

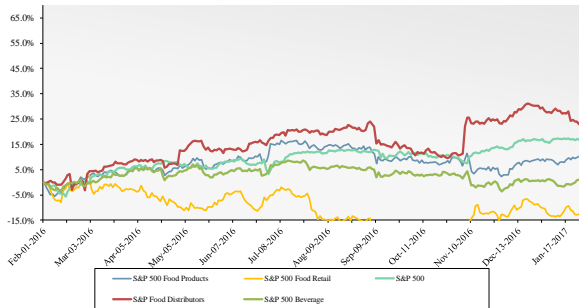
The Cupboard



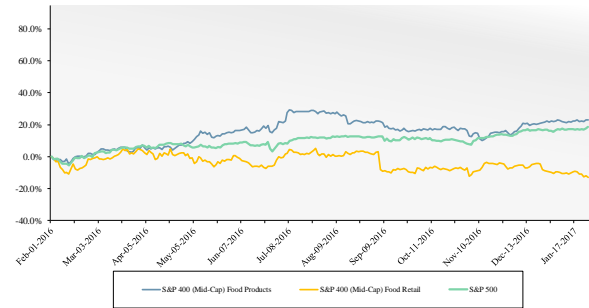
A Food & Beverage Industry Newsletter



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



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



Indices Performance (% change)

	January 2017	LTM		January 2017	LTM		January 2017	LTM
S&P 500	1.8%	17.5%	S&P 500 Food Products	0.2%	9.3%	S&P 400 Food Products (Mid-Cap)	0.1%	22.4%
Dow Jones	0.5%	20.6%	S&P 500 Food Retail	0.0%	(12.0%)	S&P 400 Food Retail (Mid-Cap)	(3.3%)	(13.0%)
NASDAQ	4.3%	21.7%	S&P 500 Food Distributors	(5.9%)	21.6%			
			S&P 500 Beverage	(1.1%)	(0.2%)			

Source: Capital IQ

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

Casey's General Stores, Inc.	0.9%	Weis Markets, Inc.	(10.1%)
		SUPERVALU Inc.	(9.0%)
		Natural Grocers by Vitamin Cottage, Inc.	(5.7%)
		Sprouts Farmers Market, Inc.	(5.2%)
		Ingles Markets, Incorporated	(3.2%)

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

Mead Johnson Nutrition Company	25.1%	The Hain Celestial Group, Inc.	(11.9%)
Treehouse Foods, Inc.	19.0%	Cal-Maine Foods, Inc.	(9.2%)
HRG Group, Inc.	11.1%	S&W Seed Company	(7.4%)
Pilgrim's Pride Corporation	9.5%	John B. Sanfilippo & Son, Inc.	(7.0%)
Kellogg Company	6.4%	Lancaster Colony Corporation	(5.8%)

Source: Capital IQ

Food Industry Contacts

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Select Public Trading Statistics

Beverage:

(\$ in millions, except per share data)

