



Cal-Maine Foods, Inc. Issues Statement on Recent Court Decision

November 22, 2023

RIDGELAND, Miss.--(BUSINESS WIRE)--Nov. 22, 2023-- Cal-Maine Foods, Inc. (NASDAQ: CALM) ("Cal-Maine Foods" or the "Company"), the largest producer and distributor of fresh shell eggs in the United States, today issued the following statement:

Approximately 20 years ago, Cal-Maine Foods along with many other fresh egg producers in the United States, responded to growing demands from consumers and retailers to improve the overall treatment of egg laying hens. These programs were in line with other prevailing animal welfare laws across the protein industry and were not intended to restrict supply and affect prices. The programs were supported by our customers and form the basis of many state laws across the country today.

On November 21, 2023, a jury found that defendants, including Cal-Maine Foods, Inc., were liable for an alleged conspiracy to inflate egg product prices in the case Kraft Foods Global, Inc. et al. v. United Egg Producers, Inc. et al., Case No. 1:11-cv-8808 in the U.S. District Court for the Northern District of Illinois. The damages phase of the trial is scheduled to take place on November 28 and 29, 2023.

While we are disappointed with the overall decision, we prevailed on a number of issues that we believe are important and should ultimately define this case. The plaintiffs alleged a conspiracy running from 1998-2008 with damages extending through 2012. The court and jury determined that any alleged damages would be limited to the period 2004-2008. The jury also rejected other key portions of the plaintiffs' case that we believe should limit the plaintiffs' damages request further.

Cal-Maine Foods will vigorously contest plaintiffs' presentation of purported damages and will continue to assess the decision and options for appeal.

About Cal-Maine Foods

Cal-Maine Foods, Inc. is primarily engaged in the production, grading, packaging, marketing and distribution of fresh shell eggs, including conventional, cage-free, organic, brown, free-range, pasture-raised 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.

Forward Looking Statements

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), including but not limited to the most recent outbreak of highly pathogenic avian influenza affecting poultry in the U.S., Canada and other countries that was first detected in commercial flocks in the U.S. in February 2022, (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 increased costs and higher and potentially further increases in inflation and interest rates, which began in response to market conditions caused in part by the COVID-19 pandemic and which generally have been exacerbated by the Russia-Ukraine war that began in February 2022, (vii) our ability to retain existing customers, acquire new customers and grow our product mix, and (viii) 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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