



## 4 Consumer Staple Stocks That Raised Dividends in Q1

### Description

The dividend-growth strategy is growing in popularity as record-low interest rates make bonds and GICs much less attractive. One of the best places to start is the Canadian Dividend Aristocrat list. These are companies that have raised the dividend for at least five consecutive years.

Several retail investors adopt a dividend-growth strategy as a means to build strong and sustainable income. Many also depend on dividend companies in retirement and consumer staple stocks have outperformed during the current volatility.

Last week, we took a look at the many companies that either cut or suspended dividends. Thanks to recency bias, investors may not realize that the first quarter was also a strong one for dividend-growth investors.

In the first quarter, 40 Canadian Dividend Aristocrats raised the dividend. Thus far, we have looked at telecoms, [energy](#), financial, industrial, and consumer discretionary stocks. Today, we'll look at consumer staple stocks that raised dividends in the first quarter.

	Old	New	Percentage	Date
<b>Metro</b> ( <a href="#">TSX:MRU</a> )	\$ 0.20	\$ 0.225	12.50%	01/28/2020
<b>Maple Leaf Foods</b> ( <a href="#">TSX:MFI</a> )	\$ 0.145	\$ 0.16	10.34%	02/27/2020
<b>Premium Brands Holdings</b> ( <a href="#">TSX:PBH</a> )	\$ 0.525	\$ 0.5775	10.00%	03/12/2020
<b>Alimentation Couche-Tard</b> (TSX:ATD.B)	\$ 0.0625	\$ 0.07	12.00%	03/27/2020

### A top grocery stock

In Canada, there are a few grocery stocks, but none have performed as well as Metro. Over the past decade, Metro's stock price is up by of 228%. In 2020, it is outperforming yet again with gains of 7.14%.

Not only has been a top growth stock, but it owns one of the longest dividend-growth streaks in the country. In January, this Canadian Dividend Aristocrat extended its dividend-growth streak to 26 years, tied for the seventh-longest streak in Canada.

The 12.50% raise is in line with its double-digit average. Over the past 10 years, it has averaged 16.1% dividend growth, the highest rate among the top 10 Dividend Aristocrats.

## Packaged-food stocks

Another industry that has performed quite well is packaged foods. Companies such as Premium Brand Holdings and Maple Leaf Foods are key suppliers.

Premium Brand Holdings owns a modest eight-year dividend-growth streak. Over the course of its streak, the company has consistently averaged 10% dividend growth. The company has held up quite well and is down by only 1.91% in 2020.

Maple Leaf Foods is a recent addition to the Canadian Dividend Aristocrat list. The company was only added to the list this year, and February's 10.24% raise ensures it will retain this prestigious status.

In 2020, Maple Leaf is one of the best-performing stocks outside of the technology industry. As of writing, the stock is up by 10.28%, and it only lost 1.39% in the first quarter. It is proving to be one of the most resilient companies during the current crisis.

## A convenience store stock

Since the peak of the pandemic, most of the Dividend Aristocrats are opting to keep the dividend steady. That being said, there have been a few raises, one of which belongs to Alimentation Couche-Tard.

The company's 11th consecutive annual raise came at the end of March, near the peak of the correction. Alimentation prioritizes growth, and prefers instead to deploy its cash via acquisitions instead of dividends.

This year, however, management did the opposite. Stepping away from the \$8.8 billion deal to acquire Caltex Australia, Alimentation cited the uncertainties around COVID-19 as the main reason for ending its pursuit of the company. With plenty of cash in hand, it wasn't surprising that the company opted to reward investors in another way — a 12% increase to the dividend

## Are these Dividend Aristocrats buys today?

The consumer staples sector is among the safest on the index. All four of these Canadian Dividend Aristocrats have held up better than the market. In the event of a second wave of COVID-19, or if the economy fails to rebound in a meaningful way, they are likely to outperform again.

### CATEGORY

1. Dividend Stocks
2. Investing

## **TICKERS GLOBAL**

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

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