Company	Share Price 01/31/2017	% 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	ENX:TBREAB	\$101.84	80.4%	\$196,934	\$244,522	6.2x	16.8x	20.3x	57.7x	NM	35.1x	60.9%	30.5%	36.7%	3.0x
The Coca-Cola Company	KO	\$41.57	88.2%	\$179,290	\$201,263	4.7x	16.2x	19.0x	25.2x	22.6x	23.8x	60.7%	23.5%	27.7%	2.0x
Pepsico, Inc.	PEP	\$103.78	93.5%	\$148,840	\$169,634	2.7x	14.0x	17.1x	22.8x	23.1x	24.3x	55.1%	15.6%	19.4%	1.7x
Diageo plc	LSE:DEGE	\$27.47	96.4%	\$68,928	\$82,195	5.8x	17.0x	18.4x	23.1x	NM	NM	60.8%	29.4%	32.0%	2.4x
Constellation Brands, Inc.	STZ	\$149.76	86.3%	\$29,396	\$37,811	5.2x	15.5x	17.2x	23.2x	NM	NM	47.5%	29.7%	33.1%	NM
Monster Beverage Corporation	MNST	\$42.60	76.8%	\$24,324	\$23,724	8.1x	20.7x	21.5x	38.3x	51.8x	43.0x	62.8%	37.6%	38.9%	NM
Brown-Forman Corporation	BF.B	\$45.60	88.2%	\$17,745	\$19,788	6.5x	18.1x	19.1x	17.3x	NM	27.4x	68.4%	34.3%	36.2%	1.9x
Dr Pepper Snapple Group, Inc.	DPS	\$91.20	92.3%	\$16,755	\$19,454	3.0x	11.8x	13.6x	19.8x	22.6x	21.0x	59.9%	22.3%	25.6%	1.6x
National Beverage Corp.	FZZZ	\$80.19	77.5%	\$2,337	\$2,182	2.9x	15.9x	17.5x	28.4x	NM	NM	37.1%	16.4%	18.0%	NM
The Boston Beer Company, Inc.	SAM	\$153.70	75.8%	\$1,906	\$1,830	2.0x	10.3x	14.1x	24.6x	33.4x	24.5x	51.1%	14.4%	19.8%	NM
Mean				\$68,645	\$80,240	4.7x	15.6x	17.8x	28.0x	30.7x	28.4x	56.4%	25.4%	28.7%	2.1x
Median				\$26,860	\$30,768	5.0x	16.0x	17.9x	23.9x	23.1x	24.5x	60.3%	26.4%	29.9%	1.9x
High				\$196,934	\$244,522	8.1x	20.7x	21.5x	57.7x	51.8x	43.0x	68.4%	37.6%	38.9%	3.0x
Low				\$1,906	\$1,830	2.0x	10.3x	13.6x	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 01/31/2017	% 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	\$33.96	83.0%	\$31,859	\$45,339	0.4x	7.7x	12.8x	16.3x	21.3x	16.9x	23.1%	3.1%	5.2%	2.3x
Sysco Corporation	SY	\$52.46	91.9%	\$28,692	\$35,869	0.7x	12.8x	17.0x	29.0x	NM	23.2x	18.7%	4.2%	5.7%	2.5x
Whole Foods Market, Inc.	WFM	\$30.22	84.9%	\$9,625	\$9,946	0.6x	7.3x	11.4x	19.5x	NM	20.0x	34.3%	5.2%	8.6%	NM
Casey's General Stores, Inc.	CASY	\$114.90	84.3%	\$4,503	\$5,255	0.8x	9.6x	14.6x	21.7x	NM	26.0x	26.6%	5.8%	8.8%	1.4x
Weis Markets, Inc.	WMK	\$59.44	86.3%	\$1,599	\$1,545	0.5x	9.0x	15.9x	25.5x	NM	NM	27.6%	3.3%	5.8%	NM
SpartanNash Company	SPIN	\$37.86	93.8%	\$1,419	\$1,887	0.2x	8.3x	12.8x	23.2x	14.5x	16.1x	14.5%	1.9%	3.0%	2.1x
SUPERVALU Inc.	SUV	\$3.92	63.5%	\$1,049	\$3,557	0.2x	4.8x	7.5x	7.5x	NM	8.3x	15.0%	2.7%	4.3%	3.4x
Ingles Markets, Incorporated	IMKTA	\$45.25	86.4%	\$917	\$1,788	0.5x	7.6x	13.8x	16.9x	NM	NM	24.5%	3.4%	6.2%	3.7x
Village Super Market, Inc.	VLGEA	\$30.29	83.2%	\$429	\$408	0.2x	6.1x	9.6x	17.4x	NM	NM	27.2%	2.6%	4.1%	NM
Mean				\$8,899	\$11,723	0.5x	8.1x	12.8x	19.7x	17.9x	18.4x	23.5%	3.6%	5.7%	2.6x
Median				\$1,599	\$3,557	0.5x	7.7x	12.8x	19.5x	17.9x	18.5x	24.5%	3.3%	5.7%	2.4x
High				\$31,859	\$45,339	0.8x	12.8x	17.0x	29.0x	21.3x	26.0x	34.3%	5.8%	8.8%	3.3x
Low				\$429	\$408	0.2x	4.8x	7.5x	7.5x	14.5x	8.3x	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



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A Food & Beverage Industry Newsletter



Fruits, Vegetables & Nuts:

(\$ in millions, except per share data)

