



# LAKE SHORE

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



## Weekly Update

Monday, May 13<sup>th</sup>, 2024

**Major Indexes Post Third Straight Week of Gains.** As earnings season comes to a close, U.S. indexes finished the week up for the third consecutive week, finishing slightly below the record highs of early April. Q2 expectations are high as analysts raised their second-quarter estimates, the first time that estimates have increased in the first month of a quarter in over two years. While the stock market continues its rebound, sticky inflation is starting to weigh on American consumers; the University of Michigan's May sentiment poll fell to 67.4 from 77.2 in April.

The **Dow Jones Industrial Average** rose 2.2%, finishing at 39,513.

The **S&P 500** was up 1.9% on the week, finishing at 5,223.

The **NASDAQ Composite** increased 1.1% this week, finishing at 16,341.

Yield on the **10-year Treasury** was unchanged on the week, ending at 4.50%.

**Crude oil** decreased 0.3% on the week, ending at \$77.84 per barrel.

**Corn** rose 2.1% on the week, ending at \$4.70 per bushel.

**NASDAQ Highs:** The Chefs' Warehouse, Inc., Costco Wholesale Corporation, Freshpet, Inc., Lifeway Foods, Inc., Pilgrim's Pride Corporation, Seneca Foods Corporation, Sprouts Farmers Market, Inc., Village Super Market, Inc., Vital Farms, Inc., Wingstop Inc. **Lows:** Green Plains Inc., Jack in the Box Inc., Starbucks Corporation

**NYSE Highs:** Brinker International, Inc., Chipotle Mexican Grill, Inc., Ingredion Incorporated, Natural Grocers by Vitamin Cottage, Inc., Shake Shack Inc., US Foods Holding Corp. **Lows:** The Boston Beer Company, Inc., Brown-Forman Corporation, Dine Brands Global, Inc., TreeHouse Foods, Inc.

### Featured Stocks of the Week:

#### TreeHouse Foods Inc. (NYSE: THS) 10-Year History



#### Green Plains Inc. (NASDAQ: GPRE) 10-Year History



Mary Burke  
Partner  
312.348.7081  
mburke@lakeshorefoodadvisors.com

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

# The Lakeshore Food Chain

Company Name	Price 5/10/24	Price Compared to 5/3/24	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	39,513	2.2%	39,807	32,418	4.8%	19.2%	NA			
S&P 500	5,223	1.9%	5,254	4,110	9.5%	36.0%	21.0			
NASDAQ Composite Index	16,341	1.1%	16,442	12,285	8.9%	56.1%	NA			
Russell 3000 Index	2,986	1.8%	3,013	2,351	8.7%	34.7%	NA			
Sector Average:					8.0%	36.5%				
<b>AGRICULTURAL LAND HOLDINGS</b>										
Farmland Partners Inc.	\$11.19	(0.2%)	\$13.27	\$9.96	(10.3%)	(10.2%)	NM	17.95x	32.2x	12.0x
Gladstone Land Corporation	13.39	3.6%	17.48	12.31	(7.3%)	(27.0%)	NM	11.56x	14.5	8.6
Limoneira Company	21.23	(3.5%)	22.00	13.88	2.9%	73.9%	132.1	2.53x	NM	NM
Sector Average:					(4.9%)	12.2%	132.1	10.68x	23.4	10.3
<b>INPUTS</b>										
American Vanguard Corporation	\$9.14	(22.3%)	\$18.38	\$8.41	(16.7%)	(57.9%)	11.2x	0.77x	8.0x	3.7x
* BASF SE	48.81	(0.5%)	54.93	40.25	0.1%	5.2%	11.8x	0.98x	9.8x	3.5x
* Bayer Aktiengesellschaft	28.96	3.3%	54.95	24.96	(13.9%)	(40.1%)	5.7x	1.32x	5.5x	3.8x
CF Industries Holdings, Inc.	73.95	(0.2%)	87.90	60.08	(7.0%)	(13.2%)	12.5x	2.88x	6.3x	1.1x
Corteva, Inc.	57.48	0.6%	58.81	43.22	19.9%	(2.2%)	19.3x	2.57x	13.4x	1.4x
FMC Corporation	67.53	9.2%	111.95	49.49	7.1%	(45.9%)	15.2x	3.08x	17.6x	6.3x
Intrepid Potash, Inc.	24.68	18.8%	28.30	17.23	3.3%	(14.5%)	NM	1.21x	6.8x	0.1x
