. berry market.

Dole's announcement additionally included:

- Dole's sale of its Fresh Vegetables division to Fresh Express is still under review by the FTC. In their report, Dole expressed concerns about the transaction gaining approval.
- The company agreed to sell a 65% stake in Progressive Produce to Arable Capital partners (discussed in further detail on the next page)

**High 2023 Farm Incomes Drive Farmland Partner's 2023 Results.** Last week, Farmland Partners, an agricultural land holdings REIT, announced earnings for their fourth quarter of fiscal 2023. The company reported record net income on the back of strong farm income and increased farmland values.

Farmland announced an average rent increase of over 20% in 2023 as the farm economy saw record-high levels of farmer income.

The company was a net seller in 2023, disposing of over 74 unique properties for approximately \$195.5 million, compared to only four acquisitions at a total cost of \$22.2 million. The disparity between Farmland's divestments and acquisitions demonstrates the strength in farmland values in 2023, driven by high commodity crop prices. Lower anticipated crop prices for the 2024 growing season have negatively impacted anticipated farm incomes for the year.

To note, farmers in the Midwest will begin to plant in mid-April. With lower crop prices, expect farmers to tighten up fertilizer applications, lowering yield and potentially land value.

## Heard on the Street...

**Maricopa Orchards and Touchstone Pistachio Seek New Owner.** Last week, it was announced that the family owners of Maricopa Orchards and Touchstone Pistachio are looking to divest. The assets include over 52,000 acres of pistachio and almond land, a processing facility in Terra Bella, CA, and a planned processing facility in Fresno County, CA. The planned sale corresponds to the declining health of Farid Assemi, the family's patriarch.

The Terra Bella facility can hull and process over 75 million pounds of pistachios per year and has 73 million pounds of storage capacity. The 52,000 acres of land are all located in California and spread across seven water districts, all in the Central Valley.

The assets are reportedly worth \$2 billion, and the family will look to sell the companies as a whole or the individual assets.

Maricopa and Touchstone mark the third major CA grower to go on the market in the recent past.

Owner	Crop Type	Acres	Rationale
Prima Wawona	Stone fruit	13,400	Bankruptcy
Trinitas	Almonds	7,856	Bankruptcy
Maricopa/ Touchstone	Almonds & pistachios	52,000	Sale process

**Driscoll's Acquires Significant Stake in Costa Group.** Last week, Paine Schwartz Partners completed its take-private transaction for Costa Group. As part of the closing, it was announced that Driscoll's, the CA-based leader in fresh berries, would acquire a significant stake in the newly private entity.

While Driscoll's is new to Costa's cap table, the two companies have a longstanding relationship. Costa and Driscoll's equally own a joint venture in Australia, which is the country's largest marketer of blueberries, raspberries, strawberries, and blackberries. Additionally, the companies have jointly owned berry production assets in China.

As part of the transaction, Driscoll's is looking to strengthen its position in the global market and expand its use of Costa-owned genetics for blueberries that Driscoll's grows in the United States.

Currently, Costa has a network of growing and marketing operations that span Australia, China, Morocco, and South Africa. The company produces a wide array of fresh fruits and vegetables including blueberries, glasshouse tomatoes, citrus, avocados, mushrooms, and table grapes. Driscoll's offerings currently include strawberries, blueberries, raspberries, and blackberries, which are grown in the United States and Mexico. The ownership position diversifies Driscoll's product offerings as well as geography.

**Harwood Equity Acquires Crest Foods.** Last week, Harwood Equity, a private equity fund manager, announced they had acquired Crest Foods. Crest is a supplier and manufacturer of dairy stabilizers and branded and private label dry food products.

Crest develops stabilizer formulations and recipes for dairy products across cottage cheese, cream cheese, yogurt, and dairy protein, as well as plant-based beverages. The company additionally provides contract manufacturing and packaging services.

Terms of the transaction were not announced.

**FTC Sues to Block Kroger-Albertsons.** Last week, the Federal Trade Commission filed a lawsuit to block the proposed merger of Kroger and Albertsons. Lakeshore has previously reported on this proposed merger and the hurdles it will have to overcome to see a successful close.

