

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For The Fiscal Year Ended **June 1, 2024**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 001-38695

CAL-MAINE FOODS, INC.

(Exact name of registrant as specified in its charter)

Delaware

64-0500378

(State or other Jurisdiction of Incorporation or Organization)

(I.R.S. Employer Identification No.)

1052 Highland Colony Pkwy, Suite 200, Ridgeland, Mississippi 39157

(Address of principal executive offices) (Zip Code)

(601) 948-6813

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12 (b) of the Act:

Title of each class:	Trading Symbol(s)	Name of each exchange on which registered:
Common Stock, \$0.01 par value per share	CALM	The Nasdaq Global Select Market

Securities registered pursuant to Section 12 (g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by a check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value, as reported by The NASDAQ Global Select Market, of the registrant's Common Stock, \$0.01 par value, held by non-affiliates at December 2, 2023, which was the date of the last business day of the registrant's most recently completed second fiscal quarter, was \$2,076,631,567.

As of July 23, 2024, 44,238,766 shares of the registrant's Common Stock, \$0.01 par value, and 4,800,000 shares of the registrant's Class A Common Stock, \$0.01 par value, were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The information called for by Part III of this Form 10-K is incorporated herein by reference from the registrant's Definitive Proxy Statement for its 2024 annual meeting of stockholders which will be filed pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this report.

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PART I.

FORWARD-LOOKING STATEMENTS

This report contains numerous forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act") relating to our shell egg and egg products business, including estimated future production data, expected construction schedules, projected construction costs, potential future supply of and demand for our products, potential future corn and soybean price trends, potential future impact on our business of the resurgence in United States ("U.S.") commercial table egg layer flocks of highly pathogenic avian influenza ("HPAI"), potential future impact on our business of inflation and changing interest rates, potential future impact on our business of new legislation, rules or policies, potential outcomes of legal proceedings, including loss contingency accruals and factors that may result in changes in the amounts recorded, and other projected operating data, including anticipated results of operations and financial condition. Such forward-looking statements are identified by the use of words such as "believes," "intends," "expects," "hopes," "may," "should," "plans," "projected," "contemplates," "anticipates," or similar words. Actual outcomes or results could differ materially from those projected in the forward-looking statements. The forward-looking statements are based on management's current intent, belief, expectations, estimates, and projections regarding the Company and its 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 Item 1A Risk Factors and elsewhere in this report as well as those included in other reports we file from time to time with the Securities and Exchange Commission (the "SEC") (including our 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 product recall), including but not limited to the current outbreak of HPAI affecting poultry in the U.S., Canada and other countries that was first detected in commercial flocks in the U.S. in February 2022 and that first impacted our flocks in December 2023, (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 recent or 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 changes in inflation and interest rates, (vii) our ability to retain existing customers, acquire new customers and grow our product mix, (viii) adverse results in pending litigation matters, and (ix) global instability, including as a result of the war in Ukraine, the Israel-Hamas conflict and attacks on shipping in the Red Sea. 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, 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 update publicly these forward-looking statements, whether because of new information, future events, or otherwise.

ITEM 1. BUSINESS

Our Business

We are the largest producer and distributor of shell eggs in the United States. Our mission is to be the most sustainable producer and reliable supplier of consistent, high quality fresh shell eggs and egg products in the country, demonstrating a "Culture of Sustainability" in everything we do, and creating value for our shareholders, customers, team members and communities. We sell most of our shell eggs throughout the majority of the U.S. and aim to maintain efficient, state-of-the-art operations located close to our customers. We were founded in 1957 by the late Fred R. Adams, Jr. and are headquartered in Ridgeland, Mississippi.

The Company has one reportable operating segment, which is the production, grading, packaging, marketing and distribution of shell eggs. Our integrated operations consist of hatching chicks, growing and maintaining flocks of pullets, layers and breeders, manufacturing feed, and producing, processing, packaging, and distributing shell eggs. Layers are mature female chickens, pullets are female chickens usually less than 18 weeks of age, and breeders are male and female chickens used to produce fertile eggs to be hatched for egg production flocks. Our total flock as of June 1, 2024 consisted of approximately 39.9 million layers and 11.8 million pullets and breeders.

Many of our customers rely on us to provide most of their shell egg needs, including specialty and conventional eggs. Specialty eggs encompass a broad range of products. We classify cage-free, organic, brown, free-range, pasture-raised and nutritionally enhanced eggs as specialty eggs for accounting and reporting purposes. We classify all other shell eggs as conventional products. While we report separate sales information for these egg types, there are many cost factors that are not specifically available for conventional or specialty eggs due to the nature of egg production. We manage our operations and allocate resources to these types of eggs on a consolidated basis based on the demands of our customers.

We believe that an important competitive advantage for Cal-Maine Foods is our ability to meet our customers' evolving needs with a favorable product mix of conventional and specialty eggs, including cage-free, organic, brown, free-range, pasture-raised and nutritionally-enhanced eggs, as well as egg products. While a small part of our current business, the free-range and pasture-raised eggs we produce and sell continues to grow and represents attractive offerings to a subset of consumers, and therefore our customers, and help us continue to serve as the trusted provider of quality food choices.

Throughout the Company's history, we have acquired other businesses in our industry. Since 1989, we have acquired and integrated 24 businesses. Subsequent to the end of our 2024 fiscal year, we acquired our 25th business when we purchased substantially all the assets of ISE America, Inc. and certain of its affiliates, relating to their commercial shell egg production and processing business. For information on our recent acquisitions, refer to [Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Acquisitions](#).

When we use "we," "us," "our," or the "Company" in this report, we mean Cal-Maine Foods, Inc. and our consolidated subsidiaries, unless otherwise indicated or the context otherwise requires. The Company's fiscal year-end is on the Saturday closest to May 31. Our fiscal year 2024 ended June 1, 2024, and the first three fiscal quarters of fiscal 2024 ended September 2, 2023, December 2, 2023, and March 2, 2024. All references herein to a fiscal year means our fiscal year and all references to a year mean a calendar year.

Industry Background

According to the U.S. Department of Agriculture ("USDA") Agricultural Marketing Service, in 2023 approximately 70% of table eggs produced in the U.S. were sold as shell eggs, with 57% sold through food-at-home outlets such as grocery and convenience stores, 11% sold to food-away-from home channels such as restaurants and 2% exported. The USDA estimated that in 2023 approximately 30% of eggs produced in the U.S. were sold as egg products (shell eggs broken and sold in liquid, frozen, or dried form) to institutions (e.g. companies producing baked goods). For information about egg producers in the U.S., see "Competition" below.

Our industry has been greatly impacted by the outbreaks of highly pathogenic avian influenza ("HPAI"). For additional information regarding HPAI and its impact on our industry and business, see [Part I, Item 1A. Risk Factors](#) and [Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - HPAI](#).

Given historical consumption trends, we believe that general demand for eggs in the U.S. increases basically in line with the overall U.S. population growth; however, specific events can impact egg supply and consumption in a particular period, as occurred with the 2015 HPAI outbreak, the COVID-19 pandemic (particularly during 2020), and the most recent HPAI outbreaks starting in early 2022 and again in late 2023. For fiscal 2024, shell egg household penetration is approximately 97%. According to the USDA's Economic Research Service, estimated annual per capita consumption in the United States between 2019 and 2023 varied, ranging from 279 to 292 eggs which is directly impacted by available supply. The USDA calculates per capita consumption by dividing total shell egg disappearance in the U.S. by the U.S. population.

The most significant shift in demand in recent years has been among specialty eggs, particularly cage-free eggs. For additional information, see "Specialty Eggs."

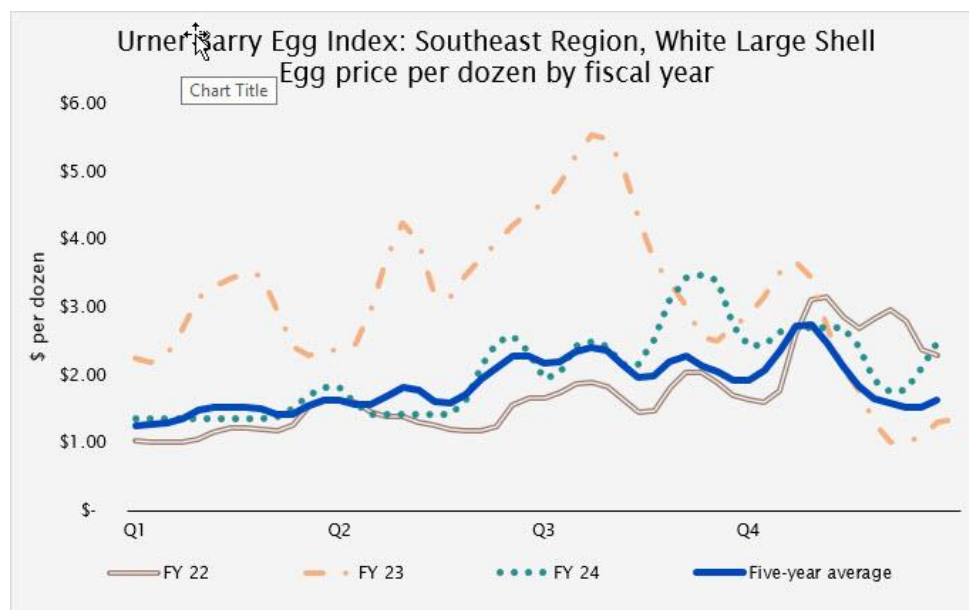
Prices for Shell Eggs

Wholesale shell egg sales prices are a critical component of revenue for the Company. We sell the majority of our conventional shell eggs at prices based on formulas that take into account, in varying ways, independently quoted regional wholesale market prices for shell eggs or formulas related to our costs of production, which include the cost of corn and soybean meal. We do not sell eggs directly to consumers or set the prices at which eggs are sold to consumers.

Wholesale shell egg prices are volatile, cyclical, and impacted by a number of factors, including consumer demand, seasonal fluctuations, the number and productivity of laying hens in the U.S. and outbreaks of agricultural diseases such as HPAI. We believe the majority of conventional shell eggs sold in the U.S. in the retail and foodservice channels are sold at prices that take into account, in varying ways, independently quoted wholesale market prices, such as those published by Uner Barry Publications, Inc. ("UB") or the USDA for shell eggs; however, grain-based or variations of cost plus arrangements are also commonly utilized.

The weekly average price for the southeast region for large white conventional shell eggs as quoted by UB is shown below for the past three fiscal years along with the five-year average price. The actual prices that we realize on any given transaction will

not necessarily equal quoted market prices because of the individualized terms that we negotiate with individual customers which are influenced by many factors. As further discussed in [Part II, Item 7, Management's Discussion and Analysis – Results of Operations](#), egg prices in fiscal 2022 through fiscal 2024 were significantly impacted by HPAI.



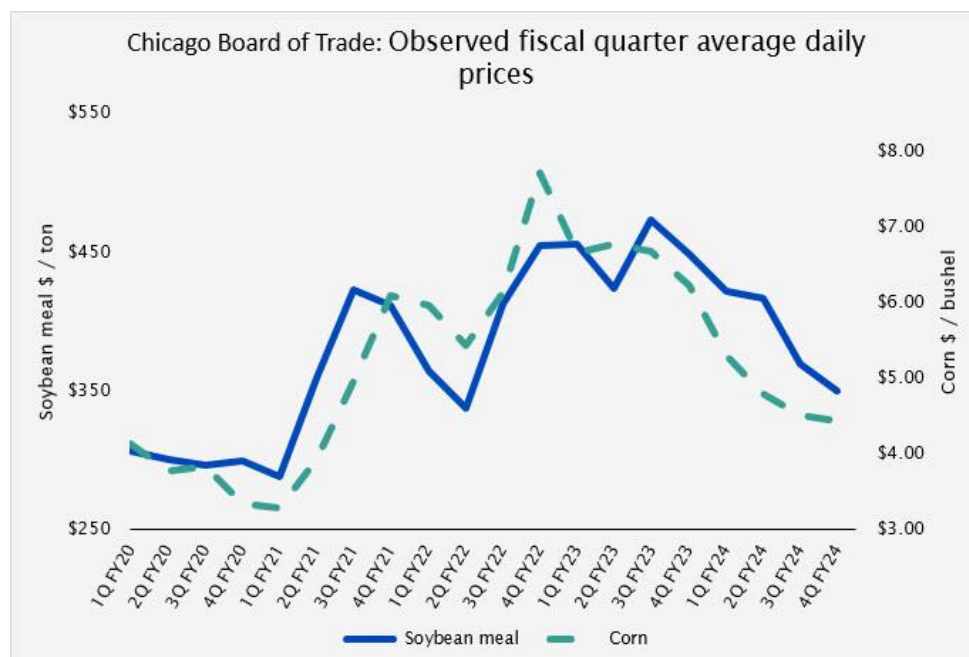
Wholesale prices for cage-free eggs are quoted by independent sources such as UB and USDA. There is no independently quoted wholesale market price for other specialty eggs such as nutritionally enhanced, organic, pasture-raise and free-range eggs. Specialty eggs are typically sold at prices and terms negotiated directly with customers and in the case of cage-free eggs, can be sold at prices that take into account independently quoted markets. Historically, prices for specialty eggs have generally been higher due to customer and consumer willingness to pay more for specialty eggs. We utilize several different pricing mechanisms; however, the majority of our specialty eggs are typically sold at prices and terms negotiated directly with customers. As a result, specialty egg prices do not fluctuate as much as conventional pricing.

Depending on market conditions, input costs and individualized contract terms, the price we receive per dozen eggs in any given transaction may be more than or less than our farm production and other costs per dozen.

