



2 Food Stocks Every Portfolio Needs

Description

With the summer grilling season in full swing, many of us are enjoying the outdoors with friends and family. That change in scenery is not only a great break from routine, but it also lends an opportunity to discover one or more [intriguing investment opportunities](#).

Today, that opportunity comes in the form of two intriguing food investments.

Look for more than meat

While most investors are familiar with **Maple Leaf Foods** ([TSX:MFI](#)), few realize the massive potential that the company has unlocked outside its core market for pork and poultry products.

What I'm referring to is the 2018 \$140 million deal for Lightlife Foods, which produces non-meat, plant-based protein products that range from deli slices and hot dogs to bacon and burgers.

A shift in consumer tastes and the growing need for sustainable food sources have expanded the popularity of plant-based options. The market for those non-meat options is something that experts peg could hit \$140 billion within the next decade. A clear example of this is the incredible success the **Beyond Meat** IPO has had this year.

To meet that incredible market potential, Maple Leaf announced plans for a US\$310 million plant-based processing facility earlier this year, which should be operational by later next year.

Turning to results, in the most recent quarterly update, Maple Leaf saw sales surge 11% over the same period last year, coming in at \$907.1 million. During that quarter, the company earned \$50.1 million, or \$0.41 per share, which handily surpassed the \$27.9 million, or \$0.22 per share, reported in the same quarter last year.

Adding to that appeal is the fact that Maple Leaf offers investors a quarterly dividend, which currently yields a respectable 2.02%.

Pick a (premium) brand

Premium Brand Holdings ([TSX:PBH](#)) is another intriguing investment opportunity to consider. As the name suggests, Premium Brands has a dizzying array of brands that cater to both food manufacturing and distribution business across a handful of provinces and U.S. states.

That portfolio of brands contains some of the most familiar names to shoppers, such as Piller's, Oberto, Buddy's, Grimm's and over a dozen others. That diversification is a key point of consideration to investors, but not the only noteworthy consideration.

Premium Brands acquired its army of brands through a series of well-executed acquisitions. In the past year, the company scooped up nearly a dozen different brands at a cost of over \$750 million. Premium Brands also continues to look for additional opportunities to expand further, particularly in the U.S. market where 30% of company revenues are derived.

To put that opportunity and insatiable growth demand into perspective, company CEO George Paleologou reiterated during the recent earnings announcement the goal of doubling the company size in the next five years.

In that most recent quarterly update, Premium Brands reported record-setting revenue of \$776.6 million, reflecting a whopping 32.8% increase over last year. Most of the \$191.7 million increase was attributed to acquisitions. Looking at the rest of the year, Premium Brands is maintaining revenue guidance to come in between \$3.66 billion and \$3.72 billion.

In terms of a dividend, Premium Brands offers a respectable 2.34% yield, which is reflective of a solid hike to the payout announced earlier this year.

What's next?

Both Premium Brands and Maple Leaf represent unique investment options to consider. They not only provide a decent dividend but also operate in a unique, yet entirely necessary niche of the market that many tend to overlook.

Throw in a diversified mix of brands that spans both meat and non-meat products, and you have two very [attractive investment options](#) that are worthy candidates for nearly any portfolio.

CATEGORY

1. Investing

TICKERS GLOBAL

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

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