



# LAKE SHORE

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



## Weekly Update

Monday, April 15<sup>th</sup>, 2024

**CPI Data Shows Persistent Inflation.** In March, the consumer price index surged beyond expectations, indicating a faster pace of inflation and diminishing prospects for near-term interest rate cuts by the Federal Reserve. The CPI increased by 0.4% for the month, raising the 12-month inflation rate to 3.5%, exceeding economists' forecasts. Excluding volatile food and energy prices, the core CPI also rose 3.8% on the year, with stocks declining and Treasury yields rising sharply in response to the report.

The **Dow Jones Industrial Average** fell 2.4%, finishing at 37,983.

The **S&P 500** was down 1.6% on the week, finishing at 5,123.

The **NASDAQ Composite** decreased 0.5% this week, finishing at 16,175.

Yield on the **10-year Treasury** increased 11 basis points during the week, ending at 4.50%.

**Crude oil** decreased 2.8% on the week, ending at \$84.45 per barrel.

**Corn** rose 1.6% on the week, ending at \$4.41 per bushel.

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**NASDAQ Highs:** Freshpet, Inc., Lifeway Foods, Inc., Pilgrim's Pride Corporation, Vital Farms, Inc. **Lows:** Gladstone Land Corporation, The Hain Celestial Group, Inc., J&J Snack Foods Corp., Jack in the Box Inc., Noodles & Company, SpartanNash Company, Starbucks Corporation, Willamette Valley Vineyards, Inc.

**NYSE Highs:** Constellation Brands, Inc., WK Kellogg Co **Lows:** The Boston Beer Company, Inc., Brown-Forman Corporation, Lamb Weston Holdings, Inc., Seaboard Corporation, United Natural Foods, Inc., Zoetis Inc.

### Featured Stocks of the Week:

Lamb Weston Holdings, Inc. (NYSE: LW) 7-Year History



Pilgrim's Pride Corporation (NASDAQ: PPC) 10-Year History



# The Lakeshore Food Chain

Company Name	Price 4/12/24	Price Compared to 4/5/24	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	37,983	(2.4%)	39,807	32,418	0.8%	14.6%	NA			
S&P 500	5,123	(1.6%)	5,254	4,056	7.4%	33.4%	21.6			
NASDAQ Composite Index	16,175	(0.5%)	16,442	11,799	7.8%	54.5%	NA			
Russell 3000 Index	2,930	(1.7%)	3,013	2,326	6.6%	32.1%	NA			
Sector Average:					5.6%	33.7%				
<b>AGRICULTURAL LAND HOLDINGS</b>										
Farmland Partners Inc.	\$10.50	(1.7%)	\$13.27	\$9.96	(15.9%)	(15.7%)	NM	16.90x	30.7x	11.4x
Gladstone Land Corporation	12.89	(0.8%)	17.48	12.72	(10.8%)	(29.8%)	NM	11.85x	15.0	8.9
Limoneira Company	19.30	(1.2%)	21.62	13.88	(6.4%)	58.1%	120.1	2.34x	NM	NM
Sector Average:					(11.0%)	4.2%	120.1	10.36x	22.9	10.2
<b>INPUTS</b>										
American Vanguard Corporation	\$11.69	(6.4%)	\$21.86	\$8.41	6.6%	(46.2%)	15.2x	0.84x	9.0x	3.0x
* BASF SE	51.65	(4.0%)	54.93	40.25	5.9%	11.3%	14.3x	0.94x	9.7x	3.2x
* Bayer Aktiengesellschaft	26.97	(1.7%)	61.91	24.96	(19.8%)	(44.2%)	5.2x	1.28x	5.3x	3.8x
CF Industries Holdings, Inc.	78.10	(8.2%)	87.90	60.08	(1.8%)	(8.3%)	12.4x	2.79x	5.7x	1.0x
Corteva, Inc.	53.76	(5.4%)	63.37	43.22	12.2%	(8.5%)	19.0x	2.21x	11.1x	0.9x
FMC Corporation	56.75	(3.4%)	125.20	49.49	(10.0%)	(54.5%)	14.8x	2.43x	12.0x	4.5x
Intrepid Potash, Inc.	20.41	(4.9%)	28.35	17.23	(14.6%)	(29.3%)	NM	1.10x	5.3x	0.2x
The Mosaic Company	31.12	(5.6%)	48.92	29.25	(12.9%)	(29.1%)	10.4x	1.04x	5.4x	1.7x
* Nutrien Ltd.	72.92	(5.4%)	100.77	64.89	(2.3%)	(26.2%)	13.2x	1.39x	6.7x	2.2x
S&W Seed Company	0.42	(11.6%)	1.44	0.41	(39.6%)	(71.6%)	NM	1.16x	NM	NM
Zoetis Inc.	149.98	(9.6%)	201.92	148.48	(24.0%)	2.3%	25.9x	8.58x	20.5x	1.9x
Sector Average:					(9.1%)	(27.7%)	14.5x	1.52x	9.1x	2.2x
<b>AGRICULTURAL EQUIPMENT</b>										
* Ag Growth International Inc.	\$61.00	(2.2%)	\$64.51	\$47.07	20.7%	40.7%	10.1x	1.30x	8.6x	3.9x
AGCO Corporation	120.01	(1.9%)	140.46	105.77	(1.2%)	(13.5%)	9.3x	0.69x	4.6x	0.8x
Art's-Way Manufacturing Co., Inc.	1.98	(1.5%)	3.11	1.85	(4.3%)	2.6%	NA	0.64x	12.9x	6.0x
* Buhler Industries Inc.	2.29	6.0%	2.79	1.97	(6.1%)	18.7%	NA	0.51x	NM	NM
CNH Industrial N.V.	12.63	(1.5%)	15.74	9.77	3.7%	(21.4%)	8.2x	1.62x	10.8x	8.1x
Deere & Company	397.27	(3.7%)	450.00	345.55	(0.7%)	(7.3%)	14.8x	2.81x	10.3x	3.9x
Lindsay Corporation	114.53	(1.5%)	137.31	106.46	(11.3%)	(29.7%)	22.0x	1.94x	10.7x	1.2x
Titan Machinery Inc.	23.39	(0.9%)	35.88	21.44	(19.0%)	(41.1%)	7.2x	0.57x	7.3x	5.1x
Sector Average:					(2.3%)	(6.4%)	11.9x	1.26x	9.3x	4.1x
<b>AGRIBUSINESS</b>										
The Andersons, Inc.	\$57.51	0.1%	\$58.84	\$35.69	(0.1%)	64.4%	19.4x	0.15x	5.4x	1.7x
Archer-Daniels-Midland Company	60.97	(3.9%)	87.30	50.72	(15.6%)	(34.3%)	10.9x	0.42x	6.5x	1.7x
Bunge Global SA	103.77	(2.9%)	116.59	86.10	2.8%	4.0%	11.0x	0.31x	3.6x	1.1x
Ingredion Incorporated	110.15	(3.7%)	118.83	89.54	1.5%	12.5%	11.4x	1.14x	7.3x	1.9x
MGP Ingredients, Inc.	77.60	(4.0%)	124.96	75.78	(21.2%)	(27.1%)	12.6x	2.38x	9.8x	1.5x
* Olam Group Limited	1.20	5.3%	1.65	0.80	15.4%	(17.8%)	NA	0.37x	7.7x	7.2x
Sector Average:					(2.9%)	0.3%	13.1x	0.79x	6.7x	2.5x
<b>DIVERSIFIED FOODS</b>										
B&G Foods, Inc.	\$10.66	(3.3%)	\$16.68	\$7.20	1.5%	(4.4%)	12.4x	1.42x	8.8x	6.4x
Campbell Soup Company	42.31	(2.3%)	55.52	37.94	(2.1%)	(25.4%)	13.6x	1.86x	8.2x	2.3x
Conagra Brands, Inc.	29.31	(5.7%)	38.73	25.16	2.3%	(24.3%)	10.9x	1.87x	9.3x	3.9x
General Mills, Inc.	66.20	(5.1%)	90.89	60.33	1.6%	(21.0%)	14.4x	2.46x	10.9x	2.8x
The Hain Celestial Group, Inc.	6.08	(6.2%)	18.33	6.07	(44.5%)	(62.4%)	15.5x	0.78x	9.2x	5.9x
The J. M. Smucker Company	109.61	(6.5%)	159.92	107.33	(13.3%)	(30.8%)	11.0x	2.48x	10.6x	4.6x
Kellanova	55.42	(3.5%)	72.30	47.63	(0.9%)	(22.2%)	15.5x	1.93x	12.9x	3.3x
The Kraft Heinz Company	35.94	(3.0%)	41.47	30.68	(2.8%)	(11.7%)	11.8x	2.37x	8.8x	2.9x
Lancaster Colony Corporation	196.11	(4.0%)	220.65	158.88	17.9%	(0.6%)	29.3x	2.83x	20.4x	0.1x
Mondelez International, Inc.	66.69	(1.9%)	78.59	60.75	(7.9%)	0.1%	19.0x	3.00x	12.9x	2.5x
* Nestlé S.A.	93.04	0.1%	116.84	91.01	(4.6%)	(13.2%)	18.4x	3.15x	14.8x	2.9x
* Nomad Foods Limited	18.38	(3.2%)	20.05	13.56	8.4%	6.6%	9.8x	1.46x	8.9x	4.3x
Post Holdings, Inc.	99.95	(2.0%)	107.67	78.85	13.5%	10.7%	18.0x	1.66x	10.1x	5.2x
The Simply Good Foods Company	31.90	(0.9%)	43.00	30.00	(19.4%)	(16.1%)	16.9x	2.63x	13.5x	1.1x
SunOpta Inc.	8.29	(6.1%)	11.58	3.82	14.7%	(27.2%)	NA	1.79x	14.5x	5.1x
TreeHouse Foods, Inc.	36.32	(3.1%)	55.30	34.76	(12.4%)	(26.4%)	16.2x	0.94x	8.0x	3.9x
Unilever PLC	44.47	(0.8%)	50.93	42.97	1.4%	(5.1%)	NA	2.28x	11.6x	2.6x
Utz Brands, Inc.	17.15	(1.0%)	19.21	11.17	5.6%	8.1%	25.7x	2.12x	22.4x	7.3x
WK Kellogg Co	20.92	3.9%	21.80	9.66	59.2%	NA	13.3x	0.80x	6.7x	1.6x
Sector Average:					(2.3%)	(14.7%)	16.1x	2.06x	12.0x	3.7x