Feed Costs for Shell Egg Production

Feed is a primary cost component in the production of shell eggs and represented 56.0% of our fiscal 2024 farm production costs. We routinely fill our storage bins during harvest season when prices for feed ingredients, primarily corn and to a lesser extent soybean meal, are generally lower. To ensure continued availability of feed ingredients, we may enter into contracts for future purchases of corn and soybean meal, and as part of these contracts, we may lock-in the basis portion of our grain purchases several months in advance. Basis is the difference between the local cash price for grain and the applicable futures price. The difference can be due to transportation costs, storage costs, supply and demand, local conditions and other factors. A basis contract is a common transaction in the grain market that allows us to lock-in a basis level for a specific delivery period and wait to set the futures price at a later date. Furthermore, due to the more limited supply for organic ingredients, we may commit to purchase organic ingredients in advance to help assure supply. Ordinarily, we do not enter into long-term contracts beyond a year to purchase corn and soybean meal or hedge against increases in the prices of corn and soybean meal. As the quality and composition of feed is a critical factor in the nutritional value of shell eggs and health of our chickens, we formulate and produce the vast majority of our own feed at our feed mills located near our production plants. Our annual feed requirements for fiscal 2024 were 1.9 million tons of finished feed, of which we manufactured 1.8 million tons. We currently have the capacity to store 210 thousand tons of corn and soybean meal, and we replenish these stores as needed throughout the year.

Our primary feed ingredients, corn and soybean meal, are commodities that are subject to volatile price changes due to weather, various supply and demand factors, transportation and storage costs, speculators, agricultural, energy and trade policies in the U.S. and internationally, and global instability that could disrupt the supply chain. We purchase the vast majority of our corn and soybean meal from U.S. sources but may be forced to purchase internationally when U.S. supplies are not readily available. Feed grains are currently available from an adequate number of sources in the U.S. As a point of reference, a multi-year comparison of the average of daily closing prices per Chicago Board of Trade for each quarter in our fiscal years 2020-2024 are shown below for corn and soybean meal:



Shell Egg Production

Our percentage of dozens produced to sold was 88.8% of our total shell eggs sold in fiscal 2024. We supplement our production through purchases of eggs from others when needed. The quantity of eggs purchased will vary based on many factors such as our own production capabilities and current market conditions. In fiscal 2024, 91.2% of our production came from company-owned facilities, and 8.8% from contract producers. The majority of our contract production is with family-owned farms for organic, pasture-raised and free-range eggs. Under a typical arrangement with a contract producer, we own the flock, furnish all feed and critical supplies, own the shell eggs produced and assume market risks. The contract producers own and operate their facilities and are paid a fee based on production with incentives for performance.

The commercial production of shell eggs requires a source of baby chicks for laying flock replacement. We supply the majority of our chicks from our breeder farms and hatch them in our hatcheries in a computer-controlled environment and obtain the balance from commercial sources. The chicks are grown in our own pullet farms and are placed into the laying flock once they reach maturity.

After eggs are produced, they are cleaned, graded and packaged. Substantially all our farms have modern “in-line” facilities which mechanically gather, clean, grade and package the eggs at the location where they are laid. The in-line facilities generate significant efficiencies and cost savings compared to the cost of eggs produced from non-in-line facilities, which process eggs that have been laid at another location and transported to the processing facility. The in-line facilities also produce a higher percentage of USDA Grade A eggs, which sell at higher prices. Eggs produced on farms owned by contractors are brought to our

processing plants to be graded and packaged. We maintain a Safe Quality Food (“SQF”) Management Program which is overseen by our Food Safety Department and senior management team. As of June 1, 2024, every Company-owned processing plant is SQF certified. Because shell eggs are perishable, we do not maintain large egg inventories. Our egg inventory averaged six days of sales during fiscal 2024. We believe our constant focus on production efficiencies and automation throughout our vertical integrated operations enable us to be a low-cost supplier in our markets.

We are proud to have created and upheld what we believe is a leading poultry Animal Welfare Program (“AWP”). We have aligned our AWP with regulatory, veterinary and our third-party certifying bodies’ guidance to govern the welfare of animals in our direct care, our contract farmers’ care. We continually review our program to monitor and evolve standards that guide how we hatch chicks, rear pullets and nurture breeder and layer hens. At each stage of our animals’ lives, we are dedicated to providing welfare conditions aligned to our commitment to the principles of the internationally recognized *Five Freedoms of Animal Welfare*.

We do not use artificial hormones in the production of our eggs. Hormone use in the poultry and egg production industry has been effectively banned in the U.S. since the 1950s. We have an extensive written protocol that allows the use of medically important antibiotics only when animal health is at risk, consistent with guidance from the United States Food and Drug Administration (“FDA”) and the Guidance for Judicious Therapeutic Use of Antimicrobials in Poultry, developed by the American Association of Avian Pathologists. When antibiotics are medically necessary, a licensed veterinary doctor will approve and administer approved doses for a restricted period. We do not use antibiotics for growth promotion or performance enhancement.

Specialty Eggs

We are one of the largest producers and marketers of value-added specialty shell eggs in the U.S., which continues to be a significant and growing segment of the market. We classify cage-free, organic, brown, free-range, pasture-raised and nutritionally enhanced as specialty eggs for accounting and reporting purposes. Specialty eggs are intended to meet the demands of consumers sensitive to environmental, health and/or animal welfare issues and to comply with state requirements for cage-free eggs.

Ten states have passed legislation or regulations mandating minimum space or cage-free requirements for egg production or mandated the sale of only cage-free eggs and egg products in their states, with implementation of these laws ranging from January 2022 to January 2030. These states represent approximately 27% of the U.S. total population according to the 2020 U.S. Census. California, Massachusetts, Colorado, Oregon, Washington, and Nevada, which collectively represent approximately 20% of the total estimated U.S. population have cage-free legislation in effect currently.

A significant number of our customers have announced goals to either exclusively offer cage-free eggs or significantly increase the volume of cage-free egg sales in the future, subject in most cases to availability of supply, affordability and consumer demand, among other contingencies. Our customers typically do not commit to long-term purchases of specific quantities or types of eggs with us, and as a result, it is difficult to accurately predict customer requirements for cage-free eggs. We are focused on adjusting our cage-free production capacity with a goal of meeting the future needs of our customers in light of changing state requirements and our customer’s goals. As always, we strive to offer a product mix that aligns with current and anticipated customer purchase decisions. We are engaging with our customers to help them meet their announced goals and needs. We have invested significant capital in recent years to acquire and construct cage-free facilities, and we expect our focus for future expansion will continue to include cage-free facilities. Our volume of cage-free egg sales has continued to increase and account for a larger share of our product mix. Cage-free egg revenue represented approximately 29.5% of our total net shell egg sales for fiscal year 2024. At the same time, we understand the importance of our continued ability to provide affordable conventional eggs in order to provide our customers with a variety of egg choices and to address hunger in our communities.

Branded Eggs

We are a member of the Egghand’s Best, Inc. cooperative (“EB”) and produce, market, distribute and sell *Egg-Land’s Best*® and *Land O’ Lakes*® branded eggs under license from EB at our facilities under EB guidelines. EB hens are fed a proprietary diet and offerings include nutritionally enhanced, cage-free, organic, pasture-raised and free-range eggs. *Land O’ Lakes*® branded eggs are produced by hens that are fed a whole-grain vegetarian diet and include brown, organic and cage-free eggs.

In 2023, EB was the third best-selling dairy brand in the U.S. The top two best-selling branded specialty egg SKUs in 2023 were EB branded eggs and seven out of 10 best-selling SKUs are EB branded eggs. In 2023, our sales (including sales through affiliates) represented approximately 50% of EB branded eggs and 45% of *Land O’ Lakes*® branded eggs nationwide.

Our *Farmhouse Eggs*® brand eggs are produced at our facilities by hens that are provided with a vegetarian diet. Our offerings of *Farmhouse Eggs*® include cage-free, organic and pasture raised eggs. We market organic, vegetarian and omega-3 eggs under our *4-Grain*® brand, which consists of conventional and cage-free eggs. Our *Sunups*® and *Sunny Meadow*® brands are sold as conventional eggs.

We also produce, market and distribute private label specialty and conventional shell eggs to several customers.

Egg Products

Egg products are shell eggs broken and sold in liquid, frozen, or dried form. We sell liquid and frozen egg products primarily to the institutional, foodservice and food manufacturing sectors in the U.S. Our egg products are primarily sold through our wholly owned subsidiaries American Egg Products, LLC located in Georgia and Texas Egg Products, LLC located in Texas. In fiscal 2024, egg product sales constituted approximately 3.8% of our revenue.

During March 2023, MeadowCreek Food, LLC (“Meadowcreek”), a majority-owned subsidiary, began operations with a focus on being a leading provider of hard-cooked eggs. We serve as the preferred supplier of specialty and conventional eggs that MeadowCreek needs to manufacture egg products. MeadowCreek’s marketing plan is designed to extend our reach in the foodservice and retail marketplace and bring new opportunities in the restaurant, institutional and industrial food products arenas.

Summary of Conventional and Specialty Shell Egg and Egg Product Sales

The following table sets forth the contribution as a percentage of revenue and volumes of dozens sold of conventional and specialty shell egg and egg product sales for the following fiscal years:

	2024		2023		2022	
	Revenue	Volume	Revenue	Volume	Revenue	Volume
Conventional Eggs						
Branded	4.3 %	4.9 %	6.6 %	6.4 %	6.5 %	7.1 %
Private-label	46.8	54.4	52.9	52.6	48.3	54.9
Other	4.4	5.8	5.7	6.3	5.0	7.0
Total Conventional Eggs	55.5 %	65.1 %	65.2 %	65.3 %	59.8 %	69.0 %
Specialty Eggs						
Branded	20.3 %	17.4 %	18.0 %	20.4 %	24.2	20.0 %
Private-label	18.5	16.3	11.3	12.9	11.3	9.5
Other	1.0	1.2	1.1	1.4	1.0	1.5
Total Specialty Eggs	39.8 %	34.9 %	30.4 %	34.7 %	36.5 %	31.0 %
Egg Products	3.8 %		3.9 %		3.4 %	

Marketing and Distribution

In fiscal 2024, we sold our shell eggs and egg products in 39 states through the southwestern, southeastern, mid-western, mid-Atlantic and northeastern regions of the U.S. as well as Puerto Rico through our extensive distribution network to a diverse group of customers, including national and regional grocery store chains, club stores, companies servicing independent supermarkets in the U.S., foodservice distributors and egg product consumers. Some of our sales are completed through co-pack agreements – a common practice in the industry whereby production and processing of certain products are outsourced to another producer.

The majority of eggs sold are based on the daily or short-term needs of our customers. Most sales to established accounts are on payment terms ranging from seven to 30 days. Although we have established long-term relationships with many of our customers, most of them are free to acquire shell eggs from other sources.

The shell eggs we sell are either delivered to our customers’ warehouse or retail stores, by our own fleet or contracted refrigerated delivery trucks, or are picked up by our customers at our processing facilities.

We are a member of the Eggland's Best, Inc. cooperative and produce, market, distribute and sell *Egg-Land's Best*® and *Land O' Lakes*® branded eggs directly and through our joint ventures, Specialty Eggs, LLC and Southwest Specialty Eggs, LLC, under exclusive license agreements in Alabama, Arizona, Florida, Georgia, Louisiana, Mississippi and Texas, and in portions of Arkansas, California, Nevada, North Carolina, Oklahoma and South Carolina. We also have an exclusive license in New York City in addition to exclusivity in select New York metropolitan areas, including areas within New Jersey and Pennsylvania. As discussed above under "Branded Eggs," we also sell our own *Farmhouse Eggs*® and *4-Grain*® branded eggs.

In 2022, we joined as a member during the formation of ProEgg, Inc. ("ProEgg"), a new egg farmer cooperative in the western United States. During 2024, after careful review and full analysis we decided to withdraw our membership in ProEgg. The withdrawal from ProEgg did not affect any of our existing customer relationships.

Customers

Our top three customers accounted for an aggregate of 49.0%, 50.1% and 45.9% of net sales dollars for fiscal 2024, 2023, and 2022, respectively. Our largest customer, Walmart Inc. (including Sam's Club), accounted for 34.0%, 34.2% and 29.5% of net sales dollars for fiscal 2024, 2023 and 2022, respectively.

For shell egg sales in fiscal 2024, approximately 89% of our revenue related to sales to retail customers and 11% to sales to foodservice providers. Retail customers include primarily national and regional grocery store chains, club stores, and companies servicing independent supermarkets in the U.S. Foodservice customers include primarily companies that sell food products and related items to restaurants, healthcare and education facilities and hotels.

Competition

The production, processing, and distribution of shell eggs is an intensely competitive business, which has traditionally attracted large numbers of producers in the U.S. Shell egg competition is generally based on price, service and product quality. The shell egg production industry remains highly fragmented. According to *Egg Industry Magazine*, the ten largest producers owned approximately 54% and 53% of industry table egg layer hens at calendar year-end 2023 and 2022, respectively.

Seasonality

Retail sales of shell eggs historically have been highest during the fall and winter months and lowest during the summer months. Prices for shell eggs fluctuate in response to seasonal demand factors and a natural increase in egg production during the spring and early summer. Historically, shell egg prices tend to increase with the start of the school year and tend to be highest prior to holiday periods, particularly Thanksgiving, Christmas and Easter. Consequently, and all other things being equal, we would expect to experience lower selling prices, sales volumes and net income (and may incur net losses) in our first and fourth fiscal quarters ending in August/September and May/June, respectively. Accordingly, we generally expect our need for working capital to be highest during those quarters.

