



# LAKE SHORE

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



## Weekly Update

Monday, April 8<sup>th</sup>, 2024

**Strong March Job Report.** In March, nonfarm payrolls surged by 303,000, surpassing the Dow Jones estimate of 200,000 and exceeding February's gain of 270,000. The unemployment rate declined to 3.8%, the Labor Department's Bureau of Labor Statistics reported Friday. Wages increased by 0.3% for the month and 4.1% from a year ago, aligning with expectations. Job growth was led by the health care (72,000), government (71,000), leisure and hospitality (49,000), construction (39,000), and retail trade (18,000) sectors.

The **Dow Jones Industrial Average** was down 2.3%, finishing at 38,904.

The **S&P 500** decreased 1.0% on the week, finishing at 5,204.

The **NASDAQ Composite** fell 0.8% this week, finishing at 16,249.

Yield on the **10-year Treasury** rose 19 basis points during the week, ending at 4.39%.

**Crude oil** was up 4.5% on the week, ending at \$86.91 per barrel.

**Corn** was down 1.8% on the week, ending at \$4.34 per bushel.

**NASDAQ Highs:** Cal-Maine Foods, Inc., Lifeway Foods, Inc., Pilgrim's Pride Corporation, Seneca Foods Corporation, Village Super Market, Inc., Vital Farms, Inc., Wingstop Inc. **Lows:** The Hain Celestial Group, Inc., J&J Snack Foods Corp., Noodles & Company, SpartanNash Company, Starbucks Corporation

**NYSE Highs:** Brinker International, Inc., The Kroger Co. **Lows:** Lamb Weston Holdings, Inc., Seaboard Corporation, United Natural Foods, Inc.

### Featured Stocks of the Week:

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



The Kroger Co. (NYSE: KR) 10-Year History



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# The Lakeshore Food Chain

Company Name	Price 4/5/24	Price Compared to 3/29/24	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	38,904	(2.3%)	39,807	32,418	3.2%	17.4%	NA			
S&P 500	5,204	(1.0%)	5,254	4,056	9.1%	35.5%	21.6			
NASDAQ Composite Index	16,249	(0.8%)	16,429	11,799	8.2%	55.2%	NA			
Russell 3000 Index	2,980	(1.1%)	3,013	2,326	8.4%	34.4%	NA			
Sector Average:					7.3%	35.6%				
<b>AGRICULTURAL LAND HOLDINGS</b>										
Farmland Partners Inc.	\$10.68	(3.8%)	\$13.27	\$9.96	(14.4%)	(14.3%)	NM	17.05x	31.0x	11.4x
Gladstone Land Corporation	13.00	(2.5%)	17.48	12.73	(10.0%)	(29.2%)	NM	11.89x	15.1	8.9
Limoneira Company	19.54	(0.1%)	21.62	13.88	(5.3%)	60.0%	121.6	2.36x	NM	NM
Sector Average:					(9.9%)	5.5%	121.6	10.43x	23.0	10.2
<b>INPUTS</b>										
American Vanguard Corporation	\$12.49	(3.6%)	\$21.90	\$8.41	13.9%	(42.5%)	16.2x	0.88x	9.4x	3.0x
* BASF SE	53.83	1.7%	54.93	40.25	10.4%	16.0%	14.9x	0.97x	10.0x	3.2x
* Bayer Aktiengesellschaft	27.44	(3.5%)	61.91	24.96	(18.4%)	(43.2%)	5.3x	1.29x	5.3x	3.8x
CF Industries Holdings, Inc.	85.11	2.3%	87.90	60.08	7.1%	(0.1%)	13.5x	2.99x	6.1x	1.0x
Corteva, Inc.	56.85	(1.4%)	63.37	43.22	18.6%	(3.3%)	20.0x	2.33x	11.7x	0.9x
FMC Corporation	58.74	(7.8%)	125.20	49.49	(6.8%)	(52.9%)	15.3x	2.49x	12.3x	4.5x
Intrepid Potash, Inc.	21.47	2.9%	28.35	17.23	(10.1%)	(25.6%)	NM	1.15x	5.6x	0.2x
The Mosaic Company	32.95	1.5%	48.92	29.25	(7.8%)	(24.9%)	11.1x	1.08x	5.6x	1.7x
* Nutrien Ltd.	77.11	4.8%	100.77	64.89	3.3%	(22.0%)	14.2x	1.44x	7.0x	2.2x
