



March 16, 2017

## **Sanderson Farms, Inc. Announces Site for New Poultry Complex in Texas**

LAUREL, Miss.--(BUSINESS WIRE)-- Sanderson Farms, Inc. (NASDAQ:SAFM) announced today that sites located in Smith and Wood Counties, Texas, have been tentatively selected for construction of a new feed mill, hatchery, poultry processing plant and waste water treatment facility, subject to the contingencies discussed below. These facilities will comprise a state-of-the-art poultry complex with the capacity to process 1.25 million birds per week for retail chill pack customers. At full capacity, the complex will employ approximately 1,700 people, will require 80 contract growers, and will be equipped to process and sell approximately 375 million pounds of dressed poultry meat annually at full production.

Sanderson Farms expects to invest approximately \$200 million in the new Texas complex and anticipates that associated contract growers will invest an additional \$135 million in poultry production facilities. The Company expects to begin construction of the facilities during summer 2017, with initial operations of the new complex to begin during the first fiscal quarter of 2019.

Commencement of construction of the new complex is subject to completion of tax abatement and incentive agreements with public subdivisions and the state of Texas and obtaining final required permits from appropriate agencies.

According to Joe F. Sanderson, Jr., chairman and chief executive officer of Sanderson Farms, Inc., the selection of these sites followed a thorough due diligence process. "We are grateful for the cooperation from the economic development and governmental officials in Tyler, Mineola and Lindale, Texas; Wood and Smith Counties; and the State of Texas," said Sanderson. "We believe this expansion will enhance our ability to drive revenues and earnings and allow us to continue our record of building long-term value for our shareholders. The additional capacity of 1.25 million birds per week represented by the new complex will provide new marketing opportunities for the Company for retail grocery customers. We are pleased that our recent financial performance has put us in a position to continue to grow our Company."

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 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 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.*

*(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 earnings, grain prices, supply and demand factors, growth plans, production capacity and other industry conditions.*

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**Sanderson Farms, Inc.**  
**Mike Cockrell, 601-649-4030**  
**Treasurer & Chief Financial Officer**

Source: Sanderson Farms, Inc.

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