



4 Food Dividend Stocks That Could Be a Bargain Right Now

Description

Statistics Canada released its December 2017 monthly survey of manufacturing on February 16. Manufacturing sales dropped 0.3% to \$55.5 billion after an [impressive 3.8% jump in November](#). Lower sales in the food manufacturing industry was one of the primary drags on manufacturing sales in the final month of 2017. Sales in the food industry fell 2.6% to \$8.5 billion after a 3.6% increase in November.

Let's take a look at four food stocks that also offer solid income going forward. After an early dip in the S&P/TSX Index in 2018, investors may want to take this opportunity to buy some of these top food stocks.

High Liner Foods Inc. ([TSX:HLF](#))

High Liner is a processor and marketer of packaged frozen seafood products. Shares have dipped 16.4% in 2018 as of close on February 21, but the stock jumped 5.7% on Tuesday. The company released its fourth-quarter results on the same day.

Sales climbed to \$263 million compared to \$208.8 million in 2016. Net income increased to \$14.2 million, or \$0.43 per diluted share, compared to \$6.7 million, or \$0.21 per share, in the prior year. For the full year, gross profit dropped by \$15.7 million to \$186.1 million, and net income fell \$0.6 million to \$31.7 million. The company delivered a quarterly dividend of \$0.145 per share.

Maple Leaf Foods Inc. ([TSX:MFI](#))

Maple Leaf stock dropped 4% on February 21. Shares have declined 6.2% in 2018 thus far. Maple Leaf released its 2017 fourth-quarter and full-year results on the same day.

Sales increased 5.7% in 2017 to \$3.33 billion, and adjusted EBITDA grew 10.3% to \$263.8 million. Higher sales volumes and the addition of Lightlife contributed to improved results in 2017. The company also signed a definitive agreement on November 30, 2017, to acquire The Field Roast Grain Meat Company, SPC.

Maple Leaf also hiked its dividend to \$0.13 per share from its previous \$0.11 per share.

Premium Brands Holding Corp. ([TSX:PBH](#))

Premium Brands is a Richmond-based specialty food manufacturing and distribution business with operations across Canada and the United States. Shares have climbed 1.7% in 2018 as of close on February 21. The company is expected to release its 2017 fourth-quarter and full-year results in March.

In the third quarter of 2017, Premium Brands posted record third-quarter revenue of \$557.6 million and record adjusted EBITDA of \$49.5 million. It also reported record trailing four quarters cash flow of \$135.5 million and commenced sales at its new sandwich production facility in Arizona. The company delivered a quarterly dividend of \$0.42 per share, representing a 1.6% dividend yield.

Saputo Inc. ([TSX:SAP](#))

Saputo is a Montreal-based dairy company. Saputo stock has dropped 10.3% in 2018 thus far. The company released its fiscal 2018 third-quarter results on February 1. In the conference call, [Saputo leadership criticized Canadian officials](#) for failing to appropriately secure an adequate deal for dairy producers in the latest revision.

In the third quarter, Saputo saw net earnings surge 70.7% to \$337 million; however, adjusted net earnings were down 7.2%. It reported revenues of \$3.02 billion, which were up 1.9% year over year. Saputo also declared a dividend of \$0.16 per share, representing a 1.5% dividend yield.

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1. TSX:HLF (High Liner Foods Incorporated)
2. TSX:MFI (Maple Leaf Foods Inc.)
3. TSX:PBH (Premium Brands Holdings Corporation)
4. TSX:SAP (Saputo Inc.)

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