S&W Seed Company	0.48	(1.1%)	1.44	0.41	(31.6%)	(67.9%)	NM	1.19x	NM	NM
Zoetis Inc.	165.86	(2.0%)	201.92	151.03	(16.0%)	13.2%	28.7x	9.45x	22.6x	1.9x
Sector Average:					(3.4%)	(23.0%)	15.5x	1.58x	9.5x	2.2x
<b>AGRICULTURAL EQUIPMENT</b>										
* Ag Growth International Inc.	\$62.36	1.6%	\$64.51	\$47.07	23.4%	43.9%	10.4x	1.31x	8.7x	3.9x
AGCO Corporation	122.33	(0.6%)	140.46	105.77	0.8%	(11.8%)	9.4x	0.70x	4.7x	0.8x
Art's-Way Manufacturing Co., Inc.	2.01	(4.3%)	3.11	1.85	(2.9%)	4.1%	NA	0.61x	7.8x	3.5x
* Buhler Industries Inc.	2.16	(6.1%)	2.79	1.97	(11.5%)	11.9%	NA	0.50x	NM	NM
CNH Industrial N.V.	12.82	(1.1%)	15.74	9.77	5.3%	(20.2%)	8.3x	1.63x	10.9x	8.1x
Deere & Company	412.54	0.4%	450.00	345.55	3.2%	(3.8%)	15.3x	2.88x	10.6x	3.9x
Lindsay Corporation	116.25	(1.2%)	137.31	106.46	(10.0%)	(28.6%)	22.4x	1.97x	10.8x	1.2x
Titan Machinery Inc.	23.61	(4.8%)	35.88	21.44	(18.2%)	(40.6%)	7.3x	0.57x	7.4x	5.1x
Sector Average:					(1.3%)	(5.6%)	12.2x	1.27x	8.7x	3.8x
<b>AGRIBUSINESS</b>										
The Andersons, Inc.	\$57.44	0.1%	\$58.84	\$35.69	(0.2%)	64.2%	19.4x	0.15x	5.4x	1.7x
Archer-Daniels-Midland Company	63.46	1.0%	87.30	50.72	(12.1%)	(31.7%)	11.4x	0.44x	6.8x	1.7x
Bunge Global SA	106.86	4.2%	116.59	86.10	5.9%	7.1%	11.1x	0.32x	3.7x	1.1x
Ingredion Incorporated	114.36	(2.1%)	118.83	89.54	5.4%	16.8%	11.9x	1.17x	7.5x	1.9x
MGP Ingredients, Inc.	80.85	(6.1%)	124.96	75.78	(17.9%)	(24.0%)	13.1x	2.47x	10.1x	1.5x
* Olam Group Limited	1.14	1.8%	1.65	0.80	9.6%	(21.9%)	NA	0.36x	7.6x	7.2x
Sector Average:					(1.6%)	1.7%	13.4x	0.82x	6.9x	2.5x
<b>DIVERSIFIED FOODS</b>										
B&G Foods, Inc.	\$11.02	(3.7%)	\$16.68	\$7.20	5.0%	(1.2%)	12.8x	1.43x	8.9x	6.4x
Campbell Soup Company	43.30	(2.6%)	55.88	37.94	0.2%	(23.7%)	13.9x	1.89x	8.3x	2.3x
Conagra Brands, Inc.	31.09	4.9%	38.73	25.16	8.5%	(19.7%)	11.6x	1.94x	9.7x	3.9x
General Mills, Inc.	69.79	(0.3%)	90.89	60.33	7.1%	(16.8%)	15.2x	2.56x	11.3x	2.8x
The Hain Celestial Group, Inc.	6.48	(17.6%)	18.33	6.44	(40.8%)	(60.0%)	16.5x	0.80x	9.4x	5.9x
The J. M. Smucker Company	117.22	(6.9%)	159.92	107.33	(7.2%)	(26.0%)	11.8x	2.58x	11.1x	4.6x
Kellanova	57.45	0.3%	72.30	47.63	2.8%	(19.4%)	16.0x	1.99x	13.3x	3.3x
The Kraft Heinz Company	37.06	0.4%	41.47	30.68	0.2%	(9.0%)	12.2x	2.42x	9.0x	2.9x
Lancaster Colony Corporation	204.17	(1.7%)	220.65	158.88	22.7%	3.5%	30.5x	2.94x	21.3x	0.1x
Mondelez International, Inc.	67.99	(2.9%)	78.59	60.75	(6.1%)	2.0%	19.3x	3.05x	13.2x	2.5x
* Nestlé S.A.	92.92	(3.0%)	116.84	91.01	(4.7%)	(13.3%)	18.4x	3.15x	14.7x	2.9x
* Nomad Foods Limited	18.98	(3.0%)	20.05	13.56	12.0%	10.1%	9.9x	1.49x	9.1x	4.3x
Post Holdings, Inc.	102.00	(4.0%)	107.67	78.85	15.8%	13.0%	18.4x	1.67x	10.2x	5.2x
The Simply Good Foods Company	32.20	(5.4%)	43.00	30.00	(18.7%)	(15.3%)	16.9x	2.66x	13.6x	1.1x
SunOpta Inc.	8.83	(4.8%)	11.58	3.82	22.1%	(22.4%)	NA	1.87x	15.2x	5.1x
TreeHouse Foods, Inc.	37.48	(3.8%)	55.30	34.76	(9.6%)	(24.1%)	16.7x	0.96x	8.1x	3.9x
Unilever PLC	44.85	(3.6%)	50.93	42.97	2.3%	(4.3%)	NA	2.30x	11.7x	2.6x
Utz Brands, Inc.	17.33	(6.0%)	19.21	11.17	6.7%	9.3%	25.9x	2.13x	22.5x	7.3x
WK Kellogg Co	20.13	7.1%	21.00	9.66	53.2%	NA	12.8x	0.78x	6.5x	1.6x
Sector Average:					1.0%	(12.1%)	16.6x	2.10x	12.3x	3.7x