Company Name	Price 4/12/24	Price Compared to 4/5/24	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.	\$2.07	(6.3%)	\$4.98	\$1.20	(22.2%)	(28.1%)	NM	0.19x	18.3x	8.3x
Green Plains Inc.	21.93	(6.4%)	36.02	19.44	(13.0%)	(28.1%)	29.8x	0.57x	30.2x	10.9x
REX American Resources Corporation	56.72	(3.5%)	60.79	27.47	19.9%	78.0%	32.0x	0.84x	6.5x	0.1x
Sector Average:					(5.1%)	7.3%	30.9x	0.53x	18.4x	6.4x
<b>FRUIT &amp; VEGETABLE</b>										
Calavo Growers, Inc.	\$24.44	(4.5%)	\$38.97	\$21.42	(16.9%)	(16.9%)	18.0x	0.52x	15.1x	2.1x
Dole plc	11.67	(0.3%)	14.01	10.55	(5.0%)	20.9%	9.8x	0.29x	5.5x	3.4x
Fresh Del Monte Produce Inc.	24.93	(1.8%)	30.30	21.41	(5.0%)	(4.8%)	10.6x	0.41x	5.3x	1.8x
Lamb Weston Holdings, Inc.	79.77	(0.0%)	117.38	77.41	(26.2%)	(10.7%)	13.0x	2.34x	8.3x	2.7x
Mission Produce, Inc.	11.33	(4.1%)	13.99	8.19	12.3%	(2.5%)	36.5x	1.05x	10.9x	2.8x
Seneca Foods Corporation	55.64	(0.2%)	59.99	32.50	6.1%	(8.7%)	NA	0.72x	8.8x	5.5x
Sector Average:					(5.8%)	(3.8%)	17.6x	0.89x	9.0x	3.0x
<b>PROTEIN</b>										
Beyond Meat, Inc.	\$6.64	(10.4%)	\$19.25	\$5.58	(25.4%)	(46.1%)	NM	4.24x	NM	NM
Cal-Maine Foods, Inc.	60.46	(3.9%)	64.76	42.25	5.3%	11.0%	15.5x	0.95x	5.6x	NA
Darling Ingredients Inc.	44.39	(0.6%)	71.60	38.97	(10.9%)	(29.1%)	12.9x	1.72x	7.5x	3.9x
Hormel Foods Corporation	33.93	(2.2%)	41.73	28.51	5.7%	(25.5%)	21.2x	1.72x	11.0x	1.8x
* JBS S.A.	22.10	4.0%	25.33	15.12	(11.3%)	0.5%	11.9x	0.39x	8.5x	6.7x
Nathan's Famous, Inc.	66.29	(2.4%)	83.00	61.35	(15.0%)	(1.4%)	NA	2.34x	8.8x	1.8x
Pilgrim's Pride Corporation	35.14	0.2%	36.15	19.96	27.0%	48.1%	12.0x	0.65x	9.3x	3.0x
Seaboard Corporation	3102.02	(2.4%)	4080.11	3060.00	(13.1%)	(17.8%)	NA	0.40x	7.5x	4.5x
Tyson Foods, Inc.	57.78	(2.2%)	63.28	44.94	7.5%	(7.2%)	21.4x	0.54x	10.1x	3.4x
Vital Farms, Inc.	25.07	(1.4%)	25.79	10.00	59.8%	68.0%	35.5x	2.02x	3.8x	0.1x
Sector Average:					3.0%	0.1%	15.8x	1.19x	8.0x	3.1x
<b>BAKING &amp; INGREDIENTS</b>										
Balchem Corporation	\$147.90	(1.6%)	\$159.52	\$110.74	(0.6%)	21.1%	34.6x	5.46x	23.3x	1.5x
Flowers Foods, Inc.	22.62	(2.4%)	29.10	19.64	0.5%	(21.3%)	18.3x	1.20x	10.4x	2.3x
* Gruma, S.A.B. de C.V.	320.20	(1.5%)	337.70	253.56	2.9%	22.8%	14.8x	1.29x	8.4x	1.9x
* Grupo Bimbo, S.A.B. de C.V.	69.26	(5.7%)	103.41	68.46	(19.4%)	(15.9%)	18.4x	1.09x	7.6x	2.4x
J&J Snack Foods Corp.	134.58	(4.0%)	177.71	133.73	(19.5%)	(10.1%)	25.9x	1.74x	13.8x	0.8x
* Kerry Group plc	80.50	3.6%	100.00	71.08	2.3%	(4.4%)	17.7x	1.94x	13.8x	2.3x
Krispy Kreme, Inc.	14.80	(3.5%)	17.84	11.52	(1.9%)	43.4%	52.5x	2.34x	13.7x	4.9x
McCormick & Company, Incorporated	71.76	(4.9%)	94.39	59.13	4.9%	(13.4%)	24.6x	3.50x	17.2x	3.5x
* Tate & Lyle plc	6.36	5.7%	8.38	5.87	(3.6%)	(10.6%)	11.4x	1.58x	8.3x	2.1x
Sector Average:					(3.8%)	1.3%	24.3x	2.24x	13.0x	2.4x
<b>CANDY, NUTS, &amp; SNACKS</b>										
Bridgford Foods Corporation	\$11.13	(1.8%)	\$13.41	\$10.03	1.2%	(6.6%)	NA	0.39x	6.9x	0.5x
The Hershey Company	185.80	(4.1%)	276.88	178.82	(0.3%)	(19.8%)	19.3x	3.82x	14.2x	1.7x
John B. Sanfilippo & Son, Inc.	97.35	(6.3%)	127.26	90.02	(5.5%)	19.7%	NA	1.18x	10.2x	0.4x
Laird Superfood, Inc.	2.29	0.4%	3.48	0.65	151.6%	172.6%	NM	0.41x	NM	NM
Rocky Mountain Chocolate Factory, Inc.	3.56	(3.4%)	5.99	3.45	(22.6%)	(37.5%)	NA	0.81x	NM	NM
Tootsie Roll Industries, Inc.	29.94	(4.5%)	43.99	28.22	(7.2%)	(25.4%)	NA	2.62x	14.7x	0.1x
Sector Average:					19.5%	17.2%	19.3x	1.54x	11.5x	0.7x
<b>PET FOOD AND PRODUCTS</b>										
Central Garden & Pet Company	\$39.74	(3.6%)	\$51.71	\$35.60	(20.7%)	6.1%	17.8x	1.00x	8.0x	3.3x
Freshpet, Inc.	108.59	(6.4%)	117.76	54.60	25.2%	105.8%	NM	7.01x	186.4x	13.8x
Sector Average:					2.2%	55.9%	17.8x	4.00x	8.0x	8.6x
<b>WINE &amp; BEVERAGE</b>										
The Boston Beer Company, Inc.	\$285.65	(3.1%)	\$395.52	\$284.70	(17.3%)	(13.3%)	28.9x	1.57x	14.4x	0.2x
Brown-Forman Corporation	49.43	(3.0%)	71.27	49.21	(13.4%)	(24.7%)	25.6x	6.20x	19.9x	2.6x
The Coca-Cola Company	58.28	(2.1%)	64.99	51.55	(1.1%)	(8.4%)	20.7x	6.20x	17.2x	3.0x
Constellation Brands, Inc.	262.24	(1.3%)	274.87	221.81	8.5%	13.2%	19.2x	6.02x	19.0x	3.2x
Crimson Wine Group, Ltd.	5.83	0.7%	6.96	5.38	(1.1%)	3.9%	NA	1.50x	22.2x	3.6x
* Diageo plc	27.84	(2.3%)	37.80	26.76	(2.5%)	(23.7%)	18.0x	4.69x	13.4x	3.2x
Monster Beverage Corporation	55.01	(1.6%)	61.23	47.13	(4.5%)	8.4%	30.2x	7.57x	25.7x	0.0x
National Beverage Corp.	46.28	(6.7%)	55.12	43.74	(6.9%)	(0.5%)	23.4x	3.48x	16.5x	0.2x
PepsiCo, Inc.	168.10	(0.6%)	196.88	155.83	(1.0%)	(7.0%)	20.6x	2.93x	15.1x	2.7x
Starbucks Corporation	84.92	(2.2%)	115.48	84.29	(11.6%)	(14.4%)	20.2x	3.20x	11.2x	2.4x
Willamette Valley Vineyards, Inc.	4.51	(4.0%)	6.59	4.51	(15.8%)	(24.4%)	NA	2.25x	25.6x	6.8x
Sector Average:					(6.1%)	(8.3%)	23.0x	4.15x	18.2x	2.5x

