

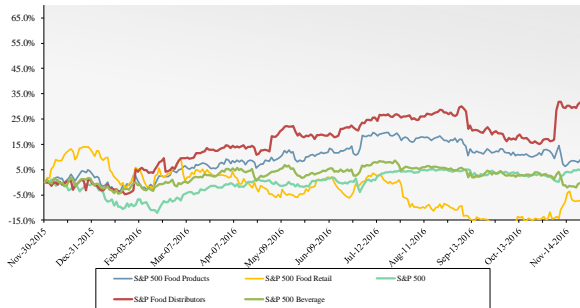
The Cupboard



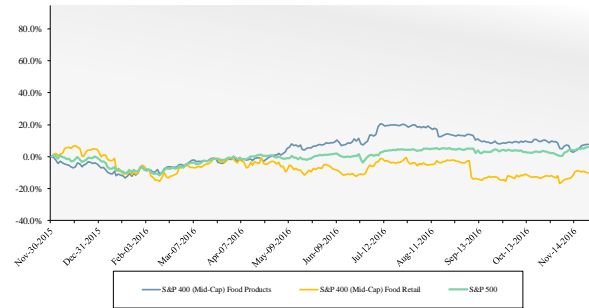
A Food & Beverage Industry Newsletter



Overall Food & Beverage Industry Performance (shown as % change)



Mid-Cap Food Industry Performance (Shown as % change)



Indices Performance (% change)

	November 2016	LTM		November 2016	LTM		November 2016	LTM
S&P 500	4.2%	5.7%	S&P 500 Food Products	(6.8%)	6.0%	S&P 400 Food Products (Mid-Cap)	(2.1%)	7.2%
Dow Jones	6.1%	7.9%	S&P 500 Food Retail	4.4%	(10.3%)	S&P 400 Food Retail (Mid-Cap)	0.3%	(13.0%)
NASDAQ	3.3%	4.2%	S&P 500 Food Distributors	12.6%	29.6%			
			S&P 500 Beverage	(5.3%)	(2.7%)			

Source: Capital IQ

Largest Food Retailers Movers and Losers (largest % changes in the month of November)

Natural Grocers by Vitamin Cottage, Inc.	12.1%	Sprouts Farmers Market, Inc.	(9.0%)
The Kroger Co.	4.5%	Village Super Market, Inc.	(7.3%)
SUPERVALU Inc.	3.6%		
Ingles Markets, Incorporated	3.0%		
Whole Foods Market, Inc.	2.6%		

Largest Food Producers Movers and Losers (largest % changes in the month of November)

Flowers Foods, Inc.	19.6%	Coffee Holding Co., Inc.	(15.8%)
Sanderson Farms, Inc.	17.5%	Lifeway Foods, Inc.	(8.3%)
Inventure Foods, Inc.	14.0%	S&W Seed Company	(4.1%)
Seneca Foods Corporation	8.5%	HRG Group, Inc.	(2.7%)
Dean Foods Company	7.6%	Darling Ingredients Inc.	(2.4%)

Source: Capital IQ

Food Industry Contacts

Tom Denison
(312) 283-0819
thomas.denison@thechicagocorp.com

Phil Clarke
(312) 283-0803
philip.clarke@thechicagocorp.com

Diane Selph
(312) 283-0828
diane.selph@thechicagocorp.com

Jeff Schneiders
(312) 283-0807
jeff.schneiders@thechicagocorp.com

Fred Floberg
(312) 283-0802
fred.floberg@thechicagocorp.com

Stan Cutter
(312) 283-0804
stan.cutter@thechicagocorp.com



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Select Public Trading Statistics

Beverage:

(\$ in millions, except per share data)

