



February 9, 2017

Sanderson Farms, Inc. Holds Annual Meeting of Stockholders

LAUREL, Miss.--(BUSINESS WIRE)-- Sanderson Farms, Inc. (NASDAQ: SAFM) announced today that it held its annual meeting of stockholders this morning at its home office in Laurel, Mississippi. In the formal business conducted at the meeting, stockholders re-elected four directors to three-year terms expiring at the 2020 annual meeting. Management also reported on the Company's performance during fiscal 2016. Re-elected to three-year terms were Lampkin Butts, President and Chief Operating Officer, Sanderson Farms, Inc.; Beverly Hogan, President, Tougaloo College; Phil K. Livingston, Retired Chairman and Chief Executive Officer, Deposit Guaranty National Bank of Louisiana; and Joe F. Sanderson, Jr., Chairman and Chief Executive Officer, Sanderson Farms, Inc.

Other directors, whose terms continue to future years, are: John H. Baker, Fred Banks, Jr., John Bierbusse, Mike Cockrell, Toni D. Cooley, Robert C. Khayat, Dianne Mooney and Gail Jones Pittman.

In other action at the annual meeting, stockholders approved, in a non-binding advisory vote, the compensation of the Company's Named Executive Officers; ratified the selection of Ernst & Young LLP as the Company's independent auditors for the fiscal year ending October 31, 2017; and rejected a shareholder proposal to request that the Company adopt a policy to phase out the use of medically important antibiotics for growth promotion and disease prevention in its operations.

In his remarks to stockholders concerning the Company's operations, Joe F. Sanderson, Jr., chairman and chief executive officer of Sanderson Farms, Inc., said, "By nearly every measure, fiscal 2016 was a successful year for Sanderson Farms. Highlighted by record production and sales, our financial and operating performance reflects our ability to take advantage of market opportunities and execute our growth strategy. At the same time, we continue to make the necessary investments to ensure our future growth and carry our legacy forward.

"Sanderson Farms reached annual net sales of \$2.816 billion in fiscal 2016," added Sanderson. "This growth was driven by higher volumes than the previous year. Consumer demand for chicken products at retail grocery stores was consistent throughout the year, but demand from food service customers reflected the slower trends in restaurant traffic across the country. We continued to perform near the top of our industry during fiscal 2016 in terms of operating efficiencies. For the year, we sold 3.765 billion pounds of dressed poultry, another record for Sanderson Farms.

"We look forward to the opportunities ahead in fiscal 2017, especially as we move our new St. Pauls, North Carolina to full production. As always, we will manage our business for the long term and continue to work hard to create value for our shareholders," Sanderson concluded.

Sanderson Farms, Inc. is engaged in the production, processing, marketing and distribution of fresh and frozen chicken and further processed and partially cooked 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 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, 2016, 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, either 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 impact the supply and price of feed grains.

(12) Failure to respond to changing consumer preferences.

(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. 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 growth plans, future demand for its products, future prices for feed grains, future expenses and future production levels.

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Source: Sanderson Farms, Inc.

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