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			High	Low	2023	2022		Revenue	EBITDA	
<b>DAIRY</b>										
* Danone S.A.	\$57.78	(0.3%)	\$63.80	\$50.59	(1.5%)	17.4%	16.2x	1.72x	10.3x	3.6x
Lifeway Foods, Inc.	20.68	1.5%	23.31	5.61	54.2%	272.6%	19.4x	1.83x	14.5x	0.1x
* Saputo Inc.	26.03	(3.4%)	36.70	25.57	(3.0%)	(22.3%)	14.6x	0.85x	10.0x	2.7x
Sector Average:					16.6%	89.2%	16.8x	1.47x	11.6x	2.1x
<b>WHOLESALE, FOOD SERVICE, &amp; DISTRIBUTION</b>										
The Chefs' Warehouse, Inc.	\$33.76	(2.9%)	\$39.00	\$17.29	14.7%	1.4%	26.1x	0.65x	9.8x	4.1x
Performance Food Group Company	69.22	(1.5%)	78.54	52.92	0.1%	18.5%	14.9x	0.29x	10.0x	3.2x
SpartanNash Company	18.73	(1.0%)	25.05	18.57	(18.4%)	(38.1%)	9.3x	0.15x	5.3x	3.1x
Sysco Corporation	75.25	(1.9%)	82.89	62.24	2.9%	(1.6%)	16.7x	0.64x	12.6x	3.3x
United Natural Foods, Inc.	9.90	(5.1%)	28.37	9.81	(39.0%)	(74.4%)	33.5x	0.14x	5.9x	5.1x
US Foods Holding Corp.	50.57	0.1%	54.94	35.66	11.4%	48.6%	16.2x	0.49x	11.5x	3.4x
Sector Average:					(4.7%)	(7.6%)	19.5x	0.39x	9.2x	3.7x
<b>MASS MERCHANDISE, CLUB STORES, &amp; DOLLAR STORES</b>										
BJ's Wholesale Club	\$77.02	1.5%	\$80.42	\$60.33	15.5%	16.4%	19.6x	0.66x	9.4x	2.1x
Costco Wholesale Corporation	731.31	2.5%	787.08	476.75	10.8%	60.2%	44.0x	1.30x	28.0x	0.8x
Dollar General Corporation	147.78	(7.4%)	222.99	101.09	8.7%	(40.0%)	20.4x	1.29x	9.2x	3.3x
Dollar Tree, Inc.	125.19	(4.2%)	161.10	102.77	(11.9%)	(11.5%)	18.1x	1.21x	7.7x	2.2x
Grocery Outlet Holding Corp.	26.29	(2.0%)	36.54	23.41	(2.5%)	(9.9%)	22.4x	0.98x	10.9x	3.9x
Walmart Inc.	60.14	0.5%	61.66	48.34	14.4%	27.2%	25.5x	0.84x	12.9x	1.5x
Sector Average:					5.9%	7.1%	25.0x	1.05x	13.0x	2.3x
<b>TRADITIONAL &amp; SPECIALTY RETAIL</b>										
Albertsons	\$20.38	(3.1%)	\$23.88	\$19.88	(11.4%)	(1.7%)	7.8x	0.33x	5.2x	2.9x
* Ahold Delhaize	26.63	(3.5%)	31.88	25.40	2.4%	(0.8%)	10.5x	0.45x	6.1x	2.7x
Amazon.com, Inc.	186.13	0.6%	189.77	101.11	22.5%	121.6%	44.3x	3.49x	20.4x	1.6x
Ingles Markets, Incorporated	73.01	(3.2%)	94.68	72.77	(15.5%)	(24.3%)	NA	0.29x	4.5x	1.6x
The Kroger Co.	55.20	(3.7%)	58.34	42.10	20.8%	23.8%	12.5x	0.38x	6.3x	2.1x
Natural Grocers by Vitamin Cottage, Inc.	16.28	(3.4%)	19.35	9.95	1.8%	78.1%	NA	0.64x	5.7x	2.9x
Sprouts Farmers Market, Inc.	62.50	(1.5%)	65.53	32.12	29.9%	93.1%	21.3x	1.14x	9.5x	2.0x
* Tesco PLC	2.83	(2.3%)	3.06	2.18	(2.6%)	26.2%	11.0x	0.44x	6.6x	3.2x
Village Super Market, Inc.	27.87	(0.6%)	29.38	20.25	6.3%	19.7%	NA	0.30x	4.1x	2.4x
Weis Markets, Inc.	61.60	(1.3%)	86.67	58.75	(3.7%)	(25.1%)	NA	0.30x	4.7x	0.6x
Sector Average:					5.0%	31.0%	17.9x	0.78x	7.3x	2.2x
<b>TRADITIONAL RESTAURANTS</b>										
Brinker International, Inc.	\$45.24	(2.0%)	\$51.72	\$28.23	4.8%	41.8%	11.5x	0.96x	6.3x	3.2x
The Cheesecake Factory Incorporated	33.45	(2.4%)	38.19	28.58	(4.5%)	5.5%	10.9x	1.02x	7.4x	3.9x
Cracker Barrel Old Country Store, Inc.	59.16	(7.9%)	116.81	56.79	(23.2%)	(37.6%)	12.4x	0.73x	7.3x	3.5x
Darden Restaurants, Inc.	153.05	(2.1%)	176.84	133.36	(6.8%)	10.6%	16.4x	2.22x	11.7x	3.2x
Dine Brands Global, Inc.	42.82	(0.9%)	69.72	42.00	(13.8%)	(33.7%)	6.6x	2.53x	9.4x	7.1x
Jack in the Box Inc.	59.55	(2.8%)	99.56	59.29	(27.0%)	(12.7%)	8.9x	2.60x	7.7x	5.7x
McDonald's Corporation	267.39	0.3%	302.39	245.73	(9.8%)	1.5%	21.5x	9.48x	15.7x	3.5x
Papa John's International, Inc.	61.78	(3.1%)	86.38	60.66	(19.0%)	(24.9%)	23.6x	1.39x	11.2x	3.6x
Texas Roadhouse, Inc.	148.63	(0.9%)	157.12	91.06	21.6%	63.4%	26.4x	2.29x	18.0x	1.3x
The Wendy's Company	18.60	0.9%	23.90	17.64	(4.5%)	(17.8%)	18.6x	3.41x	12.3x	6.9x
Yum! Brands, Inc.	137.80	1.2%	143.25	115.53	5.5%	7.6%	23.8x	7.10x	19.2x	4.6x
Sector Average:					(7.0%)	0.3%	16.4x	3.07x	11.5x	4.2x
<b>HIGH-GROWTH RESTAURANTS</b>										
Chipotle Mexican Grill, Inc.	\$2,957.60	1.8%	\$3,023.98	\$1,717.45	29.3%	113.2%	55.2x	8.49x	34.1x	1.6x
El Pollo Loco Holdings, Inc.	8.78	(3.8%)	11.02	8.11	(0.5%)	(11.8%)	13.5x	1.15x	7.2x	3.6x
Noodles & Company	1.51	(2.6%)	5.29	1.50	(52.1%)	(72.5%)	NM	0.73x	5.4x	4.4x
Potbelly Corporation	10.47	(2.6%)	14.36	7.12	0.5%	88.0%	44.6x	0.94x	5.7x	2.3x
Shake Shack Inc.	97.21	(4.0%)	110.90	52.64	31.2%	134.1%	140.6x	3.99x	22.8x	4.0x
Wingstop Inc.	365.15	4.2%	379.00	150.08	42.3%	165.3%	120.9x	24.71x	84.0x	5.4x
Sector Average:					8.5%	69.4%	74.9x	6.67x	26.5x	3.6x
<b>CANNABIS &amp; CBD</b>										
Canopy Growth Corporation	\$10.70	(22.8%)	\$26.00	\$3.74	58.3%	(65.9%)	NM	4.09x	NM	NM
Cronos Group Inc.	3.45	(5.7%)	4.01	2.15	24.5%	0.3%	NM	1.53x	NM	NM
Jones Soda Co.	0.22	(2.6%)	0.29	0.12	52.6%	(16.4%)	NA	1.13x	NM	NA
The Scotts Miracle-Gro Company	69.44	(7.4%)	77.95	43.67	8.9%	42.9%	23.3x	2.11x	20.2x	7.1x
Tilray Brands, Inc.	1.83	(29.5%)	3.40	1.50	(20.4%)	(32.0%)	NM	2.23x	119.4x	34.7x
Village Farms International, Inc.	1.27	(6.6%)	1.57	0.55	66.9%	(5.2%)	NM	0.67x	40.5x	13.8x
Sector Average:					31.8%	(12.7%)	23.3x	1.96x	60.0x	18.5x

