Cal-Maine Foods, Inc. Announces Strategic Investment in New Egg Products Manufacturing Company

October 4, 2021

RIDGELAND, Miss.--(BUSINESS WIRE)--Oct. 4, 2021-- Cal-Maine Foods, Inc. (NASDAQ: CALM) today announced the Company's Board of Directors has approved a strategic investment that will specialize in high value commercial product solutions targeting specific needs in the food industry. The initial focus will include hard-cooked and extended shelf-life egg product lines. The new entity, located in Neosho, Missouri, will operate as MeadowCreek Foods, LLC ("MeadowCreek").

Cal-Maine Foods will capitalize MeadowCreek with up to $18.5 million in debt and equity to purchase property and equipment and to fund working capital. Cal-Maine Foods will retain a controlling interest in the venture. The MeadowCreek management team will be led by Ronald B. Bennett. Cal-Maine Foods will serve as the preferred provider to supply specialty and conventional eggs that MeadowCreek needs to manufacture egg products. MeadowCreek's marketing plan will expand Cal-Maine Food's reach in the foodservice and retail marketplace and bring new opportunities in the restaurant, institutional and industrial food products arena.

Bennett, who will serve as President of MeadowCreek, brings 30 years of egg industry experience to the new venture. Bennett most recently joined with DeJong Operational Management & Consulting to create, develop, and install operational improvements and solutions to high value ready-to-eat food and biotech companies. Previously, he served as Chief Operating Officer of Prime Foods from 2011 - 2019. Bennett also served as Director of Egg Products at Moark, LLC, which he joined in 1998. Bennett began his career in the egg products division of Cal-Maine Foods in 1991.

Commenting on the announcement, Dolph Baker, chairman and chief executive officer of Cal-Maine Foods, Inc., stated, "We are pleased to announce our strategic investment in MeadowCreek, which provides Cal-Maine Foods an opportunity to not only grow our presence in the egg products sector, but position ourselves to better seek out solutions for economically feeding a growing world population. While approximately 30 percent of produced eggs are currently directed to further processing in the U.S., as specialty eggs become more popular, we see the demand for more specialty egg products including cage-free products, to provide for industrial, food service and retail needs. We believe MeadowCreek will play an important role in meeting this demand and look forward to our partnership with Ronald and his operations team in support of this venture."

Cal-Maine Foods, Inc. is primarily engaged in the production, grading, packing, marketing and sale of fresh shell eggs, including conventional, cage-free, organic, pasture-raised, free range and nutritionally enhanced eggs. The Company, which is headquartered in Ridgeland, 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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