The Mosaic Company	29.43	2.6%	42.81	27.83	(17.6%)	(32.9%)	10.5x	1.10x	5.9x	2.0x
* Nutrien Ltd.	79.47	9.7%	92.48	64.89	6.5%	(19.6%)	14.8x	1.54x	7.9x	2.6x
S&W Seed Company	0.41	(0.9%)	1.35	0.37	(42.0%)	(72.7%)	NM	1.15x	NM	NM
Zoetis Inc.	169.04	1.2%	201.92	144.80	(14.4%)	15.3%	28.8x	9.38x	22.4x	1.9x
Sector Average:					(6.8%)	(25.3%)	14.4x	1.66x	10.3x	2.7x
<b>AGRICULTURAL EQUIPMENT</b>										
* Ag Growth International Inc.	\$47.50	(5.1%)	\$64.51	\$46.86	(6.0%)	9.6%	7.2x	1.18x	7.6x	4.1x
AGCO Corporation	116.05	3.8%	140.46	105.77	(4.4%)	(16.3%)	9.6x	0.72x	4.9x	2.0x
Art's-Way Manufacturing Co., Inc.	1.93	2.2%	2.90	1.83	(6.7%)	0.0%	NA	0.63x	12.8x	6.0x
* Buhler Industries Inc.	2.17	(2.7%)	2.79	2.00	(11.1%)	12.4%	NA	0.50x	NM	NM
CNH Industrial N.V.	11.52	0.3%	15.74	9.77	(5.4%)	(28.3%)	7.7x	1.66x	11.2x	8.6x
Deere & Company	407.89	1.7%	450.00	345.55	2.0%	(4.9%)	15.3x	2.86x	10.5x	3.9x
Lindsay Corporation	119.73	1.2%	137.31	106.46	(7.3%)	(26.5%)	23.0x	2.03x	11.2x	1.2x
Titan Machinery Inc.	23.84	4.5%	35.88	21.44	(17.5%)	(40.0%)	7.4x	0.57x	7.4x	5.1x
Sector Average:					(7.0%)	(11.7%)	11.7x	1.27x	9.4x	4.4x
<b>AGRIBUSINESS</b>										
The Andersons, Inc.	\$53.40	(5.5%)	\$61.46	\$37.06	(7.2%)	52.6%	17.4x	0.17x	6.0x	1.6x
Archer-Daniels-Midland Company	62.98	6.4%	87.30	50.72	(12.8%)	(32.2%)	11.5x	0.46x	7.4x	2.2x
Bunge Global SA	106.03	4.8%	116.59	86.10	5.0%	6.3%	11.7x	0.33x	4.0x	1.3x
Ingredion Incorporated	120.22	4.9%	120.53	89.54	10.8%	22.8%	11.9x	1.19x	7.8x	1.6x
MGP Ingredients, Inc.	83.07	3.0%	124.96	75.78	(15.7%)	(21.9%)	13.0x	2.63x	10.8x	1.6x
* Olam Group Limited	8800.00	8.6%	17800.00	7800.00	(17.0%)	7.3%	NA	0.98x	17.4x	12.1x
Sector Average:					(6.1%)	5.8%	13.1x	0.96x	8.9x	3.4x
<b>DIVERSIFIED FOODS</b>										
B&G Foods, Inc.	\$8.01	(29.7%)	\$15.15	\$7.20	(23.7%)	(28.2%)	9.3x	1.33x	8.3x	6.5x
Campbell Soup Company	45.95	2.4%	54.67	37.94	6.3%	(19.0%)	14.8x	1.98x	8.7x	2.3x
Conagra Brands, Inc.	31.13	1.8%	36.89	25.16	8.6%	(19.6%)	11.6x	1.94x	9.7x	3.9x
General Mills, Inc.	70.70	1.1%	90.89	60.33	8.5%	(15.7%)	15.4x	2.58x	11.5x	2.8x
The Hain Celestial Group, Inc.	7.03	3.4%	14.60	5.69	(35.8%)	(56.6%)	16.5x	0.82x	9.3x	5.5x
The J. M. Smucker Company	115.34	2.0%	158.60	107.33	(8.7%)	(27.2%)	11.6x	2.55x	10.9x	4.6x
Kellanova	61.86	2.2%	71.19	47.63	10.6%	(13.2%)	16.9x	2.13x	13.9x	3.4x
The Kraft Heinz Company	36.24	(0.3%)	40.82	30.68	(2.0%)	(11.0%)	11.8x	2.38x	8.7x	2.8x
Lancaster Colony Corporation	197.57	3.2%	215.31	158.88	18.7%	0.1%	28.9x	2.82x	18.9x	0.0x
Mondelez International, Inc.	71.20	1.9%	78.54	60.75	(1.7%)	6.8%	19.9x	3.15x	11.9x	2.1x
* Nestlé S.A.	95.18	3.8%	115.86	89.52	(2.4%)	(11.2%)	18.5x	3.21x	15.0x	2.9x
* Nomad Foods Limited	19.08	5.5%	20.05	13.56	12.6%	10.7%	9.5x	1.52x	9.6x	4.4x
Post Holdings, Inc.	106.81	4.0%	108.17	78.85	21.3%	18.3%	18.4x	1.62x	9.7x	4.9x
The Simply Good Foods Company	37.71	1.0%	43.00	30.00	(4.8%)	(0.8%)	20.0x	3.09x	15.8x	1.1x
SunOpta Inc.	7.98	4.0%	10.89	3.82	10.4%	(29.9%)	NA	1.65x	19.4x	7.0x
TreeHouse Foods, Inc.	34.64	(7.0%)	54.52	33.28	(16.4%)	(29.9%)	13.5x	0.93x	8.9x	4.4x
Unilever PLC	49.80	2.0%	50.24	42.97	13.6%	6.3%	NA	2.52x	12.8x	2.6x
Utz Brands, Inc.	18.32	(4.8%)	20.04	11.17	12.8%	15.5%	25.1x	2.10x	20.4x	5.7x
WK Kellogg Co	21.77	(6.2%)	24.63	9.66	65.7%	NA	14.1x	0.84x	6.5x	1.4x
Sector Average:					1.5%	(11.4%)	16.4x	2.13x	12.4x	3.7x