Company	Share Price 11/30/2016	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples			LTM Operating Margins			Net Debt/EBITDA	
					TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
Anheuser-Busch InBev SA/NV	ENKTBR:ABI	\$102.50	79.2%	\$198,202	\$245,173	6.3x	17.1x	20.6x	58.8x	NM	34.9x	60.9%	30.5%	36.7%	3.0x
The Coca-Cola Company	KO	\$40.35	85.6%	\$174,028	\$196,001	4.6x	15.7x	18.5x	24.5x	22.6x	23.8x	60.6%	23.2%	27.5%	1.9x
PepsiCo, Inc.	PEP	\$100.10	90.2%	\$143,562	\$164,356	2.7x	13.6x	16.6x	22.0x	23.1x	24.3x	55.7%	16.0%	19.5%	1.7x
Diageo plc	LSE:DEGE	\$24.65	87.7%	\$61,826	\$75,083	5.8x	17.4x	19.1x	22.5x	NM	22.4x	59.5%	28.5%	31.3%	2.8x
Constellation Brands, Inc.	STZ	\$151.14	87.1%	\$30,489	\$38,336	5.4x	15.9x	17.5x	26.0x	NM	28.5x	47.5%	30.2%	33.4%	NM
Monster Beverage Corporation	MNST	\$44.75	80.6%	\$25,551	\$24,952	8.5x	21.8x	22.6x	40.2x	51.8x	42.9x	62.8%	37.6%	38.9%	NM
Brown-Forman Corporation	BFb	\$45.35	86.4%	\$16,758	\$18,540	6.1x	16.7x	17.7x	17.3x	NM	27.3x	68.4%	34.3%	36.2%	1.9x
Dr Pepper Snapple Group, Inc.	DPS	\$86.74	87.8%	\$15,935	\$18,634	2.9x	11.3x	13.0x	18.8x	22.6x	21.0x	60.0%	22.4%	25.7%	1.6x
National Beverage Corp.	PEZZ	\$50.49	78.0%	\$2,351	\$2,195	2.9x	16.0x	17.6x	28.6x	NM	NM	37.1%	16.4%	18.0%	NM
The Boston Beer Company, Inc.	SAM	\$173.10	77.8%	\$2,147	\$2,070	2.3x	11.6x	16.0x	27.7x	33.4x	24.4x	51.1%	14.4%	19.8%	NM
Mean				\$67,085	\$78,534	4.7x	15.7x	17.9x	28.6x	30.7x	27.7x	56.4%	25.3%	28.7%	2.2x
Median				\$28,020	\$31,644	5.0x	15.9x	17.6x	25.2x	23.1x	24.4x	59.7%	25.8%	29.4%	1.9x
High				\$198,202	\$245,173	8.5x	21.8x	22.6x	58.8x	51.8x	42.9x	68.4%	37.6%	38.9%	3.0x
Low				\$2,147	\$2,070	2.3x	11.3x	13.0x	17.3x	22.6x	21.0x	37.1%	14.4%	18.0%	1.6x

Source: Capital IQ

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months

Retail & Distribution:

(\$ in millions, except per share data)