Company Name	Price 4/5/24	Price Compared to 3/29/24	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.	\$2.21	1.4%	\$4.98	\$1.20	(16.9%)	(23.3%)	NM	0.20x	19.2x	8.3x
Green Plains Inc.	23.44	1.4%	36.02	19.44	(7.1%)	(23.1%)	31.9x	0.60x	31.8x	10.9x
REX American Resources Corporation	58.80	0.2%	60.79	27.47	24.3%	84.6%	24.7x	0.88x	6.9x	0.1x
Sector Average:					0.1%	12.7%	28.3x	0.56x	19.3x	6.4x
<b>FRUIT &amp; VEGETABLE</b>										
Calavo Growers, Inc.	\$25.58	(8.0%)	\$38.97	\$21.42	(13.0%)	(13.0%)	18.9x	0.54x	15.7x	2.1x
Dole plc	11.70	(1.9%)	14.01	10.55	(4.8%)	21.2%	9.8x	0.29x	5.5x	3.4x
Fresh Del Monte Produce Inc.	25.38	(2.0%)	30.59	21.41	(3.3%)	(3.1%)	10.8x	0.41x	5.4x	1.8x
Lamb Weston Holdings, Inc.	79.78	(25.1%)	117.38	78.76	(26.2%)	(10.7%)	13.0x	2.34x	8.3x	2.7x
Mission Produce, Inc.	11.81	(0.5%)	13.99	8.19	17.0%	1.6%	38.1x	1.08x	11.3x	2.8x
Seneca Foods Corporation	55.77	(2.0%)	59.99	32.50	6.4%	(8.5%)	NA	0.72x	8.8x	5.5x
Sector Average:					(4.0%)	(2.1%)	18.1x	0.90x	9.2x	3.0x
<b>PROTEIN</b>										
Beyond Meat, Inc.	\$7.41	(10.5%)	\$19.25	\$5.58	(16.7%)	(39.8%)	NM	4.39x	NM	NM
Cal-Maine Foods, Inc.	62.90	6.9%	64.76	42.25	9.6%	15.5%	16.1x	1.01x	5.9x	NA
Darling Ingredients Inc.	44.64	(4.0%)	71.60	38.97	(10.4%)	(28.7%)	12.8x	1.73x	7.5x	3.9x
Hormel Foods Corporation	34.70	(0.5%)	41.73	28.51	8.1%	(23.8%)	21.6x	1.76x	11.2x	1.8x
* JBS S.A.	21.25	(1.2%)	25.33	15.12	(14.7%)	(3.4%)	11.4x	0.38x	8.4x	6.7x
Nathan's Famous, Inc.	67.92	(4.1%)	83.00	61.35	(12.9%)	1.1%	NA	2.39x	9.0x	1.8x
Pilgrim's Pride Corporation	35.08	2.2%	35.40	19.96	26.8%	47.8%	12.1x	0.65x	9.3x	3.0x
Seaboard Corporation	3177.78	(1.4%)	4080.11	3137.34	(11.0%)	(15.8%)	NA	0.41x	7.6x	4.5x
Tyson Foods, Inc.	59.05	0.5%	63.28	44.94	9.9%	(5.1%)	22.2x	0.55x	10.2x	3.4x
Vital Farms, Inc.	25.42	9.3%	25.56	10.00	62.0%	70.4%	35.7x	2.05x	3.9x	0.1x
Sector Average:					5.1%	1.8%	16.0x	1.21x	8.1x	3.1x
<b>BAKING &amp; INGREDIENTS</b>										
Balchem Corporation	\$150.24	(3.0%)	\$159.52	\$110.74	1.0%	23.0%	35.2x	5.54x	23.6x	1.5x
Flowers Foods, Inc.	23.17	(2.4%)	29.10	19.64	2.9%	(19.4%)	18.8x	1.22x	10.5x	2.3x
* Gruma, S.A.B. de C.V.	325.11	4.6%	337.70	253.56	4.5%	24.7%	14.9x	1.30x	8.5x	1.9x
* Grupo Bimbo, S.A.B. de C.V.	73.43	(6.4%)	103.41	69.39	(14.6%)	(10.8%)	19.0x	1.14x	7.9x	2.4x
J&J Snack Foods Corp.	140.25	(3.0%)	177.71	137.79	(16.1%)	(6.3%)	27.0x	1.81x	14.4x	0.8x
* Kerry Group plc	77.70	(2.2%)	100.00	71.08	(1.2%)	(7.8%)	17.1x	1.88x	13.4x	2.3x
Krispy Kreme, Inc.	15.33	0.6%	17.84	11.52	1.6%	48.5%	54.6x	2.39x	14.0x	4.9x
McCormick & Company, Incorporated	75.47	(1.7%)	94.39	59.13	10.3%	(9.0%)	25.8x	3.65x	17.9x	3.5x
* Tate & Lyle plc	6.01	(2.7%)	8.38	5.87	(8.8%)	(15.5%)	10.8x	1.50x	7.9x	2.1x
Sector Average:					(2.3%)	3.1%	24.8x	2.27x	13.1x	2.4x
<b>CANDY, NUTS, &amp; SNACKS</b>										
Bridgford Foods Corporation	\$11.33	0.7%	\$13.41	\$10.03	3.0%	(4.9%)	NA	0.40x	7.0x	0.5x
The Hershey Company	193.74	(0.4%)	276.88	178.82	3.9%	(16.3%)	20.2x	3.97x	14.8x	1.7x
John B. Sanfilippo & Son, Inc.	103.84	(2.0%)	127.26	90.02	0.8%	27.7%	NA	1.25x	10.8x	0.4x
Laird Superfood, Inc.	2.28	(5.0%)	3.48	0.65	150.5%	171.4%	NM	0.41x	NM	NM
Rocky Mountain Chocolate Factory, Inc.	3.68	1.8%	5.99	3.45	(19.9%)	(35.4%)	NA	0.83x	NM	NM
Tootsie Roll Industries, Inc.	31.35	(2.1%)	44.22	28.22	(2.9%)	(21.9%)	NA	2.70x	15.2x	0.1x
Sector Average:					22.6%	20.1%	20.2x	1.59x	11.9x	0.7x
<b>PET FOOD AND PRODUCTS</b>										
Central Garden & Pet Company	\$41.21	(3.8%)	\$51.71	\$35.60	(17.8%)	10.0%	18.5x	1.02x	8.2x	3.3x
Freshpet, Inc.	116.02	0.1%	116.96	54.60	33.7%	119.9%	NM	7.47x	198.9x	13.8x
Sector Average:					8.0%	64.9%	18.5x	4.25x	8.2x	8.6x
<b>WINE &amp; BEVERAGE</b>										
The Boston Beer Company, Inc.	\$294.75	(3.2%)	\$395.52	\$287.33	(14.7%)	(10.6%)	29.8x	1.62x	14.9x	0.2x
Brown-Forman Corporation	50.98	(1.2%)	71.27	50.50	(10.7%)	(22.4%)	26.4x	6.37x	20.4x	2.6x
The Coca-Cola Company	59.51	(2.7%)	64.99	51.55	1.0%	(6.4%)	21.1x	6.32x	17.5x	3.0x
Constellation Brands, Inc.	265.63	(2.3%)	273.65	221.81	9.9%	14.6%	20.4x	6.16x	18.6x	3.1x
Crimson Wine Group, Ltd.	5.79	0.0%	6.96	5.38	(1.8%)	3.2%	NA	1.49x	22.0x	3.6x
* Diageo plc	28.50	(2.6%)	37.80	26.76	(0.2%)	(21.9%)	18.7x	4.78x	13.6x	3.2x
Monster Beverage Corporation	55.90	(5.7%)	61.23	47.13	(3.0%)	10.1%	30.6x	7.70x	26.2x	0.0x
National Beverage Corp.	49.61	4.5%	55.12	43.74	(0.2%)	6.6%	25.1x	3.74x	17.7x	0.2x
PepsiCo, Inc.	169.14	(3.4%)	196.88	155.83	(0.4%)	(6.4%)	20.7x	2.95x	15.2x	2.7x
Starbucks Corporation	86.85	(5.0%)	115.48	86.83	(9.5%)	(12.4%)	20.6x	3.26x	11.4x	2.4x
Willamette Valley Vineyards, Inc.	4.70	(10.3%)	6.59	4.63	(12.3%)	(21.2%)	NA	2.27x	25.9x	6.8x
Sector Average:					(3.8%)	(6.1%)	23.7x	4.24x	18.5x	2.5x