Company	Share Price 01/31/2017	% 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	\$57.25	85.6%	\$2,966	\$3,106	0.8x	9.3x	12.0x	21.3x	0.0x	16.3x	11.1%	6.4%	8.3%	0.3x
Calavo Growers, Inc.	CVGW	\$55.30	77.4%	\$964	\$972	1.0x	14.0x	16.1x	25.4x	NM	33.3x	11.5%	6.5%	7.5%	0.1x
Seneca Foods Corporation	SINEA	\$35.85	84.1%	\$355	\$728	0.6x	9.4x	13.5x	12.7x	NM	NM	10.3%	4.1%	6.0%	4.8x
Adventure Foods, Inc.	SNAK	\$5.99	59.0%	\$118	\$233	0.9x	31.0x	NM	NM	NM	(42.4x)	12.6%	0.1%	2.7%	15.3x
Mean				\$1,101	\$1,269	0.8x	15.9x	13.9x	19.8x	0.0x	2.4x	11.4%	4.7%	6.1%	5.3x
Median				\$660	\$850	0.8x	11.7x	13.5x	21.3x	0.0x	16.3x	11.3%	5.3%	6.7%	2.6x
High				\$2,966	\$3,106	1.0x	31.0x	16.1x	25.4x	0.0x	33.3x	12.6%	6.5%	8.3%	15.3x
Low				\$118	\$233	0.6x	9.3x	12.0x	12.7x	0.0x	-42.4x	10.3%	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 01/31/2017	% 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	\$62.79	81.5%	\$23,279	\$29,221	0.8x	8.2x	10.1x	13.9x	NM	15.7x	13.5%	8.3%	10.2%	1.5x
Hormel Foods Corporation	HRL	\$36.30	79.4%	\$19,195	\$19,034	2.0x	13.1x	14.4x	22.1x	NM	23.7x	22.7%	13.5%	14.9%	(0.1x)
Pilgrim's Pride Corporation	PPC	\$19.14	68.9%	\$4,810	\$5,739	0.7x	6.6x	8.2x	11.3x	8.6x	13.1x	11.5%	9.0%	11.2%	1.0x
Sanderson Farms, Inc.	SAFM	\$91.00	91.5%	\$2,069	\$1,835	0.7x	4.8x	6.2x	10.9x	NM	10.5x	16.1%	10.4%	13.4%	(0.6x)
Bridgford Foods Corporation	BRID	\$12.00	75.0%	\$109	\$103	0.7x	7.4x	NM	14.0x	NM	NM	38.6%	8.2%	10.4%	(0.4x)
Mean				\$9,893	\$11,186	1.0x	8.0x	9.7x	14.4x	8.6x	15.8x	20.5%	9.9%	12.0%	0.3x
Median				\$4,810	\$5,739	0.7x	7.4x	9.2x	13.9x	8.6x	14.4x	16.1%	9.0%	11.2%	(0.1x)
High				\$23,279	\$29,221	2.0x	13.1x	14.4x	22.1x	8.6x	23.7x	38.6%	13.5%	14.9%	1.5x
Low				\$109	\$103	0.7x	4.8x	6.2x	10.9x	8.6x	10.5x	11.5%	8.2%	10.2%	(0.6x)

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 01/31/2017	% 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	\$61.42	82.2%	\$37,555	\$46,617	2.0x	11.4x	14.3x	20.5x	22.8x	22.7x	50.9%	13.9%	17.3%	2.2x
The WhiteWave Foods Company	WWAV	\$85.06	96.9%	\$9,758	\$11,837	2.8x	22.3x	30.1x	49.8x	43.0x	40.1x	34.6%	9.6%	12.9%	3.9x
Dean Foods Company	DF	\$19.86	89.0%	\$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	\$10.77	58.3%	\$174	\$172	1.4x	19.4x	29.9x	52.4x	93.3x	58.4x	30.1%	4.7%	7.2%	(0.2x)
Mean				\$12,321	\$15,323	1.6x	14.8x	21.0x	35.0x	43.9x	33.4x	35.4%	7.9%	10.8%	1.9x
Median				\$5,778	\$7,251	1.7x	15.4x	22.1x	35.1x	32.9x	31.4x	32.4%	7.2%	10.1%	2.1x
High				\$37,555	\$46,617	2.8x	22.3x	30.1x	52.4x	93.3x	58.4x	50.9%	13.9%	17.3%	3.9x
Low				\$174	\$172	0.3x	5.9x	9.8x	17.2x	16.5x	12.4x	25.9%	3.5%	5.8%	-0.2x