Growth Strategy

Our growth strategy is centered on growth through strategic acquisitions, organic growth, and expansion of our value-added products business. We believe that we can continue to expand our market reach through strategic acquisitions and achieve favorable returns through our proven operating model emphasizing synergies and efficient operations. Organic growth is grounded in our culture of operational excellence to optimize everything we can control. We are committed to investing in our existing operations to increase sales, profitability and customer service. We have continued to increase our production of cage-free shell eggs and other higher value specialty eggs such as pasture-raised, free-range and organic shell eggs. We believe there is long-term growth potential in value-added products such as hard-cooked eggs, which will enable us to leverage our existing distribution channels, expand our reach in foodservice and retail marketplaces and bring new opportunities in the restaurant, institutional and industrial food products arenas.

Trademarks and License Agreements

We own the trademarks *Farmhouse Eggs*®, *Sunups*®, *Sunny Meadow*® and *4Grain*®. We produce and market *Egg-Land's Best*® and *Land O' Lakes*® branded eggs under license agreements with EB. We believe these trademarks and license agreements are important to our business.

Government Regulation

Our facilities and operations are subject to regulation by various federal, state, and local agencies, including, but not limited to, the FDA, USDA, Environmental Protection Agency ("EPA"), Occupational Safety and Health Administration ("OSHA") and corresponding state agencies. The applicable regulations relate to grading, quality control, labeling, sanitary control and reuse or disposal of waste. Our shell egg facilities are subject to periodic USDA, FDA, EPA and OSHA inspections. Our feed production facilities are subject to FDA, EPA and OSHA regulation and inspections. We maintain inspection programs and in certain cases utilize independent third-party certification bodies to monitor compliance with regulations, our own standards and customer specifications. It is possible that we will be required to incur significant costs for compliance with such statutes and regulations. In the future, additional rules could be proposed that, if adopted, could increase our costs.

A number of states have passed legislation or regulations mandating minimum space or cage-free requirements for egg production or have mandated the sale of only cage-free eggs and egg products in their states. For further information refer to the heading "Specialty Eggs" within this section.

Environmental Regulation

Our operations and facilities are subject to various federal, state, and local environmental, health and safety laws and regulations governing, among other things, the generation, storage, handling, use, transportation, disposal, and remediation of hazardous materials. Under these laws and regulations, we must obtain permits from governmental authorities, including, but not limited to, wastewater discharge permits. We have made, and will continue to make, capital and other expenditures relating to compliance with existing environmental, health and safety laws and regulations and permits. We are not currently aware of any material capital expenditures necessary to comply with such laws and regulations; however, as environmental, health and safety laws and regulations are becoming increasingly more stringent, including those relating to animal wastes and wastewater discharges, it is possible that we will have to incur significant costs for compliance with such laws and regulations in the future.

Human Capital Resources

As of June 1, 2024, we had 3,067 employees, of whom 2,370 worked in egg production, processing, and marketing, 204 worked in feed mill operations and 493, including our executive officers, were administrative employees. Approximately 4.5% of our personnel are part-time, and we utilize temporary employment agencies and independent contractors to augment our staffing needs when necessary. For fiscal 2024, we had 1,962 average monthly contingent workers. As of June 1, 2024, none of our employees were covered by a collective bargaining agreement. We consider our relations with employees to be good.

Culture and Values

We are proud to be contributing corporate citizens where we live and work and to help create healthy, prosperous communities. Our colleagues help us continue to enhance our community contributions, which are driven by our longstanding culture that strives to promote an environment that upholds integrity and respect and provides opportunities for each colleague to realize full potential. These commitments are encapsulated in the *Cal-Maine Foods Code of Ethics and Business Conduct* and in our *Human Rights Statement*.

Health and Safety

Our top priority is the health and safety of our employees, who continue to produce high-quality, affordable egg choices for our customers and contribute to a stable food supply. Our enterprise safety committee is comprised of two corporate safety managers, nine area compliance managers (three specifically for worker health and safety), and 55 local site compliance managers, feed mill managers and general managers. The committee that oversees health and safety regularly reviews our written policies and changes to OSHA regulation standards and shares information as it relates to outcomes from incidents in order to improve future performance and our health and safety practices. The committee's goals include working to help ensure that our engagements with our consumers, customers, and regulators evidence our strong commitment to our workers' health and safety.

Our commitment to our colleagues' health includes a strong commitment to on-site worker safety, including a focus on accident prevention and life safety. Our Safety and Health Program is designed to promote best practices that help prevent and minimize workplace accidents and illnesses. The scope of our Safety and Health Program applies to all enterprise colleagues. Additionally, to help protect the health and well-being of our colleagues and people in our value chain, we require that any contractors or vendors acknowledge and agree to comply with the guidelines governed by our Safety and Health Program. At each of our locations, our general managers are expected to uphold and implement our Safety and Health Program in alignment with OSHA requirements. We believe that this program, which is reviewed annually by our senior management team, contributes to strong

safety outcomes. As part of our Safety and Health Program, we conduct multi-lingual training that covers topics such as slip-and-fall avoidance, respiratory protection, prevention of hazardous communication of chemicals, the proper use of personal protective equipment, hearing conservation, emergency response, lockout and tagout of equipment and forklift safety, among others. We have also installed dry hydrogen peroxide biodefense systems in our processing facilities to help protect our colleagues' respiratory health. To help drive our focus on colleague safety, we developed safety committees at each of our sites with employee representation from each department.

We review the success of our safety programs on a monthly basis to monitor their effectiveness and the development of any trends that need to be addressed. During fiscal year 2024 our recordable incident rates decreased by 20% compared to fiscal 2023.

People

Our strength as a company comes from our employees at all levels and we have a long-established culture that values each individual's contributions and encourages productivity and growth. This culture is driven by our board and executive management team. Our board is comprised of seven members, four of whom are independent, two of whom are women, one of whom is of a racial or ethnic minority. As of June 1, 2024, our total workforce was comprised of 31% women and 56% individuals who identify as racial or ethnic minorities. Our Policy against Harassment, Discrimination, Unlawful or Unethical Conduct and Retaliation; Reporting Procedure affirms our commitment to supporting our employees regardless of race, color, religion, sex, national origin or any other basis protected by applicable law.

We are an Equal Opportunity Employer that prohibits any violation of applicable federal, state, or local law regarding employment. Discrimination on any basis protected by applicable law is prohibited. We maintain strong protocols to help our colleagues perform their jobs free from harassment and discrimination. We are committed to offering our colleagues opportunities commensurate with our operational needs and their experiences, goals and contributions.

Recruitment, Development and Retention

We believe in compensating our colleagues with fair and competitive wages, in addition to offering competitive benefits. Approximately 76% of our employees are paid at hourly rates, which are all paid at rates above the federal minimum wage requirement. We offer our full-time eligible employees a range of benefits, including company-paid life insurance. The Company provides a comprehensive self-insured health plan and pays approximately 82% of the costs of the plan for participating employees and their families as of December 31, 2023. Recent benchmarking of our health plan indicates comparable benefits, at lower employee contributions, when compared to an applicable Agriculture and Food Manufacturing sector grouping, as well as peer group data. In addition, we offer employees the opportunity to purchase an extensive range of other group plan benefits, such as dental, vision, accident, critical illness, disability and voluntary life. After one year of employment, full-time employees who meet eligibility requirements may elect to participate in our KSOP retirement plan, which offers a range of investment alternatives and includes many positive features, such as automatic enrollment with scheduled automatic contribution increases and loan provisions. Regardless of the employees' elections to contribute to the KSOP, the Company contributes shares of Company stock or cash equivalent to 3% of participants' eligible compensation for each pay period that hours are worked.

We provide extensive training and development related to safety, regulatory compliance, and task training. We invest in developing our future leaders through our Management Intern, Management Trainee and informal mentoring programs.

Sustainability

We understand that climate, and the potential consequences of climate change, freshwater availability and preservation of global biodiversity, in addition to responsible management of our flocks, are vital to the production of high-quality eggs and egg products and to the success of our Company. We have engaged in agricultural production for more than 60 years. Our agricultural practices continue to evolve as we continue to strive to meet the need for nutritious, affordable foods to feed a growing population even as we exercise responsible natural resource stewardship and conservation. We published our most recent sustainability report for our fiscal 2023 in July 2024, which is available on our website. Information contained on our website is not a part of this report on Form 10-K.

Our Corporate Information

We maintain a website at www.calmainefoods.com where general information about our business and corporate governance matters is available. The information contained in our website is not a part of this report. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements, and all amendments to those reports filed or

furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are available, free of charge, through our website as soon as reasonably practicable after we file them with, or furnish them to, the SEC. In addition, the SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Cal-Maine Foods, Inc. is a Delaware corporation, incorporated in 1969.

ITEM 1A. RISK FACTORS

Our business and results of operations are subject to numerous risks and uncertainties, many of which are beyond our control. The following is a description of the known factors that may materially affect our business, financial condition or results of operations. They should be considered carefully, in addition to the information set forth elsewhere in this Annual Report on Form 10-K, including under Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, in making any investment decisions with respect to our securities. Additional risks or uncertainties that are not currently known to us, or that we are aware of but currently deem to be immaterial or that could apply to any company could also materially adversely affect our business, financial condition or results of operations.

INDUSTRY RISK FACTORS

Market prices of wholesale shell eggs are volatile, and decreases in these prices can adversely impact our revenues and profits.

Our operating results are significantly affected by wholesale shell egg market prices, which fluctuate widely and are outside our control. As a result, our prior performance should not be presumed to be an accurate indication of future performance. Under certain circumstances, small increases in production, or small decreases in demand, within the industry might have a large adverse effect on shell egg prices. Low shell egg prices adversely affect our revenues and profits.

Market prices for wholesale shell eggs have been volatile and cyclical. Shell egg prices have risen in the past during periods of high demand such as the initial outbreak of the COVID-19 pandemic and periods when high protein diets are popular. Shell egg prices have also risen during periods of constrained supply, such as the latest highly pathogenic avian influenza ("HPAI") outbreak that was first detected in domestic commercial flocks in February 2022. During times when prices are high, the egg industry has typically geared up to produce more eggs, primarily by increasing the number of layers, which historically has ultimately resulted in an oversupply of eggs, leading to a period of lower prices.

As discussed above in [Part I, Item 1, Business – Seasonality](#), seasonal fluctuations impact shell egg prices. Therefore, comparisons of our sales and operating results between different quarters within a single fiscal year are not necessarily meaningful comparisons.

A decline in consumer demand for shell eggs can negatively impact our business.

We believe high-protein diet trends, industry advertising campaigns, the improved nutritional reputation of eggs and an increase in at-home consumption of eggs during the COVID-19 pandemic, have all contributed at one time or another to increased shell egg demand. However, it is possible that the demand for shell eggs will decline in the future. Adverse publicity relating to health or safety concerns and changes in the perception of the nutritional value of shell eggs, changes in consumer views regarding consumption of animal-based products, as well as movement away from high protein diets, could adversely affect demand for shell eggs, which could have a material adverse effect on our future results of operations and financial condition.

Feed costs are volatile and increases in these costs can adversely impact our results of operations.

Feed costs are the largest element of our shell egg (farm) production cost, ranging from 55% to 63% of total farm production cost in the last five fiscal years.

Although feed ingredients, primarily corn and soybean meal, are available from a number of sources, we do not have control over the prices of the ingredients we purchase, which are affected by weather, various global and U.S. supply and demand factors, transportation and storage costs, speculators, and agricultural, energy and trade policies in the U.S. and internationally. For example, while feed costs declined during fiscal 2024, we saw higher prices for corn and soybean meal in fiscal 2022 and 2023 as a result of weather-related shortfalls in production and yields, ongoing supply chain disruptions and the Russia-Ukraine War and its impact on the export markets. Our costs for corn and soybean meal are also affected by local basis prices.

Increases in feed costs unaccompanied by increases in the selling price of eggs can have a material adverse effect on the results of our operations and cash flow. Alternatively, low feed costs can encourage egg industry overproduction, possibly resulting in lower egg prices and lower revenue.

Agricultural risks, including outbreaks of avian diseases such as HPAI, have harmed and in the future could harm our business.

Our shell egg production activities are subject to a variety of agricultural risks. Unusual or extreme weather conditions, disease and pests can materially and adversely affect the quality and quantity of shell eggs we produce and distribute. Outbreaks of avian influenza among poultry occur periodically worldwide and have occurred sporadically in the U.S. Since the HPAI outbreaks in 2015, there were no reported significant outbreaks of HPAI in the commercial table egg layer flocks in the U.S. until the February – December 2022 time period and then again beginning in November 2023. During the third and fourth quarters of our fiscal 2024, we experienced HPAI outbreaks within our facilities located in Kansas and Texas, resulting in total depopulation of 3.1 million laying hens and 577,000 pullets. Both locations have been cleared by the USDA to resume operations and repopulation is expected to be completed before calendar year end. As of July 5, 2024, the U.S. Centers for Disease Control and Prevention (“CDC”) reported outbreaks in 138 dairy herds in 12 states and five cases in the U.S. in persons who were exposed to infected cows or poultry. The CDC has not reported any case of human-to-human transmission. The CDC considers that the overall risk to the general U.S. public posed by the virus remains low; however, as a precautionary measure, the U.S. Department of Health and Human Services has awarded funding to Moderna to develop a human vaccine against avian influenza. For additional information, refer to [Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – HPAI](#).

We maintain controls and procedures designed to reduce the risk of exposing our flocks and employees to harmful diseases; however, despite these efforts, outbreaks of avian diseases can and do still occur and have adversely impacted, and may in the future adversely impact, the health of our flocks and could in the future adversely impact the health of our employees. Continued or intensified spread of HPAI could have a material adverse impact on our financial results by increasing government restrictions on the sale and distribution of our products and requiring us to euthanize the affected layers. Negative publicity from outbreaks within our industry can negatively impact customer perception. If a substantial portion of our layers or production facilities are affected by any of these factors in any given quarter or year, our business, financial condition, and results of operations could be materially and adversely affected.