**Dole Sells 65% Stake in Progressive Produce to Arable Capital Partners.** Last week, Dole Plc announced that it had divested a 65% stake in Progressive Produce to Arable Capital Partners. The sale generated \$120.25 million in proceeds for Dole, which will be used to reduce debt. The transaction implies an equity value of \$185 million and Equity Value/Revenue multiple of 0.46x.

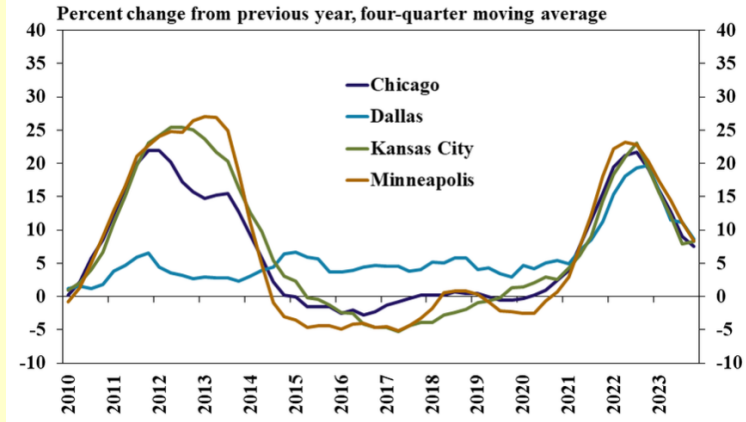
Progressive Produce is a grower, packer, shipper of conventional and organic produce to the retail, wholesale, and foodservice sectors. The company's annual sales are approximately \$400 million.

Arable made the acquisition through its portfolio company, Pacific Trellis Fruit. Pacific Trellis is a grower and packer of melons, grapes, citrus, cherries, and stone fruit with operations in California, Arizona, New Jersey, and Latin America.



Despite elevated interest rates and a decrease in average farm income, national farmland has continued to increase in value. Farmland valuations have seen remarkable growth since the beginning of 2021, but as seen below, the rate of increase has begun to cool as high interest rates weigh on valuations and profit margins have eroded.

## Nonirrigated Cropland Values

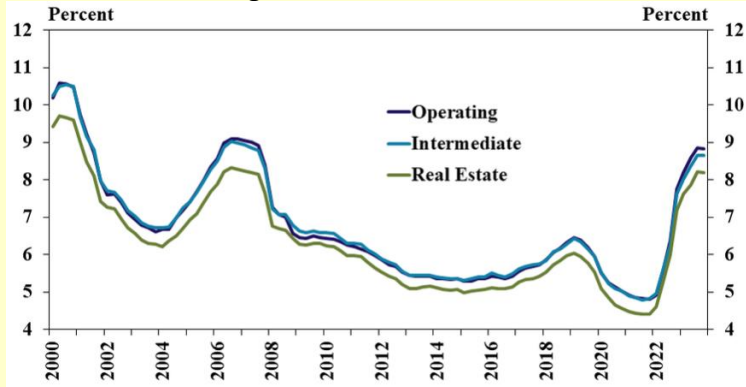


Source: Federal Reserve District Surveys of Agricultural Credit Conditions

While farmland valuations have remained strong across the country, looking deeper on a region-by-region basis tells a slightly different story. Nonirrigated farmland in midwest states like Indiana and Nebraska has seen significant double-digit increases, while weather challenges have caused the southeast to lag behind.

Coinciding with the slowdown in farmland value growth, interest rates on farm loans have skyrocketed since the beginning of 2022. In the most recent quarter, the average interest rate on all farm loans remained relatively flat; however, it remains at its highest level since late 2007.

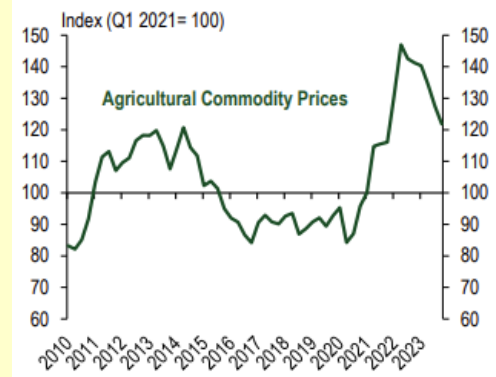
## Average Farm Loan Interest Rates



Source: Federal Reserve District Surveys of Agricultural Credit Conditions

Agriculture profits generally moderated through 2023 thanks to lower commodity prices. In the last 12 months, agricultural prices have fallen around 15% to their lowest level since 2022, with corn, soybeans, and wheat being hit the hardest.