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			High	Low	2023	2022		Revenue	EBITDA	
<b>DAIRY</b>										
* Danone S.A.	\$57.98	(3.2%)	\$63.80	\$50.59	(1.2%)	17.8%	16.3x	1.72x	10.3x	3.6x
Lifeway Foods, Inc.	20.37	18.3%	20.55	5.61	51.9%	267.0%	19.1x	1.80x	14.2x	0.1x
* Saputo Inc.	26.95	1.1%	36.70	25.57	0.4%	(19.6%)	15.1x	0.87x	10.2x	2.7x
Sector Average:					17.1%	88.4%	16.9x	1.46x	11.6x	2.1x
<b>WHOLESALE, FOOD SERVICE, &amp; DISTRIBUTION</b>										
The Chefs' Warehouse, Inc.	\$34.76	(7.7%)	\$39.00	\$17.29	18.1%	4.4%	26.9x	0.66x	10.0x	4.1x
Performance Food Group Company	70.30	(5.8%)	78.54	52.92	1.7%	20.4%	15.2x	0.30x	10.2x	3.2x
SpartanNash Company	18.91	(6.4%)	25.10	18.80	(17.6%)	(37.5%)	9.4x	0.15x	5.3x	3.1x
Sysco Corporation	76.67	(5.6%)	82.89	62.24	4.8%	0.3%	17.0x	0.65x	12.8x	3.3x
United Natural Foods, Inc.	10.43	(9.2%)	28.37	10.27	(35.7%)	(73.1%)	35.3x	0.14x	5.9x	5.1x
US Foods Holding Corp.	50.54	(6.4%)	54.94	35.66	11.3%	48.6%	16.2x	0.49x	11.5x	3.4x
Sector Average:					(2.9%)	(6.1%)	20.0x	0.40x	9.3x	3.7x
<b>MASS MERCHANDISE, CLUB STORES, &amp; DOLLAR STORES</b>										
BJ's Wholesale Club	\$75.91	0.3%	\$78.97	\$60.33	13.9%	14.7%	19.4x	0.65x	9.3x	2.1x
Costco Wholesale Corporation	713.72	(2.6%)	787.08	476.75	8.1%	56.3%	43.1x	1.27x	27.3x	0.8x
Dollar General Corporation	159.55	2.2%	222.99	101.09	17.4%	(35.2%)	22.0x	1.36x	9.7x	3.3x
Dollar Tree, Inc.	130.71	(1.8%)	161.10	102.77	(8.0%)	(7.6%)	18.9x	1.25x	7.9x	2.2x
Grocery Outlet Holding Corp.	26.82	(6.8%)	36.54	23.41	(0.5%)	(8.1%)	22.9x	0.99x	11.1x	3.9x
Walmart Inc.	59.85	(0.5%)	61.66	48.34	13.9%	26.6%	25.3x	0.84x	12.8x	1.5x
Sector Average:					7.5%	7.8%	25.3x	1.06x	13.0x	2.3x
<b>TRADITIONAL &amp; SPECIALTY RETAIL</b>										
Albertsons	\$21.03	(1.9%)	\$23.88	\$19.88	(8.6%)	1.4%	8.0x	0.34x	5.3x	2.9x
* Ahold Delhaize	27.59	(0.5%)	32.51	25.40	6.1%	2.8%	10.9x	0.46x	6.2x	2.7x
Amazon.com, Inc.	185.07	2.6%	186.27	97.71	21.8%	120.3%	43.9x	3.47x	20.3x	1.6x
Ingles Markets, Incorporated	75.42	(1.6%)	94.68	73.00	(12.7%)	(21.8%)	NA	0.30x	4.6x	1.6x
The Kroger Co.	57.31	0.3%	58.34	42.10	25.4%	28.6%	12.9x	0.39x	6.5x	2.1x
Natural Grocers by Vitamin Cottage, Inc.	16.85	(6.6%)	19.35	9.95	5.3%	84.4%	NA	0.65x	5.8x	2.9x
Sprouts Farmers Market, Inc.	63.46	(1.6%)	65.53	32.12	31.9%	96.0%	21.6x	1.15x	9.6x	2.0x
* Tesco PLC	2.90	(2.4%)	3.04	2.18	(0.3%)	29.2%	11.7x	0.47x	7.3x	3.6x
Village Super Market, Inc.	28.05	(2.0%)	29.38	20.25	6.9%	20.4%	NA	0.30x	4.2x	2.4x
Weis Markets, Inc.	62.38	(3.1%)	86.67	58.75	(2.5%)	(24.2%)	NA	0.31x	4.8x	0.6x
Sector Average:					7.3%	33.7%	18.2x	0.78x	7.5x	2.3x
<b>TRADITIONAL RESTAURANTS</b>										
Brinker International, Inc.	\$46.14	(7.1%)	\$51.72	\$28.23	6.9%	44.6%	11.7x	0.97x	6.3x	3.2x
The Cheesecake Factory Incorporated	34.29	(5.1%)	38.19	28.58	(2.1%)	8.1%	11.2x	1.03x	7.5x	3.9x
Cracker Barrel Old Country Store, Inc.	64.23	(11.7%)	121.17	62.69	(16.7%)	(32.2%)	13.4x	0.76x	7.7x	3.5x
Darden Restaurants, Inc.	156.35	(6.5%)	176.84	133.36	(4.8%)	13.0%	16.7x	2.26x	11.8x	3.2x
Dine Brands Global, Inc.	43.22	(7.0%)	70.32	42.00	(13.0%)	(33.1%)	6.6x	2.54x	9.4x	7.1x
Jack in the Box Inc.	61.25	(10.6%)	99.56	60.43	(25.0%)	(10.2%)	9.2x	2.62x	7.8x	5.7x
McDonald's Corporation	266.69	(5.4%)	302.39	245.73	(10.1%)	1.2%	21.5x	9.46x	15.7x	3.5x
Papa John's International, Inc.	63.74	(4.3%)	86.38	60.66	(16.4%)	(22.6%)	24.3x	1.42x	11.4x	3.6x
Texas Roadhouse, Inc.	149.99	(2.9%)	157.12	91.06	22.7%	64.9%	26.6x	2.31x	18.2x	1.3x
The Wendy's Company	18.44	(2.1%)	23.90	17.64	(5.3%)	(18.5%)	18.4x	3.40x	12.2x	6.9x
Yum! Brands, Inc.	136.10	(1.8%)	143.25	115.53	4.2%	6.3%	23.5x	7.04x	19.0x	4.6x
Sector Average:					(5.4%)	2.0%	16.7x	3.07x	11.5x	4.2x
<b>HIGH-GROWTH RESTAURANTS</b>										
Chipotle Mexican Grill, Inc.	\$2,905.42	(0.0%)	\$3,023.98	\$1,664.72	27.0%	109.4%	54.4x	8.35x	33.5x	1.6x
El Pollo Loco Holdings, Inc.	9.13	(6.3%)	11.02	8.11	3.5%	(8.3%)	14.0x	1.18x	7.3x	3.6x
Noodles & Company	1.55	(18.8%)	5.29	1.55	(50.8%)	(71.8%)	NM	0.73x	5.4x	4.4x
Potbelly Corporation	10.75	(11.2%)	14.36	7.12	3.2%	93.0%	45.7x	0.96x	5.8x	2.3x
Shake Shack Inc.	101.24	(2.7%)	110.90	52.64	36.6%	143.8%	147.1x	4.14x	23.6x	4.0x
Wingstop Inc.	350.43	(4.4%)	379.00	150.08	36.6%	154.6%	116.7x	23.77x	80.8x	5.4x
Sector Average:					9.3%	70.1%	75.6x	6.52x	26.1x	3.6x
<b>CANNABIS &amp; CBD</b>										
Canopy Growth Corporation	\$13.86	18.9%	\$26.00	\$3.74	105.0%	(55.9%)	NM	4.88x	NM	NM
Cronos Group Inc.	3.66	3.1%	4.01	2.15	32.1%	6.4%	NM	2.23x	NM	NM
Jones Soda Co.	0.23	3.6%	0.29	0.12	56.6%	(14.2%)	NA	1.16x	NM	NA
The Scotts Miracle-Gro Company	74.95	0.5%	78.25	43.67	17.6%	54.2%	25.2x	2.20x	21.1x	7.1x
Tilray Brands, Inc.	2.60	5.1%	3.40	1.50	12.8%	(3.5%)	NM	3.20x	NM	NM
Village Farms International, Inc.	1.36	9.7%	1.57	0.55	78.7%	1.5%	NM	0.71x	42.6x	13.8x
Sector Average:					50.5%	(1.9%)	25.2x	2.39x	31.8x	10.5x

