

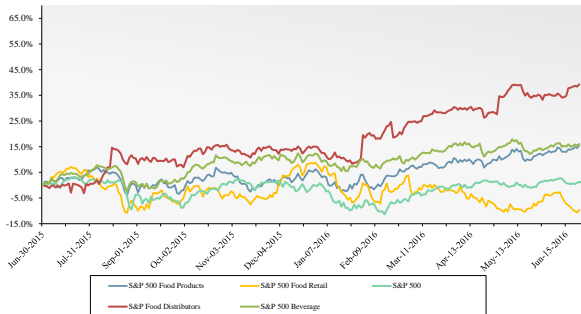
The Cupboard



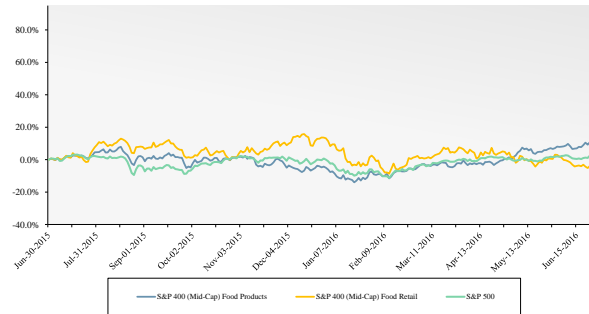
A Food & Beverage Industry Newsletter



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



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



Indices Performance (% change)

	June 2016	LTM		June 2016	LTM		June 2016	LTM
S&P 500	(0.0%)	1.7%	S&P 500 Food Products	7.7%	20.0%	S&P 400 Food Products (Mid-Cap)	6.0%	13.0%
Dow Jones	0.8%	1.8%	S&P 500 Food Retail	(0.5%)	(4.4%)	S&P 400 Food Retail (Mid-Cap)	(0.5%)	(2.6%)
NASDAQ	(2.2%)	(2.9%)	S&P 500 Food Distributors	5.4%	40.6%			
			S&P 500 Beverage	3.6%	17.7%			

Source: Capital IQ

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

SUPERVALU Inc.	13.4%	Fairway Group Holdings Corp.	(87.3%)
Casey's General Stores, Inc.	10.6%		
Village Super Market Inc.	8.0%		
Whole Foods Market, Inc.	7.2%		
Ingles Markets, Incorporated	7.2%		

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

Lifeway Foods Inc.	34.0%	Alico Inc.	(5.3%)
The WhiteWave Foods Company	24.8%	Bunge Limited	(1.5%)
Coffee Holding Company, Inc.	20.8%	Limoneira Company	(1.3%)
Golden Enterprises Inc.	20.4%		
Tyson Foods, Inc.	15.3%		

Source: Capital IQ

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THE CHICAGO CORPORATION

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Select Public Trading Statistics

Beverage:

(\$ in millions, except per share data)