Company Name	Price 5/10/24	Price Compared to 5/3/24	Price		Price as Compared to		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM EBITDA
			52-Week Range High	Low	YE: 2023	2022		Revenue	EBITDA	
<b>ETHANOL</b>										
Alto Ingredients, Inc.	\$1.69	(11.1%)	\$4.98	\$1.67	(36.5%)	(41.3%)	NM	0.18x	15.4x	7.9x
Green Plains Inc.	19.98	(0.9%)	36.02	18.75	(20.8%)	(34.5%)	30.5x	0.58x	25.3x	9.9x
REX American Resources Corporation	59.17	3.6%	60.79	28.39	25.1%	85.7%	33.4x	0.89x	6.9x	0.1x
Sector Average:					(10.7%)	3.3%	32.0x	0.55x	15.9x	6.0x
<b>FRUIT &amp; VEGETABLE</b>										
Calavo Growers, Inc.	\$28.68	1.4%	\$38.97	\$21.42	(2.5%)	(2.4%)	21.2x	0.60x	17.4x	2.1x
Dole plc	12.31	(1.0%)	14.01	10.55	0.2%	27.6%	10.3x	0.30x	5.7x	3.4x
Fresh Del Monte Produce Inc.	24.47	(0.2%)	28.55	21.41	(6.8%)	(6.6%)	12.0x	0.40x	5.5x	1.9x
Lamb Weston Holdings, Inc.	85.16	0.1%	117.38	77.41	(21.2%)	(4.7%)	13.9x	2.46x	8.7x	2.7x
Mission Produce, Inc.	12.20	3.4%	13.99	8.19	20.9%	5.0%	39.4x	1.11x	11.6x	2.8x
Seneca Foods Corporation	59.83	3.4%	60.91	32.50	14.1%	(1.8%)	NA	0.73x	9.0x	5.5x
Sector Average:					0.8%	2.8%	19.3x	0.93x	9.6x	3.1x
<b>PROTEIN</b>										
Beyond Meat, Inc.	\$7.16	(13.1%)	\$19.25	\$5.58	(19.6%)	(41.9%)	NM	4.68x	NM	NM
Cal-Maine Foods, Inc.	57.28	0.8%	64.76	42.25	(0.2%)	5.2%	14.7x	0.89x	5.3x	NA
Darling Ingredients Inc.	46.35	8.2%	71.60	38.97	(7.0%)	(25.9%)	13.1x	1.88x	8.4x	4.4x
Hormel Foods Corporation	35.63	1.3%	41.73	28.51	11.0%	(21.8%)	22.3x	1.80x	11.5x	1.8x
* JBS S.A.	24.62	3.2%	25.33	15.12	(1.2%)	12.0%	13.0x	0.40x	8.9x	6.7x
Nathan's Famous, Inc.	66.99	0.4%	83.00	61.35	(14.1%)	(0.3%)	NA	2.36x	8.9x	1.8x
Pilgrim's Pride Corporation	37.13	2.3%	37.82	19.96	34.2%	56.5%	10.8x	0.66x	8.0x	2.5x
Seaboard Corporation	3205.53	(0.4%)	3942.64	3048.01	(10.2%)	(15.1%)	NA	0.41x	7.0x	4.1x
Tyson Foods, Inc.	59.65	(3.8%)	62.04	44.94	11.0%	(4.2%)	19.1x	0.57x	10.4x	3.8x
Vital Farms, Inc.	36.41	29.4%	39.25	10.00	132.1%	144.0%	49.0x	2.84x	5.7x	0.1x
Sector Average:					13.6%	10.8%	15.5x	1.31x	8.2x	3.1x
<b>BAKING &amp; INGREDIENTS</b>										
Balchem Corporation	\$156.43	4.0%	\$159.52	\$110.74	5.2%	28.1%	35.9x	5.74x	23.9x	1.4x
Flowers Foods, Inc.	25.42	2.1%	28.93	19.64	12.9%	(11.6%)	20.6x	1.32x	11.4x	2.3x
* Gruma, S.A.B. de C.V.	330.56	(2.4%)	348.73	257.25	6.2%	26.8%	13.8x	1.31x	8.2x	1.8x
* Grupo Bimbo, S.A.B. de C.V.	69.95	(0.2%)	103.41	65.78	(18.6%)	(15.1%)	19.3x	1.14x	7.9x	2.8x
J&J Snack Foods Corp.	163.39	18.2%	177.71	133.23	(2.2%)	9.1%	29.7x	2.09x	15.8x	0.9x
* Kerry Group plc	80.00	(0.5%)	96.16	71.08	1.7%	(5.0%)	17.5x	1.93x	13.7x	2.3x
Krispy Kreme, Inc.	13.01	2.8%	17.84	11.52	(13.8%)	26.1%	45.3x	2.17x	12.8x	5.0x
McCormick & Company, Incorporated	76.15	0.9%	94.39	59.13	11.3%	(8.1%)	26.1x	3.67x	18.1x	3.5x
* Tate & Lyle plc	6.75	3.0%	8.28	5.87	2.4%	(5.2%)	12.2x	1.67x	8.8x	2.1x
Sector Average:					0.6%	5.0%	24.5x	2.34x	13.4x	2.4x
<b>CANDY, NUTS, &amp; SNACKS</b>										
Bridgford Foods Corporation	\$10.46	4.4%	\$12.78	\$10.02	(4.9%)	(12.3%)	NA	0.36x	6.4x	0.5x
The Hershey Company	204.78	3.5%	275.62	178.82	9.8%	(11.6%)	21.4x	4.08x	14.2x	1.7x
John B. Sanfilippo & Son, Inc.	102.07	4.2%	127.26	90.02	(0.9%)	25.5%	NA	1.19x	10.9x	0.4x
Laird Superfood, Inc.	2.69	7.6%	3.48	0.65	195.6%	220.2%	NM	0.52x	NM	NM
Rocky Mountain Chocolate Factory, Inc.	3.50	(2.2%)	5.99	3.45	(23.9%)	(38.6%)	NA	0.79x	NM	NM
Tootsie Roll Industries, Inc.	29.87	1.5%	38.14	28.22	(7.4%)	(25.6%)	NA	2.62x	14.8x	0.1x
Sector Average:					28.0%	26.3%	21.4x	1.60x	11.6x	0.7x
<b>PET FOOD AND PRODUCTS</b>										
Central Garden & Pet Company	\$46.69	10.8%	\$51.71	\$35.72	(6.8%)	24.7%	20.5x	1.17x	8.9x	3.2x
Freshpet, Inc.	120.09	9.6%	127.25	54.60	38.4%	127.6%	173.4x	7.27x	97.8x	6.8x
Sector Average:					15.8%	76.1%	97.0x	4.22x	8.9x	5.0x
<b>WINE &amp; BEVERAGE</b>										
The Boston Beer Company, Inc.	\$291.16	5.0%	\$395.52	\$264.63	(15.7%)	(11.6%)	27.7x	1.62x	13.1x	0.2x
Brown-Forman Corporation	49.12	2.5%	71.27	46.86	(14.0%)	(25.2%)	25.4x	6.15x	19.7x	2.6x
The Coca-Cola Company	63.26	1.8%	64.25	51.55	7.3%	(0.6%)	22.2x	6.53x	17.9x	2.9x
Constellation Brands, Inc.	261.95	2.3%	274.87	223.46	8.4%	13.0%	19.2x	6.09x	17.9x	3.2x
Crimson Wine Group, Ltd.	5.91	(2.2%)	6.96	5.38	0.2%	5.3%	NA	1.50x	21.7x	3.4x
* Diageo plc	28.50	4.4%	36.00	26.76	(0.2%)	(21.9%)	18.6x	4.78x	13.6x	3.2x
Monster Beverage Corporation	55.46	0.8%	61.23	47.13	(3.7%)	9.2%	30.0x	7.39x	25.1x	0.0x
National Beverage Corp.	48.12	3.7%	55.12	43.14	(3.2%)	3.4%	24.3x	3.62x	17.1x	0.2x
PepsiCo, Inc.	179.79	2.1%	196.88	155.83	5.9%	(0.5%)	21.6x	3.10x	16.0x	2.6x
Starbucks Corporation	76.11	4.1%	107.66	71.80	(20.7%)	(23.3%)	20.0x	2.96x	10.4x	2.5x
Willamette Valley Vineyards, Inc.	4.15	(2.4%)	6.59	4.00	(22.5%)	(30.5%)	NA	2.20x	25.1x	6.8x
Sector Average:					(5.3%)	(7.5%)	23.2x	4.18x	18.0x	2.5x