**Notes:**

\* Denotes local currency.

Source: Capital IQ.

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

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

### S&P 500



### Dow Jones Industrial Average



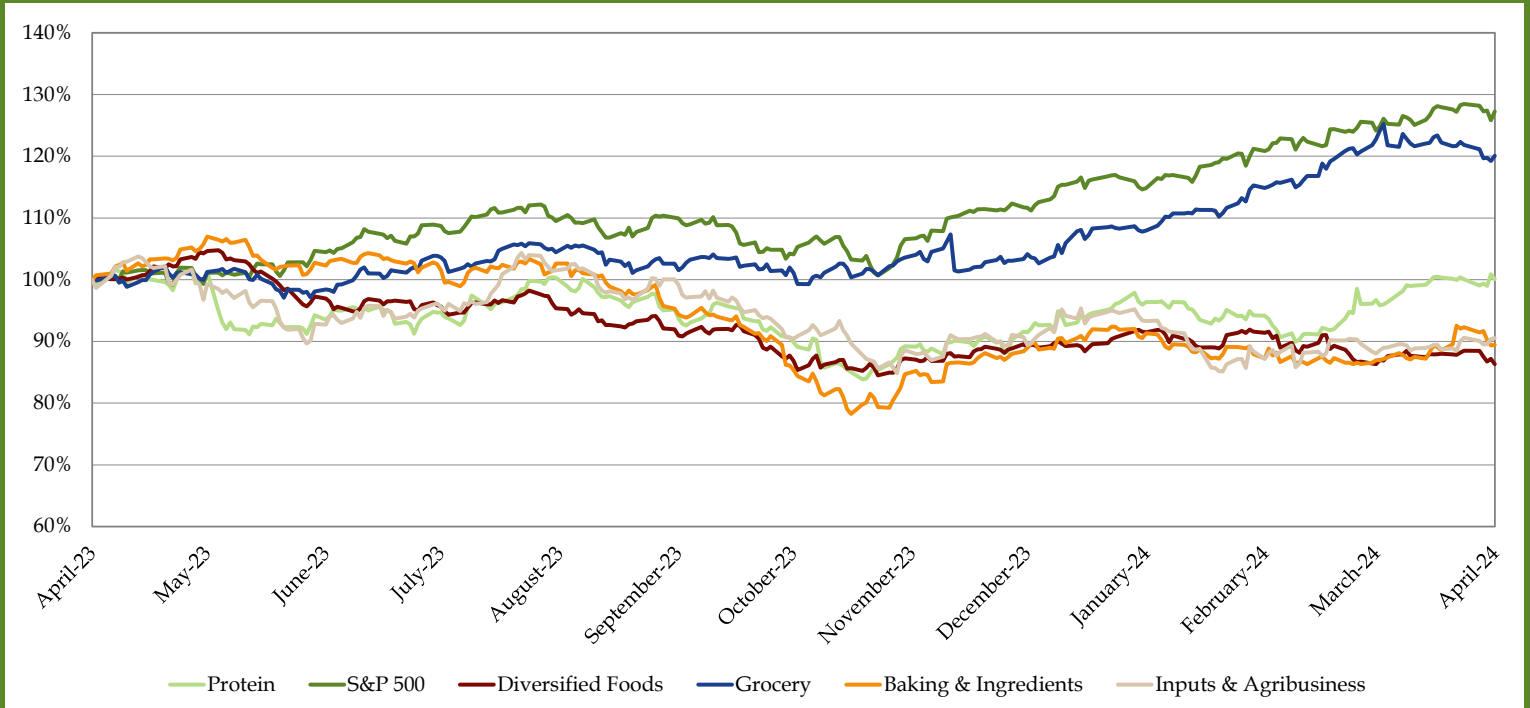
### 10-year Treasury



### CBOE Market Volatility Index - VIX



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



## Food For Thought...

Partner Column

Written by Mary Burke

When Conagra reported earnings last week, they called out that some shoppers traded down from fresh and frozen to canned vegetables earlier in the year. They have seen volume decline 3% in their frozen and refrigerated offerings. They are trying to offset with promotional offerings in those sections this quarter and expect volume to turn around. At the same time, Conagra said sales in its grocery and snack units rose 3% for the quarter as a result of price increases. Well, you can't have it both ways...we have continued to see consumers say the cost of food is too high and they are changing what they purchase. Expect volume to be down in those categories next quarter.

Kraft Heinz, facing the same headwinds of consumers pushing back on price increases, is increasing their marketing spend. They increased their marketing spend 15% in 2023 and from 2020 to 2024 will increase it 30%. With 85% of its sales in the retail channel, they feel very quickly consumer changing sentiments. Kraft is the third largest food company behind PepsiCo and Nestle, and has been focusing on cost reductions and inefficiency elimination since the merger is 2015. This increase in marketing is really the first time in a while they are spending in a meaningful way on their brands.

Did you know that US pet supplement market was valued at \$890 million in 2022 and is expected to reach \$1,381 million by 2028. That is a compound growth rate of 7.6%. Need I say more?

In the upper Midwest states of Illinois, Indiana, Ohio, Minnesota, Michigan and North Dakota, the top three chains in each state represent over 50% of the retail sales.