Company	Share Price 06/30/2016	% 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	ENX:BRAB	\$130.31	94.7%	\$209,573	\$254,398	6.1x	16.2x	19.5x	39.0x	25.2x	31.8x	60.7%	31.4%	38.0%	2.6x
The Coca-Cola Company	KO	\$45.33	96.2%	\$196,107	\$221,204	5.0x	17.4x	20.6x	27.3x	22.6x	24.6x	60.2%	23.2%	27.6%	2.1x
PepsiCo, Inc.	PEP	\$105.94	99.1%	\$153,022	\$175,938	2.8x	14.6x	17.9x	30.3x	23.1x	24.0x	55.6%	16.0%	19.5%	1.8x
Diageo plc	LSSE:DE	\$27.75	100.0%	\$69,637	\$84,085	6.0x	18.4x	20.2x	21.2x	22.6x	22.7x	57.6%	27.8%	30.7%	2.9x
Constellation Brands Inc.	STZ	\$165.40	99.5%	\$33,178	\$41,466	6.1x	18.1x	20.1x	29.8x	28.1x	28.8x	46.6%	29.6%	33.0%	NM
Monster Beverage Corporation	MNST	\$160.71	99.9%	\$32,631	\$29,595	10.7x	28.3x	29.2x	45.8x	51.8x	41.2x	60.8%	36.5%	37.7%	NM
Brown-Forman Corporation	BF.B	\$99.76	89.8%	\$20,348	\$21,586	7.0x	19.5x	20.5x	19.1x	31.6x	29.4x	69.4%	34.1%	35.9%	1.1x
Dr Pepper Snapple Group, Inc.	DPS	\$96.63	100.0%	\$17,955	\$20,589	3.3x	13.2x	15.3x	23.4x	22.6x	21.7x	59.5%	21.3%	24.7%	1.7x
National Beverage Corp.	FIZZ	\$62.81	99.3%	\$2,924	\$2,833	4.1x	29.2x	33.3x	52.8x	NM	NM	34.3%	13.2%	14.9%	NM
The Boston Beer Company, Inc.	SAM	\$171.03	65.7%	\$2,168	\$2,118	2.2x	11.1x	14.6x	25.1x	33.4x	24.0x	52.0%	15.3%	20.0%	NM
Mean				\$73,754	\$85,381	5.3x	18.6x	21.1x	31.4x	29.0x	27.6x	55.7%	24.8%	28.2%	2.0x
Median				\$32,905	\$35,530	5.5x	17.8x	20.2x	28.5x	25.2x	24.6x	58.6%	25.5%	29.2%	1.9x
High				\$209,573	\$254,398	10.7x	29.2x	33.3x	52.8x	51.8x	41.2x	69.4%	36.5%	38.0%	2.9x
Low				\$2,168	\$2,118	2.2x	11.1x	14.6x	19.1x	22.6x	21.7x	34.3%	13.2%	14.9%	1.1x

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 06/30/2016	% 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	\$36.79	86.1%	\$34,913	\$46,950	0.4x	7.9x	12.6x	17.2x	21.3x	19.0x	23.0%	3.3%	5.3%	2.0x
Sysco Corporation	SY	\$50.74	100.0%	\$28,593	\$32,421	0.7x	13.1x	17.2x	36.9x	21.4x	22.5x	17.8%	3.8%	5.1%	1.5x
Whole Foods Market, Inc.	WFM	\$32.02	76.3%	\$10,279	\$10,483	0.7x	7.5x	11.4x	21.8x	19.2x	19.8x	34.7%	5.9%	8.9%	NM
Casey's General Stores, Inc.	CASY	\$131.51	100.0%	\$5,147	\$5,910	0.9x	10.5x	15.1x	23.0x	24.2x	23.2x	25.6%	6.2%	8.9%	1.4x
Weis Markets, Inc.	WMK	\$50.55	94.3%	\$1,360	\$1,251	0.4x	7.2x	12.2x	20.6x	NM	NM	27.5%	3.5%	6.0%	NM
SUPERVALU Inc.	SUV	\$4.72	50.4%	\$1,255	\$3,736	0.2x	4.7x	7.3x	7.5x	12.9x	9.0x	15.1%	2.9%	4.5%	3.2x
SpartanNash Company	SPTN	\$30.58	90.4%	\$1,146	\$1,632	0.2x	7.2x	11.3x	18.4x	14.5x	13.2x	14.6%	1.9%	3.0%	2.1x
Ingles Markets, Incorporated	IMKT.A	\$37.30	64.7%	\$756	\$1,654	0.4x	7.0x	12.7x	13.2x	NM	NM	24.0%	3.5%	6.2%	3.8x
Village Super Market Inc.	VLGE.A	\$28.89	88.9%	\$408	\$373	0.2x	5.8x	9.1x	17.4x	NM	NM	27.3%	2.6%	4.0%	NM
Mean				\$9,317	\$11,601	0.5x	7.9x	12.1x	19.6x	18.9x	17.8x	23.3%	3.7%	5.8%	2.3x
Median				\$1,360	\$3,736	0.4x	7.2x	12.2x	18.4x	20.3x	19.4x	24.0%	3.5%	5.3%	2.1x
High				\$34,913	\$46,950	0.9x	13.1x	17.2x	36.9x	24.2x	23.2x	34.7%	6.2%	8.9%	3.8x
Low				\$408	\$373	0.2x	4.7x	7.3x	7.5x	12.9x	9.0x	14.6%	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 06/30/2016	% 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	\$54.43	98.2%	\$2,766	\$3,054	0.8x	11.3x	15.6x	28.4x	0.0x	16.1x	9.4%	4.8%	6.6%	0.9x
Calavo Growers Inc.	CVOV	\$67.00	97.4%	\$1,168	\$1,195	1.4x	21.1x	24.8x	39.4x	36.7x	31.5x	10.7%	5.6%	6.5%	0.4x
Seneca Foods Corp.	SENEA	\$36.21	99.3%	\$356	\$670	0.5x	5.6x	6.8x	6.7x	NM	NM	11.6%	7.7%	9.4%	2.6x
Inventure Foods, Inc.	SNAK	\$7.81	69.5%	\$153	\$265	1.0x	34.4x	NM	NM	NM	91.3x	12.6%	0.2%	2.8%	14.5x
Mean				\$1,111	\$1,296	0.9x	18.1x	15.7x	24.8x	18.3x	46.3x	11.1%	4.6%	6.3%	4.6x
Median				\$762	\$933	0.9x	16.2x	15.6x	28.4x	18.3x	31.5x	11.1%	5.2%	6.6%	1.8x
High				\$2,766	\$3,054	1.4x	34.4x	24.8x	39.4x	36.7x	91.3x	12.6%	7.7%	9.4%	14.5x
Low				\$153	\$265	0.5x	5.6x	6.8x	6.7x	0.0x	16.1x	9.4%	0.2%	2.8%	0.4x