**Notes:**

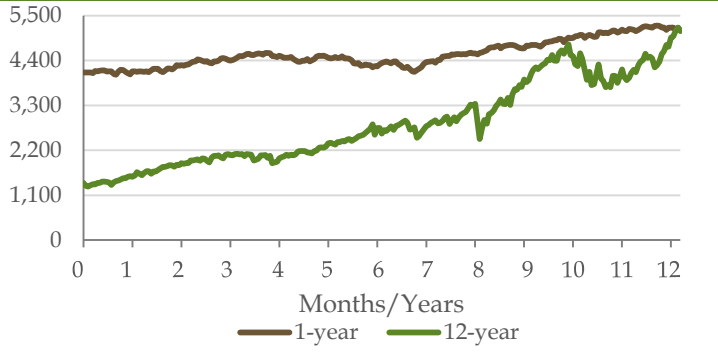
\*Denotes local currency.

Source: Capital IQ.

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

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

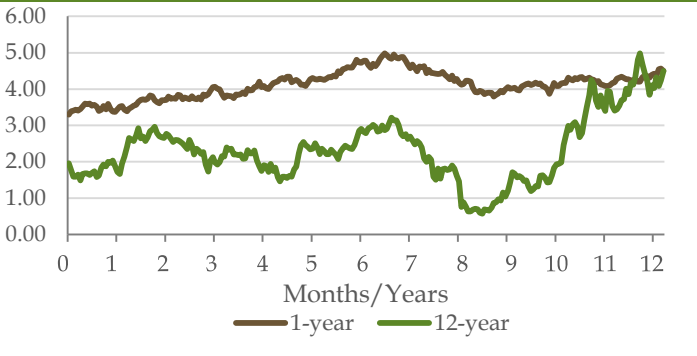
### S&P 500



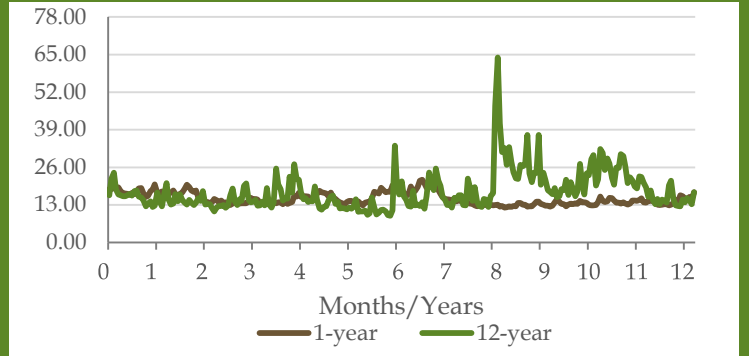
### Dow Jones Industrial Average



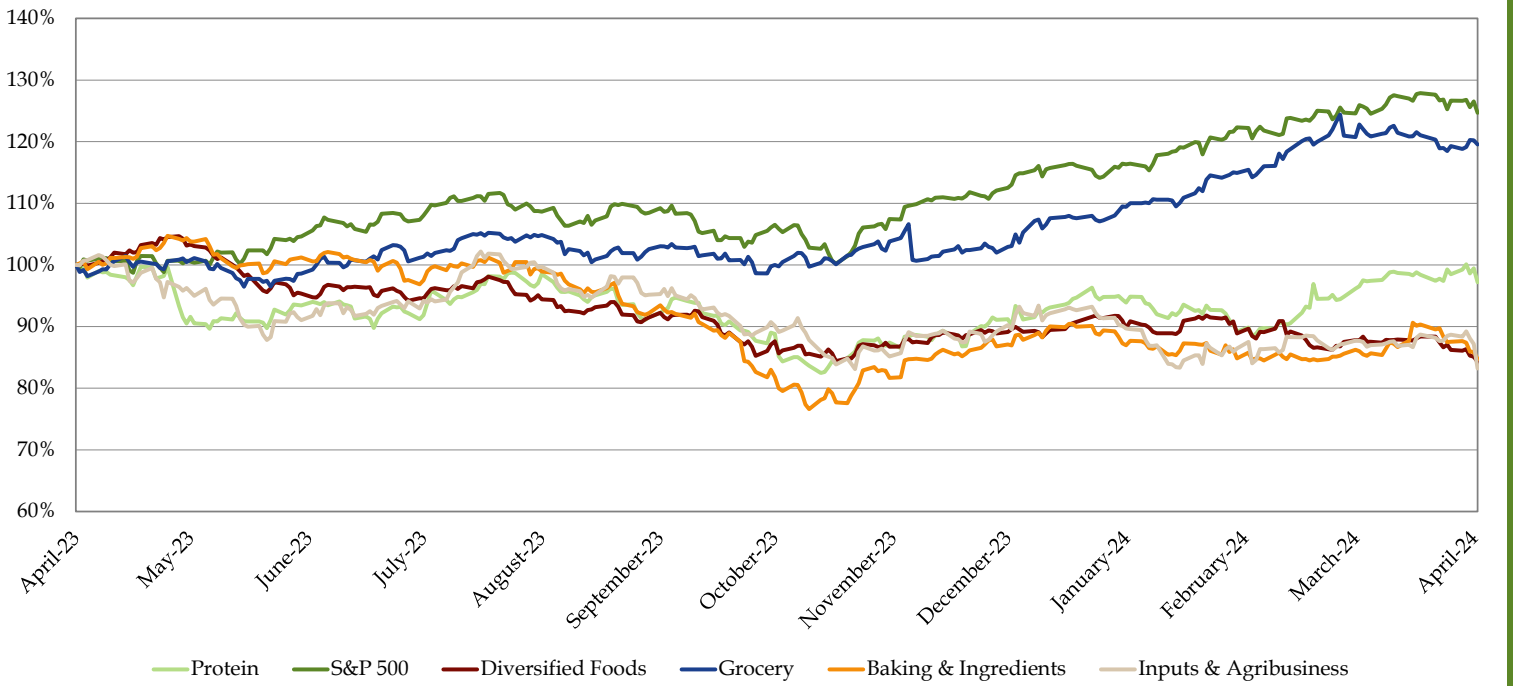
### 10-year Treasury



### CBOE Market Volatility Index - VIX



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



## 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...

**The FDA is Seeking a Raise.** The Food and Drug Administration (FDA) has requested \$7.2 billion as part of President Biden's fiscal 2025 proposed budget to strengthen and modernize the agency's ability to promote a safe and nutritious food supply in the U.S. This request includes a significant increase of \$495 million, representing a 7.4% rise above the current budget. Jim Jones, FDA's first deputy commissioner for human foods, emphasized that the funding would provide necessary resources to regulate food additives and ensure consumer confidence in the food system, addressing recent concerns regarding the use of certain ingredients that the agency has approved as safe but have faced legislative challenges at the state level.