Source: Capital IQ

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LTM = Last Twelve Months



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A Food & Beverage Industry Newsletter



Organics & Healthy:

(\$ in millions, except per share data)

Company	Share Price 01/31/2017	% 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	\$55.06	96.9%	\$9,758	\$11,837	2.8x	22.3x	30.1x	49.8x	43.0x	40.1x	34.6%	9.6%	12.9%	3.9x
The Hain Celestial Group, Inc.	HAIN	\$39.56	69.4%	\$4,092	\$4,884	1.7x	13.2x	15.8x	19.8x	NM	21.8x	23.2%	10.7%	12.8%	2.1x
Amplify Snack Brands, Inc.	BETR	\$9.63	54.9%	\$706	\$1,279	5.6x	14.5x	15.4x	32.7x	38.7x	26.3x	52.5%	36.3%	38.6%	6.5x
Mean				\$4,852	\$6,000	3.4x	16.7x	20.4x	34.1x	40.8x	29.4x	36.7%	18.9%	21.5%	4.2x
Median				\$4,092	\$4,884	2.8x	14.5x	15.8x	32.7x	40.8x	26.3x	34.6%	10.7%	12.9%	3.9x
High				\$9,758	\$11,837	5.6x	22.3x	30.1x	49.8x	43.0x	40.1x	52.3%	36.3%	38.6%	6.5x
Low				\$706	\$1,279	1.7x	13.2x	15.4x	19.8x	38.7x	21.8x	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 01/31/2017	% 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	\$71.82	90.3%	\$216,054	\$238,150	2.7x	13.3x	16.0x	25.9x	23.2x	23.7x	50.4%	15.7%	19.1%	1.2x
Mondelez International, Inc.	MDLZ	\$44.28	95.4%	\$68,387	\$83,881	3.2x	18.2x	22.3x	84.5x	28.2x	25.3x	39.4%	13.5%	16.7%	3.6x
General Mills, Inc.	GIS	\$62.48	85.6%	\$36,239	\$46,048	2.9x	13.2x	15.8x	23.3x	NM	NM	36.3%	17.7%	21.2%	2.6x
Kellogg Company	K	\$72.71	83.4%	\$25,514	\$33,073	2.5x	16.2x	21.6x	36.6x	20.0x	21.8x	37.9%	13.3%	17.3%	3.3x
Campbell Soup Company	CPB	\$62.23	91.7%	\$19,108	\$22,449	2.8x	14.2x	17.7x	29.2x	NM	19.4x	36.0%	15.9%	19.8%	2.1x
Conagra Brands, Inc.	CAG	\$39.09	80.0%	\$17,012	\$19,102	1.7x	9.8x	11.9x	33.3x	20.3x	NM	27.7%	13.2%	16.3%	1.1x
The J. M. Smucker Company	SIM	\$135.85	86.4%	\$15,817	\$21,047	2.8x	12.5x	16.5x	22.2x	NM	17.5x	39.0%	17.0%	22.4%	3.1x
Post Holdings, Inc.	POST	\$83.68	94.0%	\$5,408	\$9,141	1.8x	10.6x	16.2x	NM	NM	34.5x	31.1%	11.4%	17.5%	4.4x
Trehouse Foods, Inc.	THIS	\$75.88	72.6%	\$4,305	\$7,154	1.4x	13.5x	24.0x	46.5x	30.7x	29.9x	18.5%	5.4%	9.8%	4.7x
Snyder's-Lance, Inc.	LNCE	\$38.38	98.2%	\$3,691	\$5,038	2.4x	19.1x	29.0x	107.6x	40.3x	31.0x	36.9%	8.7%	13.2%	4.5x
Lancaster Colony Corporation	LANC	\$131.05	87.8%	\$3,394	\$3,475	2.9x	15.5x	17.3x	27.2x	NM	28.1x	27.1%	16.9%	18.9%	(0.5x)
B&G Foods, Inc.	BGS	\$44.35	83.9%	\$2,945	\$4,253	3.2x	13.3x	14.9x	25.4x	24.5x	22.3x	33.0%	21.7%	24.3%	4.1x
J&J Snack Foods Corp.	JJSF	\$127.57	94.5%	\$2,385	\$2,220	2.2x	14.4x	19.5x	31.3x	28.6x	30.7x	30.8%	11.4%	15.4%	(1.1x)
Mean				\$32,343	\$38,079	2.5x	14.1x	18.7x	41.1x	27.0x	25.8x	34.2%	14.0%	17.9%	2.5x
Median				\$15,817	\$19,102	2.7x	13.5x	17.3x	30.2x	26.3x	25.3x	36.0%	13.5%	17.5%	3.1x
High				\$216,054	\$238,150	3.2x	19.1x	29.0x	107.6x	40.3x	34.5x	50.4%	21.7%	24.3%	4.7x
Low				\$2,385	\$2,220	1.4x	9.8x	11.9x	22.2x	20.0x	17.5x	18.5%	5.4%	9.8%	(1.1x)