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 06/30/2016	% 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	\$66.79	94.8%	\$25,731	\$31,839	0.8x	9.0x	11.3x	18.1x	16.6x	17.0x	11.8%	7.2%	9.0%	1.7x
Hormel Foods Corporation	HRL	\$36.60	80.1%	\$19,393	\$19,266	2.1x	14.1x	15.6x	25.2x	27.0x	24.3x	21.7%	13.1%	14.5%	(0.1x)
Pilgrim's Pride Corporation	PPC	\$25.48	91.7%	\$6,486	\$6,921	0.9x	6.4x	7.6x	11.7x	8.6x	12.7x	13.8%	11.3%	13.3%	0.4x
Sanderson Farms, Inc.	SAFM	\$86.64	90.3%	\$1,956	\$1,733	0.6x	5.8x	8.0x	14.3x	11.0x	11.5x	13.8%	8.0%	11.0%	(0.7x)
Bridgford Foods Corp.	BRID	\$12.66	91.5%	\$115	\$105	0.8x	7.4x	NM	7.1x	NM	NM	37.4%	8.7%	10.9%	(0.7x)
Mean				\$10,736	\$11,973	1.0x	8.6x	10.6x	15.3x	15.8x	16.4x	19.7%	9.6%	11.7%	0.1x
Median				\$6,486	\$6,921	0.8x	7.4x	9.6x	14.3x	13.8x	14.9x	13.8%	8.7%	11.0%	(0.1x)
High				\$25,731	\$31,839	2.1x	14.1x	15.6x	25.2x	27.0x	24.3x	37.4%	13.1%	14.5%	1.7x
Low				\$115	\$105	0.6x	5.8x	7.6x	7.1x	8.6x	11.5x	11.8%	7.2%	9.0%	(0.7x)