	# of Stores	Sales (\$mm)	% of Market
<b>Michigan</b>	<b>1,018</b>	<b>18,338</b>	
Meijer	114	7,095	38.7%
Kroger	115	3,172	17.3%
Walmart	80	2,099	11.5%
<b>North Dakota</b>	<b>47</b>	<b>908</b>	
Hornbacher's	6	277	30.5%
Walmart	12	198	21.9%
Cashwise Grocery	7	76	8.4%
<b>Minnesota</b>	<b>688</b>	<b>10,951</b>	
Cub	82	2,664	24.3%
Walmart	58	1,614	14.7%
Hy-Vee	31	1,231	11.2%
<b>Indiana</b>	<b>675</b>	<b>10,303</b>	
Walmart	98	2,305	22.4%
Kroger	96	2,252	21.9%
Meijer	40	2,004	19.5%
<b>Illinois</b>	<b>1,414</b>	<b>26,262</b>	
Jewel-Osco	186	8,717	33.2%
Walmart	131	3,093	11.8%
Meijer	26	1,829	7.0%
<b>Ohio</b>	<b>752</b>	<b>10,450</b>	
Giant Eagle	89	2,612	25.0%
Walmart	71	1,729	16.5%
Marc's	62	1,166	11.2%

Source: Shelby Report of the Midwest 1/24



**California's Fast Food Workers Get a Raise.** As of April 1, fast-food chains in California with 60 or more locations nationwide are required to pay their workers a minimum wage of \$20 per hour, a significant boost from the previous rate of \$16 per hour. This decision has garnered widespread praise from workers and labor advocates, who view it as a crucial step towards rectifying the historically low wages prevalent in the fast food sector. The move is particularly significant in acknowledging the role of fast food jobs as primary sources of income for many adult workers, rather than mere entry-level positions for teenagers seeking supplemental income.

However, while the wage increase is celebrated as a victory for workers, it also presents significant challenges and concerns for business owners, especially franchisees operating within the fast food industry. With the implementation of the new law, franchisees are now faced with the prospect of heightened operational costs, which could strain their bottom lines and profitability. To mitigate these increased expenses, business owners have begun to consider various measures such as reducing labor hours, implementing layoffs, or passing on the additional costs to consumers through price adjustments. State and federal minimum wages have long-time been a complex balancing act between promoting worker welfare and ensuring the continued viability of businesses. The introduction of the new law represents a significant milestone in the ongoing dialogue surrounding labor rights and economic policy, not only within California but also on a national scale.

**Conagra Adapts to Evolving Market.** Conagra Brands reported earnings on Thursday, showing net sales down 1.7% to \$3.03 billion, however, beating Wall Street estimates of \$3.01 billion. Gross profit increased by 2.4% to \$859 million in the quarter, driven by increased demand for pantry staples as more consumers continue to eat at home amidst persistent inflation. The company's shares rose by about 5% following the announcement, alongside a raised annual adjusted operating margin forecast. Conagra focused on lowering prices in certain categories, such as refrigerated and frozen foods, and increasing promotions to appeal to budget-conscious consumers, aiming to counteract volume declines experienced due to consistent price hikes.

Total volumes were down 1.8%, an improvement from 2.9% in the previous quarter. Analysts regarded Conagra's results positively, noting increased spending on advertising and promotions. Easing supply chain challenges contributed to improved operational efficiency, enabling the company to maintain its gross margin while investing in growth initiatives, underscoring the company's resilience amidst evolving market conditions.

**The Key Bridge Collapse and its Impacts on Agriculture.** The collapse of Baltimore's Francis Scott Key Bridge on March 26, resulting in the tragic loss of six lives, has raised concerns about its implications for the agricultural supply chain. The bridge's destruction has severed key terminals at the Port of Baltimore from the outside world, impacting the transportation of coal, containers, and automobiles. With the port playing a vital role in handling nearly 40 million short tons of cargo annually and supporting thousands of jobs, the economic repercussions are significant. Despite efforts to clear the wreckage, the blockage persists, amplifying negative economic impacts on agriculture.

The Port of Baltimore's role in agricultural trade, while relatively minor in terms of overall U.S. ag trade volume, holds significance for businesses accessing international markets. In 2023, the port facilitated the export of over 605,000 metric tons of agricultural products, valued at nearly \$650 million, and imported over 1.59 million metric tons of agricultural goods, totaling \$3.34 billion in value. Its accessibility to Maryland and neighboring states historically fueled the growth of the agricultural economy. The closure has prompted concerns about potential price increases and logistical challenges.

Industries reliant on the port, such as sugar refineries and agricultural equipment manufacturers, face immediate challenges due to the closure. Sugar refineries rely heavily on the port for raw materials, while manufacturers may experience delays in receiving essential equipment during the critical spring planting season. The closure has proven the importance of the Port of Baltimore in facilitating agricultural trade and the resilience of the global freight network in adapting to unforeseen shipping conditions.

**Cal-Maine Shares Jump Following Earnings Report.** Cal-Maine Foods saw its stock surge over 8% in premarket trading Wednesday following better-than-expected quarterly earnings driven by robust demand for eggs. Revenue in the period was \$703.1 million down from \$997.5 million in the year-ago quarter, but came in ahead of Wall Street's \$692 million estimate. The company's sales volumes increased 3.2%, with both conventional and specialty egg sales recording low to mid-single-digit percentage growth. Egg prices, although seeing an uptick due to the resurgence of Highly Pathogenic Avian Influenza (HPAI), were down significantly from a year ago.

On the same day as its earnings report, Cal-Maine reported detecting HPAI at its Parmer County, Texas facility, resulting in a 3.6% reduction in its total flock (See Page 8). Despite this setback, the company remains optimistic about the continued strong demand for shell eggs throughout the year, driven by customers seeking affordable and nutritious protein options.

## Heard on the Street...

***Dole and Fresh Express Call Off Deal.*** Dole and Fresh Express have mutually agreed to terminate their previously announced agreement involving Fresh Express acquiring Dole's fresh vegetables division for approximately \$293 million in cash. The termination stems from the U.S. Department of Justice's determination to pursue litigation aimed at preventing the transaction, citing concerns over potential harm to competition, particularly in the packaged salad market.

The fresh vegetables division of Dole encompasses the processing and selling various produce items, salads, and meal kits, with reported revenue of \$1.28 billion. This division operates agricultural facilities and four processing plants across the U.S., supporting over 3,000 jobs.

Fresh Express, a subsidiary of Chiquita Holdings, withdrew its plans for the acquisition after pressures from antitrust regulators. The Justice Department confirmed Fresh Express's abandonment of the acquisition, citing worries about adverse effects on competition in the packaged salad market. Assistant Attorney General Jonathan Kanter emphasized that allowing the acquisition to proceed could reduce competitors and potentially lead to price increases for consumers, an issue particularly significant amid existing concerns about grocery prices. Despite regulatory pressures leading to the agreement's abandonment, Dole asserts its disagreement with claims that the deal would have harmed competition, arguing that it was 'pro-competition and would have provided benefits the consumers.

