

## Food Makers Have Tough Day on Wall Street

NEW YORK (AP) — Shares for a trio of food makers declined Tuesday as ConAgra Foods and Annie's lowered some outlooks and Dean Foods provided a 2014 earnings guidance below analysts' estimates.

[Natural and organic foods company Annie's Inc.](#) [1] now expects full-year earnings between 92 cents and 93 cents per share. That's down from its prior forecast of 97 cents to \$1.01 per share. Analysts surveyed by FactSet predicted earnings of 97 cents per share.

The Berkeley, Calif., company said it is contending with increasing organic wheat prices.

Credit Suisse's Robert Moskow lowered Annie's rating to "Neutral" from "Outperform" and reduced its price target to \$36 from \$54. The analyst said in a client note that higher organic wheat costs will bleed into 2015 and that the "frequency of execution errors over the past two years casts a cloud over the prospects for operating leverage in the business model."

But Moskow said he still thinks Annie's is a great organic food brand with many years of revenue growth ahead.

A representative for Annie's said the company doesn't comment on analyst reports.

The company's stock dropped \$4.25, or 10 percent, to \$37.58 in afternoon trading.

[ConAgra Foods Inc.](#) [2] cut its 2014 and 2015 earnings forecasts. The company, which owns brands such as Chef Boyardee and Marie Callender's, now anticipates fiscal 2014 adjusted earnings between about \$2.22 and \$2.25 per share. Its prior guidance was for \$2.34 to \$2.38 per share.

Analysts expect full-year earnings of \$2.35 per share.

For 2015, ConAgra now anticipates earnings-per-share growth will be less than its previous double-digit forecast, although it did not provide more specifics.

Analysts expect \$2.59 per share, which would represent growth of about 10 percent.

David Driscoll of Citi Investment Research attributed the lowered forecasts to several factors, including worse-than-expected consumer food volumes and lower sales at the private label food business.

The analyst said that while the issues impacting ConAgra appear to be company-specific, volume softness is hurting the overall U.S. food sector.

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Driscoll maintained a "Buy" rating.

The company's shares fell \$1.98, or 6.4 percent, to \$29.07. The stock slipped to \$28.60 earlier in the session, its lowest point since November 2012.

Meanwhile, [Dean Foods Co.](#) [3] now expects 2014 adjusted earnings per share between 73 cents and 86 cents, well short of the \$1.13 cents that Wall Street was looking for.

The nation's biggest milk processor is dealing with rising commodity prices.

Shares of the Dallas company declined \$1.03, or 6.8 percent, to \$14.17. In earlier trading, the stock fell to \$13.59 — that's its lowest level since October 2012.

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