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 06/30/2016	% 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	\$70.26	95.4%	\$42,960	\$51,944	2.1x	12.2x	15.3x	30.2x	22.8x	22.7x	50.0%	13.2%	16.7%	2.2x
The WhiteWave Foods Company	WWAV	\$46.94	89.4%	\$8,305	\$10,417	2.6x	22.2x	30.3x	47.7x	43.0x	39.1x	34.3%	8.9%	12.0%	4.4x
Dean Foods Company	DF	\$18.09	85.5%	\$1,660	\$2,410	0.3x	5.6x	9.6x	16.0x	16.5x	13.2x	25.2%	3.2%	5.5%	1.7x
Lifeway Foods Inc.	LWAY	\$9.67	48.4%	\$156	\$158	1.3x	21.7x	38.4x	80.1x	93.3x	64.8x	28.2%	3.4%	6.0%	0.2x
Mean				\$13,270	\$16,232	1.6x	15.4x	23.4x	43.5x	43.9x	34.9x	34.4%	7.2%	10.0%	2.1x
Median				\$4,982	\$6,414	1.7x	17.0x	22.8x	38.9x	32.9x	30.9x	31.2%	6.1%	9.0%	1.9x
High				\$42,960	\$51,944	2.6x	22.2x	38.4x	80.1x	93.3x	64.8x	50.0%	13.2%	16.7%	4.4x
Low				\$156	\$158	0.3x	5.6x	9.6x	16.0x	16.5x	13.2x	25.2%	3.2%	5.5%	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 06/30/2016	% 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	\$46.94	89.4%	\$8,305	\$10,417	2.6x	22.2x	30.3x	47.7x	43.0x	39.1x	34.3%	8.9%	12.0%	4.4x
The Hain Celestial Group, Inc.	HAIN	\$49.75	70.4%	\$5,147	\$5,939	2.1x	16.0x	19.2x	24.9x	30.1x	24.1x	23.2%	10.7%	12.8%	2.1x
Amplify Snack Brands, Inc.	BETR	\$14.75	85.8%	\$1,103	\$1,292	6.7x	20.8x	22.4x	83.6x	38.7x	30.0x	55.1%	29.7%	32.1%	3.0x
Mean				\$4,851	\$5,882	3.8x	19.7x	24.0x	52.1x	37.3x	31.1x	37.6%	16.4%	19.0%	3.2x
Median				\$5,147	\$5,939	2.6x	20.8x	22.4x	47.7x	38.7x	30.0x	34.3%	10.7%	12.8%	3.0x
High				\$8,305	\$10,417	6.7x	22.2x	30.3x	83.6x	43.0x	39.1x	55.1%	29.7%	32.1%	4.4x
Low				\$1,103	\$1,292	2.1x	16.0x	19.2x	24.9x	30.1x	24.1x	23.2%	8.9%	12.0%	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 06/30/2016	% 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	\$76.51	97.7%	\$230,170	\$248,302	2.7x	13.6x	16.5x	26.0x	23.2x	22.8x	49.8%	15.5%	19.0%	1.0x
Mondelez International, Inc.	MDLZ	\$45.51	93.7%	\$70,634	\$86,762	3.1x	18.7x	23.1x	9.8x	28.2x	26.8x	39.2%	13.0%	16.0%	3.5x
General Mills, Inc.	GIS	\$71.32	99.4%	\$42,393	\$51,282	3.1x	14.8x	17.5x	25.7x	18.9x	23.1x	36.0%	17.2%	20.4%	2.3x
Kellogg Company	K	\$81.65	98.9%	\$28,581	\$36,527	2.7x	17.8x	23.8x	52.0x	20.0x	21.0x	36.8%	11.5%	15.3%	3.9x
ConAgra Foods, Inc.	CAG	\$47.81	99.5%	\$20,865	\$25,558	2.2x	18.3x	25.1x	43.9x	20.3x	21.5x	27.0%	10.5%	13.6%	3.0x
Campbell Soup Company	CPB	\$66.53	99.7%	\$20,534	\$23,865	3.0x	15.0x	18.6x	30.2x	18.0x	19.7x	35.4%	16.1%	20.0%	2.1x
The J. M. Smucker Company	SJM	\$152.41	99.9%	\$17,745	\$23,065	3.0x	13.6x	18.2x	26.5x	23.2x	20.3x	38.2%	16.2%	21.6%	3.1x
Trehouse Foods, Inc.	THIS	\$102.65	99.8%	\$5,793	\$8,706	2.4x	20.7x	32.1x	50.3x	30.7x	34.0x	19.8%	7.3%	11.4%	6.9x
Post Holdings, Inc.	POST	\$82.69	99.1%	\$5,318	\$9,203	1.8x	11.5x	18.1x	NM	51.2x	39.0x	28.2%	10.1%	15.9%	4.8x
Lancaster Colony Corporation	LANC	\$127.61	99.6%	\$3,498	\$3,403	2.9x	16.9x	19.3x	30.0x	28.0x	25.1x	24.4%	14.9%	17.0%	(0.5x)
Snyder's-Lance, Inc.	LNCE	\$33.89	86.7%	\$3,248	\$4,634	2.7x	22.6x	35.3x	174.2x	40.3x	30.8x	34.8%	7.6%	11.9%	6.7x
B&G Foods Inc.	BGS	\$48.20	100.0%	\$3,019	\$4,500	4.1x	17.9x	20.4x	33.7x	24.5x	20.3x	31.2%	20.0%	22.9%	5.9x
J&J Snack Foods Corp.	JJSF	\$119.27	94.9%	\$2,221	\$2,133	2.2x	14.0x	18.7x	30.8x	28.6x	27.4x	30.8%	11.5%	15.4%	(0.6x)
Mean				\$34,925	\$40,611	2.8x	16.6x	22.0x	44.4x	27.3x	25.5x	33.2%	13.2%	17.0%	3.2x
Median				\$17,745	\$23,065	2.7x	16.9x	19.3x	30.5x	24.5x	23.1x	34.8%	13.0%	16.0%	3.1x
High				\$230,170	\$248,302	4.1x	22.6x	35.3x	174.2x	51.2x	39.0x	49.8%	20.0%	22.9%	6.9x
Low				\$2,221	\$2,133	1.8x	11.5x	16.5x	9.8x	18.0x	19.7x	19.8%	7.3%	11.4%	(0.6x)