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	16.0x
Retail & Distribution	0.5x	7.7x
Fruits, Vegetables & Nuts	0.8x	11.7x
Protein Products	0.7x	7.4x
Dairy	1.7x	15.4x
Organics & Healthy	2.8x	14.5x
Food Conglomerates	2.7x	13.5x
Mean	2.0x	12.3x
Median	1.7x	13.5x

Note: Multiples represent median values

Source: Capital IQ



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Commodity Score Card

Commodity	Units	1/31/2017	1 month prior	6 months prior	1 year prior
Corn	\$ per bu.	\$3.81	\$3.52	\$3.34	\$3.72
Coffee	\$ per lb.	\$1.46	\$1.37	\$1.43	\$1.20
Cocoa	\$ per lb.	\$0.86	\$0.96	\$1.33	\$1.25
Wheat	\$ per bu.	\$4.63	\$4.08	\$4.06	\$4.75
Live Cattle	\$ per lb.	\$1.14	\$1.16	\$1.14	\$1.35

Source: Capital IQ

Select M&A and Capital Raising News, January 2017

- ❖ **J&J Snack Foods Acquires Hill & Valley Premium Bakery**
January 3, 2017 – J&J Snack Foods Corp. has acquired Hill & Valley Inc., a Rock Island, Illinois-based premium bakery with annual sales of more than \$45 million. Financial terms of the transaction were not disclosed. Hill & Valley was founded in 1987 as Rock Island Baking Co. Today, the company makes a variety of pre-baked cakes, cookies, pies, muffins and other desserts for retail in-store bakeries. The company, which is one of the top producers of sugar-free and no-sugar-added pre-baked in-store bakery products, also is part of several strategic private labeling partnerships with retailers nationwide.
- ❖ **Greencore Finalizes Peacock Foods Acquisition**
January 4, 2017 – Greencore Group P.L.C., an international producer of convenience foods, recently completed its acquisition of Geneva, Illinois-based Peacock Foods, a leading food manufacturer and supplier of integrated supply chain and packaging solutions. The transaction is valued at \$745.5 million (0.75x revenue and 10.3x EBITDA), and is expected to more than quadruple Greencore's total sales in the United States. Greencore announced the company's intention to acquire Peacock in November 2016. Peacock is a processor of frozen breakfasts, children's chilled meal kits and salad kits. The company's revenue is approximately \$1 billion with an adjusted EBITDA of \$72.1 million through September 2016. The company operates seven manufacturing facilities in California, Illinois and Ohio.
- ❖ **Smithfield Foods Finalizes Acquisition of Clougherty Packing from Hormel Foods**
January 4, 2017 – Smithfield Foods Inc. has finalized the acquisition of Clougherty Packing L.L.C. from Austin, Minnesota-based Hormel Foods Corp. The closing followed the approval of the sale by the Committee on Foreign Investment in the United States. The purchase price was \$145 million in cash (0.29x revenue). The acquisition includes Clougherty's Farmer John and Saag's pork-processing operations. Three farms in Arizona, California and Wyoming are now part of the company's hog production division. Kenneth Baptist, vice-president of operations for Smithfield's packaged meats division, was tapped to lead Farmer John operations, which includes both the Farmer John and Saag's Specialty Meats brands. Clougherty Packing's Farmer John operation slaughters about 7,400 hogs per day and reported sales of about \$500 million in fiscal 2016. The company produces a variety of bacon, hot dog and sausage products and has been in operation since 1931. Saag's specializes in the production of premium deli meat and sausage products.
- ❖ **U.S. Cocoa Processor, Transmar Files for Chapter 11**