Shell eggs and shell egg products are susceptible to microbial contamination, and we may be required to, or we may voluntarily, recall contaminated products.

Shell eggs and shell egg products are vulnerable to contamination by pathogens such as Salmonella. The Company maintains policies and procedures designed to comply with the complex rules and regulations governing egg production, such as The Final Egg Rule issued by the FDA “Prevention of Salmonella Enteritidis in Shell Eggs During Production, Storage, and Transportation,” and the FDA’s Food Safety Modernization Act. Shipment of contaminated products, even if inadvertent, could result in a violation of law and lead to increased risk of exposure to product liability claims, product recalls and scrutiny by federal and state regulatory agencies. We have little, if any, control over proper handling once the product has been shipped or delivered. In addition, products purchased from other producers could contain contaminants that might be inadvertently redistributed by us. As such, we might decide or be required to recall a product if we, our customers or regulators believe it poses a potential health risk. Any product recall could result in a loss of consumer confidence in our products, adversely affect our reputation with existing and potential customers and have a material adverse effect on our business, results of operations and financial condition. We currently maintain insurance with respect to certain of these risks, including product liability insurance, business interruption insurance, product recall insurance and general liability insurance, but in many cases such insurance is expensive, difficult to obtain and no assurance can be given that such insurance can be maintained in the future on acceptable terms, or in sufficient amounts to protect us against losses due to any such events, or at all.

Our profitability may be adversely impacted by increases in other input costs such as packaging materials and delivery expenses, including as a result of inflation.

In addition to feed ingredient costs, other significant input costs include costs of packaging materials and delivery expenses. Our costs of packing materials increased during the past three fiscal years due to inflation and higher labor costs, and during 2022 also as a result of supply chain constraints initially caused by the pandemic, and these costs may continue to increase. We also experienced increases in delivery expenses during fiscal 2023 and 2022 due to increases in fuel and labor costs for both our fleet and contract trucking, and these costs may continue to increase. Increases in these costs are largely outside of our control and have an adverse effect on our profitability and cash flow.

BUSINESS AND OPERATIONAL RISK FACTORS

Our acquisition growth strategy subjects us to various risks.

As discussed in [Part I, Item I, Business – Growth Strategy](#), we plan to continue to pursue a growth strategy that includes, in part, selective acquisitions of other businesses engaged in the production and sale of shell eggs, with a priority on those that will facilitate our ability to expand our cage-free shell egg production capabilities in key locations and markets. We may over-estimate or under-estimate the demand for cage-free eggs, which could cause our acquisition strategy to be less-than-optimal for our future growth and profitability. The number of existing businesses with cage-free capacity that we may be able to purchase is limited, as most production of shell eggs by other companies in our markets currently does not meet customer demands or legal requirements to be designated as cage-free. Conversely, if we acquire cage-free production capacity, which is more expensive to purchase and operate, and customer demands or legal requirements for cage-free eggs were to change, the resulting lack of demand for cage-free eggs may result in higher costs and lower profitability.

Acquisitions require capital resources and can divert management's attention from our existing business. Acquisitions also entail an inherent risk that we could become subject to contingent or other liabilities, including liabilities arising from events or conduct prior to our acquisition of a business that were unknown to us at the time of acquisition. We could incur significantly greater expenditures in integrating an acquired business than we anticipated at the time of its purchase.

We cannot assure you that we:

- will identify suitable acquisition candidates;
- can consummate acquisitions on acceptable terms;
- can successfully integrate an acquired business into our operations; or
- can successfully manage the operations of an acquired business.

No assurance can be given that businesses we acquire in the future will contribute positively to our results of operations or financial condition. In addition, federal antitrust laws require regulatory approval of acquisitions that exceed certain threshold levels of significance, and we cannot guarantee that such approvals would be obtained.

The consideration we pay in connection with any acquisition affects our financial results. If we pay cash, we could be required to use a portion of our available cash or credit facility to consummate the acquisition. To the extent we issue shares of our Common Stock, existing stockholders may be diluted. In addition, acquisitions may result in additional debt. Our ability to access any additional capital that may be needed for an acquisition may be adversely impacted by higher interest rates and economic uncertainty.

Global or regional health crises including pandemics or epidemics could have an adverse impact on our business and operations.

The effects of global or regional pandemics or epidemics can significantly impact our operations. Although demand for our products could increase as a result of restrictions such as travel bans and restrictions, quarantines, shelter-in-place orders, and business and government shutdowns, which can prompt more consumers to eat at home, these restrictions could also significantly increase our cost of doing business due to labor shortages, supply-chain disruptions, increased costs and decreased availability of packaging supplies or feed, and increased medical and other costs. We experienced these impacts as a result of the COVID-19 pandemic, primarily during our fiscal years 2020 and 2021. The pandemic recovery also contributed to higher inflation and interest rates, which persist and may continue to persist. The impacts of health crises are difficult to predict and depend on numerous factors including the severity, length and geographic scope of the outbreak, resurgences of the disease and variants, availability and acceptance of vaccines, and governmental, business and individuals' responses. A resurgence of COVID-19 and/or variants, or any future major public health crisis, would disrupt our business and could have a material adverse effect on our financial results.

Our largest customers have accounted for a significant portion of our net sales volume. Accordingly, our business may be adversely affected by the loss of, or reduced purchases by, one or more of our large customers.

Our customers, such as supermarkets, warehouse clubs and food distributors, have continued to consolidate and consolidation is expected to continue. These consolidations have produced larger customers and potential customers with increased buying power that are more capable of operating with reduced inventories, opposing price increases, and demanding lower pricing, increased promotional programs and specifically tailored products. Because of these trends, our volume growth could slow or we may need to lower prices or increase promotional spending for our products, any of which could adversely affect our financial results.

Our top three customers accounted for an aggregate of 49.0%, 50.1% and 45.9% of net sales dollars for fiscal 2024, 2023, and 2022, respectively. Our largest customer, Walmart Inc. (including Sam's Club), accounted for 33.8%, 34.2% and 29.5% of net sales dollars for fiscal 2024, 2023 and 2022, respectively. Although we have established long-term relationships with most of our customers who continue to purchase from us based on our ability to service their needs, they are generally free to acquire shell eggs from other sources. If, for any reason, one or more of our large customers were to purchase significantly less of our shell eggs in the future or terminate their purchases from us, and we were not able to sell our shell eggs to new customers at comparable levels, it would have a material adverse effect on our business, financial condition, and results of operations.

Our business is highly competitive.

The production and sale of fresh shell eggs, which accounted for 96.1% to 96.6% of our net sales in our last three fiscal years, is intensely competitive. We compete with a large number of competitors that may prove to be more successful than we are in producing, marketing and selling shell eggs. We cannot provide assurance that we will be able to compete successfully with any or all of these companies. Increased competition could result in price reductions, greater cyclicalities, reduced margins and loss of market share, which would negatively affect our business, results of operations, and financial condition.

We are dependent on our management team, and the loss of any key member of this team may adversely affect the implementation of our business plan in a timely manner.

Our success depends largely upon the continued service of our senior management team. The loss or interruption of service of one or more of our key executive officers could adversely affect our ability to manage our operations effectively and/or pursue our growth strategy. We have not entered into any employment or non-compete agreements with any of our executive officers. Competition could cause us to lose talented employees, and unplanned turnover could deplete institutional knowledge and result in increased costs due to increased competition for employees.

Our business is dependent on our information technology systems and software, and failure to protect against or effectively respond to cyber-attacks, security breaches, or other incidents involving those systems, could adversely affect day-to-day operations and decision making processes and have an adverse effect on our performance and reputation.

The efficient operation of our business depends on our information technology systems, which we rely on to effectively manage our business data, communications, logistics, accounting, regulatory and other business processes. If we do not allocate and effectively manage the resources necessary to build and sustain an appropriate technology environment, our business, reputation, or financial results could be negatively impacted. In addition, our information technology systems may be vulnerable to damage or interruption from circumstances beyond our control, including systems failures, natural disasters, terrorist attacks, viruses, ransomware, security breaches or cyber incidents. Cyber-attacks are becoming more sophisticated and are increasing in the number of attempts and frequency by groups and individuals with a wide range of motives. We have experienced and expect to continue to experience attempted cyber-attacks of our information technology systems or networks.

We regularly engage with third-party service providers as part of our operations to provide a high level of service to our customers. We have implemented certain practices and policies to minimize the potential risks associated with the exchange of information with contracted vendors. Despite these practices and policies, we cannot guarantee that information technology systems of our third-party service providers will prevent and detect all cybersecurity breaches and incidents. Although we require third-party service providers to notify us upon a potential breach or incident, there is a potential risk that our business, reputation, or financial results could be negatively impacted by cybersecurity incidents at their businesses.

Additionally, future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated businesses, and it may be difficult to integrate businesses into our information technology environment and security program.

Our information technology systems also subject us to numerous data privacy obligations. We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy obligations. If we or the third parties on which we rely fail, or are perceived to have failed, to address or comply with applicable data privacy obligations, we could face significant consequences, including but not limited to government enforcement actions and litigation. A security breach of sensitive information could result in damage to our reputation and our relations with our customers or employees. Any such damage or interruption could have a material adverse effect on our business.

Technology and related business and regulatory requirements continue to change rapidly. Failure to update or replace legacy systems to address these changes could result in increased costs, including remediation costs, system downtime, third party litigation, regulatory actions or cyber security vulnerabilities which could have a material adverse effect on our business.

Labor shortages or increases in labor costs could adversely impact our business and results of operations.

Our success is dependent upon recruiting, motivating, and retaining staff to operate our farms. Approximately 76% of our employees are paid at hourly rates, often in entry-level positions. While all our employees are paid at rates above the federal minimum wage requirements, any significant increase in local, state or federal minimum wage requirements could increase our labor costs. In addition, any regulatory changes requiring us to provide additional employee benefits or mandating increases in other employee-related costs, such as unemployment insurance or workers compensation, would increase our costs. A shortage in the labor pool, which may be caused by competition from other employers, the remote locations of many of our farms, decreased labor participation rates or changes in government-provided support or immigration laws, particularly in times of lower unemployment, could adversely affect our business and results of operations. A shortage of labor available to us could cause our farms to operate with reduced staff, which could negatively impact our production capacity and efficiencies. In fiscal 2022, our labor costs increased primarily due to the pandemic and its effects, which caused us to increase wages in response to labor shortages. In fiscal 2023 and 2024, labor wages continued to rise due to inflation and low unemployment. Accordingly, any significant labor shortages or increases in our labor costs could have a material adverse effect on our results of operations.

We are controlled by the family of our late founder, Fred R. Adams, Jr., and Adolphus B. Baker, Chairman of our Board of Directors, controls the vote of 100% of our outstanding Class A Common Stock.

Fred R. Adams, Jr., our Founder and Chairman Emeritus died on March 29, 2020. A limited liability company (the “Daughters’ LLC”), owned by Mr. Adams’ son-in-law, Adolphus B. Baker, Chairman of our board of directors, Mr. Baker’s spouse and her three sisters (Mr. Adams’ four daughters) (collectively, the “Family”), owns 100% of our outstanding Class A Common Stock (which has 10 votes per share), controlling approximately 52.0% of our total voting power. As sole managing member of the Daughters’ LLC, Mr. Baker controls the vote of 100% of our outstanding Class A Common Stock, except that certain extraordinary matters requiring the vote of the Company’s stockholders such as a merger or amendment of the Company’s Second Amended and Restated Certificate of Incorporation require joint approval of Mr. Baker and members of the Daughters’ LLC holding a majority of its voting interests. Family members also have additional voting power due to beneficial ownership of our Common Stock (which has one vote per share), directly or indirectly through the Daughter’s LLC and other entities, resulting in family voting control of approximately 53.8% of our total voting power.

We understand that the Family intends to retain ownership of a sufficient amount of our Common Stock and our Class A Common Stock to assure continued ownership of more than 50% of the voting power of our outstanding shares of capital stock. As a result of this ownership, the Family has the ability to exert substantial influence over matters requiring action by our stockholders, including amendments to our certificate of incorporation and by-laws, the election and removal of directors, and any merger, consolidation, or sale of all or substantially all of our assets, or other corporate transactions. Delaware law provides that the holders of a majority of the voting power of shares entitled to vote must approve certain fundamental corporate transactions such as a merger, consolidation and sale of all or substantially all of a corporation’s assets; accordingly, such a transaction involving us and requiring stockholder approval cannot be effected without the approval of the Family. Such ownership will make an unsolicited acquisition of our Company more difficult and discourage certain types of transactions involving a change of control of our Company, including transactions in which the holders of our Common Stock might otherwise receive a premium for their shares over then current market prices. The Family’s controlling ownership of our capital stock may adversely affect the market price of our Common Stock.

For additional information, refer to Exhibit 4.1 to this Annual Report on Form 10-K, “Description of Registrant’s Securities Registered Under Section 12 of the Exchange Act.”

The price of our Common Stock may be affected by the availability of shares for sale in the market, and you may experience significant dilution as a result of future issuances of our securities, which could materially and adversely affect the market price of our Common Stock.

The sale or availability for sale of substantial amounts of our Common Stock could adversely impact its price. The Daughters’ LLC holds approximately 1.1 million shares of Common Stock (the “Subject Shares”) that are subject to an Agreement Regarding Common Stock (the “Agreement”) filed as an exhibit to this report. The Subject Shares remain subject to potential sale under the Agreement. The Agreement generally provides that if a holder of Subject Shares intends to sell any of the Subject Shares, such party must give the Company a right of first refusal to purchase all or any of such shares. The price payable by the Company to purchase shares pursuant to the exercise of the right of first refusal will reflect a 6% discount to the then-current market price based on the 20 business-day volume-weighted average price. If the Company does not exercise its right of first refusal and purchase the shares offered, such party will, subject to the approval of a special committee of independent directors of the Board

of Directors, be permitted to sell the shares not purchased by the Company pursuant to a Company registration statement, Rule 144 under the Securities Act of 1933, or another manner of sale agreed to by the Company. Although pursuant to the Agreement the Company will have a right of first refusal to purchase all or any of those shares, the Company may elect not to exercise its rights of first refusal, and if so such shares would be eligible for sale pursuant to the registration rights in the Agreement or pursuant to Rule 144 under the Securities Act of 1933. Sales, or the availability for sale, of a large number of shares of our Common Stock could result in a decline in the market price of our Common Stock.