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	5.5x	17.8x
Retail & Distribution	0.4x	7.2x
Fruits, Vegetables & Nuts	0.9x	16.2x
Protein Products	0.8x	7.4x
Dairy	1.7x	17.0x
Organics & Healthy	2.6x	20.8x
Food Conglomerates	2.7x	16.9x
Mean	2.1x	14.8x
Median	1.7x	16.9x

Note: Multiples represent median values

Source: Capital IQ



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Commodity Score Card

Commodity	Units	6/30/2016	1 month prior	6 months prior	1 year prior
Corn	\$ per bu.	\$3.58	\$4.04	\$3.59	\$4.28
Coffee	\$ per lb.	\$1.48	\$1.22	\$1.24	\$1.27
Cocoa	\$ per lb.	\$1.39	\$1.37	\$1.46	\$1.49
Wheat	\$ per bu.	\$4.24	\$4.64	\$4.69	\$5.90
Live Cattle	\$ per lb.	\$1.10	\$1.18	\$1.37	\$1.51

Source: Capital IQ

Select M&A and Capital Raising News, June 2016

❖ Cargill to Pump Up Protein Capabilities with Acquisition

June 2, 2016 – Cargill has signed an agreement to acquire Five Star Custom Foods, Ltd., a Fort Worth, Texas-based business specializing in cooked protein products and custom prepared soups and sauces for the food service and food processing sectors. The transaction includes both of Five Star's facilities in Fort Worth and Nashville, Tennessee. Financial terms of the agreement, expected to be completed this summer, were not disclosed.

❖ ConAgra to Sell Ingredient Business

June 9, 2016 – ConAgra Foods, Inc. has entered into a definitive agreement to sell its JM Swank business, a national food ingredient sourcing and distribution company, to Platinum Equity, a Los Angeles-based private equity firm. Financial terms were not disclosed. Established in 1954, JM Swank transports 800 million pounds of product each year and provides expertise in sourcing, distribution and logistics to customers nationwide. ConAgra bought the company in 1992.

❖ Hostess Acquires Superior Cake Products

June 14, 2016 – Hostess Brands L.L.C. has completed the acquisition of Southbridge, Massachusetts-based Superior Cake Products, Inc., an in-store bakery company. The transaction is expected to allow the Kansas City-based sweet goods maker to tap into the rapidly expanding in-store bakery category. The acquisition is the company's first since the Hostess brand returned to the market under new ownership in 2013. Founded in 1908, Superior Cake Products makes a range of sweet goods, including eclairs, madeleines, brownie bites, black and white cookies and other offerings made under the brand name Superior on Main. The company also makes premium baked goods that are sold through in-store bakeries at retailers.

