



Sanderson Farms, Inc. Announces New Credit Agreement

March 21, 2019

LAUREL, Miss.--(BUSINESS WIRE)--Mar. 21, 2019-- Sanderson Farms, Inc. (NASDAQ: SAFM) today announced that its Board of Directors has approved an agreement, effective March 21, 2019, for a new \$1.0 billion revolving credit facility through a consortium of banks. The new facility replaces the Company's existing \$900 million facility, which was terminated. The credit will remain unsecured, and certain covenants related to the Company's financial condition were adjusted and the limitation on capital expenditures was eliminated to support the Company's future growth. The termination date of the new facility will be March 21, 2024. As of March 21, 2019, the Company had \$100.0 million in outstanding borrowings and approximately \$25.3 million outstanding in letters of credit under the former revolving credit facility, all of which will remain outstanding under the new facility.

Joe. F. Sanderson, Jr., chairman and chief executive officer of Sanderson Farms, Inc. stated, "We are pleased to make these amendments to our credit facility to support our strategic initiatives and continue to deliver greater value to our shareholders. We appreciate the continued support of our bank group and their confidence in the future of Sanderson Farms."

Sanderson Farms, Inc. is engaged in the production, processing, marketing and distribution of fresh, frozen and minimally prepared chicken. Its shares trade on the NASDAQ Global Select Market under the symbol SAFM.

This press release includes forward-looking statements within the meaning of the "safe harbor" provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are based on a number of assumptions about future events and are subject to various risks, uncertainties and other factors that may cause actual results to differ materially from the views, beliefs, projections and estimates expressed in such statements. These risks, uncertainties and other factors include, but are not limited to those discussed under "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended October 31, 2018, and the following:

- (1) Changes in the market price for the Company's finished products and feed grains, both of which may fluctuate substantially and exhibit cyclical characteristics typically associated with commodity markets.*
- (2) Changes in economic and business conditions, monetary and fiscal policies or the amount of growth, stagnation or recession in the global or U.S. economies, any of which may affect the value of inventories, the collectability of accounts receivable or the financial integrity of customers, and the ability of the end user or consumer to afford protein.*
- (3) Changes in the political or economic climate, trade policies, laws and regulations or the domestic poultry industry of countries to which the Company or other companies in the poultry industry ship product, and other changes that might limit the Company's or the industry's access to foreign markets.*
- (4) Changes in laws, regulations, and other activities in government agencies and similar organizations applicable to the Company and the poultry industry and changes in laws, regulations and other activities in government agencies and similar organizations related to food safety.*
- (5) Various inventory risks due to changes in market conditions including, but not limited to, the risk that net realizable values of live and processed poultry inventories might be lower than the cost of such inventories, requiring a downward adjustment to record the value of such inventories at the lower of cost or net realizable value as required by generally accepted accounting principles.*
- (6) Changes in and effects of competition, which is significant in all markets in which the Company competes, and the effectiveness of marketing and advertising programs. The Company competes with regional and national firms, some of which have greater financial and marketing resources than the Company.*
- (7) Changes in accounting policies and practices adopted voluntarily by the Company or required to be adopted by accounting principles generally accepted in the United States.*
- (8) Disease outbreaks affecting the production, performance and/or marketability of the Company's poultry products, or the contamination of its products.*
- (9) Changes in the availability and cost of labor and growers.*
- (10) The loss of any of the Company's major customers.*
- (11) Inclement weather that could hurt Company flocks or otherwise adversely affect the Company's operations, or changes in global weather patterns that could affect the supply and price of feed grains.*
- (12) Failure to respond to changing consumer preferences and negative or competitive media campaigns.*
- (13) Failure to successfully and efficiently start up and run a new plant or integrate any business the Company might acquire.*
- (14) Unfavorable results from currently pending litigation and proceedings, or litigation and proceedings that could arise in the future.*

Readers are cautioned not to place undue reliance on forward-looking statements made by or on behalf of the Company. Each such statement speaks only as of the day it was made. The Company undertakes no obligation to update or to revise any forward-looking statements. The factors described

above cannot be controlled by the Company. When used in this press release or in the related conference call, the words "believes," "estimates," "plans," "expects," "should," "could," "outlook," and "anticipates" and similar expressions as they relate to the Company or its management are intended to identify forward-looking statements. Examples of forward-looking statements include statements of the Company's belief about future growth plans, future earnings, production levels, capital expenditures, grain prices, global economic conditions, supply and demand factors and other industry conditions.

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Source: Sanderson Farms, Inc.

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