Company	Share Price 11/30/2016	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples			LTM Operating Margins			Net Debt/EBITDA	
					TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
The Kroger Co.	KR	\$32.80	75.6%	\$30,497	\$42,623	0.4x	7.3x	11.8x	15.3x	21.3x	16.9x	23.1%	3.1%	5.2%	2.3x
Sysco Corporation	SYF	\$53.25	97.4%	\$29,124	\$36,301	0.7x	12.9x	17.2x	29.5x	NM	23.2x	18.3%	4.1%	5.4%	2.5x
Whole Foods Market, Inc.	WFM	\$30.39	85.4%	\$9,676	\$9,997	0.6x	7.3x	11.5x	19.6x	NM	20.0x	34.4%	5.5%	8.7%	NM
Casey's General Stores, Inc.	CASY	\$120.45	88.4%	\$4,719	\$5,418	0.9x	9.5x	13.7x	20.5x	NM	25.8x	26.6%	5.8%	8.8%	1.4x
Weis Markets, Inc.	WMRK	\$55.70	87.8%	\$1,498	\$1,445	0.5x	8.4x	14.9x	23.9x	NM	NM	27.6%	3.3%	5.8%	NM
SpartanNash Company	SPFN	\$36.21	95.5%	\$1,357	\$1,825	0.2x	8.1x	12.4x	22.2x	14.5x	16.2x	14.5%	1.9%	3.0%	2.1x
SUPERVALU Inc.	SVAL	\$4.64	64.7%	\$1,235	\$3,575	0.2x	4.7x	7.4x	8.0x	NM	8.1x	15.2%	2.8%	4.4%	3.1x
Ingles Markets, Incorporated	IMKTA	\$45.90	81.6%	\$930	\$1,823	0.5x	7.7x	13.7x	16.5x	NM	NM	24.4%	3.4%	6.2%	3.7x
Village Super Market, Inc.	VLGEA	\$34.53	96.3%	\$489	\$445	0.3x	6.6x	10.3x	19.5x	NM	NM	27.2%	2.6%	4.1%	NM
Mean				\$8,836	\$11,495	0.5x	8.0x	12.5x	19.5x	17.9x	18.4x	23.5%	3.6%	5.7%	2.3x
Median				\$1,498	\$3,575	0.5x	7.7x	12.4x	19.6x	17.9x	18.4x	24.4%	3.3%	5.4%	2.4x
High				\$30,497	\$42,623	0.9x	12.9x	17.2x	29.5x	21.3x	25.8x	34.4%	5.8%	8.8%	3.7x
Low				\$489	\$445	0.2x	4.7x	7.4x	8.0x	14.5x	8.1x	14.5%	1.9%	3.0%	1.4x

Source: Capital IQ

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months



The Cupboard

A Food & Beverage Industry Newsletter



Fruits, Vegetables & Nuts:

(\$ in millions, except per share data)

Company	Share Price 11/30/2016	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples			LTM Operating Margins			Net Debt/EBITDA	
					TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
Fresh Del Monte Produce Inc.	FDP	\$62.01	92.7%	\$3,212	\$3,353	0.8x	10.0x	12.9x	23.1x	0.0x	19.9x	11.1%	6.4%	8.3%	0.3x
Calavo Growers, Inc.	CVGW	\$53.95	75.5%	\$941	\$947	1.1x	14.9x	17.2x	27.9x	NM	33.2x	11.5%	6.5%	7.5%	0.1x
Seneca Foods Corporation	SINEA	\$37.60	92.0%	\$372	\$747	0.6x	6.3x	7.8x	7.4x	NM	NM	11.0%	7.1%	8.8%	3.2x
Adventure Foods, Inc.	SNAK	\$9.04	92.7%	\$178	\$293	1.1x	38.9x	NM	NM	NM	(41.9x)	12.6%	0.1%	2.7%	15.3x
Mean				\$1,176	\$1,325	0.9x	17.5x	12.7x	19.5x	0.0x	3.7x	11.6%	5.0%	6.8%	4.3x
Median				\$656	\$847	0.9x	12.5x	12.9x	23.1x	0.0x	19.9x	11.3%	6.5%	7.9%	1.7x
High				\$3,212	\$3,353	1.1x	38.9x	17.2x	27.9x	0.0x	33.2x	12.6%	7.1%	8.8%	15.3x
Low				\$178	\$293	0.6x	6.3x	7.8x	7.4x	0.0x	-41.9x	11.0%	0.1%	2.7%	0.1x

Source: Capital IQ

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months

Protein Products:

(\$ in millions, except per share data)

