



## Invest in These 3 Food Stocks for Growth and Income

### Description

[Food stocks](#) can be some of the best investments on the market. Not only do they serve a necessary need in providing us nutrition, but many food stocks benefit from the emotional bonus that many of us feel when shopping for food — in other words, we enjoy paying for our food, which drives more personal satisfaction than, say, paying your internet bill.

Here are three great food stocks that provide opportunities for both income- and growth-seeking investors.

**Maple Leaf Foods Inc.** ([TSX:MFI](#)) is one of the largest and well-known poultry and pork products manufacturers in the country that is distributed under a vast array of well-known brands.

One of the things that really impresses me about Maple Leaf Foods is the recently announced re-branding effort that the company is undertaking, which will see all products reformulated to be free from chemicals, colours, sweeteners, and preservatives. Maple Leaf is also re-branding all packaging to be sustainable and without any fine print. Ingredients are going to be listed out in an easy-to-read manner, which the company hopes will convey a sense of trust and responsibility to customers.

From an income standpoint, Maple Leaf offers a quarterly dividend that pays a yield of 1.64%, and the company currently trades at just over \$32 with a P/E of 25.78.

**Premium Brand Holdings Corp.** ([TSX:PBH](#)) is a compelling investment choice for those investors that are looking for both growth- and income-producing options. While you may not have heard of Premium Brands, most people have no doubt come across any number of the more than 30 premium food brands that the company owns, including popular brands such as Piller's, Isernio's, Belmont Meats, and Harvest Meats.

The company is well diversified, with operations in seven provinces as well as seven U.S. states, and in terms of growth prospects, Premium Brands has grown primarily from acquisitions, the most recent of which was the \$237 million acquisition of Oberto brands earlier this year.

Over the past five years, Premium Brands's stock price has shot up over 450%, and shareholders have

seen annual increases to the quarterly dividend, which pays a solid 1.7%.

Premium Brands is set to announce earnings for the most recent quarter next month and currently trades at just over \$106 with a P/E of 40.78.

**Saputo Inc.** ([TSX:SAP](#)) is a well-known dairy producer that has made news over the past few months as being in favour of [opening Canada's dairy supply-management system](#) to other dairy farmers.

Just like Premium Brands, Saputo owns a very impressive portfolio of well-known brands that includes Armstrong, Baxter, Dairyland, International Delight, and Neilson. Saputo's impressive size and approach to expansion have helped propel the company to become one of the 10 largest dairy producers globally.

The most recent acquisition was for Australian dairy company Murray Goulburn, which will provide Saputo with a springboard to enter the Chinese market, where Murray Goulburn already has a manufacturing presence. The \$1.3 billion deal also saw Saputo's market share in the Australian market increase considerably, so that the company is now has a majority stake in Australia's milk powder market.

In terms of income, Saputo offers a quarterly dividend that currently provides a 1.44% yield.

## CATEGORY

1. Investing

## TICKERS GLOBAL

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

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