In addition to prioritizing food safety, the administration aims to encourage more companies to file generally recognized as safe (GRAS) notifications for certain ingredients with the FDA. This strategy is seen as a means to enhance consumer confidence and streamline regulatory processes within the food industry. The requested budget covers various initiatives, including funding allocations for preventing foodborne illness, ensuring the safety of chemicals used in food products, and reducing diet-related chronic diseases.

Despite ongoing debates and criticisms over state-level bans on certain food additives, the FDA seeks to further research food additives like red dye 3 that the agency has previously approved as safe. The FDA emphasized that strengthening food chemical safety through enhanced resources and compliance measures is essential for bolstering consumer confidence in the U.S. food system.

**HPAI Detected in Livestock for the First Time.** State and federal officials are urging cattle producers to enhance biosecurity measures as cases of highly pathogenic avian influenza (HPAI) have been detected in livestock across several farms. The U.S. Department of Agriculture has confirmed cases in Texas, Kansas, Michigan, New Mexico, South Dakota, Ohio, North Carolina and Idaho. While the flu is believed to have reached dairy herds via infected wild birds, cow-to-cow transmission cannot be ruled out. This marks the first time the flu has been found in cows, though there is no concern regarding its impact on the milk supply due to pasteurization protocols.

Some states are implementing commerce restrictions in response to the outbreak, with Nebraska requiring permits for importing breeder female dairy cattle. Researchers are investigating why

certain cattle are more susceptible to the virus, noting that older dairy cows are more likely to test positive and exhibit symptoms compared to younger animals. Enhanced biosecurity measures, such as limiting personnel on operations and segregating animals by species, are being recommended to prevent further spread.

The USDA has issued guidance for animal health officials, veterinarians, and producers to monitor dairy herds closely for signs of illness and to minimize cattle movement. Personal protective equipment is advised for those working with or around infected cows. While protocols for infected cattle are less severe compared to poultry, efforts are underway to isolate and treat affected livestock. Despite the outbreak, there have been no reports of significant mortality among affected animals, and ongoing research aims to better understand and manage the spread of the virus.

**Constellation Brands Reports Strong Performance in Beer Segment.** Constellation Brands exceeded Wall Street's expectations in its recent quarter, driven by strong performance in the beer category, particularly with its Modelo, Corona, and Pacifico brands. The company reported 11% net sales growth, with its beer business contributing a 9% increase in net sales, outperforming its own predictions. Despite this success, Constellation faced an 8% decline in both net sales and operating income in its wine and spirits portfolio.

Constellation's beer brands, including Modelo, have been thriving, outpacing competitors like AB InBev, with Modelo even surpassing Bud Light as the top beer in its category last year. However, the company is working to address challenges in its wine and spirits segment, appointing new management to lead this division and focusing on premium brands, increased marketing, and promotions spending to drive growth despite recent setbacks.

"We're going to put a lot more focus on the critical brands, brands like the Prisoner and Meiomi and High West and Mi Campo, as examples. We're also going to make sure that we focus our attention on execution," CEO Bill Newlands said. "I think we spread ourselves a little too thin in the past year."

Analysts remain optimistic about Constellation's future, with predictions of continued beer sales growth offsetting weaker performance in wine and spirits.

## Heard on the Street...

**J&J Snack Acquires Cookie Brand.** J&J Snack Foods has announced the acquisition of the cookie brand Thinsters. Hain Celestial acquired the brand in 2021 and is now divesting as part of its strategy to optimize its "better-for-you" portfolio and reduce debts. The sale aligns with the company's focus on refining its portfolio of healthier brands across various growth categories, including snacks, beverages, and personal care. Hain Celestial aims to streamline its supply chain network and concentrate efforts on driving greater reach and scale for its core brands. The financial details of the transaction were not immediately disclosed, but the company had incurred a non-cash impairment charge on Thinsters and ParmCrisps snacks in the previous year, contributing to a net loss.

J&J Snack Foods expressed excitement over acquiring the Thinsters brand, emphasizing its commitment to providing high-quality, wholesome snacks. This acquisition strengthens J&J Snack Foods' position as a leader in delivering popular and enjoyable snacks in the American market. Despite a slight dip in first-quarter net sales, the company reported growth in operating income and net earnings for both the quarter and the full financial year prior. J&J Snack Foods sees the acquisition as a natural fit that aligns with its existing offerings and plans to leverage its strengths to expand distribution and introduce Thinsters cookies to a wider audience.

**King Ranch Makes Strategic Investment in Cobalt Cattle.** King Ranch, Inc. has acquired a 50% stake in Cobalt Cattle, the nation's fourth-largest cattle feeding operation with six feedyards spanning Colorado, Kansas, and Texas. AGR Partners has been an equity partner of Cobalt Cattle since 2019 and facilitated the strategic partnership with King Ranch. The acquisition marks a strategic move to fortify the entire value chain of the beef industry, aiming to consistently deliver quality beef to American consumers. Cobalt Cattle's seasoned management team and industry leadership position make them an ideal partner for King Ranch as they aim to leverage combined expertise and uphold high standards of excellence.

Cobalt Cattle's CEO, Joel Jarnagin, expressed enthusiasm for the partnership with King Ranch, emphasizing the long-term benefits and shared commitment to operational excellence in the industry. King Ranch's history in the cattle business, including innovations like the Santa Gertrudis breed, coupled with Cobalt Cattle's operational prowess, positions the partnership for success in delivering quality beef. This acquisition aligns with King Ranch's strategic vision to participate in various sectors of the beef industry. Terms of the transaction were not disclosed.

**99 Cents Only Shuttering All Stores.** Discount retailer 99 Cents Only has announced plans to shutter all 371 of its stores by May 31, following a decision to liquidate its assets. The company filed for Chapter 11 bankruptcy, initiating going-out-of-business sales at all locations with a proposed initial closure of 125 stores by April 30. To support its wind-down efforts, the company disclosed an offer for a \$60.8 million senior secured debtor-in-possession term loan credit facility, with a portion provided by existing stakeholders.

