



## 3 Tasty Food Stocks That Pay Dividends

### Description

One of the best investing strategies is sometimes the simplest, and that involves investing in industries that are recession-proof or are necessities. Companies that are involved with food are an example of that, since regardless of the economic situation, people need to eat. I have listed three stocks involved in this industry that pay dividends and that could be great buys today.

**Saputo Inc.** ([TSX:SAP](#)) is one of the most well-known brands in the country for its dairy products, and cheese just doesn't go out of style. Despite operating in a fairly saturated market, Saputo has been able to find ways to continue to grow its revenue with sales increasing 21% in three years, though in its last fiscal year the company's top line grew by just 1%. However, with profit margins over 5% in each of the past three years, the stock has offered investors some stability coupled with modest growth.

The stock is down 7% year to date, but over the past five years, it has seen its share price more than double. With its products sold in many countries worldwide, there are many opportunities for Saputo to continue to grow its sales, and the company will pay you a dividend of 1.4% to compensate for your patience. It may not be the most exciting investment, but Saputo can offer stability and growth for investors looking for a good long-term investment.

**Premium Brands Holdings Corp.** ([TSX:PBH](#)) owns dozens of brands, as the company is involved in specialty food manufacturing and also has many food-distribution businesses. Premium Brands has been a star on the TSX this year with returns of 50% year to date, and in five years returns are nearing 500%.

A big reason for the company's strong performance has been its ability to grow its top line with revenues of \$1.8 billion in 2016, increasing 25% from the previous year and having grown 74% in just three years. In its most recent quarter, the company continued to see strong growth with sales up 25% and profits increasing by 45%. A significant driver of the company's growth has been a result of business acquisitions, as Premium Brands continues to acquire companies to expand its market share. The company completed two acquisitions just last month with the purchase of Skilcor Foods and Leadbetter Foods, two food manufacturers based in Ontario.

Premium Brands pays a slightly higher dividend than Saputo with a yield of 1.6%.

**AGT Food and Ingredients Inc.** ([TSX:AGT](#)) is involved in food processing and distribution, and with over 40 facilities in several countries, the company is able to sell its products to more than 120 different countries. AGT pays its shareholders the highest dividend on this list, with a yield of 2.9% that is paid in quarterly installments.

The stock has declined 43% year to date and could be a good pickup for investors looking to buy on a very big dip. In three years, the company has seen revenues rise 73% as it posted sales of almost \$2 billion in 2016. In its most recent quarter, AGT saw sales slow down with a year-over-year rise of just 6%, while the company saw its last fiscal year show growth of 16%.

## CATEGORY

1. Dividend Stocks
2. Investing

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1. Editor's Choice

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2. TSX:SAP (Saputo Inc.)

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