Company	Share Price 11/30/2016	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples			LTM Operating Margins			Net Debt/EBITDA	
					TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
Tyson Foods, Inc.	TSN	\$56.81	73.7%	\$21,223	\$27,165	0.7x	7.6x	9.4x	12.5x	NM	15.9x	12.7%	7.8%	9.7%	1.7x
Hormel Foods Corporation	HRL	\$34.24	74.9%	\$18,120	\$17,955	1.9x	12.3x	13.6x	20.9x	NM	23.7x	22.7%	13.5%	14.9%	(0.1x)
Pilgrim's Pride Corporation	PPC	\$17.61	63.4%	\$4,426	\$5,355	0.7x	6.2x	7.7x	10.4x	8.6x	13.1x	11.2%	8.7%	10.9%	1.1x
Sanderson Farms, Inc.	SAFM	\$80.65	81.1%	\$1,821	\$1,578	0.6x	5.2x	7.1x	12.9x	NM	10.2x	16.1%	10.4%	13.4%	(0.6x)
Bridgford Foods Corporation	BRID	\$12.17	76.1%	\$110	\$98	0.7x	6.9x	NM	6.9x	NM	NM	37.8%	8.5%	10.7%	(0.8x)
Mean				\$9,140	\$10,430	0.9x	7.6x	9.4x	12.7x	8.6x	15.7x	20.1%	9.8%	11.9%	0.2x
Median				\$4,426	\$5,355	0.7x	6.9x	8.6x	12.5x	8.6x	14.5x	16.1%	8.7%	10.9%	(0.1x)
High				\$21,223	\$27,165	1.9x	12.3x	13.6x	20.9x	8.6x	23.7x	37.8%	13.5%	14.9%	1.7x
Low				\$110	\$98	0.6x	5.2x	7.1x	6.9x	8.6x	10.2x	11.2%	7.8%	9.7%	(0.8x)

Source: Capital IQ

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months

Dairy:

(\$ in millions, except per share data)

Company	Share Price 11/30/2016	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples			LTM Operating Margins			Net Debt/EBITDA	
					TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
Danone	BN	\$62.06	84.2%	\$37,943	\$46,889	2.0x	11.7x	14.6x	20.9x	22.8x	22.7x	50.9%	13.9%	17.3%	2.2x
The WhiteWave Foods Company	WWAV	\$35.09	97.0%	\$9,764	\$11,842	2.8x	22.4x	30.1x	49.9x	43.0x	40.2x	34.6%	9.6%	12.9%	3.9x
Dean Foods Company	DF	\$19.86	93.8%	\$1,797	\$2,665	0.3x	5.9x	9.8x	17.2x	16.5x	12.4x	25.9%	3.5%	5.8%	1.9x
Lilway Foods, Inc.	LWAY	\$11.63	62.9%	\$188	\$186	1.5x	21.0x	32.4x	56.6x	93.3x	58.4x	30.1%	4.7%	7.2%	(0.2x)
Mean				\$12,423	\$15,396	1.7x	15.2x	21.7x	36.1x	43.9x	33.4x	35.4%	7.9%	10.8%	1.9x
Median				\$5,780	\$7,254	1.8x	16.3x	22.3x	35.4x	32.9x	31.5x	32.4%	7.2%	10.1%	2.1x
High				\$37,943	\$46,889	2.8x	22.4x	32.4x	56.6x	93.3x	58.4x	50.9%	13.9%	17.3%	3.9x
Low				\$188	\$186	0.3x	5.9x	9.8x	17.2x	16.5x	12.5x	25.9%	3.5%	5.8%	-0.2x

Source: Capital IQ

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months



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A Food & Beverage Industry Newsletter



Organics & Healthy:

(\$ in millions, except per share data)

Company	Share Price 11/30/2016	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples			LTM Operating Margins			Net Debt/EBITDA	
					TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
The WhiteWave Foods Company	WWAV	\$5.09	97.0%	\$9,764	\$11,842	2.8x	22.4x	30.1x	49.9x	43.0x	40.2x	34.6%	9.6%	12.9%	3.9x
The Hain Celestial Group, Inc.	HAIN	\$39.19	68.8%	\$4,054	\$4,846	1.7x	13.1x	15.7x	19.6x	NM	21.7x	23.2%	10.7%	12.8%	2.1x
Amplify Snack Brands, Inc.	BETR	\$9.50	54.2%	\$696	\$1,269	5.6x	14.4x	15.3x	32.2x	38.7x	26.2x	52.5%	36.3%	38.6%	6.5x
Mean				\$4,838	\$5,986	3.4x	16.6x	20.4x	33.9x	40.8x	29.4x	36.7%	18.9%	21.5%	4.2x
Median				\$4,054	\$4,846	2.8x	14.4x	15.7x	32.2x	40.8x	26.2x	34.6%	10.7%	12.9%	3.9x
High				\$9,764	\$11,842	5.6x	22.4x	30.1x	49.9x	43.0x	40.2x	52.3%	36.3%	38.6%	6.5x
Low				\$696	\$1,269	1.7x	13.1x	15.3x	19.6x	38.7x	21.7x	23.2%	9.6%	12.8%	2.1x

