



2 Food Stocks for Hungry Income-Seeking Investors

Description

The food and beverage segment of the economy is one with a number of very promising investment opportunities which are often neglected by investors. Many of the products these companies offer are in front of us on store shelves and in our carts on a daily basis, yet we take them for granted or fail to see them as viable investment opportunities.

Here's a look at a few of those food stocks and why they should be in your portfolio.

High Liner Foods Inc.

When it comes to the frozen seafood market, **High Liner Foods Inc.** ([TSX:HLF](#)) remains one of the most well-known distributors on the market, thanks in part to a wide family of brands that includes C. Wirthy, Fisher Boy, FPI, Icelandic Seafood, Sea Cuisine, and the company's namesake, High Liner.

High Liner has a history as a seafood supplier that spans well over five decades, but only in the past decade has High Liner completed five major acquisitions that have propelled the company into the leading position it has today.

Equally as important is High Liner's continuing evolution of seafood products to match the changing tastes of consumers. Lately, this means that the breaded, battered and fried seafood is being replaced with High Liner's Pan Sear, Fire Roasted, and Flame Savours line of products.

The biggest reason to consider High Liner lies comes in the form of the \$0.14 quarterly dividend that the company pays. At the current stock price, the yield comes out to be a respectable 3.18%. High Liner's payout ratio is set to a very sustainable rate of below 45%, meaning the company has room to grow.

In terms of growth, High Liner has hiked the dividend eight separate times in the past five years, and further increases are likely to follow.

High Liner trades at just over \$17.50 with a P/E of 14.55.

Maple Leaf Foods Inc.

Maple Leaf Foods Inc. ([TSX:MFI](#)) is another great food stock that is often overlooked.

Maple Leaf Foods is predominately known for processing a variety of pork and poultry products under brands including Schneiders, Mina, Devour, and Maple Leaf, among others. The company has a storied history that spans over a century, but some of the most interesting developments have occurred over the past decade.

Back in 2010, Maple Leaf Foods engaged in an aggressive cost-cutting and earnings-growth campaign. Part of that campaign involved a significant modernization effort at the company's facilities, which have made the company both more productive and more efficient.

In terms of an opportunity, the stock has appreciated steadily over the years since that turnaround. Year to date, the stock is up over 17%, and the stock has surged over 200% in the past five years. In that same period, Maple Leaf's dividend has nearly tripled, appreciating most recently earlier this year to \$0.11 paid quarterly, which results in a solid, but not awe-inspiring 1.34% yield.

Maple Leaf Foods is set to provide a quarterly update later this month on the second quarter. In the first quarter, the company saw marked improvement in a number of areas, including adjusted earnings of \$0.33 per share, bettering the \$0.28 posted in the same quarter last year by 17.9% on sales of \$811.2 million.

Maple Leaf Foods currently trades at just shy of \$33 with a P/E of 26.54.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:HLF (High Liner Foods Incorporated)
2. TSX:MFI (Maple Leaf Foods Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Date

2025/09/27

Date Created

2017/07/24

Author

dafxentiou

default watermark

default watermark