Company Name	Price 5/10/24	Price Compared to 5/3/24	52-Week Range		Price as Compared to YE:		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM EBITDA
			High	Low	2023	2022		Revenue	EBITDA	
<b>DAIRY</b>										
* Danone S.A.	\$59.50	3.0%	\$63.80	\$50.59	1.4%	20.9%	16.4x	1.76x	10.5x	3.6x
Lifeway Foods, Inc.	26.90	10.5%	28.61	5.75	100.6%	384.7%	25.3x	2.40x	19.0x	0.1x
* Saputo Inc.	27.25	2.5%	36.70	25.28	1.6%	(18.7%)	15.3x	0.88x	10.3x	2.7x
Sector Average:					34.5%	128.9%	19.0x	1.68x	13.3x	2.1x
<b>WHOLESALE, FOOD SERVICE, &amp; DISTRIBUTION</b>										
The Chefs' Warehouse, Inc.	\$38.50	1.9%	\$39.15	\$17.29	30.8%	15.7%	27.3x	0.67x	10.4x	4.0x
Performance Food Group Company	70.98	2.6%	78.54	52.92	2.6%	21.6%	14.9x	0.29x	10.1x	3.1x
SpartanNash Company	20.35	3.6%	24.51	18.57	(11.3%)	(32.7%)	10.1x	0.16x	5.5x	3.1x
Sysco Corporation	76.17	1.1%	82.89	62.24	4.2%	(0.4%)	16.7x	0.65x	12.3x	3.2x
United Natural Foods, Inc.	10.08	5.4%	28.37	8.58	(37.9%)	(74.0%)	39.1x	0.14x	5.9x	5.1x
US Foods Holding Corp.	54.81	6.6%	55.39	35.66	20.7%	61.1%	16.8x	0.50x	12.0x	3.2x
Sector Average:					1.5%	(1.4%)	20.8x	0.40x	9.4x	3.6x
<b>MASS MERCHANDISE, CLUB STORES, &amp; DOLLAR STORES</b>										
BJ's Wholesale Club	\$78.08	5.5%	\$80.42	\$60.33	17.1%	18.0%	19.9x	0.67x	9.5x	2.1x
Costco Wholesale Corporation	787.19	5.8%	787.45	476.75	19.3%	72.4%	47.2x	1.40x	30.2x	0.8x
Dollar General Corporation	140.95	2.5%	219.47	101.09	3.7%	(42.8%)	19.4x	1.25x	9.0x	3.3x
Dollar Tree, Inc.	121.04	0.3%	161.10	102.77	(14.8%)	(14.4%)	17.5x	1.18x	7.5x	2.2x
Grocery Outlet Holding Corp.	20.89	(18.7%)	36.54	19.73	(22.5%)	(28.4%)	20.4x	0.85x	9.5x	3.9x
Walmart Inc.	60.48	1.1%	61.66	48.34	15.1%	28.0%	25.6x	0.84x	13.0x	1.5x
Sector Average:					3.0%	5.5%	25.0x	1.03x	13.1x	2.3x
<b>TRADITIONAL &amp; SPECIALTY RETAIL</b>										
Albertsons	\$20.74	0.8%	\$23.88	\$19.85	(9.8%)	0.0%	8.2x	0.33x	5.1x	2.8x
* Ahold Delhaize	29.69	5.7%	31.88	25.40	14.1%	10.6%	11.4x	0.43x	5.8x	0.9x
Amazon.com, Inc.	187.48	0.7%	191.70	109.25	23.4%	123.2%	39.4x	3.43x	18.5x	1.5x
Ingles Markets, Incorporated	72.66	0.5%	89.59	69.62	(15.9%)	(24.7%)	NA	0.28x	4.6x	NA
The Kroger Co.	55.90	2.0%	58.34	42.10	22.3%	25.4%	12.6x	0.39x	6.4x	2.1x
Natural Grocers by Vitamin Cottage, Inc.	19.52	12.3%	20.72	10.39	22.0%	113.6%	NA	0.67x	6.0x	2.7x
Sprouts Farmers Market, Inc.	75.73	2.8%	75.95	32.12	57.4%	134.0%	23.7x	1.29x	10.6x	2.0x
* Tesco PLC	3.12	4.5%	3.13	2.18	7.3%	39.0%	12.0x	0.47x	7.0x	3.2x
Village Super Market, Inc.	29.75	3.5%	30.00	20.25	13.4%	27.7%	NA	0.31x	4.3x	2.4x
Weis Markets, Inc.	65.09	3.0%	71.42	58.75	1.8%	(20.9%)	NA	0.32x	5.1x	0.8x
Sector Average:					13.6%	42.8%	17.9x	0.79x	7.4x	2.0x
<b>TRADITIONAL RESTAURANTS</b>										
Brinker International, Inc.	\$58.82	7.0%	\$59.64	\$28.23	36.2%	84.3%	13.5x	1.08x	7.0x	3.1x
The Cheesecake Factory Incorporated	37.65	11.8%	38.19	28.58	7.5%	18.7%	11.6x	1.07x	7.7x	3.8x
Cracker Barrel Old Country Store, Inc.	56.27	0.2%	116.05	52.35	(27.0%)	(40.6%)	11.8x	0.71x	7.2x	3.5x
Darden Restaurants, Inc.	148.25	(0.7%)	176.84	133.36	(9.8%)	7.2%	15.9x	2.17x	11.4x	3.2x
Dine Brands Global, Inc.	43.79	(0.1%)	69.05	41.76	(11.8%)	(32.2%)	6.9x	2.57x	9.7x	7.3x
Jack in the Box Inc.	52.81	(4.4%)	99.56	52.63	(35.3%)	(22.6%)	8.0x	2.52x	7.5x	5.7x
McDonald's Corporation	275.00	1.7%	302.39	245.73	(7.3%)	4.4%	22.2x	9.64x	16.0x	3.3x
Papa John's International, Inc.	53.32	(9.6%)	86.38	52.07	(30.1%)	(35.2%)	21.2x	1.28x	9.9x	3.5x
Texas Roadhouse, Inc.	167.22	2.2%	170.39	91.06	36.8%	83.9%	27.1x	2.46x	18.7x	1.3x
The Wendy's Company	19.00	(4.7%)	23.89	17.64	(2.5%)	(16.0%)	18.9x	3.44x	12.4x	6.9x
Yum! Brands, Inc.	137.62	2.4%	143.20	115.53	5.3%	7.4%	23.5x	7.12x	18.9x	4.5x
Sector Average:					(3.4%)	5.4%	16.4x	3.10x	11.5x	4.2x
<b>HIGH-GROWTH RESTAURANTS</b>										
Chipotle Mexican Grill, Inc.	\$3,239.23	2.7%	\$3,260.00	\$1,768.64	41.6%	133.5%	56.0x	8.99x	36.0x	1.6x
El Pollo Loco Holdings, Inc.	10.49	4.8%	11.99	8.11	18.9%	5.3%	14.3x	1.25x	7.6x	3.5x
Noodles & Company	2.07	31.0%	4.02	1.11	(34.3%)	(62.3%)	NM	0.77x	5.7x	2.7x
Potbelly Corporation	8.81	(11.0%)	14.36	7.12	(15.5%)	58.2%	41.5x	0.85x	5.1x	2.0x
Shake Shack Inc.	103.28	(3.9%)	111.29	52.79	39.3%	148.7%	133.4x	4.11x	23.0x	3.9x
Wingstop Inc.	390.02	0.4%	400.99	150.08	52.0%	183.4%	106.2x	24.29x	80.5x	4.9x
Sector Average:					17.0%	77.8%	70.3x	6.71x	26.3x	3.1x
<b>CANNABIS &amp; CBD</b>										
Canopy Growth Corporation	\$12.36	(11.3%)	\$26.00	\$3.74	82.8%	(60.6%)	NM	3.95x	NM	NM
Cronos Group Inc.	3.80	4.4%	4.09	2.15	37.2%	10.5%	NM	2.32x	NM	NM
Jones Soda Co.	0.25	1.7%	0.29	0.12	74.9%	(4.2%)	NA	1.33x	NM	NA
The Scotts Miracle-Gro Company	68.68	(2.6%)	77.95	43.67	7.7%	41.3%	20.8x	2.03x	19.8x	5.8x
Tilray Brands, Inc.	1.93	(8.1%)	3.40	1.50	(16.1%)	(28.3%)	NM	2.42x	129.4x	34.7x
Village Farms International, Inc.	1.26	(6.0%)	1.62	0.55	65.6%	(6.0%)	NM	0.64x	20.1x	6.6x
Sector Average:					42.0%	(7.9%)	20.8x	2.11x	56.4x	15.7x