In addition, our articles of incorporation authorize us to issue 120,000,000 shares of our Common Stock. As of June 1, 2024, there were 44,238,766 shares of our Common Stock outstanding. Accordingly, a substantial number of shares of our Common Stock are outstanding and are, or could become, available for sale in the market. In addition, we may be obligated to issue additional shares of our Common Stock in connection with employee benefit plans (including equity incentive plans).

In the future, we may decide to raise capital through offerings of our Common Stock, additional securities convertible into or exchangeable for Common Stock, or rights to acquire these securities or our Common Stock. We may also issue such securities as consideration in an acquisition. The issuance of such securities could result in dilution of existing stockholders' equity interests in us. Issuances of substantial amounts of our Common Stock, or the perception that such issuances could occur, may adversely affect prevailing market prices for our Common Stock, and we cannot predict the effect this dilution may have on the price of our Common Stock.

LEGAL AND REGULATORY RISK FACTORS

Pressure from animal rights groups regarding the treatment of animals may subject us to additional costs to conform our practices to comply with developing standards or subject us to marketing costs to defend challenges to our current practices and protect our image with our customers. In particular, changes in customer preferences and state legislation have accelerated an increase in demand for cage-free eggs, which increases uncertainty in our business and increases our costs.

We and many of our customers face pressure from animal rights groups, such as People for the Ethical Treatment of Animals and the Humane Society of the United States, to require companies that supply food products to operate their business in a manner that treats animals in conformity with certain standards developed or approved by these groups. In general, we may incur additional costs to conform our practices to address these standards or to defend our existing practices and protect our image with our customers. The standards promoted by these groups change over time, but typically require minimum cage space for hens, among other requirements, and some of these groups have led successful legislative efforts to ban any form of caged housing in various states.

As discussed in [Part I, Item 1, Business - Government Regulation](#), ten states have passed minimum space and/or cage-free requirements for hens, and other states are considering such requirements. In addition, a significant number of our customers have announced goals to either exclusively offer cage-free eggs or significantly increase the volume of cage-free egg sales in the future, subject in most cases to availability of supply, affordability and consumer demand, among other contingencies. While we anticipate that our retail and foodservice customers will continue to transition to selling cage-free eggs given publicly stated goals, there is no assurance that this transition will take place or take place according to the timeline of current cage-free goals. For example, customers may accelerate their transition to stocking cage-free eggs, which may challenge our ability to meet the cage-free volume needs of those customers and result in a loss of shell egg sales. Similarly, customers who commit to stock greater proportional quantities of cage-free eggs are under no obligation to continue to do so, which may result in an oversupply of cage-free eggs and result in lower specialty egg prices, which could reduce the return on our capital investment in cage-free production.

Changing our infrastructure and operating procedures to conform to consumer preferences, customer demands and recent laws has resulted and will continue to result in additional costs, including capital and operating cost increases. The USDA reported that the estimated U.S. cage-free flock was 122.0 million hens as of May 31, 2024, which is approximately 39.9% of the total U.S. table egg layer hen population. According to the USDA Agricultural Marketing Service, as of May 2024 approximately 220.1 million hens, or about 72% of the U.S. non-organic laying flock would have to be in cage-free production to meet projected cage-free commitments from the retailers, foodservice providers and food manufacturers that have stated goals to transition to cage-free eggs.

In response to our customers' announced goals and increased legal requirements for cage-free eggs, we have increased capital expenditures to increase our cage-free production capacity. We are also enhancing our focus on cage-free capacity when considering acquisition opportunities. Our customers typically do not commit to long-term purchases of specific quantities or type of eggs with us, and as a result, we cannot predict with any certainty which types of eggs they will require us to supply in future periods. The production of cage-free eggs is more costly than the production of conventional eggs, and these higher production costs contribute to the prices of cage-free eggs, which historically have typically been higher than conventional egg prices. Many consumers prefer to buy less expensive conventional shell eggs. These consumer preferences may in turn influence

our customers' future needs for cage-free and conventional eggs. Due to these uncertainties, we may over-estimate future demand for cage-free eggs, which could increase our costs unnecessarily, or we may under-estimate future demand for cage-free eggs, which could harm us competitively. If our competitors obtain non-cancelable long-term contracts to provide cage-free eggs to our existing or potential customers, then there may be decreased demand for our cage-free eggs due to these lost potential sales. If we and our competitors increase cage-free egg production and there is no commensurate increase in demand for cage-free eggs, this overproduction could lead to an oversupply of cage-free eggs, reducing the sales price for specialty eggs and our return on capital investments in cage-free production.

Failure to comply with applicable governmental regulations, including environmental regulations, could harm our operating results, financial condition, and reputation. Further, we may incur significant costs to comply with any such regulations.

We are subject to federal, state and local regulations relating to grading, quality control, labeling, sanitary control, waste disposal, and other areas of our business. As a fully-integrated shell egg producer, our shell egg facilities are subject to regulation and inspection by the USDA, OSHA, EPA and FDA, as well as state and local health and agricultural agencies, among others. All of our shell egg production and feed mill facilities are subject to FDA, EPA and OSHA regulation and inspections. In addition, rules are often proposed that, if adopted as proposed, could increase our costs.

Our operations and facilities are subject to various federal, state and local environmental, health, and safety laws and regulations governing, among other things, the generation, storage, handling, use, transportation, disposal, and remediation of hazardous materials. Under these laws and regulations, we are required to obtain permits from governmental authorities, including, but not limited to wastewater discharge permits and manure and litter land applications.

If we fail to comply with applicable laws or regulations, or fail to obtain necessary permits, we could be subject to significant fines and penalties or other sanctions, our reputation could be harmed, and our operating results and financial condition could be materially adversely affected. In addition, because these laws and regulations are becoming increasingly more stringent, it is possible that we will be required to incur significant costs for compliance with such laws and regulations in the future.

Climate change and legal or regulatory responses may have an adverse impact on our business and results of operations.

Extreme weather events, such as derechos, wildfires, drought, tornadoes, hurricanes, storms, floods or other natural disasters could materially and adversely affect our operating results and financial condition. In fact, derechos, fires, floods, tornadoes and hurricanes have affected our facilities or the facilities of other egg producers in the past. Increased global temperatures and more frequent occurrences of extreme weather events, which may be exacerbated by climate change, may cause crop and livestock areas to become unsuitable, including due to water scarcity or high or unpredictable temperatures, which may result in much greater stress on food systems and more pronounced food insecurity globally. Lower global crop production, including corn and soybean meal, which are the primary feed ingredients that support the health of our animals, may result in significantly higher prices for these commodity inputs, impact our ability to source the commodities we use to feed our flocks, and negatively impact our ability to maintain or grow our operations. Climate change may increasingly expose workers and animals to high heat and humidity stressors that adversely impact poultry production and our costs. Increased greenhouse gas emissions may also negatively impact air quality, soil quality and water quality, which may hamper our ability to support our operations, particularly in higher water- and soil-stressed regions.

Increasing frequency of severe weather events, whether tied to climate change or any other cause, may negatively impact our ability to raise poultry and produce eggs profitably or to operate our transportation and logistics supply chains. Regulatory controls and market pricing may continue to drive the costs of fossil-based fuels higher, which could negatively impact our ability to source commodities necessary to operate our farms or plants and our current fleet of vehicles. These changes may cause us to change, significantly, our day-to-day business operations and our strategy. Climate change and extreme weather events may also impact demand for our products given evolution of consumer food preferences. Even if we take measures to position our business in anticipation of such changes, future compliance with legal or regulatory requirements may require significant management time, oversight and enterprise expense. We may also incur significant expense tied to regulatory fines if laws and regulations are interpreted and applied in a manner that is inconsistent with our business practices. We can make no assurances that our efforts to prepare for these adverse events will be in line with future market and regulatory expectations and our access to capital to support our business may also be adversely impacted.

Current and future litigation could expose us to significant liabilities and adversely affect our business reputation.

We and certain of our subsidiaries are involved in various legal proceedings. Litigation is inherently unpredictable, and although we believe we have meaningful defenses in these matters, we may incur liabilities due to adverse judgments or enter into settlements of claims that could have a material adverse effect on our results of operations, cash flow and financial condition. For

a discussion of our ongoing legal proceedings see [Part I, Item 3, Legal Proceedings](#) below and Part II, Item 8, Notes to the Consolidated Financial Statements, [Note 16 – Commitments and Contingencies](#). Such lawsuits are expensive to defend, divert management’s attention, and may result in significant adverse judgments or settlements. Legal proceedings may expose us to negative publicity, which could adversely affect our business reputation and customer preference for our products and brands.

FINANCIAL AND ECONOMIC RISK FACTORS

Weak or unstable economic conditions, including continued high inflation and interest rates, could negatively impact our business.

Weak or unstable economic conditions, including continued high inflation and interest rates, may adversely affect our business by:

- Limiting our access to capital markets or increasing the cost of capital we may need to grow or operate our business;
- Changing consumer spending and habits and demand for eggs, particularly higher-priced eggs;
- Restricting the supply of energy sources or increasing our cost to procure energy; or
- Reducing the availability of feed ingredients, packaging material, and other raw materials, or increasing the cost of these items.

Deterioration of economic conditions could also negatively impact:

- The financial condition of our suppliers, which may make it more difficult for them to supply raw materials;
- The financial condition of our customers, which may decrease demand for eggs or increase our bad debt expense; or
- The financial condition of our insurers, which could increase our cost to obtain insurance, and/or make it difficult for or insurers to meet their obligations in the event we experience a loss due to an insured peril.

According to the U.S. Bureau of Labor Statistics, from May 2021 to May 2022, the Consumer Price Index for All Urban Consumers (“CPI-U”) increased 8.5 percent, the largest 12-month increase since the period ending December 1981. The CPI-U increased 4.1% and 3.3% from May 2022 to May 2023 and May 2023 to May 2024, respectively. Inflationary costs have increased our input costs, and if we are unable to pass these costs through to the customer it could have an adverse effect on our business.

We hold significant cash balances in deposit accounts with deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (“FDIC”). In the event of a bank failure at an institution where we maintain deposits in excess of the FDIC-insured amount, we may lose such excess deposits.

The loss of any registered trademark or other intellectual property could enable other companies to compete more effectively with us.

We utilize intellectual property in our business. For example, we own the trademarks *Farmhouse Eggs*®, *4Grain*®, *Sunups*®, and *Sunny Meadow*®. We produce and market *Egg-Land’s Best*® and *Land O’ Lakes*® under license agreements with EB. We have invested a significant amount of money in establishing and promoting our trademarked brands. The loss or expiration of any intellectual property could enable our competitors to compete more effectively with us by allowing them to make and sell products substantially similar to those we offer. This could negatively impact our ability to produce and sell those products, thereby adversely affecting our operations.

Impairment in the carrying value of goodwill or other assets could negatively affect our results of operations or net worth.

Goodwill represents the excess of the cost of business acquisitions over the fair value of the identifiable net assets acquired. Goodwill is reviewed at least annually for impairment by assessing qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. As of June 1, 2024, we had \$45.8 million of goodwill. While we believe the current carrying value of this goodwill is not impaired, future goodwill impairment charges could adversely affect our results of operations in any particular period and our net worth.

Events beyond our control such as extreme weather and natural disasters could negatively impact our business.

Fire, bioterrorism, pandemics, extreme weather or natural disasters, including droughts, floods, excessive cold or heat, water rights restrictions, hurricanes or other storms, could impair the health or growth of our flocks, decrease production or availability of feed ingredients, or interfere with our operations due to power outages, fuel shortages, discharges from overtopped or breached

wastewater treatment lagoons, damage to our production and processing facilities, labor shortages or disruption of transportation channels, among other things. Any of these factors could have a material adverse effect on our financial results.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We understand the importance of cybersecurity and its role in the success of our Company. Our business operations depend on the effective use of our information systems in order to properly serve our customers, manage our business and track and report our financial results. Our technology operations consider risks from cybersecurity threats in the implementation and execution of our business processes. We have considered and assessed the risks from cybersecurity threats as part of our overall risk assessment process using the National Institute of Standards and Technology (“NIST”) Cybersecurity Framework.

In order to identify, assess and manage material risks arising from cybersecurity threats, we maintain internal resources to monitor and quickly respond to such threats. We perform vulnerability scans and penetration testing designed to test the effectiveness of our security practices. We engage third-party service providers to assist in the evaluation of our internal controls over our information systems through audit and consulting services to test the design and operational effectiveness of security controls. We continually monitor our systems to detect and identify cybersecurity threats. Prior to contracting with third-party vendors, we perform risk assessments of the vendors and require the vendors to manage cybersecurity risks to our business operations as well as notify us of any potential or known cybersecurity risks. We also require our employees to complete training programs to increase their awareness of and sensitivity to cybersecurity threats. These training programs include the identification of such threats and the proper responses to a potential breach of cybersecurity that aligns with our adopted processes.

The Company has implemented a response process in the event of a cybersecurity incident through its crisis management plan. The process includes the cooperation of the information technology team and our management team to properly detect and respond to these incidents. These responses include determination of the potential impact and materiality of the incident, potential disclosure and litigation matters, and mitigation of actual or potential damage to our systems or reputation arising from the incident. An action plan is implemented to respond to any potential cybersecurity breach in order to continue to effectively serve our customers and conduct our operations with as little interruption as practicable. The information technology team reviews the response process on a regular basis to ensure that it is designed to be effective and to encompass current or new cybersecurity threats.