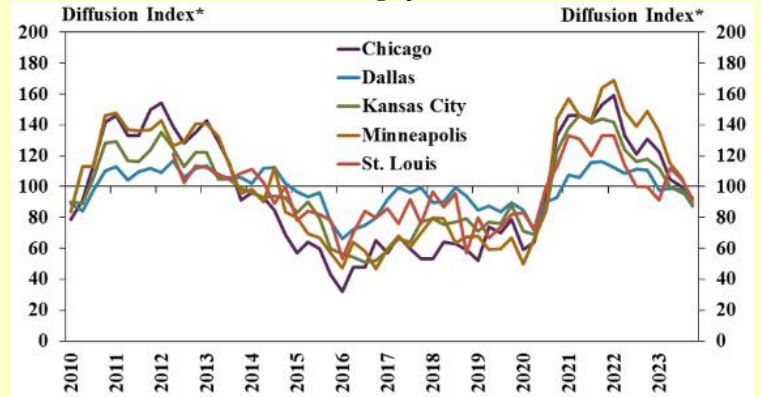
## U.S. Agricultural Price Index



Source: Federal Reserve Bank of Kansas City Fourth Quarter 2023 Ag Bulletin

The chart above depicts the precipitous fall in agriculture prices over the last two years. Lower selling prices have decreased farmers' cash on hand and forced them to be more stingy with their available capital left on hand. All of this translates to a reduced ability of farmers to pay down their debt. Gone are the days of 2021 and 2022, when farmers could get ahead on their loan repayments.

## Farm Loan Repayment Rates



Source: Federal Reserve District Surveys of Agricultural Credit Conditions

Coinciding with the story we have told throughout the article, farm loan repayment rates have slowed compared to a year ago as interest rates and falling profits eat up farmers' excess capital. However, delinquency rates on farm loans have remained low, indicating farmers still have enough capital to remain solvent.

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

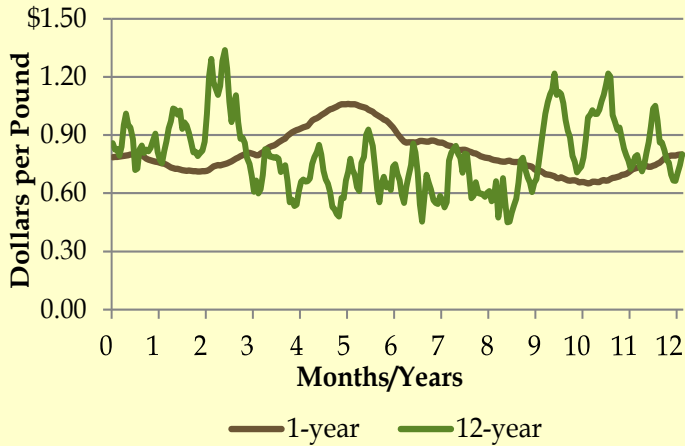
## Corn



## Wheat



## Hogs



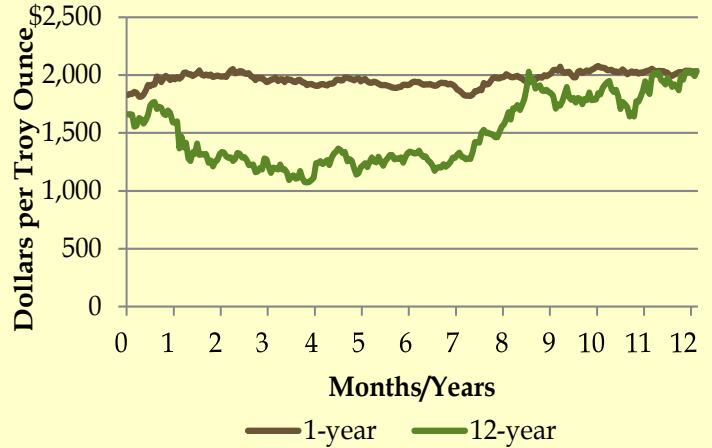
## Broilers



## Cocoa



## Gold



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

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

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