**Notes:**

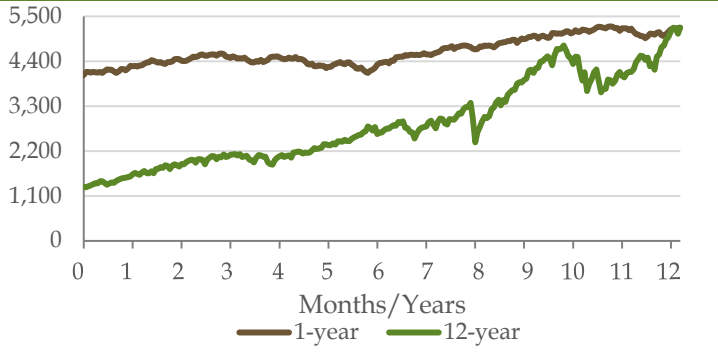
\*Denotes local currency.

Source: Capital IQ.

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

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

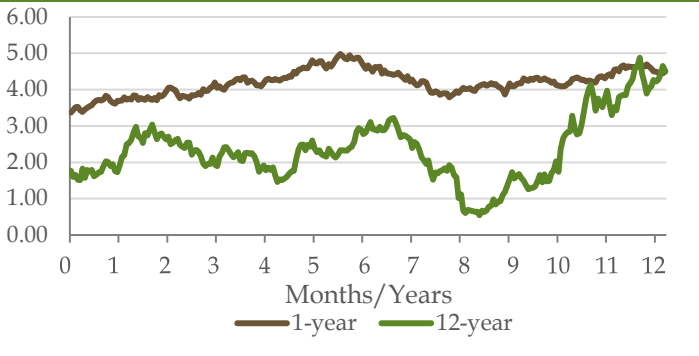
### S&P 500



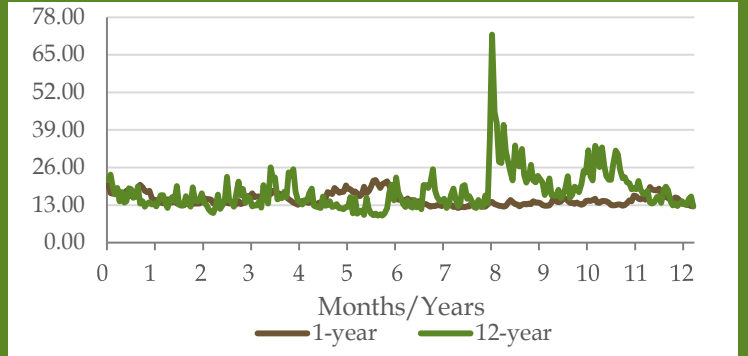
### Dow Jones Industrial Average



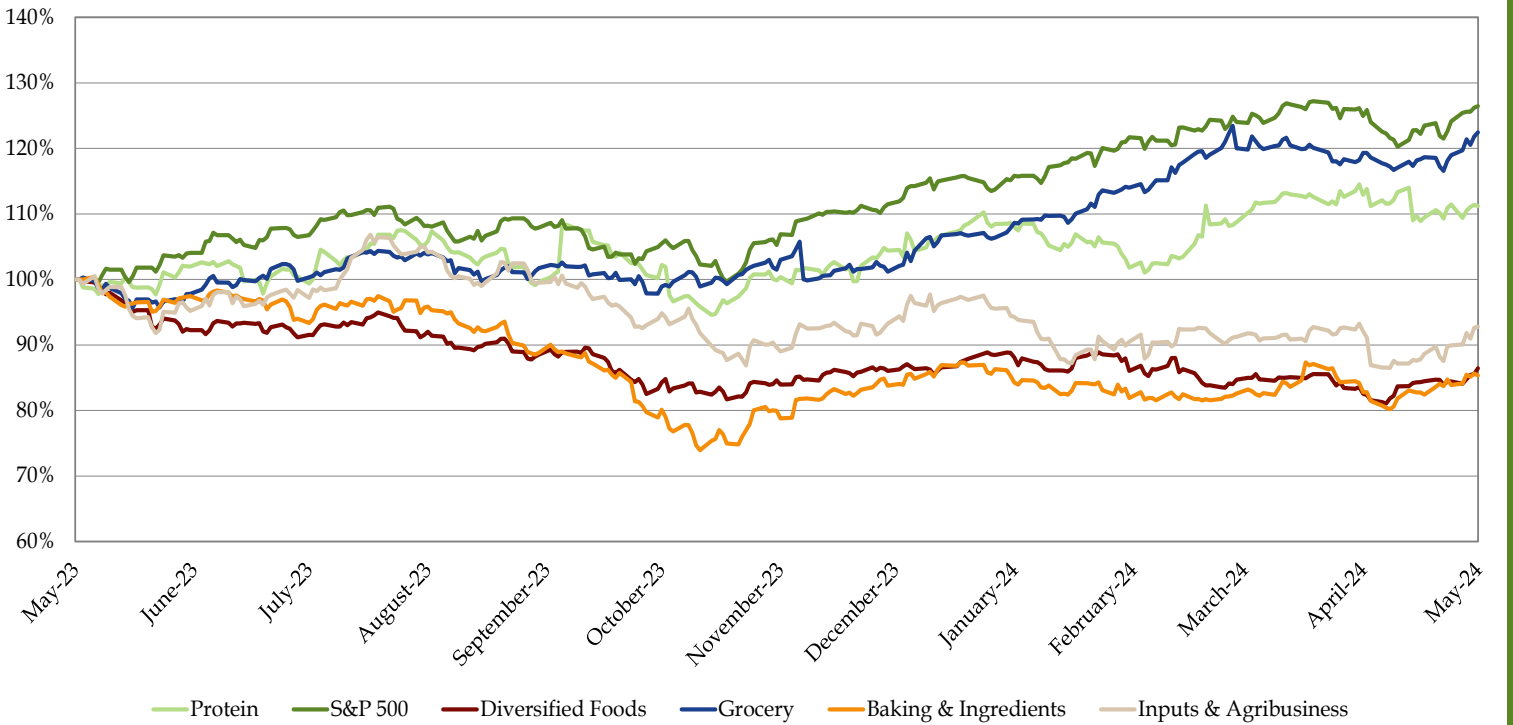
### 10-year Treasury



### CBOE Market Volatility Index - VIX



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



## Food For Thought...

*Partner Column*

*Written by Mary Burke*

One definition of insanity is to keep repeating the same thing over and over and expect a different outcome. It does not work.