January 10, 2017 – U.S. cocoa processor and products supplier Transmar Commodity Group Ltd., Morristown, New Jersey, filed for Chapter 11 bankruptcy protection on December 31, 2016, to restructure debts of more than \$413 million. Transmar said it plans to continue operating during the Chapter 11 proceedings. Transmar Commodity Group is the U.S. unit of Transmar Group Ltd., founded in 1980 by cocoa trader Peter Johnson, a global supplier of cocoa products, including beans, powder, butter, liquor and specialty items, to the baking, confectionery and ice cream industries. Operations span the entire cocoa supply chain, including bean sourcing, logistics, processing and risk management of semi-finished products, with cocoa processing plants in the United States, Germany and Ecuador and contract manufacturers in West Africa and Indonesia. It is one of the world's 10 largest cocoa processors with more than 350 commercial customers, including Hershey Co., Barry Callebaut AG, Mars, Nestle, Guittard Chocolate, Ghirardelli Chocolate and others.
- ❖ **Mondelez to Sell Australian Grocery Business for \$345 Million**
January 19, 2017 – Mondelez International, Inc. has reached an agreement to sell its \$230 million Australian grocery business to Bega Cheese Ltd. for A\$460 million (approximately \$345 million or 1.5x revenue). After the transaction, Mondelez's grocery sales will be about \$2.1 billion globally. The sale includes such brands as Vegemite, ZoOsh, Bonox, and products using the Kraft brand under license, such as peanut butter, nut spread, processed cheese slices, cheese spread, mayonnaise, Parmesan cheese, Kraft Easy Mac and Kraft Mac & Cheese. The Philadelphia cream cheese business is not included in the transaction.
- ❖ **Nestle to Acquire Egyptian Instant Coffee Company**
January 20, 2017 – Nestle S.A. has signed an agreement to acquire Caravan Marketing Co., an Egyptian instant coffee company that sells product under the Bonjorno brand. Financial terms of the transaction were not disclosed. Established in 2003 as a marketing and distribution company, Caravan Marketing serves the Egyptian market with a range of soluble coffee products sold under the Bonjorno Cafe brand.
- ❖ **Bob Evans Farms Bids Farewell to Restaurant Business Unit**
January 25, 2017 – Bob Evans Farms, Inc. is now a pure play food company. The company announced the sale of its Bob Evans Restaurants business unit to the private equity company Golden Gate Capital for \$565 million plus the assumption of certain liabilities. Net proceeds from the sale to Bob Evans Farms are expected to be between \$475 million to \$485 million. On the same day, Bob Evans Farms entered into an agreement to acquire the Pineland Farms Potato Co., Mars Hill, Maine, for \$115 million. Pineland Farms is a value-added potato processor serving the retail and food service markets. The company also operates a cheese processing business.



The Cupboard



A Food & Beverage
Industry Newsletter



Industry News, January 2017

❖ DeGrace Joins Amplify Snack Brands

January 4, 2017 – Mike DeGrace has been named senior vice-president of Sales North America at Amplify Snack Brands, Inc., the parent company of SkinnyPop, Tyrrells, Paqui and Oatmega brands. Mr. DeGrace joins Amplify Snack Brands from Kellogg, where he served as vice-president of Food Service Sales and vice-president of Sales Strategy and Planning. Prior to Kellogg, he held several positions at WhiteWave Foods, where most recently he led the company's national channels sales and strategy development for club, drug, dollar, military, convenience store and food service segments.