Source: Capital IQ

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months

Food Conglomerates:

(\$ in millions, except per share data)

Company	Share Price 11/30/2016	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples			LTM Operating Margins			Net Debt/EBITDA	
					TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
Nestlé S.A.	NESN	\$66.74	85.4%	\$200,762	\$222,465	2.6x	12.7x	15.3x	24.5x	23.2x	24.0x	50.4%	15.7%	19.1%	1.2x
Mondelez International, Inc.	MDLZ	\$41.24	88.9%	\$63,692	\$79,186	3.0x	17.2x	21.1x	78.7x	28.2x	25.2x	39.1%	13.1%	16.3%	3.6x
General Mills, Inc.	GIS	\$60.94	83.5%	\$36,039	\$45,366	2.8x	13.2x	15.7x	22.2x	NM	21.4x	36.3%	17.7%	21.2%	2.6x
Kellogg Company	K	\$72.00	82.6%	\$25,265	\$32,824	2.5x	16.1x	21.4x	36.2x	20.0x	21.9x	37.2%	11.7%	15.6%	3.7x
Campbell Soup Company	CPB	\$56.89	83.8%	\$17,496	\$20,794	2.6x	13.2x	16.4x	26.7x	NM	19.5x	36.0%	15.9%	19.8%	2.1x
Congra Brands, Inc.	CAG	\$36.69	75.1%	\$16,062	\$20,356	1.8x	10.1x	12.2x	32.4x	20.3x	17.7x	27.7%	12.3%	15.4%	1.2x
The J. M. Smucker Company	SIM	\$125.95	80.1%	\$14,664	\$19,894	2.6x	11.8x	15.6x	20.5x	NM	17.4x	39.0%	17.0%	22.4%	3.1x
Post Holdings, Inc.	POST	\$76.33	85.8%	\$4,952	\$8,685	1.7x	10.0x	15.4x	NM	NM	34.4x	30.8%	11.2%	17.2%	4.3x
Trehouse Foods, Inc.	THIS	\$69.32	66.3%	\$3,933	\$6,782	1.3x	12.8x	22.7x	42.4x	30.7x	29.8x	18.5%	5.7%	10.1%	5.4x
Lancaster Colony Corporation	LANC	\$135.51	96.0%	\$3,716	\$3,570	3.0x	16.4x	18.5x	29.1x	NM	28.1x	26.3%	16.3%	18.3%	(0.7x)
Snyder's-Lance, Inc.	LNCE	\$37.26	97.1%	\$3,583	\$4,930	2.4x	18.7x	28.4x	104.5x	40.3x	31.1x	35.6%	8.4%	12.8%	5.0x
B&G Foods, Inc.	BGS	\$42.80	81.0%	\$2,842	\$4,150	3.1x	12.9x	14.5x	24.5x	24.5x	22.4x	33.0%	21.7%	24.3%	4.1x
J&J Snack Foods Corp.	JJSF	\$121.43	96.0%	\$2,269	\$2,116	2.1x	13.9x	18.8x	30.0x	28.6x	30.5x	30.7%	11.4%	15.4%	(1.0x)
Mean				\$30,406	\$36,240	2.4x	13.8x	18.1x	39.3x	27.0x	24.9x	33.9%	13.7%	17.5%	2.7x
Median				\$14,664	\$19,894	2.6x	13.2x	16.4x	29.6x	26.3x	24.0x	35.6%	13.1%	17.2%	3.1x
High				\$200,762	\$222,465	3.1x	18.7x	28.4x	104.5x	40.3x	34.4x	50.4%	21.7%	24.3%	5.4x
Low				\$2,269	\$2,116	1.3x	10.0x	12.2x	20.5x	20.0x	17.4x	18.5%	5.7%	10.1%	(1.0x)