❖ Geneva Glen Capital Acquires Dianne's Fine Desserts

June 16, 2016 – Geneva Glen Capital has added to its dessert portfolio with an affiliate's recent acquisition of Dianne's Fine Desserts from Superior Capital Partners, L.L.C. Based in Newburyport, Massachusetts, Dianne's provides frozen thaw-and-serve dessert products to the food service industry, national restaurant chains and in-store bakers of national grocery stores. Financial terms of the transaction were not disclosed. Founded more than 40 years ago, Dianne's product line includes cheesecakes, layer cakes, pies and tarts, brownies/bars and specialty desserts. Dianne's has three GFSI certified manufacturing facilities, including the company's private label in-store bakery provider, Daystar Desserts. The company was carved out of Heinz Foodservice as a standalone platform in 2012.

❖ Kellogg Launches Venture Capital Fund

June 20, 2016 – Kellogg Co. has launched eighteen94 capital (1894), a \$100 million venture capital fund to invest in startups pioneering in food ingredients, packaging and technology. Simon Burton, a 10-year executive at Kellogg with extensive investment experience, will manage 1894 as managing director. Additionally, Kellogg has partnered with Touchdown Ventures, which specializes in corporate venture capital, to assist with managing the fund.

❖ Teasdale Acquires Mesa Foods

June 21, 2016 – Teasdale Foods has acquired Louisville, Kentucky-based Mesa Foods, a producer of private label tortillas, flatbreads, taco shells, taco kits and chips. Financial terms of the transaction were not disclosed. Mesa Foods will continue to operate as a division of Teasdale Foods with the existing management team continuing on with the business. For Snow Phipps, the private equity firm that owns Teasdale Foods, the acquisition of Mesa Foods builds on its strategy of creating a comprehensive Hispanic foods platform. With the acquisition of Mesa, Teasdale will be able to provide an entire suite of private label and branded Hispanic food products to a diverse customer base across a variety of channels, including retail, food service, restaurants and wholesale.

❖ Coca-Cola Invests in Organic Aloe Water Maker

June 23, 2016 – The Venturing & Emerging Brands (VEB) unit of Atlanta-based The Coca-Cola Co. has acquired a stake in L.A. Aloe L.L.C., maker of a line of certified organic aloe water beverages called Aloe Gloe. Introduced in 2012, Aloe Gloe has experienced a two-year growth rate of 64%. The beverage is available in four flavors: Crisp Aloe, coconut, lemonade and white grape. Aloe Gloe is certified organic, kosher and gluten-free. L.A. Aloe is based in Southern California and sells Aloe Gloe in the United States and Canada direct to retailers and via its strategic direct-store delivery partner, Coca-Cola Refreshments.

❖ Hershey Rejects Mondelez's Offer to Acquire the Company for \$107 per Share

June 30, 2016 – Hershey received a "preliminary, non-binding indication of interest" from Mondelez International to acquire Hershey for \$107 a share. Mondelez would pay for Hershey with a mix of cash and stock. At \$107, Mondelez would be paying about \$23 billion for the Hershey shares. Including the assumption of debt, the transaction could be worth more than \$25 billion (3.4x revenue). Hershey generates most of its \$7.3 billion in annual revenue in the United States. The company's top brands include Hershey, Kit Kat, Reese's, Jolly Rancher and Twizzler. After receiving input from the company management and outside financial and legal advisors, Hershey's board of directors unanimously rejected the indication of interest.



The Cupboard

A Food & Beverage
Industry Newsletter



Industry News, June 2016

❖ Hormel Sacks SPAM Snacks

June 3, 2016 – Hormel Foods Corp. said it plans to discontinue SPAM Snacks, the snack-size version of its famous canned pork product. The single-serve, dried version will disappear from shelves by the end of the summer. SPAM Snacks hit the market in the summer of 2015 with the intention of complementing the fast-growing meat snacks category. The products were part of an expansion movement from Hormel in the snack market that included Skippy P.B. Bites and Jennie-O Turkey Breast Sticks.

❖ Pendergast Steps Down as Quiznos President and CEO

June 3, 2016 – Doug Pendergast has stepped down as president and CEO of fast-food toasted sandwich chain Quiznos to spend more time with his family in Atlanta. Katherine Scherping, current CFO, will serve as interim president and CEO. Ms. Scherping has more than 30 years of finance, accounting and managerial experience. She joined Quiznos in December 2013 as CFO and helped spearhead the brand's financial restructuring in 2014 and helped overhaul Quiznos food cost and supply chain model in order to improve restaurant-level economics.

