



Sanderson Farms, Inc. Holds Annual Meeting of Stockholders

February 18, 2021

LAUREL, Miss.--(BUSINESS WIRE)--Feb. 18, 2021-- Sanderson Farms, Inc. (NASDAQ: SAFM) announced today that it held its annual meeting of stockholders this morning in a virtual format. In the formal business conducted at the meeting, stockholders re-elected four Class B directors for terms expiring at the 2024 annual meeting. Management also reported on the Company's performance during fiscal 2020 and provided an outlook for fiscal 2021. Re-elected to three-year terms were John Bierbusse, Retired Vice President and Manager of Research Administration, A.G. Edwards; Mike Cockrell, Treasurer, Chief Financial Officer and Chief Legal Officer of Sanderson Farms, Inc.; Edith Kelly-Green, Partner, The KGR Group; and Suzanne T. Mestayer, Owner and Managing Principal, ThirtyNorth Investments, LLC.

Other directors, whose terms continue to future years, are: Fred L. Banks, Jr., David Barksdale, Lampkin Butts, Toni D. Cooley, Beverly W. Hogan, Phil K. Livingston, Sonia Perez, Gail Jones Pittman and Joe F. Sanderson, Jr.

In other action at the annual meeting, stockholders approved the following items of business: in a non-binding advisory vote, the compensation of the Company's Named Executive Officers and the ratification of the selection of Ernst & Young LLP as the Company's independent auditors for the fiscal year ending October 31, 2021. Stockholders rejected a stockholder proposal to request that the Board of Directors report on the Company's human rights due diligence process.

Earlier in his remarks to stockholders concerning the Company's operations, Sanderson said, "Without question, fiscal 2020 was a year like no other for our company, our nation, and the entire world as we faced the extraordinary challenges caused by the COVID-19 pandemic, social and racial unrest, a global recession, and ongoing poultry market volatility. We have faced these challenges, however, with the same determination and resilience instilled in us by our founders in 1947. Over the past year, our board of directors and executive management team have risen to the challenge to protect both the interests of our many stakeholders and the long-term value of Sanderson Farms. We believe our core value of respect for the rights and dignity of every human being; our conservative financial management and our best-in-class operational efficiency have provided a firm foundation to support our business under extraordinary conditions.

"Despite the uncertain environment and fluctuating markets over the past year, our operations performed well. Demand for chicken products sold to retail grocery store customers surged higher at the beginning of the pandemic and remained strong through the end of the fiscal year, as more consumers have been preparing meals at home. However, demand from our food service customers has remained under pressure with the changing restrictions on restaurants and food service establishments and the steep decline in the number of consumers dining out during the pandemic. Our sales mix and production for the year reflect these changing demand trends, but we were pleased to report overall higher sales of \$3.564 billion in fiscal 2020 compared with \$3.440 billion last year.

"As a critical part of the nation's food supply, we are mindful of our responsibility to do our best to maintain our production even under extraordinary conditions. At the same time, we understand our obligation to keep our people safe. Our number one priority throughout the pandemic has been protecting the health and safety of our employees, who have continued to produce and deliver poultry products to our customers and contribute to a stable food supply.

"Over the past year, we have witnessed significant social unrest and racial injustice across the nation. For Sanderson Farms, respect for the dignity and worth of every human being has been a core value of the Company since our founding. We recognize that our people are our most important asset, and we are committed to providing our employees with a safe place to work, fair pay and benefits, and equitable treatment both at work and in our communities. We are proud of our record and policies related to diversity, and we strive to be inclusive in every way.

"We are equally proud of our efforts over the past year to manage our operations in an efficient and responsible manner under extraordinary conditions. As we have continued to expand our production, an integral part of our growth strategy has been an emphasis on environmental responsibility. It is vitally important to Sanderson Farms that we not only apply sustainability practices in our own facilities, but also work in tandem with our local communities to protect the environment."

Sanderson concluded, "We have many reasons to be optimistic about the year ahead for Sanderson Farms. We expect robust demand for chicken products from retail grocery stores will continue, and we are ready to meet this demand with the right mix of quality products. While the COVID-19 pandemic will remain part of our lives, we are hopeful that as more people are able to get a vaccine, consumer confidence will improve, and restaurants and food service operators can begin to resume regular schedules. Our operations are performing well, and we are well positioned to execute our growth strategy with the right mix of quality products and a respected brand, supported by efficient and sustainable operations, exceptional customer service and a strong financial position. Above all, we have an incredible team across our operations. We acknowledge the heroic work and perseverance of our dedicated managers, employees, and contract producers who continue to work hard to meet the demands of our valued customers. Together, we will face both the challenges and opportunities before us with a shared commitment to deliver greater value to our shareholders."

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, 2020, 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 market 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 its 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.
- (15) Changes resulting from the COVID-19 pandemic, which could exacerbate any of the risks described above, and could include: high absentee rates that have prevented and may continue to prevent the Company from running some of its facilities at full capacity, or could in the future cause facility closures; an inability of contract poultry producers to manage their flocks; supply chain disruptions for feed grains; further changes in customer orders due to shifting consumer patterns; disruptions in logistics and the distribution chain for the Company's products; liquidity challenges; and a continued or worsening decline in global commercial activity, among other unfavorable conditions.

Readers are cautioned not to place undue reliance on forward-looking statements made by or on behalf of Sanderson Farms. 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", "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 its future growth plans, future demand for its products, future prices for feed grains, future expenses, future production levels, future earnings, economic conditions or other industry conditions.

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Source: Sanderson Farms, Inc.