So why:

- does the grocery store manager not work on weekends? The busiest days of the week.
- are flour and sugar sold in different sizes than most common storage units?
- does Chick-fil-A sell almost twice as much per store than many of its competitors in six days than competitors sell in seven since they are closed on Sundays?
- are unions gaining in popularity amongst workers? Don't say the employees are young and don't know better...this many cannot be wrong.
- do companies go through rebranding which makes it harder for consumers to find their products?
- does Walmart only have their storage refrigerator at the one temperature – so produce, milk and meat are all at the same temperature – really? The produce gets killed.
- are store hours not customer friendly but employee friendly?
- are hot dog and hamburger buns sold only in packages of eight?
- don't stores police the express line? Really, 45 items is not 15 items.

Since Covid, many practices in our society have changed. Here is a partial list:

- Shopping
- Work locations and practices
- Dogs-more had one and now don't know what to do with them
- Less paper- menus, e-tickets
- Sporting events- mobile ordering
- Willing to wear masks
- Zoom & Teams
- Less business travel
- Restaurants do not open as many days because they can't find employees and customers aren't coming to the office

Why are so many companies still trying to work as if it 2020?

*Have a good week*

***Tyson Foods Beats Earnings but Share Price Declines.*** Tyson Foods, the Arkansas-based meatpacker, reported its second quarter 2024 earnings on Monday, May 6th. Tyson reported that their sales fell short of estimates, but overall profits beat expectations. Even with this earnings beat, their stock still had their worst one-day decline in a year, falling nearly 6%.

A large reason for the stock decline is the Tyson management team's words regarding the outlook for the next quarter. The CEO, Donnie King, said third-quarter results could be weaker than fourth-quarter results due to weak performance in the company's pork and prepared foods divisions. Investors took this as especially alarming because the third quarter is usually the stronger quarter due to seasonality. Following the call, Tyson made a statement saying that it does not issue quarterly guidance.

However, the market seemed to overlook the earnings beat. The company posted adjusted earnings per share of 62 cents, while analysts' estimates were only 39 cents per share. Tyson has finally begun to see benefits from its cost-cutting actions throughout the past 18 months. Since the start of 2023, the company has closed six U.S. chicken plants, started the process of closing a pork plant, and laid off corporate employees. Additionally, the company reported growth in its largest segment, beef, for the first time in five quarters.

***Unprecedented Flooding in Brazil Threatening Agriculture Industry.*** Brazil's most southern state, Rio Grande do Sul (RS), is in the midst of what many are calling the worst flooding in the state's history. RS is one of Brazil's most prosperous states, and a backbone of the country's agricultural economy. Damages are already reportedly over \$100 million USD, with much of the state's essential infrastructure planning for closures that will last the rest of the month, including the state's main airport.

Concerns over reduced availability of Rio Grande do Sul soybeans and crop quality have supported soybean prices, per Brazil's Center for Advanced Studies on Applied Economics. Additionally, the region is known for producing a large amount of soy-based animal feed, which is also taking a hit. The main challenges are outside of processors' hands, with transportation routes being shut across RS. There is not a clear timeline for logistics to be returned to normal. Since RS exports much of its soybean derivative product for feed production, farmers far outside of RS will feel the ripples of this flood. Rio Grande do Sul is home to Porto Alegre, the nation's fourth largest port.

The animal protein market did not go unscathed by the flooding either. According to the Brazilian Animal Protein Association, at least ten poultry and pork processing units in RS face shutdowns or severe operational challenges. These processing hurdles are expected to impact the national meat supply as well as exports. RS accounts for a small portion of total Brazilian beef production but represents over ten percent of poultry and roughly 20% of pork production. Dairy production is hurting as well, with 30 to 40% of daily collection affected by the floods. In addition to the transportation challenges, dairy producers are experiencing losses of electricity, water, and feed. This forces farmers to cut back on the amount of milking or discard products that cannot be delivered as scheduled.

Brazil has implemented a variety of measures to make sure that the floods will not have a long-term impact on their economy, including certain agricultural payment exemptions and a moratorium on farmer debt payments.

***Hershey Delivers a Strong Quarter Amid Cocoa Futures' Astronomical Rise.*** This past week, Hershey Co. reported its 2024 first-quarter earnings. The Pennsylvania-based multinational confectionery company, known for its signature chocolate products, delivered a strong quarter with increases in both revenue and earnings. Net sales increased 8.9% to \$3.25 billion compared to the previous year's first quarter. Net income was up 36% to \$797 million. This growth is driven by price realization and a volume increase of 3.4%.

What makes this quarter so impressive for Hershey is their earnings beat, given cocoa prices are up around 150% this year due to shortage. One of the main reasons for the shortage is that West Africa has been in a drought for much of the 2023-2024 season. Additionally, since the crop is still mainly grown by smaller farms, the farmers lack the financial means to invest in their farms, lowering yields over time. However, Hershey CEO Michelle Buck thinks the increase in cocoa prices will allow them to make investments in their farming and improve overall yields. Growth in cocoa production in other regions will also help improve cocoa supply.

Hershey's North American confectionary segment saw an increase of ten percent, while North American salty snacks increased by just two percent. However, the recently acquired Dot's Homestyle Pretzels brand saw sales increase 12% within the salty segment.

## Heard on the Street...

***B&G Foods Announces it's Exploring Sale of Green Giant Amidst Poor Earnings, Shares Tumble.*** The stock market was not a fan of B&G Foods' earnings release, which included an announcement it is "evaluating a possible divestiture" of part or all of its frozen and canned vegetable brands, as well as a significant loss in the first quarter and revised full-year guidance. Following the release, B&G Foods' stock fell 28%, closing at \$8.28. It is unclear which part of the announcement the market was reacting to or if it was (more likely) a combination of the factors.

B&G has been focusing on reducing its long-term debt load by divesting assets recently. The company previously parted ways with its Green Giant canned business, spinning it off to Seneca Foods last November, while the Back to Nature Snacks brand went to Barilla back in 2022.

There could be several more transactions ahead in 2024; President and CEO Casey Keller said the company has "been evaluating and working on divestitures that represent between ten and 15% of total company net sales." Keller went on to explain on a May 8<sup>th</sup> earnings call "that process on smaller brands is proceeding, and we expect to possibly sell some assets before the end of fiscal year '24 and beyond."