In its bankruptcy filings, 99 Cents Only cited challenges including adverse industry trends, heightened competition, the impact of the COVID-19 pandemic, rising theft and crime rates, and record-high inflation. Despite exhaustive turnaround efforts, the company's financial performance deteriorated rapidly in the first quarter of the year, leading to tightened trade terms with vendors and landlord default notices. Legal, financial, and restructuring advisors are assisting 99 Cents Only through the bankruptcy process and liquidation, managing the sale of real estate assets to maximize value amidst the company's struggles.

**CPGs Announce Plant Closures.** PepsiCo has decided to permanently close its Quaker Oats plant in Danville, Illinois, following a recent temporary shutdown due to Salmonella contamination in its products. The closure, scheduled for June 8, will result in 510 employees being laid off after 55 years of operation. The facility, responsible for manufacturing over 60 recalled products in December 2023 and January 2024, will undergo closure for enhancements and modernization, as stated by Quaker. Production will be relocated to other facilities, including baking plants in Cedar Rapids, Iowa, Columbia, Missouri, and Ontario.

The decision comes after PepsiCo reported a 19% decline in operating profit for Quaker Oats North America in 2023, attributed to the recall, operating cost increases, and higher commodity costs. Despite higher pricing and productivity savings, these impacts led to the need for restructuring. Similarly, Conagra Brands announced the closure of its Birds Eye frozen brand facility in Beaver Dam, Wisconsin, affecting 252 jobs, as part of a broader review to ensure operational effectiveness and efficiency. "We have determined that we can continue to meet the needs of the business by making these products in fewer facilities," the company stated. This move reflects a trend among food manufacturers to optimize production networks by closing some facilities while upgrading existing ones to improve overall efficiency.



# Dashboard

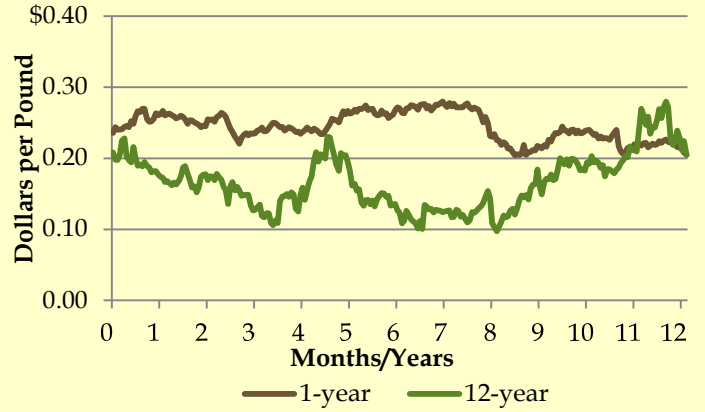
Sector	Outlook		Sector	Outlook	
	6-month	3-year		6-month	3-year
<b>INPUTS</b>			<b>AI in AG</b>		
<ul style="list-style-type: none"> <li>s/w/ Farmers to increase soybean plantings and decrease corn plantings benefitting potash at the expense of nitrogen</li> <li>s/ The three major fertilizers have all gone up in price month-over-month as planting season is on the horizon in the corn belt</li> <li>s/ Input companies continue to spend big on seed genetics as yield improvement is needed to sustain a growing population</li> <li>w/ A shorter, drier winter combined with lower commodity prices is expected to lower application rates</li> </ul>	↑	↔	<ul style="list-style-type: none"> <li>s/ Self-driving harvesters working at night make harvesting go much more quickly and require less labor</li> <li>s/ Portioned meat cut to order given many variables is achieved now given computer aided machines</li> <li>w/ Machines that can pick ripe blueberries and leave others on the bush are using color, size and density to pick</li> <li>s/ Finding employees in today's economic environment is very difficult for many ag segments - AI assists in many ways</li> <li>s/ AI robots in grocery stores are able to answer customer questions and provide directions, allowing humans to do other jobs</li> </ul>		
<b>AG EQUIPMENT</b>			<b>CANDY, COFFEE, &amp; NUT</b>		
<ul style="list-style-type: none"> <li>s/ FAA clears Hlylo drones to fly in a swarm, making them competitive with traditional tractors and crop application rigs</li> <li>w/ Art's Way reported a 22% drop in Agricultural Products sales in Q1 2024 as lower key crop prices slowed equipment purchases</li> <li>s/ Deere, Kinze, and Ag Leader Technology reach agreement to integrate product offerings across equipment platforms</li> <li>s/w/ AGCO reported full year 2023 unit sales declined 11.7%, led by compact and mid-sized tractors</li> </ul>	↓	↔	<ul style="list-style-type: none"> <li>s/ Brazil's coffee harvest is expected to exceed last year's by 5.5%</li> <li>s/ US candy and chocolate sales hit an all time high in 2023: \$48 billion</li> <li>w/ Down period for candy sales begins ... Halloween, winter holidays, V-Day, and Easter seasons account for 64% of candy sales</li> <li>w/ Cocoa futures continue their meteoric rise, remain well over \$10,000/metric ton, non-covered cocoa companies see risk in 2025</li> <li>s/ State of Treating report shows 90% of people think of chocolate when they "want to do something nice for themselves"</li> </ul>	↓	↑
<b>AGRIBUSINESS</b>			<b>DAIRY</b>		