Source: Capital IQ

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months

Valuation Summary

Public Company Trading Metrics (LTM)

Industry	TEV/Revenue	TEV/EBITDA
Beverage	5.0x	15.9x
Retail & Distribution	0.5x	7.7x
Fruits, Vegetables & Nuts	0.9x	12.5x
Protein Products	0.7x	6.9x
Dairy	1.8x	16.3x
Organics & Healthy	2.8x	14.4x
Food Conglomerates	2.6x	13.2x
Mean	2.0x	12.4x
Median	1.8x	13.2x

Note: Multiples represent median values

Source: Capital IQ



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Commodity Score Card

Commodity	Units	11/30/2016	1 month prior	6 months prior	1 year prior
Corn	\$ per bu.	\$3.49	\$3.54	\$4.04	\$3.70
Coffee	\$ per lb.	\$1.63	\$1.64	\$1.22	\$1.20
Cocoa	\$ per lb.	\$1.12	\$1.20	\$1.37	\$1.51
Wheat	\$ per bu.	\$4.03	\$4.16	\$4.64	\$4.67
Live Cattle	\$ per lb.	\$1.06	\$1.03	\$1.18	\$1.32

Source: Capital IQ

Select M&A and Capital Raising News, November 2016

❖ Hostess Transaction Finalized

November 4, 2016 – Gores Holdings, Inc. has completed the acquisition of Kansas City-based Hostess Brands, L.L.C. Gores Holdings has been renamed Hostess Brands, Inc., and its common stock will trade on Nasdaq under the symbol “TWNK.” The transaction was first announced in early July, when the owners of Hostess, funds managed by affiliates of Apollo Global Management, L.L.C. and C. Dean Metropoulos and family stated they would receive approximately \$522 million in cash for a majority stake in the company. The payment will come from \$375 million in cash from Gores Holdings Inc., a publicly traded affiliate of Gores Group, and another \$350 million that was raised in a private placement led by Alec Gores, chairman and CEO of the Gores Group. Others participating in the private placement included institutional investors and affiliates of Gores, a Los Angeles-based private equity group. Metropoulos and Apollo groups will retain a 42% stake in Hostess, and Dean Metropoulos and William Toler will continue to lead Hostess as executive chairman and CEO, respectively.

❖ Graham Partners Purchases Mercer Foods

November 11, 2016 – Graham Partners, Inc. has acquired Mercer Foods, L.L.C., a full service freeze-dried food provider, from Frontenac Co. and Lake Pacific Partners, L.L.C. Financial terms of the transaction were not disclosed. Founded in 1980, Mercer Foods produces natural and organic freeze-dried fruits, vegetables and other foods and ingredients. The company operates out of a 140,000-square-foot facility in Modesto, California, and provides its products to hundreds of food manufacturers, food retailers and food service companies.

❖ Global Food Company to Buy Bellisio Foods

November 17, 2016 – Charoen Pokphand Foods (CPF) has entered into a definitive agreement to acquire Bellisio Foods, Inc. for \$1.075 billion. Bellisio manufactures and distributes single-serve frozen entrees under the Atkins, Boston Market, Chili’s, EatingWell, Eat! and Michelina’s brands, as well as co-manufactures private label and food service products. Bellisio has more than 50,000 distribution points and operates out of four facilities located in Ohio, California and Minnesota. For the 12 months ended September 30, 2016, Bellisio generated adjusted net sales of \$668 million (1.6x revenue) and adjusted EBITDA of \$82 million (13.1x EBITDA).