***Our Home Entering Cheese Snacks with Sonoma Creamery Acquisition.*** Our Home, the better-for-you snack brand, is on a roll of acquisitions this year. Last week, the Popchips parent announced its successful purchase of Sonoma Creamery, a 93-year-old baked cheese snack manufacturer. The financial terms of the transaction were not disclosed.

The Sonoma acquisition marks Our Home's third of the year already after it completed two transactions with Utz Brands, Inc. In February, Our Home purchased the R.W. Garcia and Good Health Brands along with three manufacturing plants for \$182.5 million. Then, in April, Utz spun off two additional manufacturing plants to Our Home for \$18.5 million. Sonoma Creamery joins Our Home's expanding portfolio, which includes aforementioned Popchips, R.W. Garcia, Good Health, and other brands such as Food Should Taste Good and Real Food From The Ground Up.

***Martin's Famous Pastry Shoppe, Inc. Announces \$123 Million Facility Expansion.*** The potato bread and roll maker plans to expand its manufacturing plant in Chambersburg, Pennsylvania by 295,000 square feet. The company expects to

add over 127 jobs in the next five years with the addition. The 70-year-old company will receive a \$635,000 Pennsylvania First grant and a \$34,000 grant to train workers, touted by Governor Josh Shapiro in Chambersburg on April 30<sup>th</sup>. Members of the Martin family had previously supported Shapiro's competitor, state senator Doug Mastriano in the 2022 gubernatorial race. However, Shapiro and company President Tony Martin stood together in Chambersburg to celebrate the expansion and grant. Shapiro's message was one of unity and gratitude: "I don't care who Tony supported," he said. "I don't care who anyone supported in the campaign. I'm a governor for all Pennsylvanians and Martin's is a critically important business in Pennsylvania."

***Clemens Food Group Purchases Kunzler & Company.*** The fifth-largest pork producer in the U.S., Clemens Food Group, announced its acquisition of local hotdog and bologna maker Kunzler & Company last week. The financial terms of the deal were not disclosed but the purchase includes three processing facilities in Pennsylvania: two located in Tyrone township and the third in Lancaster. Clemens confirmed it would continue to sell products under the Kunzler brand and fold the acquired facilities into its operation as opposed to shuttering them.

"The decision to acquire Kunzler stems from both organizations' earned industry reputations, as both are viewed as trusted providers of high-quality products to the marketplace," Brad Clemens, Clemens Food Group's President, said in an announcement last Monday.

Kunzler's annual sales were approximately \$150 million, while Clemens does about \$2 billion in annual revenue. Two hundred of Kunzler's maintenance and production employees were members of Local 152 of the United Food & Commercial Workers union as of 2021, with a contract that was approaching its expiration this spring. It remains unclear what will happen with the union moving forward.

***Rubicon Bakers Acquires Lucky Spoon.*** A portfolio company of Trive Capital, Rubicon Bakers, is entering the gluten-free (GF) space with its bolt-on acquisition of Lucky Spoon. Lucky Spoon makes GF cakes, cupcakes, and cookies for the retail grocery channel. The deal's financial details were not disclosed. Rubicon focuses on "clean-label" nut-free and vegan goods, so the gluten-free space was a natural progression for the Salt Lake City baker. Lucky Spoon joins Just Desserts in the Rubicon portfolio.



# Dashboard

Sector	Outlook	
	6-month	3-year
<b>INPUTS</b>		
s/w/ Corn and soybean plantings lag 2023 with 36% of corn and 25% of soybeans acres having been planted (through May 5)		
s/ All major fertilizer prices have increased since February, historically prices peak in May		
s/ Farm land continues to hold its value despite declining commodity prices and higher-for-longer interest rates	↑	↔
s/ In the ten years \$4-\$6 billion has been invested in CRISPR for agriculture as companies look for a more efficient seed		
w/ Recent wet weather has stalled plantings		
<b>AG EQUIPMENT</b>		
s/ Rapid advancement of generative AI in ag equipment will benefit farmers through crop optimization and labor reduction		
w/ Brazilian floods damage many key crops and livestock, which will impact equipment demand significantly in 2024		
s/w Interest rate uncertainty and overall ag financing could have will have a large impact on equipment sales	↓	↑
w/ AGCO reported full year 2024 Q1 vs. 2023 Q1 sales decline of 12.1%, led by lower combine sales		
s/ Rising crop prices expected to boost farm reinvestment		
<b>AGRIBUSINESS</b>		
s/ China approves genetically modified wheat crops; China is the world's largest wheat producer and consumer		
s/w/ A fast start to planting season has been slowed by widespread rains in the past week; drought conditions have improved		
w/ Flooding in southern Brazil has blocked road and rail access to Porto Alegre, Brazil's fourth largest grain export port	↓	↑
w/ Purdue/CME Ag Economy survey showed farmer sentiment falling to a multi-year low in April due to poor 2024 outlook		
s/w/ Canadian Competition Bureau's non-binding review of Bunge/Viterra deal found "major competition concerns" if approved		
<b>DIVERSIFIED FOODS</b>		
s/ Recent snack trends include: added protein, sugar reduction, sustainability, mushrooms, caffeine, and new flavors		
s/w/ Walmart's launch of new private label "bettergoods" seeks to stem growth of private label sales at Costco, Target, etc.		
s/w/ B&G Foods and General Mills potential divestitures of long-held brands demonstrates refocus on faster growing categories	↔	↔
s/w/ Aldi told suppliers at its first supplier summit to focus on keeping costs low and improving sustainability		
w/ Kellanova (snacks) and WK Kellogg (cereal) see volume declines of 4.7% and 7.0% respectively in Q1		
<b>ALTERNATIVE FUELS</b>		
s/ New tax bill offering tax credits for sustainable aviation fuels could propel tremendous growth for biorefineries		
s/ Promising developments from LanzaTech show success in a carbon emission eating, ethanol producing bacteria	↑	↑↑
s/ U.S. offshore wind farm startup, Oeergy, is receiving a \$10-\$30 million investment from European renewable energy firm		
s/ BP announced a team up with two firms to manufacture 180 million gallons of sugar cane aviation fuel		
s/w/ FTC passed the ExxonMobil - Pioneer Natural Resources acquisition, increasing Exxon's energy efficiency		
<b>FRUIT &amp; VEGETABLE</b>		
s/ May is National Salad Month, but studies show US consumers are already eating 4% more salads than last year		
s/ Fresh Del Monte Produce Inc. reported earnings, showing increases in pineapple and melon sales volumes		
s/ Citrus importers expecting volumes to fully recover from 2023's climate challenges, prepare for significant supply increase	↑	↑
w/ USDA and Texas Dept. of Agriculture expand citrus canker quarantine as the disease is detected in more areas		
s/w/ Study shows geography, high electricity costs, and public perception remain the three greatest challenges to the CEA industry		
<b>PROTEIN</b>		
s/w/ Mixed earnings for Tyson - Improvements in processing efficiency in chicken segment offset by beef/pork headwinds		
w/ Prop 12, California's animal housing law, led to a 20% increase in CA's retail pork prices since July 2023 implementation		
w/ HPPI affected over 8 million birds in April. The USDA has begun testing retail beef for presence of the virus	↓	↔
w/ Retail egg prices are up roughly 16% YTD at \$2.99/ dozen, although down significantly from its January 2023 peak at \$4.82		
s/ Florida and Alabama both signed bans of cultivated (lab-grown) meat into law		