***Dollar General Plans for Expansion while Family Dollar Announces Closures.*** Dollar General and Dollar Tree, two major players in the dollar store industry, are moving in opposite directions due to differences in real estate strategies. Dollar General, with plans to add 800 stores this year, predominantly operates in rural areas where competition is scarce, contributing to its consistent growth over the years. In contrast, Dollar Tree's Family Dollar chain, located in more urban and suburban areas, faces stiff competition and higher real estate costs, leading to the closure of 600 stores as part of a turnaround effort.

The rural focus of Dollar General has resulted in significant savings on real estate occupancy costs compared to Family Dollar. This advantage, coupled with Dollar General's continuous expansion and strategic investments in remodeling and relocation, has contributed to its sustained growth. On the other hand, Family Dollar's underinvestment in store standards and renovations has led to challenges in competing effectively with its rivals.

Beyond real estate, the Family Dollar closures can be attributed

to a multitude of issues. Stores cite challenges including inflation; competition from other dollar stores and Walmart; and internal mismanagement exemplified by a recent \$40 million fine for a rat infestation in one of its warehouses. The reduction in government benefits such as SNAP and rising living costs further exacerbate the loss of customers who rely on affordable options.

Dollar Tree's acquisition of Family Dollar in 2015 has proved less profitable than expected, however, projections suggest continued revenue growth for both Dollar Tree and Dollar General in the coming years. Customer demand for affordable essentials is expected to persist, providing opportunities for the dollar store sector to thrive despite economic changes.

***HPAI Outbreak at Cal Maine Facility.*** A Cal-Maine Foods, Inc. facility in Parmer County, Texas, faced a Highly Pathogenic Avian Influenza (HPAI) outbreak, leading to the depopulation of approximately 1.6 million laying hens and 337,000 pullets, constituting about 3.6% of the company's total flock as of March. Cal-Maine ceased production at the affected facility and has stated that there is no known risk associated with HPAI eggs in the market, and no egg recalls have been initiated. This incident follows a similar HPAI detection last December at a Kansas facility, which affected around 684,000 laying hens.

HPAI strains pose significant threats to domestic poultry, potentially decimating entire flocks within days. Additionally, cases of HPAI symptoms or presumptive positive test results have recently been reported in cattle from dairy herds across several states, including Idaho, Kansas, Michigan, New Mexico, and Texas, according to the USDA's National Veterinary Services Laboratories (NVSL).

***Unilever Puts Ice Cream Brands Up for Sale.*** Unilever, the consumer goods conglomerate, announced plans to divest its ice cream brands, such as Ben & Jerry's and Magnum, as part of its ongoing growth strategy. This move accompanies a significant reduction in workforce, with 7,500 jobs set to be cut globally. The London-based company aims to complete the transaction by the end of 2025. Despite the ice cream segment contributing 13% of Unilever's sales in 2023, its slower growth compared to other units prompts the decision to sell.

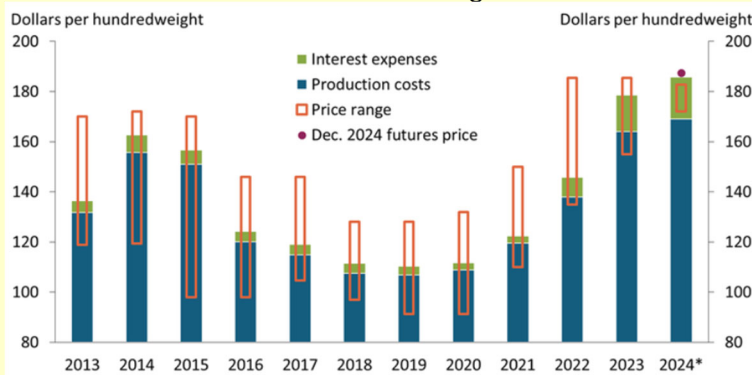
Unilever's decision reflects a strategic shift towards a more focused company, prioritizing brands with stronger growth prospects. The spin-off will enable Unilever to streamline operations, eliminate inefficiencies, and better allocate resources to its core business divisions, including beauty and personal care, home care, and nutrition.



Sharp increases in interest rates have significantly raised interest expenses in the agricultural sector, with farm loan interest rates nearly tripling from the beginning of 2022 to the end of 2023. This surge in interest expenses, which represents the fastest-growing source of total farm production expenses, has particularly impacted newly purchased or refinanced assets like farmland and cattle production along the beef supply chain. While cattle prices initially offset higher interest expenses in 2022 and 2023, profit margins have recently tightened, with 2024 seeing prices below the total cost of production (See Chart 1).

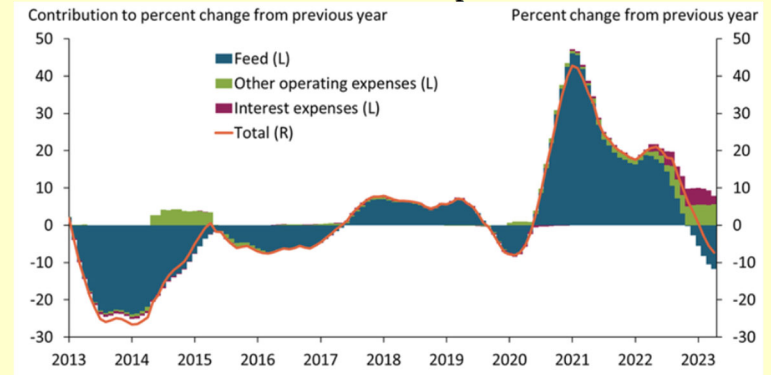
Increases in interest and other operating expenses have offset recent declines in feed costs. Chart 3 illustrates a notable rise in interest expenses in 2023, alongside increases in other operating expenses like labor, transportation, and utilities. Despite a 7% decrease in total production costs for a feeder calf in 2023 due to lower feed costs, higher interest and operating expenses canceled out the reduction. To encourage significant herd expansion in the future, operating profits will likely need substantial increases, primarily influenced by feed costs, operational expenses, and interest expenses.

