



September 22, 2016

## **Sanderson Farms, Inc. Announces Increase in Quarterly Dividend and Declares Special Dividend**

LAUREL, Miss.--(BUSINESS WIRE)-- Sanderson Farms, Inc. (NASDAQ: SAFM) today announced that its Board of Directors has declared a regular quarterly cash dividend of \$0.24 (twenty-four cents) per share, an increase of \$0.02 (two cents) per share per quarter. This represents a new annual dividend rate of \$0.96 (ninety-six cents) per share, or an annual increase of \$0.08 (eight cents) per share. The Board has also declared a special cash dividend of \$1.00 (one dollar) per share. Both the regular quarterly cash dividend and the special cash dividend are payable on October 18, 2016, to stockholders of record on October 4, 2016. Declaration of the regular quarterly cash dividend will remain subject to Board approval each quarter.

Commenting on the announcement, Joe F. Sanderson, Jr., chairman and chief executive officer of Sanderson Farms, Inc., said, "The Board's decision to declare these new dividend payments reflects our commitment to delivering value to our shareholders and demonstrates our confidence in Sanderson Farms' future growth prospects. We are especially pleased that our operating performance to date in fiscal 2016 and our strong balance sheet have provided this opportunity to declare another special dividend. At the same time, we have the financial strength to continue to execute our growth strategy and take advantage of additional market opportunities that will reward Sanderson Farms and our shareholders."

Sanderson Farms, Inc. is engaged in the production, processing, marketing and distribution of fresh and frozen chicken and other prepared chicken items. 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 the Private Securities Litigation Reform Act of 1995, 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, 2015, and its subsequent Quarterly Reports on Form 10-Q filed with the SEC, 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 market 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 of feed grains.

(12) Failure to respond to changing consumer preferences and negative media campaigns.

(13) Failure to successfully and efficiently start up and run a new plant or integrate any business the Company might acquire.

*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. Most of the factors described above cannot be controlled by the Company. When used in this press release, 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 (but are not limited to) statements of the Company's belief about future earnings, expansion plans, sales, production, and expenses, including feed grain costs.*

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**Sanderson Farms, Inc.**  
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**Treasurer & Chief Financial Officer**

Source: Sanderson Farms, Inc.

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