



2 Best Food Stocks for Investors in February 2023

Description

In 2021, the worldwide food and grocery [retail market](#) was valued at approximately \$11.3 trillion. This consumer staple market is expected to increase in lockstep with the population in future years. The industry is a massive pie with many portions. Numerous companies are vying for consumers' food budgets.

The finest food companies have strong brands that entice customers to pay a premium for their products, as well as economies of scale that keep costs low. With inflation compressing budgets and supply chain costs rising, pricing power and cost advantages are especially crucial now.

While there are several food stocks to pick from, not all of them should be included in your portfolio. Here are two top food stocks to buy in February.

General Mills

With its diverse portfolio of well-known brands, **General Mills** ([NYSE:GIS](#)) is one of the best food stocks. Pillsbury, Cheerios, Häagen-Dazs, Progresso, Green Giant, Yoplait, and many other brands are part of the company's brand portfolio.

General Mills benefited from the COVID-19 epidemic because consumers increased their consumption of food at home due to restaurant dining limitations. Throughout the pandemic, the company's main North American retail division performed strongly, driven by strengths in organic items, meals, and baking.

Consumer behaviour is likely to alter as a result of rising inflation and economic instability, but General Mills has several brands that people are prepared to pay for. This is already being reflected in the company's results. Organic net sales rose by 11% in the fiscal second quarter.

Relative to its previous outlook, the company now expects to generate stronger organic net sales growth through better volume performance and improved price/mix.

General Mills' pet division is particularly well positioned as a result of its 2018 acquisition of Blue Buffalo. Pet ownership increased dramatically during the epidemic, and sales of luxury pet meals have been increasing for several years. With pets increasingly considered members of the family, pet owners may be hesitant to switch to cheaper pet food options.

General Mills stock has risen in value in recent years, but it remains affordable. The company is currently trading at a forward [P/E ratio](#) of 17.7, with a dividend yield of about 2.87%. There is a lot of economic uncertainty right now, but General Mills' pricing power should help the company get through it.

Mondelez International

Mondelez International ([NASDAQ:MDLZ](#)), like General Mills, has a large number of well-known brands. Cadbury, Chips Ahoy!, Oreo, Philadelphia, Ritz, Wheat Thins, and many more are among them. The company focuses on snack brands and sells its products in over 150 countries.

Mondelez increased organic sales by 12.3% in the fourth quarter of 2022. Double-digit top-line growth was supported by both pricing and volume. Mondelez is well positioned for an inflationary climate since it has a stable of iconic brands that consumers are unlikely to forsake.

Mondelez forecasts organic sales to rise by 5 to 7% this year, and adjusted profits per share to rise faster as higher pricing offsets higher costs. The Ukraine conflict is weighing on revenues, but the corporation still plans to generate \$3.3 billion in free cash flow this year.

Mondelez is slightly more expensive than General Mills, trading at roughly 20.7 times forward earnings. However, Mondelez's regional variety and excellent brand portfolio are appealing assets as economic instability looms.

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1. Investing
2. Stocks for Beginners

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2. NYSE:GIS (General Mills, Inc.)

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