❖ Swiss Chocolate Maker Promotes Weisskopf to CEO

June 7, 2016 – The board of directors of Lindt & Sprüngli has promoted Dieter Weisskopf to CEO. Dr. Weisskopf most recently was CFO. He succeeds Ernst Tanner, president and CEO, who has decided to focus on the role of executive chairman. The transition of responsibilities as well as the appropriate adjustments of the group management structure will take effect by the end of 2016. Lindt & Sprüngli's brands include Lindt, Ghirardelli, Hofbauer, Küfflerle, Caffarel and since 2014 also Russell Stover and Whitman's.

❖ General Mills Partners with Organic Valley

June 9, 2016 – General Mills, Inc. is focused on furthering its commitment to double organic acreage by partnering with Organic Valley, a Wisconsin-based independent cooperative of organic farmers. As part of the partnership, over the next three years General Mills will help 20 dairy farms add approximately 3,000 acres to organic dairy production. General Mills has been striving to accelerate its sourcing of organic acreage, and has done so by 120% since 2009. The food company is currently the third largest maker of natural and organic foods.

❖ Tyson Foods Promotes Hayes to President

June 14, 2016 – The board of directors of Tyson Foods, Inc. has promoted Tom Hayes to president, where he will lead the company's transition toward a focus on its hybrid model of branded prepared foods and fresh meats. Mr. Hayes will work directly with Donnie Smith, who will continue as the company's CEO. Mr. Smith had been president since 2009. Mr. Hayes most recently was chief commercial officer at Tyson and earlier was president of food service. Previously, he was chief supply chain officer for The Hillshire Brands Co., responsible for operations such as procurement, manufacturing, food safety and quality, engineering and logistics.

❖ Andersen Joins Gemstone Foods as New President and CEO

June 14, 2016 – William T. Andersen has joined Gemstone Foods, L.L.C. as the company's new president and CEO. In his new position, Mr. Andersen will lead Gemstone in its efforts to build its business as a value-added supplier of poultry and other proteins. Gemstone, which operates a processing facility in Decatur, Alabama, offers custom portioned chicken breasts, chicken nuggets, chicken strips and tenderloin. In addition to de-boning, sizing and cutting, the company's services include packaging, repackaging and grading of fresh or frozen products. Gemstone Foods, L.L.C. is a JAMAS Capital Management portfolio managed company.

Mr. Andersen most recently held the position of executive vice-president and president of USA Proteins at Keystone Foods, a global supplier of fresh and frozen animal proteins to consumer packaged foods and food service companies based in West Chester, Pennsylvania. At Keystone, Mr. Anderson oversaw a \$2 billion beef, poultry and fish products business.

❖ Nestle Nabs New CEO

June 28, 2016 – Mark Schneider has been named CEO of Nestle S.A., effective Jan. 1, 2017. The move underscores Nestle's shift toward health and wellness, as Mr. Schneider is currently CEO of Fresenius Group, a German health care company. Mr. Schneider will replace Paul Bulcke, who is proposed for election as Nestle's chairman of the board of directors next April. Mr. Bulcke would take the place of Peter Brabeck-Letmathe, who will retire after working for Nestle for 50 years. Along with the announcement of Mr. Schneider's appointment, Nestle also expressed its intention to fully integrate Nestle Health Science S.A. and Nestle Skin Health S.A. into the Nestle organization. The company recently has invested in a number of health and wellness initiatives, including reducing sodium, sugar and saturated fats and removing artificial flavors from its products.

❖ McDonald's Names New Global Vice President

June 30, 2016 – Colin Mitchell has been named global vice-president of the McDonald's brand for McDonald's Corp. In his new role, Mr. Mitchell will articulate the McDonald's brand vision and position, impact the brand's advertising, visual identity and packaging and guide the organization to reinvigorate the brand globally. Mr. Mitchell joins McDonald's from Ogilvy&Mather, where he worked as the worldwide head of strategic planning.

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

Additional information is available upon request.