❖ Dr. Pepper Snapple Group to Acquire Bai Brands for \$1.7B

November 22, 2016 – Dr. Pepper Snapple Group, Inc. has entered into an agreement to acquire Princeton, New Jersey-based, Bai Brands, the maker of such better-for-you beverage brands as Bai, Cocofusion, Antiwat and Supertea. The total purchase price is \$1.7 billion in cash and Dr Pepper Snapple will receive a tax benefit of approximately \$400 million from the transaction. The Bai business is expected to generate approximately \$425 million in sales during 2017 for Dr. Pepper Snapple.

❖ Smithfield Foods to Acquire Clougherty Packing from Hormel Foods

November 22, 2016 – Smithfield Foods, Inc. has entered into an agreement to acquire Clougherty Packing L.L.C. from Hormel Foods Corp., Austin, Minnesota, for approximately \$145 million. Clougherty is the manufacturer of such brands as Farmer John and Saag’s Specialty Meats. Clougherty slaughters approximately 7,400 hogs per day and, in fiscal 2016, the businesses accounted for approximately \$500 million in sales.

❖ PepsiCo to Acquire KeVita

November 22, 2016 – PepsiCo, Inc. has entered into a definitive agreement to acquire KeVita, a North American creator of fermented probiotic and kombucha beverages. Terms of the transaction were not disclosed. KeVita offers functional beverages under three product lines: Sparkling Probiotic Drink, Master Brew Kombucha and Apple Cider Vinegar Tonic. All KeVita beverages, which are now in more than 20,000 retail locations across North America, contain live probiotics and are certified organic, non-G.M.O., gluten-free and vegan.

❖ McCormick to Acquire Italian Flavor Manufacturer

November 29, 2016 – McCormick & Co., Inc. has agreed to acquire 100% of the shares of Enrico Giotti SpA, a Florence, Italy-based flavor manufacturer, for approximately \$127 million in cash (2.3x revenue). With \$56 million in annual sales, Giotti produces natural flavors, aromatic herbal extracts and concentrated juices. Giotti is known in the industry for its beverage, sweet, savory and dairy flavor applications and its acquisition will expand McCormick’s expertise in flavoring health and nutrition products.

❖ Pilgrim’s Pride to Acquire GNP Company for \$350 Million

November 29, 2016 – Pilgrim’s Pride Corp., a subsidiary of JBS S.A., has announced a definitive agreement to acquire GNP Co. for \$350 million in an all-cash transaction. With production facilities in Gold Spring and Luverne, Minnesota, and Arcadia, Wisconsin, GNP provides premium branded and custom chicken products with distribution in nearly all 50 states under the Just Bare and Gold’n Plump brands. The company has approximately 400 family farm partners and more than 1,700 employees.



The Cupboard

A Food & Beverage
Industry Newsletter



Industry News, November 2016

❖ Hain Celestial Launches Cultivate Ventures

November 1, 2016 – The Hain Celestial Group, Inc. has launched Cultivate Ventures, a strategic platform dedicated to investing in lifestyle brands, smaller portfolio brands and concepts. The company plans to incubate small acquisitions until they reach the scale for its core platforms of Fresh Living, Better-for-You Baby, Better-for-You Snacking, Better-for-You Pantry, and Pure Personal Care. Cultivate Ventures will leverage Hain Celestial resources across marketing, sales and supply chain to refresh and relaunch its brands.

❖ After Three Months, TreeHouse President Resigns

November 3, 2016 – Christopher D. Sliva, president of TreeHouse Foods, Inc., has announced his resignation from the company, after being promoted to president in August, in order to pursue another career opportunity. Previously, he was executive vice-president and COO of TreeHouse Foods and president of Bay Valley Foods. Dennis F. Riordan, executive vice-president and CFO, whose upcoming retirement was announced in August, has committed to remain with TreeHouse and serve as president while the company conducts a search for a new president. During this time, Mr. Riordan will oversee both Bay Valley Foods and TreeHouse Private Brands.