**Chart 1: Cattle Margins**



Source: Federal Reserve Bank of Kansas City

**Chart 3: Cattle Expense**

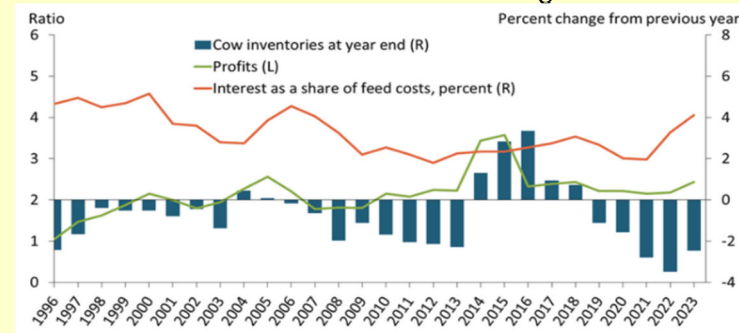


Source: Federal Reserve Bank of Kansas City

Cattle inventories reached their lowest levels in over 70 years in January 2024 amidst supply chain disruptions and severe drought. The number of cattle sold to feedlots has increased, indicating a continued flow of cattle into the beef supply chain, while inventories for beef cows and heifers have declined, suggesting favorable market conditions for selling rather than retaining them. Additionally, wildfires in Texas and Oklahoma in March 2024 led to further losses, exacerbating the inventory decline. Cattle inventories tend to rise following a year of improved producer profitability, however, despite consistent profitability between 2019 and 2022, cattle inventories continued to decrease (See Chart 2), likely influenced by the challenges posed by the pandemic and drought conditions.

It is important to note that the impacts of the major interest expense hikes on farm loans reach far beyond the cattle industry. It affects other protein producers, processors, and the agricultural sector as a whole. As a share of production expenses, interest expense was the third largest share of farm production expenses at 7.4%. Total farm sector debt reached a record high of \$535 billion in 2023 and is expected to push even higher in 2024.

**Chart 2: Cattle Inventories Tracking Profits**



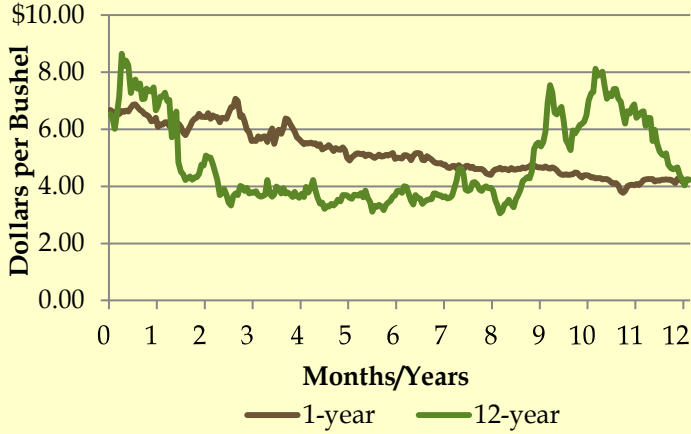
Source: Federal Reserve Bank of Kansas City

The majority of farms in the U.S. are family-owned and fall into the small family farm category, with about 97% of farms being family farms and 88% having an annual gross cash farm income of less than \$350,000, according to the USDA. These small, family-owned businesses heavily depend on finance options to cover the high costs associated with agriculture production, highlighting the significance of accessible credit for sustaining agricultural operations.

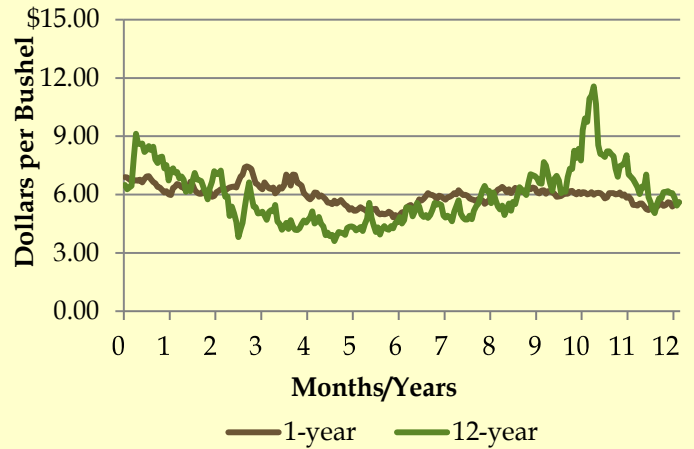
In 2023, the collective interest expenses incurred by U.S. farmers experienced a significant surge, escalating by approximately 43% to reach a staggering \$34.42 billion, as indicated by the USDA's latest Farm Sector Income Forecast. This substantial increase in interest expenses poses challenges for farmers. The higher overall cost of credit adds financial strain to agricultural operations already grappling with various expenses, and also constrains farmers' ability to access credit.

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

### Corn



### Wheat



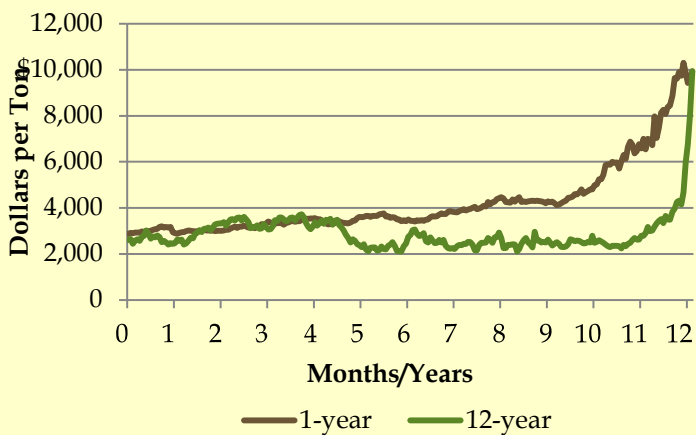
### Hogs



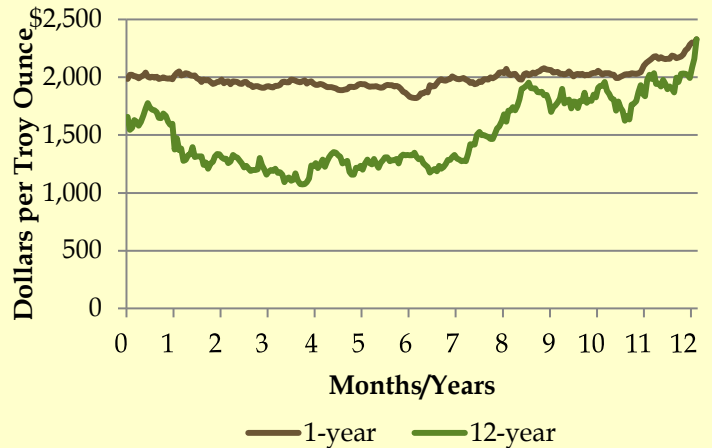
### Broilers



### 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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