As of July 23, 2024, we are not aware of any risks from cybersecurity threats, including as a result of prior cybersecurity incidents, that have materially affected or that we believe are reasonably likely to materially affect the Company, including our business strategy, results of operations or financial condition. See “Item 1A. Risk Factors” for further discussion about risks from cybersecurity threats.

Governance

The Board is responsible for the oversight of management’s process for identifying and mitigating risks related to cybersecurity threats. On a quarterly basis, the Director of Information Technology provides a report to the Audit Committee regarding ongoing processes to improve and update our current cybersecurity protocols, new cybersecurity threats, results of internal assessments, and any recent cybersecurity incidents. The Audit Committee will make the Board aware of any information it deems necessary or appropriate in order for the Board to effectively oversee the Company’s cybersecurity risk management and strategy.

The Director of Information Technology and the team he manages are responsible for the operation and maintenance of our information systems, including the assessment, identification and management of risks from cybersecurity threats. Together, the Director of Information Technology and his team have over 150 years of experience in the information technology and security environment. Our Chief Financial Officer, to whom the Director of Information Technology reports, has served as Chief Financial Officer and a Board member since 2018 and has over 40 years of risk management experience.

ITEM 2. PROPERTIES

The table below provides summary information about the primary operational facilities we use in our business as of June 1, 2024.

Type	Quantity ^(a)	Owned	Leased	Production Capacity	Location
Breeding Facilities	3	3	—	House up to 255,000 hens	GA, MS
Distribution Centers	6	6	—	NA	FL, GA, NC, TX
Feed Mills	26	25	1	Production capacity of 949 tons of feed per hour	AL, AR, FL, GA, KS, KY, MO, MS, OH, OK, SC, TN, TX, UT
Hatcheries	3	2	1	Hatch up to 780,848 chicks per week	FL, MO, MS
Processing and Packaging	44	44	—	Approximately 605,700 dozen shell eggs per hour	AL, AR, FL, GA, KS, KY, LA, MS, OH, OK, SC, TX, UT
Pullet Facilities	33	33	—	House up to 12.7 million pullets	AR, FL, GA, KS, KY, MS, SC, TX, UT
Shell Egg Production	43	43	—	House up to 48.0 million layers	AL, AR, FL, GA, KS, KY, LA, MS, OH, OK, SC, TX, UT
Egg Products Processing Facilities	3	3	—	Production capacity of 59,000 lbs. per hour	GA, MO, TX

(a) Does not include idled facilities or contract production and growers.

We also have ongoing construction projects to further expand the Company's cage-free egg production capabilities. These projects include expanding our cage-free egg production at existing farms or converting conventional housing with cage-free production. These projects will phase into production through fiscal 2026. For additional information, see [Part II, Item 7, Management's Discussion and Analysis – Results of Operations – Liquidity and Capital Resources](#).

As of June 1, 2024, we owned approximately 29.0 thousand acres of land. There are no material mortgages or liens on our properties.

ITEM 3. LEGAL PROCEEDINGS

Refer to the description of certain legal proceedings pending against us under Part II, Item 8, Notes to the Consolidated Financial Statements, [Note 16 – Commitments and Contingencies](#), which discussion is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

We have two classes of capital stock, Common Stock and Class A Common Stock. Our Common Stock trades on the Nasdaq Global Select Market under the symbol "CALM". There is no public trading market for the Class A Common Stock.

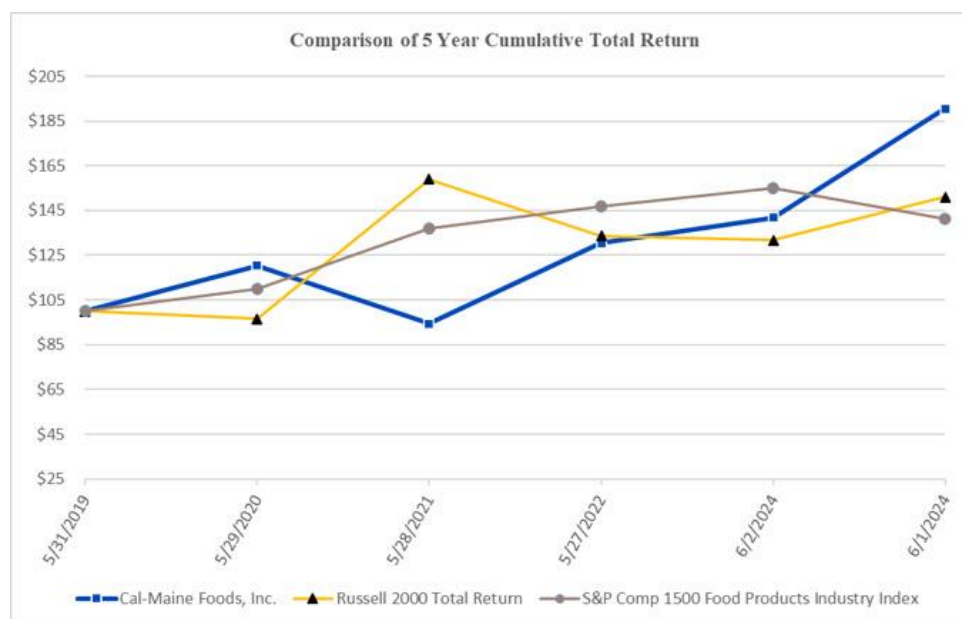
All outstanding shares of Class A Common Stock are owned by a limited liability company of which Adolphus Baker, our Chairman, is the sole managing member. For additional information, see [Part I, Item 1A, Risk Factors](#). "We are controlled by the family of our late founder, Fred R. Adams, Jr., and Adolphus B. Baker, Chairman of our Board of Directors, controls the vote of 100% of our outstanding Class A Common Stock." At July 19, 2024, there were approximately 230 record holders of our Common Stock and approximately 69,898 beneficial owners whose shares were held by nominees or broker dealers. For additional information about our capital structure, see [Note 11 - Equity](#) in Part II, Item 8, Notes to the Consolidated Financial Statements.

Dividends

Cal-Maine has a variable dividend policy adopted by its Board of Directors. Pursuant to the policy, Cal-Maine pays a dividend to shareholders of its Common Stock and Class A Common Stock on a quarterly basis for each quarter for which the Company reports net income attributable to Cal-Maine Foods, Inc. computed in accordance with GAAP in an amount equal to one-third (1/3) of such quarterly income. Dividends are paid to shareholders of record as of the 60th day following the last day of such quarter, except for the fourth fiscal quarter. For the fourth quarter, the Company will pay dividends to shareholders of record on the 65th day after the quarter end. Dividends are payable on the 15th day following the record date. Following a quarter for which the Company does not report net income attributable to Cal-Maine Foods, Inc., the Company will not pay a dividend for a subsequent profitable quarter until the Company is profitable on a cumulative basis computed from the date of the last quarter for which a dividend was paid. Under the Company's Credit Facility, dividends are restricted to the amount permitted under the Company's current dividend policy, and may not be paid if a default exists or will arise after giving effect to the dividend or if the sum of cash and cash equivalents of the Company and its subsidiaries plus availability under the Credit Facility equals less than \$50 million.

Stock Performance Graph

The Company utilized the (i) Russell 2000 Total Return, and (ii) S&P Composite 1500 Food Products Industry Index to benchmark the Company's total shareholder return. The Company is a member of each of these indexes and believes the other companies included in these indexes provide products and services similar to Cal-Maine Foods. The graph presents total shareholder return and assumes \$100 was invested on May 31, 2019 in the stock or index and dividends were reinvested.



	May 31, 2019	May 29, 2020	May 28, 2021	May 27, 2022	June 2, 2023	May 31, 2024
Cal-Maine Foods, Inc.	\$ 100.00	\$ 120.37	\$ 94.39	\$ 130.51	\$ 141.75	\$ 190.54
Russell 2000 Total Return	100.00	96.56	158.91	133.69	131.71	151.16
S&P Composite 1500 Food Products Industry Index	100.00	110.09	136.95	146.73	154.96	141.10

Issuer Purchases of Equity Securities

There were no purchases of our Common Stock made by or on behalf of our Company or any affiliated purchaser during our fiscal 2024 fourth quarter.

Recent Sales of Unregistered Securities

No sales of securities without registration under the Securities Act of 1933 occurred during our fiscal year ended June 1, 2024.

Securities Authorized for Issuance under Equity Compensation Plans

	Equity Compensation Plan Information		
	(a)	(b)	(c)
	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by shareholders	— \$	—	277,954
Equity compensation plans not approved by shareholders	—	—	—
Total	— \$	—	277,954

- (a) There were no outstanding options, warrants or rights as of June 1, 2024. There were 856,119 shares of restricted stock outstanding under our Amended and Restated 2012 Omnibus Long-Term Incentive Plan as of June 1, 2024.
- (b) There were no outstanding options, warrants or rights as of June 1, 2024.
- (c) Reflects shares available for future issuance as of June 1, 2024 under our Amended and Restated 2012 Omnibus Long-Term Incentive Plan.

For additional information, see [Note 14 – Stock Compensation Plans](#) in Part II. Item 8. Notes to the Consolidated Financial Statements.

ITEM 6. RESERVED

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RISK FACTORS; FORWARD -LOOKING STATEMENTS

For information relating to important risks and uncertainties that could materially adversely affect our business, securities, financial condition, operating results, or cash flow, reference is made to the disclosure set forth under [Part I, Item 1A, Risk Factors](#). In addition, because the following discussion includes numerous forward-looking statements relating to our business, securities, financial condition, operating results and cash flow, reference is made to the disclosure set forth under [Part I, Item 1A, Risk Factors](#) and to the information set forth in the section of Part I immediately preceding Item 1 above under the caption "[Forward-Looking Statements](#)."

COMPANY OVERVIEW

Cal-Maine Foods, Inc. is primarily engaged in the production, grading, packaging, marketing and distribution of fresh shell eggs. Our fiscal year end is the Saturday closest to May 31. The fiscal years 2024 and 2022 included 52 weeks and fiscal year 2023 included 53 weeks. The Company, which is headquartered in Ridgeland, Mississippi, is the largest producer and distributor of fresh shell eggs in the United States ("U.S."). In fiscal 2024, we sold approximately 1.15 billion dozen shell eggs, which we believe represented approximately 21% of domestic shell egg consumption. Our total flock as of June 1, 2024 of approximately 39.9 million layers and 11.8 million pullets and breeders is the largest in the U.S. We sell most of our shell eggs to a diverse group of customers, including national and regional grocery store chains, club stores, companies servicing independent supermarkets in the U.S., food service distributors, and egg product consumers throughout the majority of the U.S.

The Company has one reportable operating segment, which is the production, grading, packaging, marketing and distribution of shell eggs. Many of our customers rely on us to provide most of their shell egg needs, including specialty and conventional eggs. For further description of our business, refer to [Part I, Item 1, Business](#).

ACQUISITIONS

On September 30, 2023, we completed our 24th acquisition since 1989, when we acquired the assets of Fassio Egg Farms, Inc. ("Fassio"), related to its commercial shell egg production and processing business. Fassio owned and operated commercial shell egg production and processing facilities with a capacity at the time of acquisition of approximately 1.2 million laying hens, primarily cage-free, a feed mill, pullets, a fertilizer production and composting operation and land located in Erda, Utah, outside Salt Lake City. This acquisition provided us with an opportunity to expand our market presence in Utah and the western U.S., particularly for cage-free eggs. For a further description of this transaction, refer to Part II, Item 8, Notes to the Consolidated Financial Statements, [Note 2 – Acquisition](#). In March 2024, we acquired a broiler processing plant, hatchery and feed mill in Dexter, Missouri that were closed by Tyson Foods, Inc. in 2023 and that we are remodeling and repurposing for use in shell egg and egg products production to enhance our supply and distribution capabilities for customers in Missouri and surrounding areas.

In addition, subsequent to our fiscal 2024, we acquired substantially all the egg production and processing assets of ISE America, Inc. and certain of its affiliates. The acquired assets include commercial shell egg production and processing facilities with a capacity at the time of acquisition of approximately 4.7 million laying hens, including 1.0 million cage-free, and 1.2 million pullets, feed mills, approximately 4,000 acres of land, inventories and an egg products breaking facility. The acquired assets also include an extensive customer distribution network across the Northeast and Mid-Atlantic states, and production operations in Maryland, New Jersey, Delaware and South Carolina. These production assets are our first in Maryland, New Jersey and Delaware. We believe this acquisition provides us with an opportunity to significantly enhance our market reach in the Northeast and Mid-Atlantic states. For further description of this transaction, refer to Part II, Item 8, Notes to the Consolidated Financial Statements, [Note 17 – Subsequent Events](#).

During fiscal 2022, we acquired the remaining 50% membership interest in Red River Valley Egg Farm, LLC ("Red River"), which owns and operates a specialty shell egg production complex that includes 1.7 million cage-free hens.

HPAI

Since the HPAI outbreaks in 2015, there were no reported significant outbreaks of HPAI in the commercial table egg layer flocks until the February – December 2022 time period. During this time, approximately 44.3 million commercial layers and pullets were depopulated resulting in significant pressure on the overall supply of eggs. Thereafter, there were no HPAI cases affecting commercial layers until November 2023. From November 2023 through the end of May 2024, approximately 32.8 million commercial laying hens and pullets were depopulated.

During the third and fourth quarters of fiscal 2024, we experienced HPAI outbreaks within our facilities in Kansas and Texas, resulting in the depopulation of approximately 3.1 million laying hens and 577,000 pullets and the temporary cessation of operations at the facilities. Both locations have been cleared by the USDA to resume operations and we have begun to repopulate the flock. We have continued efforts to minimize disruption to our customers.