❖ Fresh Del Monte Names New President, COO

November 3, 2016 – Youssef Zakharia has been named president and COO of Fresh Del Monte Produce Inc. Mr. Zakharia will succeed Hani El-Naffy, who will transition to his position as a consultant for the company until the end of February 2017. Most recently, Mr. Zakharia was executive vice-president and president of Europe and Africa for Fresh Del Monte.

❖ Christopher Silva to Lead AdvancePierre Foods

November 9, 2016 – Christopher D. Sliva has been named president of AdvancePierre Foods and appointed to the company's board of directors. Mr. Sliva will become CEO on March 31, 2017, when current company CEO John Simons will retire. Mr. Sliva most recently was president and COO of Oak Brook, Illinois-based TreeHouse Foods, Inc.

❖ United Sugars Debuts World-Class Sugar Dome

November 14, 2016 – United Sugars Corp. debuted to growers and customers its bulk refined sugar transfer and distribution facility in the village of Montgomery, Illinois, about 45 miles west of Chicago. Although final phases of construction still are being completed, the \$44 million facility is on schedule to be operational before the end of 2016. Construction of the facility began about a year ago. The facility includes a 26,000-square-foot bulk storage dome, a 17,000-square-foot transfer facility and about a mile of railroad track. The sugar dome is the only one of its kind used for sugar in the United States and is one of three used for sugar globally, with the others in Hungary and Honduras. It is about 134 feet high and 183 feet across. The dome will hold about 65,000 tons of refined sugar and is expected to be turned twice each year. Twenty-four incoming train cars may be unloaded daily, and 75 trucks may be loaded daily to distribute sugar within about a four-hour radius of the facility. The 20-acre site has room for a second dome that may be considered in the future depending on customer demand.

❖ Tyson CEO to Step Down

November 21, 2016 – Donnie Smith, CEO of Tyson Foods, Inc. since 2009, said he will step down at the end of the year. The announcement accompanied Tyson's quarterly financial results, which indicated a lower-than-expected profit. Tom Hayes, president, will succeed Mr. Smith at the end of 2016 and continue as president. Mr. Hayes also has been appointed to the board of directors, effective immediately. Mr. Smith said he will be available to consult with the company for a three-year period.

❖ Hershey Ahead on Journey to Nourish One Million Minds

November 30, 2016 – The Hershey Co. is bringing "Nourishing Minds" to life in communities and marketplaces around the world. Launched in October 2015, Nourishing Minds is a global social initiative seeking to provide children in the United States and abroad with the basic nutrition that is critical for them to learn and grow. Hershey has set a goal to nourish one million children by 2020. Through Nourishing Minds, Hershey said it plans to work with public and private partners to make an impact in three key areas: basic nutrition for children, agriculture and food systems, and research and development.

❖ Former Cargill Accounting Manager Admits to Fraud

November 30, 2016 – Diane Backis, former accounting manager at Cargill, pleaded guilty to stealing at least \$3.1 million from the Minneapolis-based company over a 10-year period and causing at least \$25 million in losses. Ms. Backis, 50, of Athens, New York, pleaded guilty to mail fraud and filing a false income tax return. While at Cargill, Ms. Backis was responsible for accounting functions in Albany related to the company's grain operations, including creating customer contracts, generating and mailing invoices, and receiving and processing customer payments. As part of her plea, Ms. Backis admitted that she defrauded Cargill while working in its Port of Albany facility, which receives, stores and sells grain products. As part of her plea, Ms. Backis admitted that she stole hundreds of customer payments sent to Cargill, totaling at least \$3,115,610, and deposited them into her personal bank accounts. Ms. Backis also regularly created fraudulent invoices and mailed them to Cargill's customers, and the fraudulent invoices charged Cargill's customers prices substantially less than what Cargill paid to acquire the grain products, causing Cargill significant financial losses.

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Sources include foodbusinessnews.net, Capital IQ and various publicly available news publications.

Additional information is available upon request.