Sector	Outlook	
	6-month	3-year
<b>SUMMER FOOD FACTS</b>		
Americans eat 20 billion hot dogs a year with 7 billion eaten in June, July and August. 150 million eaten on July 4th!		
Americans consume 23 pounds of ice cream per year, on average-more consumed in the summer than other months		
Ben & Jerry's is the leading ice cream brand... but private label is twice as popular		
US per capita consumption of water melon is 14.2 pounds annually, China is over 110 pounds annually		
North Dakota has the highest per capita beer consumption at 45.8 gallons annually, Utah is in last at 20.2 gallons annually		
Californians consume the most wine per capita with over 155 gallons annually, Wyoming the least at 1 gallon		
<b>CANDY, COFFEE, &amp; NUT</b>		
s/ Continued rising demand for coffee in China expected to keep prices elevated		
s/ USDA modifying definitions within the federal marketing order for California Almonds, helping the industry build new markets		
w/ Herbicide drift damage appearing in Southeastern pecan orchards	↔	↑
w/ Hershey expects to continue feeling the impact of high cocoa prices into 2025		
s/w/ Cocoa futures are beginning to recede from April's all-time highs, down over 10% from peak but still triple historical averages		
<b>DAIRY</b>		
w/ USDA predicts above-average temperatures this summer across the U.S. - Heat stress lowers production in dairy cattle		
w/ March's milk production was down 0.9% from a year ago, with 71,000 fewer cows.		
s/ Beef-on-dairy calves have become a profitable venture for some dairies, providing an alternative revenue stream	↔	↔
s/w/ Despite prolonged low milk prices, culling rates have not increased due to increased heifer replacements costs		
s/w/ The CME spot butter price broke \$3.07 in early May, up \$0.63 from a year ago and the highest price of 2024		
<b>WHOLESALE, FOOD SERVICE &amp; DISTRIBUTION</b>		
w/ The price differential between eating in and eating out remains high, causing more people to eat in		
w/ Rising gas prices impact shoppers' purchase decisions and increase expenses for transportation companies		
s/ Between groceries and restaurants, Americans are spending more of their income on food than they have in 30 years	↓	↔
s/ McDonald's, Dominos and Restaurant Brands are dividend paying stocks with buys on as consumers expected to spend more		
s/w/ More poultry items remain on the menus of historically hamburger places in attempt to address consumer budgets		
<b>TRADITIONAL RETAIL</b>		
w/ Expect grocery prices to become a recurring theme of the upcoming elections with prices up 25.8% since the last election		
s/ Hy-Vee speeds up expansion plans with acquisition of Strack & Van Til, announce intentions to enter TN and KY as well		
s/ Investment in private label pays off with over 20% of grocery unit sales being private label in 2023	↑	↑
w/ Aldi announces price cuts on over 250 items, pressuring traditional grocers to follow suit		
s/w/ Kroger-Albertsons continues to face pressures as the DOJ backs CO lawsuit to block the deal		
<b>NON-TRADITIONAL RETAIL</b>		
s/w/ 15.7% of all groceries are purchased online, a 12% increase from 2022		
s/w/ Retailers are looking for new locations that increase their rent expense but are closer to customers		
s/w/ 22.6% of revenue at Target comes from food and beverage - food has grown over 50% in the last three years	↑↑	↑
s/w/ 20% of Convenience store revenue comes from food which contributes 35% of store income		
w/ Kroger announced the closure of three e-commerce direct-to-consumer facilities		
s/ On line convenience is not as necessary at dollar stores as it is for conventional stores		
<b>BIG PICTURE INDUSTRY DRIVERS</b>		
HPAI cross species & human infection		
Geopolitical unrest		
Timing of shift to La Niña, worsening severity of hurricane season		
Interest rate uncertainty		
Sticky inflation		
Immigration potential to fill unwanted agriculture jobs		
Consumer sentiment beginning to rebound		
Election year impacts on foreign trade & ag bills		
Eyes focused on U.S. planting season		
Farm bill extension expires September 30, 2024, first proposals submitted		

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

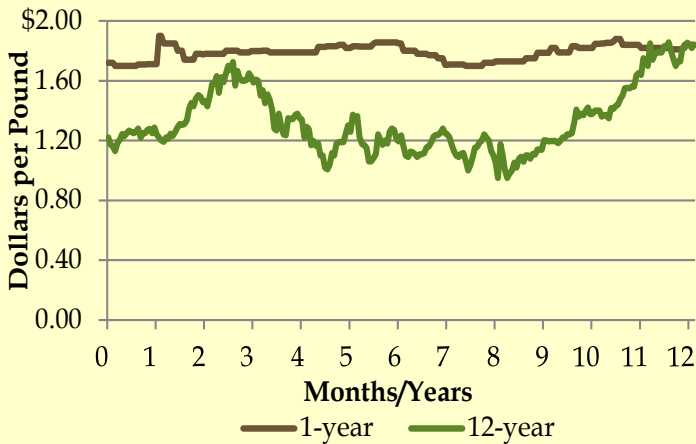
## Soybeans



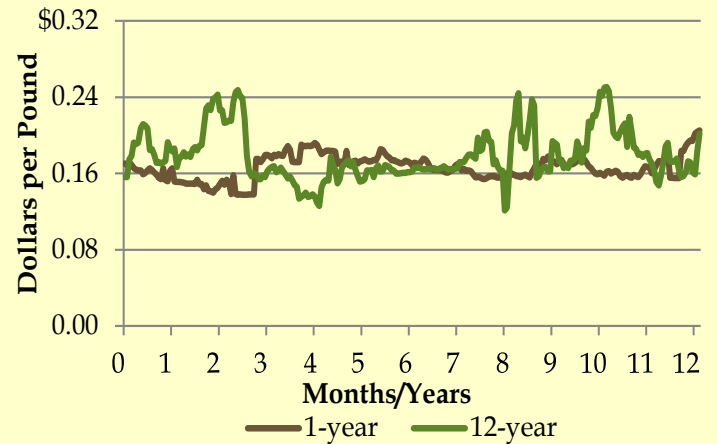
## Sugar



## 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).