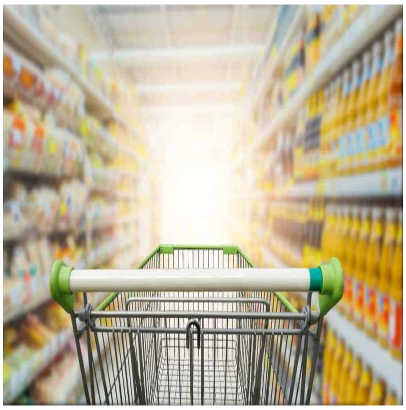

These Dividend Stocks Belong in Your Shopping Cart

Description

Retail food prices have only increased 0.5% in 2018, with prices actually falling in the winter months, according to Statistics Canada. Grocers have been careful with price increases considering the intense competition retailers are facing from **Walmart Inc.** and **Amazon.com, Inc**. Canadian grocery retailers are also facing challenges due to the rising minimum wage that has ballooned operating costs, particularly in Ontario.

This does not mean that investors should turn their backs on grocery retail stocks or food producers in 2018. Let's look at three income-yielding stocks that are still worth a spot in your portfolio today.

Metro, Inc. (TSX:MRU)

Metro is a Montreal-based grocery retailer. Its stock rose 1.51% on May 16, and shares are up 5.2% in 2018 so far. The company released its second-quarter results on April 24.

Sales were down 0.1% to $2.89 billion in the quarter with same-store sales up 1%, taking into account the Christmas week shift. Adjusted net earnings fell 5.1% year over year to $108.1 million. The company declared a dividend of $0.18 per share, which was up 10.8% from the prior year.

For the first six months, sales have climbed 2.3% to $6.01 billion, and adjusted net earnings were up 3.8% to $261.5 million. Leadership at Metro stressed the intense competition the company was facing in an increasingly challenging environment. The company has made strides with its online shopping model and plans to introduce the platform to Ontario this year.

Maple Leaf Foods Inc. (TSX:MFI)

Maple Leaf Foods is a Mississauga-based packaged foods company. Shares have dropped 17.6% in 2018. The company released its first-quarter results on May 2, and it also launched its ambitious rebrand.

Maple Leaf posted adjusted EBITDA margins of 10.1% and reported volume growth across all of its businesses, with fresh pork being the exception. This was due to a supply interruption that occurred as a result of a PEDv outbreak in 2017.

The company launched a rebrand initiative that touts its commitment to basic ingredients over preservatives. Global demand for processed meats has plummeted since a 2015 report from the World Health Organization revealed that the products are carcinogenic. Maple Leaf hopes that catering to a more health-conscious consumer base will boost sales going forward.

Maple Leaf has also seen competition with U.S. pork producers heat up. The company may find an opportunity to take advantage of the ongoing U.S.-China trade spat, as China has levied tariffs on U.S. pork. China boasts the largest pork market in the world.

Saputo Inc. (TSX:SAP)

Saputo is a Montreal-based dairy processor and cheese processor. Shares of Saputo are down 4.7% in 2018 but have climbed 4.4% month over month as of close on May 16. In the third quarter of fiscal 2018, Saputo saw revenues climb to $3.02 billion from $2.96 billion in the prior year. Net earnings per share increased to $0.87 compared to $0.50 in Q3 fiscal 2017. The board of directors approved a quarterly dividend of $0.16 per share, representing a 1.1% dividend yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:MFI (Maple Leaf Foods Inc.)
2. TSX:MRU (Metro Inc.)
3. TSX:SAP (Saputo Inc.)

PARTNER-FEEDS

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

Category

1. Investing

Date
2025/07/03
Date Created
2018/05/17
Author
aocallaghan