<ul style="list-style-type: none"> <li>s/ Latest USDA WASDE report estimated higher corn, soybeans, and wheat ending stocks compared to expectations</li> <li>s/w/ Early planting weather consists of dry weather in the west and wet conditions in the east</li> <li>w/ A new farm bill remains an afterthought in Washington, raising the prospect of another one-year extension to the 2018 bill</li> <li>w/ USDA Secretary Vilsack suggests that China's reduced purchases of ag products is due to restrictions on foreign land ownership</li> </ul>	↔	↑	<ul style="list-style-type: none"> <li>w/ February's milk production was down 1.1% from a year ago, with 89,000 fewer cows. This marks eight months of decline</li> <li>s/ HPAI has been detected in dairy herds in Idaho, Kansas, Michigan, New Mexico, Ohio, Texas, and North Carolina</li> <li>s/w/ Prices for dairy-beef crossbred calves continues to soar - now reaching upwards of \$1000/head, up from \$600-700 last year</li> <li>s/ Cheese export topped 95.6 million lbs. in February, 27.3% more than February 2023. Mexico purchased a record 36.6 million lbs.</li> </ul>	↔	↑
<b>DIVERSIFIED FOODS</b>			<b>WHOLESALE, FOOD SERVICE &amp; DISTRIBUTION</b>		
<ul style="list-style-type: none"> <li>w/ Consumer's are watching their expenditures so units sold is down across most sectors</li> <li>w/ Lack of enough employees in factories and increasing fuel costs are hurting earnings</li> <li>w/ Geo-political unrest is eliminating many international flavors from consumers requests</li> <li>s/ Input costs should be flat as packaging and grains pricing has stabilized</li> <li>w/ Growth in frozen foods has flattened as consumers have purchased more canned products</li> </ul>	↔	↔	<ul style="list-style-type: none"> <li>w/ Increasing food inflation is discouraging people from eating out</li> <li>w/ Rising gas prices impact shoppers purchase decisions and increase expenses for transportation companies</li> <li>s/ Between groceries and restaurants, Americans are spending more of their income on food then they have in 30 years</li> <li>s/ McDonald's, Dominos and Restaurant Brands are dividend paying stocks with buys on as consumers expected to spend more</li> <li>s/w/ Driverless trucks are still being experimented on in an attempt to reduce reliance on hard-to-find human workers</li> </ul>	↓	↔
<b>ALTERNATIVE FUELS</b>			<b>TRADITIONAL RETAIL</b>		
<ul style="list-style-type: none"> <li>s/ Ethanol demand is outpacing seasonal trends, raising prospect for lower corn stocks over the summer</li> <li>s/ Bunge and Chevron held a groundbreaking for their new LA oilseed facility that can use soybeans or canola as a feedstock</li> <li>s/ Rising fuel prices and falling feedstock costs drive renewable diesel and biodiesel margins higher in recent weeks</li> <li>s/w/ Renewables now account for 22% of US electricity generation with solar power the fastest growing source</li> </ul>	↑	↑↑	<ul style="list-style-type: none"> <li>w/ Traditional retailers share of meat sales has fallen 3% since 2019 as more consumers go to supercenters for their protein</li> <li>w/ Kroger to close three Ocado spoke facilities in Texas (2) and Florida (1) as the grocer's attempt to enter those markets fell short</li> <li>s/ Retail confectionary sales saw a large jump in March driven by Easter spending</li> <li>w/ March grocery inflation was flat despite overall CPI increases</li> </ul>	↑	↑
<b>FRUIT &amp; VEGETABLE</b>			<b>NON-TRADITIONAL RETAIL</b>		
<ul style="list-style-type: none"> <li>s/ Forecasts predict strong domestic harvest for both conventional and organic blueberries this year across all growing regions</li> <li>s/ Sunkist, one of the largest lemon suppliers in California, is anticipating peak lemon demand in 2024</li> <li>w/ EPA issues health risk warning for applicators of DCPA herbicide commonly used on broccoli, brussel sprouts, cabbage, &amp; onions</li> <li>w/ National apple inventories remain 29% above 5-year average, higher than last year</li> <li>s/w/ California cherry crop is anticipated to return back to regular window, slightly lower production than last year</li> </ul>	↑	↑	<ul style="list-style-type: none"> <li>s/w/ 15.7% of all groceries are purchased online, a 12% increase from 2022</li> <li>s/w/ Grilling spices are sold at Ace Hardware - easy purchase and not seen in any of the grocery numbers</li> <li>s/w/ 22.6% of revenue at Target are food and beverage - food has grown over 50% in the last three years</li> <li>s/w/ Convenience store revenue is 20% from food which contributes 35% of the store income</li> <li>w/ Kroger announced the closure of three e-commerce direct to consumer facilities</li> <li>s/w/ With Kroger/Albertson merger in doubt, all retailers are reassessing their strategic plans</li> </ul>	↔	↑
<b>PROTEIN</b>			<b>BIG PICTURE INDUSTRY DRIVERS</b>		
<ul style="list-style-type: none"> <li>s/w/ Recent CPI data showed beef and veal product prices up 7.4% from February 2023 while poultry saw a 1.3% decrease</li> <li>w/ The Meat and Poultry Coalition opposes a new EPA wastewater guideline that could lead to the closure of dozens of facilities</li> <li>w/ Cal-Maine lost 3.6% of its total flock to HPAI outbreaks in two of its plants. HPAI has recently impacted the beef industry also</li> <li>s/ The USDA raised estimates of Q1 2024 pork exports by 30 million lbs. to 1.795 billion lbs., up 7.6% from last year</li> <li>s/ Egg sales continue to rise - pricing is down, but consumption is up</li> </ul>	↓	↔	<ul style="list-style-type: none"> <li>HPAI affecting new species</li> <li>Shift to La Niña</li> <li>Fuel prices</li> <li>Geopolitical unrest</li> <li>Uncertainty of interest rate cuts</li> <li>Immigration and its impacts on the job market</li> <li>Planting season approaching</li> </ul>		