❖ Shake Shack Names COO, CFO to Retire

January 6, 2017 – Zach Koff has been named the first COO of Shake Shack Inc. Also, Jeff Uttz will retire as CFO in 2017. Mr. Koff joined Shake Shack in 2010 and has held various roles, including director of operations, vice-president of operations and senior vice-president of operations. Previously, he held numerous operations roles at Bravo Brio Restaurant Group. Founded in 2004, Shake Shack operates restaurants in 16 states and the District of Columbia, as well as in international markets, serving premium fast-food fare.

❖ Former Celebrity Chef Joins Garden-Fresh Foods

January 11, 2017 – Tom Sterle has been named executive chef of Garden-Fresh Foods, a supplier of fresh deli salads, salad kits, dips and desserts. In his new role, Mr. Sterle will develop new flavor profiles and food products reflecting leading industry trends. Mr. Sterle brings more than 30 years of culinary experience to the company, including his most recent position as chef and research and development director at Country Maid, Inc. Mr. Sterle has served as a chef for a number of touring celebrities, including The Rolling Stones, Paul McCartney, Frank Sinatra and President George W. Bush.

❖ Butterball Names New COO

January 18, 2017 – Jay Jandrain has been named COO of Butterball, where he will be responsible for overseeing live operations, plant operations, supply chain, purchasing, engineering and research and development. Mr. Jandrain succeeds Joe Nalley, who is retiring after leading the company's operations for 10 years. Al Jansen will succeed Mr. Jandrain as executive vice-president of sales. Mr. Jandrain joined Butterball in April 2002 as the director of research and development. In his previous role as executive vice-president of sales, he was responsible for food service, retail and export channels as well as product research and development, customer service and integrated business strategy.

❖ US Foods Names New CMO

January 19, 2017 – Andrew Iacobucci has been named chief merchandising officer of US Foods. In his new role, Mr. Iacobucci will oversee category management, procurement, product innovation, food safety, and marketing efforts on behalf of US Foods. Prior to joining US Foods, Mr. Iacobucci was executive vice-president of merchandising for Ahold USA and prior to that he worked for 10 years at Loblaw Companies Ltd. in Canada.

❖ Kellogg to cut 250 Jobs in North America; Hires New CFO

January 19, 2017 – Kellogg Co. announced plans to eliminate 250 jobs from its North American business as part of Project K, a four-year global initiative designed to fuel growth through greater efficiency and effectiveness. Kellogg debuted Project K in late 2013. The company describes Project K as "a significantly-sized project, which is expected to generate between \$425 million and \$475 million of annual cost-savings by 2018." The majority of the affected employees work at its headquarters in Battle Creek, and changes are taking place across most functions in the organization.

Fareed Khan has been named CFO of Kellogg Co., effective February 17. He will succeed Ron Dissinger, who previously announced plans to retire and will remain with the company in 2017 to ensure an orderly transition. Mr. Khan most recently was CFO at US Foods Holding Corp. since 2013, leading the company through its initial public offering last year.

❖ Longtime Mars Executive Joins Weston Foods as President

January 19, 2017 – Luc Mongeau has been named president of Weston Foods, one of several changes announced at George Weston Ltd. Galen Weston, who was named chairman of George Weston in September 2016, succeeding his father W. Galen Weston, has been appointed CEO. He succeeds Pavi Binning, who will become special adviser to the Weston family for its private company, Wittington Investments, Ltd. Mr. Binning, who also served as president of Weston Foods, will step down from the boards of directors of George Weston and Loblaw. Mr. Mongeau most recently has served as a board member and executive adviser to multiple companies. Prior to his role as an adviser, he spent 15 years with Mars, including his last four years as president of Mars Petcare North America. Earlier, he held several roles with Mars Canada Inc., including president, vice-president of supply chain, sales director, marketing director and brand manager.

❖ PepsiCo, Nestle Among Companies in Sustainable Food Program

January 20, 2017 – Twenty-five global companies, including food and beverage manufacturers, have joined together to launch FReSH, the Food Reform for Sustainability and Health Program. The program seeks to accelerate change in global food systems, ensuring healthy diets for all with food that is produced responsibly within planetary boundaries. Food and beverage manufacturers joining the program are Groupe Danone, The Kellogg Co., PepsiCo, Inc., Nestle S.A. and Unilever.

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Additional information is available upon request.

