



Cal-Maine Foods, Inc. Acquires Remaining Interest in Red River Valley Egg Farm, LLC

May 12, 2021

JACKSON, Miss.--(BUSINESS WIRE)--May 12, 2021-- Cal-Maine Foods, Inc. (NASDAQ: CALM) today announced that the Company has reached a definitive agreement to purchase the remaining 50 percent membership interest in Red River Valley Egg Farm, LLC from Rose Acre Farms, Inc. The entity will become a wholly owned subsidiary of the Company. The purchase price is \$48.5 million for the balance of the joint venture's membership interests. Red River Valley Egg Farm, LLC owns and operates a specialty shell egg production complex with approximately 1.7 million laying hens, pullet capacity, feed mill, processing plant, related offices and outbuildings and related equipment located on approximately 400 acres near Bogata, Texas. The Company expects to close the transaction by the end of the month, subject to customary closing conditions.

Commenting on the announcement, Dolph Baker, chairman and chief executive officer of Cal-Maine Foods, Inc., stated, "We have enjoyed a good working relationship with Rose Acre Farms since we formed this partnership and are pleased to assume full ownership of Red River Valley Egg Farm. When it commenced operations in 2015, Red River Valley Egg Farm significantly increased the availability of cage-free and other specialty eggs to meet the growing consumer demand for those products, and we look forward to continuing to support our valued customers in this important region. Red River Valley Egg Farm's experienced management team will remain in place and be integrated into Cal-Maine's already deep roots in Texas. We believe this transaction will offer us additional opportunities to expand our production capacity and to meet the anticipated growing demand for cage-free and specialty eggs."

Cal-Maine Foods, Inc. is primarily engaged in the production, grading, packing and sale of fresh shell eggs, including conventional, cage-free, organic and nutritionally enhanced eggs. The Company, which is headquartered in Jackson, Mississippi, is the largest producer and distributor of fresh shell eggs in the United States and sells the majority of its shell eggs in states across the southwestern, southeastern, mid-western and mid-Atlantic regions of the United States.

Statements contained in this press release that are not historical facts are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements are based on management's current intent, belief, expectations, estimates and projections regarding our company and our industry. These statements are not guarantees of future performance and involve risks, uncertainties, assumptions and other factors that are difficult to predict and may be beyond our control. The factors that could cause actual results to differ materially from those projected in the forward-looking statements include, among others, (i) the risk factors set forth in the Company's SEC filings (including its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K), (ii) the risks and hazards inherent in the shell egg business (including disease, pests, weather conditions and potential for recall), (iii) changes in the demand for and market prices of shell eggs and feed costs, (iv) our ability to predict and meet demand for cage-free and other specialty eggs, (v) risks, changes or obligations that could result from our future acquisition of new flocks or businesses and risks or changes that may cause conditions to completing a pending acquisition not to be met, (vi) risks relating to the evolving COVID-19 pandemic, and (vii) adverse results in pending litigation matters. SEC filings may be obtained from the SEC or the Company's website, www.calmainefoods.com. Readers are cautioned not to place undue reliance on forward-looking statements because, while we believe the assumptions on which the forward-looking statements are based are reasonable, there can be no assurance that these forward-looking statements will prove to be accurate. Further, the forward-looking statements included herein are only made as of the respective dates thereof, or if no date is stated, as of the date hereof. Except as otherwise required by law, we disclaim any intent or obligation to publicly update these forward-looking statements, whether as a result of new information, future events or otherwise.

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