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

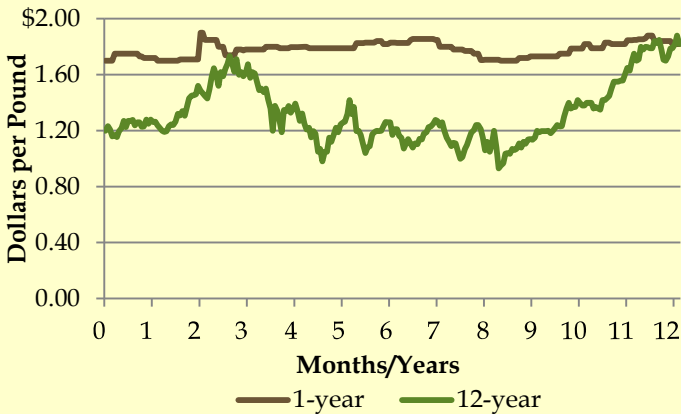
### Soybeans



### Sugar



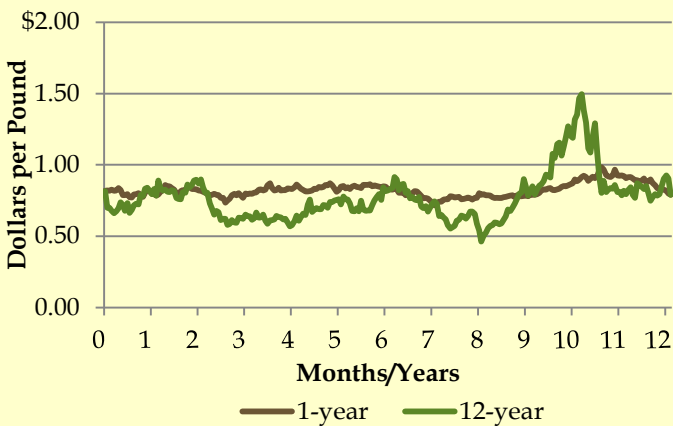
### Cattle



### Milk



### Cotton



### Oil



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

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

Please send your feedback and comments to Mary Burke at 312.348.7081 or [lakeshorefoodadvisors@lakeshorefoodadvisors.com](mailto:lakeshorefoodadvisors@lakeshorefoodadvisors.com).