We remain dedicated to robust biosecurity programs across our locations; however, no farm is immune from HPAI. HPAI is currently widespread in the wild bird population worldwide. The extent of possible future outbreaks, with heightened risk during the migration seasons, and more recent HPAI events, which have been directly linked to dairy cattle operations, cannot be predicted. According to the U.S. Centers for Disease Control and Prevention, the human health risk to the U.S. public from the HPAI virus is considered to be low. Also, according to the USDA, HPAI cannot be transmitted through safely handled and properly cooked eggs. There is no known risk related to HPAI associated with eggs that are currently in the market and no eggs have been recalled. For additional information, refer to [Part I, Item 1A, Risk Factors](#).

Executive Overview of Results – Fiscal Years Ended June 1, 2024, June 3, 2023 and May 28, 2022

	Fiscal Years Ended		
	June 1, 2024	June 3, 2023	May 28, 2022
Net sales (in thousands)	\$ 2,326,443	\$ 3,146,217	\$ 1,777,159
Gross profit (in thousands)	\$ 541,571	\$ 1,196,457	\$ 337,059
Net income attributable to Cal-Maine Foods, Inc.	\$ 277,888	\$ 758,024	\$ 132,650
Net income per share attributable to Cal-Maine Foods, Inc.			
Basic	\$ 5.70	\$ 15.58	\$ 2.73
Diluted	\$ 5.69	\$ 15.52	\$ 2.72
Net average shell egg price ^(a)	\$ 1.932	\$ 2.622	\$ 1.579
Average UB Southeast Region - Shell Eggs - White Large	\$ 2.049	\$ 3.115	\$ 1.712
Feed costs per dozen produced	\$ 0.550	\$ 0.676	\$ 0.571

(a) The net average shell egg selling price is the blended price for all sizes and grades of shell eggs, including graded and non-graded shell egg sales, breaking stock and undergrades.

For fiscal 2023, net sales increased to \$3.1 billion, gross profit to \$1.2 billion and net income to \$758.0 million. The increases primarily resulted from significantly higher average egg selling prices, primarily due to the reduction in egg supply caused by HPAI and higher grain and other input costs, as some of our egg sales prices are based on formulas related to our costs of production. Gross profit and net income increases were partially offset by the increased cost of feed ingredients and increased processing, packaging and warehouse costs. The impact of HPAI continued throughout the first three quarters of fiscal 2023 as prices continued to increase. For the first three quarters of fiscal 2023, the average UB southeastern large index price was 138.8% higher than the average price of the first three quarters in fiscal 2022. For the fourth quarter of fiscal 2023 the average UB southeastern large index price decreased 13.8% to \$2.163 from the same period in the prior year as the egg supply improved from the effects of HPAI. Conventional egg selling prices declined significantly during the latter part of the fourth quarter of fiscal 2023.

Our dozens sold increased by 5.9% for fiscal 2023 compared to fiscal 2022, primarily due to an increase in specialty egg sales, with most of the increase due to an increase in cage-free eggs sold. Our feed costs per dozen produced increased to \$0.676 in fiscal 2023, compared to \$0.571 in fiscal 2022. For fiscal year 2023, the average Chicago Board of Trade ("CBOT") daily market price was \$6.57 per bushel for corn and \$450 per ton for soybean meal, representing increases of 4.1% and 14.7%, respectively, compared to the daily average CBOT prices for fiscal 2022. Supplies of corn and soybean meal remained tight relative to demand throughout fiscal 2023, as evidenced by a low stock-to-use ratio for corn, as a result of weather-related shortfalls in production and yields, ongoing supply chain disruptions and the Russia-Ukraine War and its impact on the export markets. Basis levels for corn and soybean meal, which impact our costs for these feed ingredients, ran significantly higher in fiscal 2023 in our areas of operation compared to our prior year fiscal year as a result of higher transportation and storage costs, adding to our expense.

For fiscal 2024, net sales decreased to \$2.3 billion, gross profit to \$541.6 million and net income to \$277.9 million. The decreases compared to fiscal 2023 are primarily a result of a decrease in average egg selling prices. The average UB southeastern large index price for fiscal 2024 decreased 34% compared to fiscal 2023. The decrease is due in large part to the recovery of the egg supply following the HPAI outbreaks during most of calendar year 2022. However, the resurgence of HPAI beginning in November 2023 resulted in the UB southeastern large index price being 9.1% higher in the fourth quarter of fiscal 2024 compared to the fourth quarter of fiscal 2023.

Our dozens sold for fiscal 2024 remained relatively flat compared to fiscal 2023. We had an increase in production capacity with the acquisition of the commercial shell egg production and processing business of Fassio Egg Farms, Inc. during fiscal 2024, which was offset by the temporary decrease in production due to the HPAI outbreaks at our facilities.

Our feed costs per dozen produced decreased to \$0.550 in fiscal 2024, compared to \$0.676 in fiscal 2023. For fiscal year 2024, the average CBOT daily market price was \$4.76 per bushel for corn and \$390 per ton for soybean meal, representing decreases of 27.5% and 13.4%, respectively, compared to the daily average CBOT prices for fiscal 2023. Current indications for corn project an overall better stocks-to-use ratio implying potentially lower prices in the near term; however, as long as outside factors remain uncertain (including weather patterns and global supply chain disruptions), volatility could remain.

RESULTS OF OPERATIONS

The following table sets forth, for the fiscal years indicated, certain items from our Consolidated Statements of Income expressed as a percentage of net sales.

	Fiscal Year Ended	
	June 1, 2024	June 3, 2023
Net sales	100.0 %	100.0 %
Cost of sales	76.7 %	62.0 %
Gross profit	23.3 %	38.0 %
Selling, general and administrative	10.9 %	7.4 %
Gain on involuntary conversions	(1.0) %	(0.1) %
(Gain) loss on disposal of fixed assets	— %	— %
Operating income	13.4 %	30.7 %
Total other income	2.0 %	1.0 %
Income before income taxes	15.4 %	31.7 %
Income tax expense	3.6 %	7.7 %
Net income	11.8 %	24.0 %
Less: Net loss attributable to noncontrolling interest	(0.1) %	— %
Net income attributable to Cal-Maine Foods, Inc.	11.9 %	24.0 %

Fiscal Year Ended June 1, 2024 Compared to Fiscal Year Ended June 3, 2023

NET SALES

Net revenue is primarily generated through sales of shell eggs and egg products. Net shell egg sales represented 96.2% and 96.1% of total net sales in fiscal 2024 and 2023, respectively. The Company's shell egg offerings include specialty and conventional shell eggs. Specialty shell eggs include cage-free, organic, brown, free-range, pasture-raised and nutritionally enhanced. Conventional shell eggs sales represent all other shell egg sales not sold as specialty shell eggs. Shell egg sales classified as "Other" represent sales of miscellaneous byproducts and resale products included with our shell egg operations.

The Company's egg products offering include liquid and frozen egg products and hard-cooked eggs.

The table below presents an analysis of our conventional and specialty shell egg sales (in thousands, except percentage data):

	June 1, 2024		June 3, 2023	
Total net sales	\$ 2,326,443		\$ 3,146,217	
Conventional	\$ 1,291,743	57.7 %	\$ 2,051,961	67.9 %
Specialty	925,665	41.4 %	956,993	31.6 %
Egg sales, net	2,217,408	99.1 %	3,008,954	99.5 %
Other	20,026	0.9 %	14,993	0.5 %
Net shell egg sales	\$ 2,237,434	100.0 %	\$ 3,023,947	100.0 %
Dozens sold:				
Conventional	746,687	65.1 %	749,076	65.3 %
Specialty	400,946	34.9 %	398,297	34.7 %
Total dozens sold	1,147,633	100.0 %	1,147,373	100.0 %
Net average selling price per dozen:				
Conventional	\$ 1.730		\$ 2.739	
Specialty	\$ 2.309		\$ 2.403	
All shell eggs	\$ 1.932		\$ 2.622	
Egg products sales:				
Egg products net sales	\$ 89,009		\$ 122,270	
Pounds sold	74,849		70,035	
Net average selling price per pound	\$ 1.189		\$ 1.746	

Shell egg net sales

- For fiscal 2024, shell egg net sales decreased \$786.5 million compared to fiscal 2023, primarily due to the decrease in net average selling prices for conventional eggs, and to a lesser extent the decrease in the net average selling prices for specialty eggs.
- For fiscal 2024, conventional egg sales decreased \$760.2 million, or 37.0%, compared to fiscal 2023, primarily due to the decrease in conventional egg prices. Changes in price resulted in a \$753.4 million decrease in net sales and changes in volume resulted in a \$6.5 million decrease in net sales.
- Conventional egg prices reached record highs in fiscal 2023 due to HPAI outbreaks experienced throughout calendar year 2022 as well seasonal demand during the winter holidays. Prices were lower in the first half of fiscal 2024 compared to the same period of fiscal 2023 as the U.S. egg supply started to recover from outbreaks of HPAI. There has been a resurgence of HPAI starting in November 2023, and continuing through the remainder of fiscal 2024, which increased prices due to supply constraints. However, prices in fiscal 2024 remained lower on average than fiscal 2023.
- Specialty egg sales decreased \$31.3 million, or 3.3%, for fiscal 2024 compared to fiscal 2023, primarily due to a 3.9% decrease in specialty egg prices partially offset by a 0.7% increase in the volume of specialty dozens sold. Changes in price resulted in a \$37.7 million decrease in net sales and changes in volume resulted in a \$6.4 million increase in net sales.

- Our dozens sold for fiscal 2024 remained relatively flat compared to fiscal 2023. We had an increase in production capacity with the acquisition of the commercial shell egg production and processing business of Fassio Egg Farms, Inc. during fiscal 2024, which was offset by the temporary decrease in production due to the HPAI outbreaks at our facilities.

Egg products net sales

- Egg products net sales decreased \$33.3 million, or 27.2%, primarily due to a 31.9% selling price decrease compared to fiscal 2023, which had a \$41.7 million negative impact on net sales.
- Our egg products net average selling price decreased in fiscal 2024, compared to fiscal 2023 as the supply of shell eggs used to produce egg products increased.

COST OF SALES

Cost of sales consists of costs directly related to producing, processing and packing shell eggs, purchases of shell eggs from outside sources, processing and packing of liquid and frozen egg products and other non-egg costs. Farm production costs are those costs incurred at the egg production facility, including feed, facility (including labor), hen amortization and other related farm production costs.

The following table presents the key variables affecting our cost of sales (in thousands, except cost per dozen data):

	Fiscal Year Ended		
	June 1, 2024	June 3, 2023	% Change
Cost of Sales:			
Farm production	\$ 987,861	\$ 1,118,741	(11.7) %
Processing, packaging, and warehouse	335,949	342,836	(2.0)
Egg purchases and other (including change in inventory)	380,200	379,777	0.1
Total shell eggs	1,704,010	1,841,354	(7.5)
Egg products	80,862	108,406	(25.4)
Total	\$ 1,784,872	\$ 1,949,760	(8.5) %
Farm production costs (per dozen produced)			
Feed	\$ 0.550	\$ 0.676	(18.6) %
Other	\$ 0.433	\$ 0.396	9.3 %
Total	\$ 0.983	\$ 1.072	(8.3) %
Outside egg purchases (average cost per dozen)	\$ 2.16	\$ 3.02	(28.5) %
Dozens produced	1,018,835	1,058,540	(3.8) %
Percent produced to sold	88.8%	92.3%	(3.8) %

Farm Production

- Feed costs per dozen produced decreased 18.6% in fiscal 2024 compared to fiscal 2023, primarily due to lower feed ingredient prices. Basis levels for corn and soybean meal were lower in our areas of operation compared to our prior fiscal year.
- For fiscal 2024, the average daily CBOT market price was \$4.76 per bushel for corn and \$390 per ton of soybean meal, representing decreases of 27.6% and 13.4%, respectively, as compared to the average daily CBOT prices for fiscal 2023.
- Other farm production costs increased due to higher flock amortization and increased facility costs. Flock amortization increased primarily due to the increased capitalized value of our flocks. This is primarily due to the higher feeds costs in earlier periods incurred during the growing phase of the flocks.

- Facility costs increased due primarily to increased contract labor in response to labor shortages as well as higher depreciation expense primarily due to the completion of several large construction projects during fiscal 2024.

Current indications for corn project an overall better stocks-to-use ratio implying potentially lower prices in the near term; however, as long as outside factors remain uncertain (including weather patterns and global supply chain disruptions), volatility could remain.

Processing, packaging, and warehouse

- Processing, packaging, and warehouse costs decreased primarily due to a 3.5% reduction in the volume of processed dozens, partially offset by higher processing costs.

Egg purchases and other (including change in inventory)

- Costs in this category remained relatively flat as the average cost per dozen of outside egg purchases decreased 28.5% compared to fiscal 2023, offset by an increase of 29.2% in dozens purchased due to the loss of production primarily caused by HPAI outbreaks at our facilities.

GROSS PROFIT

Gross profit, as a percentage of net sales, was 23.3% for fiscal 2024, compared to 38.0% for fiscal 2023. The decrease resulted primarily from lower selling prices for conventional eggs, partially offset by the lower feed ingredients prices.

SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES

Selling, general, and administrative (“SGA”) expenses include costs of delivery, marketing, and other general and administrative expenses. Delivery expense includes contract trucking expense and all costs to maintain and operate our fleet of trucks to deliver products to customers including the related payroll expenses. Marketing expense includes franchise fees that are submitted to Eggland’s Best, Inc. to support the EB brand, brokerage and commission fees, and other general marketing expenses such as payroll expenses for our in-house sales team. Other general and administrative expenses include corporate payroll related expenses and other general corporate overhead costs. The following table presents an analysis of our SGA expenses (in thousands):

	Fiscal Year Ended			
	June 1, 2024	June 3, 2023	\$ Change	% Change
Delivery expense	\$ 72,742	\$ 77,548	\$ (4,806)	(6.2) %
Marketing expense	52,285	57,198	(4,913)	(8.6) %
Litigation loss contingency accrual	19,648	-	19,648	N.M. %
Other general and administrative expenses	107,950	97,461	10,489	10.8 %
Total	\$ 252,625	\$ 232,207	\$ 20,418	8.8 %

N.M. - Not Meaningful

Delivery expense

- The decreased delivery expense is primarily due to a decrease in contract trucking expense and fuel costs.

Marketing expense

- The decrease in marketing expense is primarily due to a decrease in franchise fees.

Litigation loss contingency accrual

- The litigation loss contingency accrual in fiscal 2024 is discussed in [Note 16 – Commitments and Contingencies](#) of Part II, Item 8. Notes to Consolidated Financial Statements in this Annual Report.

Other general and administrative expenses

- The increase in other general and administrative expenses is primarily due to an increase of \$5.5 million in the fair value of the contingent consideration associated with the Fassio asset acquisition, and increased legal costs, partially offset by a decrease in accrued bonuses compared to the prior year.

GAIN ON INVOLUNTARY CONVERSIONS

For fiscal 2024 and 2023, we recorded a gain of \$23.5 million and \$3.3 million, respectively, due to recoveries under indemnity and insurance programs that exceeded the amortized book value of the covered assets and our direct costs.

OPERATING INCOME

As a result of the above, our operating income was \$312.5 million for fiscal 2024, compared to \$967.7 million for fiscal 2023.

OTHER INCOME (EXPENSE)

Total other income (expense) consists of items not directly charged to, or related to, operations such as interest income and expense, equity in income or loss of unconsolidated entities, and patronage dividends, among other items. Patronage dividends are paid to us from our membership in the EB cooperative.

The Company recorded interest income of \$32.3 million in fiscal 2024, compared to \$18.6 million in fiscal 2023, primarily due to significantly higher cash and cash equivalents and investment securities available-for-sale balances and yields. We recorded interest expense of \$549 thousand and \$583 thousand in fiscal 2024 and 2023, respectively, primarily related to commitment fees on our Credit Facility described below.

INCOME TAXES

For the fiscal year ended June 1, 2024, our pre-tax income was \$360.0 million, compared to \$998.6 million for fiscal 2023. Income tax expense of \$83.7 million was recorded for fiscal 2024 with an effective tax rate of 23.2%. For fiscal 2023, income tax expense was \$241.8 million with an effective tax rate of 24.2%.

Items causing our effective tax rate to differ from the federal statutory income tax rate of 21% are state income taxes, certain federal tax credits and certain items included in income or loss for financial reporting purposes that are not included in taxable income or loss for income tax purposes, including tax exempt interest income, certain nondeductible expenses, and net income or loss attributable to noncontrolling interest.

NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST

Net loss attributable to noncontrolling interest was \$1.6 million for fiscal 2024 compared to a \$1.3 million net loss for fiscal 2023.

NET INCOME ATTRIBUTABLE TO CAL-MAINE FOODS, INC.

As a result of the above, net income attributable to Cal-Maine Foods, Inc. for fiscal 2024 was \$277.9 million, or \$5.70 per basic and \$5.69 per diluted share, compared to \$758.0 million, or \$15.58 per basic and \$15.52 per diluted share for fiscal 2023.

Fiscal Year Ended June 3, 2023 Compared to Fiscal Year Ended May 28, 2022

The discussion of our results of operations for the fiscal year ended June 3, 2023 compared to the fiscal year ended May 28, 2022 can be found in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's fiscal 2023 Annual Report on Form 10-K.

LIQUIDITY AND CAPITAL RESOURCES

We aim to maintain a strong balance sheet and liquidity, particularly given the cyclical nature of our business. We believe a strong balance sheet supports our growth opportunities and stockholder returns. Our priorities for the use of cash in recent periods have included the payment of dividends pursuant to our variable dividend policy, inorganic growth through acquisitions of businesses, organic growth including construction and conversion of cage-free facilities and investment in value-added products, and maintenance capital expenditures.

Working Capital and Current Ratio

Our working capital at June 1, 2024 was \$1.0 billion, compared to \$942.2 million at June 3, 2023. The calculation of working capital is defined as current assets less current liabilities. Our current ratio was 5.5 at June 1, 2024 compared to 6.2 at June 3, 2023. The current ratio is calculated by dividing current assets by current liabilities. The decrease in our current ratio is primarily due to the increase in total current liabilities, which increased by \$45.0 million to \$227.7 million at June 1, 2024, due to increases in income tax payable and accrued expenses and other liabilities primarily resulting from the \$19.6 million litigation loss contingency accrual recorded in fiscal 2024. Due to seasonal factors described in [Part I, Item I, Business – Seasonality](#), we generally expect our need for working capital to be highest in the fourth and first fiscal quarters ending in May/June and August/September, respectively.

Cash Flows from Operating Activities

Net cash provided by operating activities was \$451.4 million for fiscal 2024 compared with \$863.0 million for fiscal 2023. The decrease in cash flow from operations resulted primarily from lower selling prices for conventional eggs, partially offset by the lower cost of feed ingredients.

Cash Flows from Investing Activities

For fiscal 2024, \$412.6 million was used in investing activities, primarily due to the purchases of investment securities, the acquisition of the assets of Fassio Egg Farms, Inc., and purchases of property, plant and equipment compared to \$375.1 million used in investing activities in the same period of fiscal 2023. Purchases of investment securities were \$573.6 million in fiscal 2024 compared to \$30.8 million in fiscal 2023. Sales and maturities of investment securities were \$358.9 million in fiscal 2024, compared to \$291.8 million for fiscal 2023. Purchases of property, plant and equipment were \$147.1 million and \$136.6 million in fiscal 2024 and 2023, respectively, primarily reflecting progress on our construction projects.

Cash Flows from Financing Activities

We paid dividends totaling \$91.9 million and \$252.3 million in fiscal 2024 and 2023, respectively.

As of June 1, 2024, cash decreased \$54.9 million since June 3, 2023.

Acquisition of ISE America, Inc. Assets

Subsequent to our fiscal 2024 year-end, we acquired substantially all the assets of ISE America, Inc. and certain of its affiliates related to their commercial shell egg production and processing facilities. The purchase price was approximately \$112 million and was funded with available cash on hand. For additional information, refer to Part II, Item 8, Notes to the Consolidated Financial Statements, [Note 17 – Subsequent Events](#).

Credit Facility

We had no long-term debt outstanding at the end of fiscal 2024 and 2023. On November 15, 2021, we entered into an Amended and Restated Credit Agreement (as amended, the “Credit Agreement”) with a five-year term. The Credit Agreement provides for a senior secured revolving credit facility (the “Credit Facility”), in an initial aggregate principal amount of up to \$250 million. As of June 1, 2024, no amounts were borrowed under the Credit Facility. We have \$4.7 million in outstanding standby letters of credit, which were issued under our Credit Facility for the benefit of certain insurance companies. Refer to Part II, Item 8, Notes to the Financial Statements, [Note 10 – Credit Facility](#) for further information regarding our long-term debt.

Material Cash Requirements

Material cash requirements for operating activities primarily consist of feed ingredients, processing, packaging and warehouse costs, employee related costs, and other general operating expenses, which we expect to be paid from our cash from operations and cash and investment securities on hand for at least the next 12 months. While volatile egg prices and feed ingredient costs, among other things, make long-term predictions difficult, we have substantial liquid assets and availability under our Credit Facility to fund future operating requirements.

Our material cash requirements for capital expenditures consist primarily of our projects to increase our cage-free production capacity. We continue to monitor the increasing demand for cage-free eggs and to engage with our customers in efforts to help them achieve their announced timelines for cage-free egg sales. The following table presents material construction projects approved as of June 1, 2024 (in thousands):

<u>Project(s) Type</u>	<u>Projected Completion</u>	<u>Projected Cost</u>	<u>Spent as of June 1, 2024</u>	<u>Remaining Projected Cost</u>
Cage-Free Layer & Pullet Houses	Fiscal 2025	86,837	81,757	5,080
Dexter, MO Renovations	Fiscal 2025	10,944	771	10,173
Feed Mill	Fiscal 2026	10,480	3,254	7,226
Solar Project	Fiscal 2026	5,789	475	5,314
Cage-Free Layer & Pullet Houses	Fiscal 2026	135,905	108,035	27,870
		<u>\$ 249,955</u>	<u>\$ 194,292</u>	<u>\$ 55,663</u>

As of June 1, 2024, we had \$102.2 million of purchase obligations outstanding, of which \$84.6 million are due within one year. Purchase obligations primarily include contractual agreements to purchase feed ingredients and commitments to make capital expenditures. Timing of payments and actual amounts paid may be different depending on the timing of the receipt of goods or services or changes to agreed-upon amounts for some obligations.

We believe our current cash balances, investments, projected cash flows from operations, and available borrowings under our Credit Facility will be sufficient to fund our capital needs for at least the next 12 months and to fund our capital commitments currently in place thereafter.

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

For information on changes in accounting principles and new accounting principles, see “*New Accounting Pronouncements and Policies*” in Part II, Item 8, Notes to Consolidated Financial Statements, [Note 1 - Summary of Significant Accounting Policies](#).

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Critical accounting estimates are those estimates made in accordance with GAAP that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the financial condition or results of operations. Our critical accounting estimates are described below.

BUSINESS COMBINATIONS

The Company applies the acquisition method of accounting, which requires that once control is obtained, all the assets acquired and liabilities assumed, including amounts attributable to noncontrolling interests, are recorded at their respective fair values at the date of acquisition. The excess of the purchase price over fair values of identifiable assets and liabilities is recorded as goodwill.

We typically use the income method approach for intangible assets acquired in a business combination. Significant judgment exists in valuing certain intangible assets and the most significant assumptions requiring judgment involve estimating the amount and timing of future cash flows, growth rates, discount rates selected to measure the risks inherent in the future cash flows and the asset’s expected useful lives.

The fair values of identifiable assets and liabilities are generally determined internally and requires estimates and the use of various valuation techniques. When a market value is not readily available, our internal valuation methodology considers the remaining estimated life of the assets acquired and significant judgment is required as management determines the fair market value for those assets.

Due to inherent industry uncertainties including volatile egg prices and feed costs, unanticipated market changes, events, or circumstances may occur that could affect the estimates and assumptions used, which could result in subsequent impairments.

INVENTORIES

Inventories of eggs, feed, supplies and flocks are valued principally at the lower of cost (first-in, first-out method) or net realizable value. If market prices for eggs and feed grains move substantially lower, we record adjustments to write down the carrying values of eggs and feed inventories to fair market value. The cost associated with flock inventories, consisting principally of chick purchases or hatching costs, feed, labor, contractor payments and overhead costs, are accumulated during the hatching and growing periods of approximately 22 weeks. Capitalized flock costs are then amortized over the flock's productive life, generally one to two years. Judgment exists in determining the flock's productive life including factors such as laying rate and egg size, molt cycles, and customer demand. Furthermore, other factors such as hen type or weather conditions could affect the productive life. These factors could make our estimates of productive life differ from actual results. Flock mortality is charged to cost of sales as incurred. High mortality from disease or extreme temperatures will result in abnormal write-downs to flock inventories. Management continually monitors each flock and attempts to take appropriate actions to minimize the risk of mortality loss.

GOODWILL

As a result of acquiring businesses, the Company has \$45.8 million of goodwill on June 1, 2024. Goodwill is evaluated for impairment annually by first performing a qualitative assessment to determine whether a quantitative goodwill test is necessary. After assessing the totality of events or circumstances, if we determine it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then we perform additional quantitative tests to determine the magnitude of any impairment.

The Company has determined that all of our locations share similar economic characteristics and support each other in the production of eggs and customer support. Therefore, we aggregate all our locations as a single reporting unit for testing goodwill for impairment. When the Company acquires a new location, we determine whether it should be integrated into our single reporting unit or treated as a separate reporting unit. Historically, we have concluded that acquired operations should be integrated into our single reporting unit due to the operational changes, redistribution of customers, and significant changes in management that occur when we acquire businesses, which result in the acquired operations sharing similar economic characteristics with the rest of our locations. Once goodwill associated with acquired operations becomes part of goodwill of our single reporting unit, it no longer represents the particular acquired operations that gave rise to the goodwill. We may conclude that a business acquired in the future should be treated as a separate reporting unit, in which case it would be tested separately for goodwill impairment.

At June 1, 2024, goodwill represented 2.1% of total assets and 2.5% of stockholders' equity.

Judgment exists in management's evaluation of the qualitative factors which include macroeconomic conditions, the current egg industry environment, cost inputs such as feed ingredients and overall financial performance. Furthermore, judgment exists in the evaluation of the threshold of whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Uncertainty exists due to uncontrollable events that could occur that could negatively affect our operating conditions.

Goodwill is evaluated for impairment at least annually or more frequently if impairment indicators arise. During our annual impairment test which is the first day of the fourth quarter, we determined that goodwill passed the qualitative assessment and therefore no quantitative analysis of goodwill impairment was necessary in fiscal 2024.

REVENUE RECOGNITION

Revenue recognition is completed upon satisfaction of the performance obligation which generally occurs upon shipment or delivery to a customer based on terms of the sale.

Revenues are recognized in an amount that reflects the net consideration we expect to receive in exchange for delivery the products. The Company periodically offers sales incentives or other programs such as rebates, discounts, coupons, volume-based incentives, guaranteed sales and other programs. The Company records an estimated allowance for costs associated with these programs, which is recorded as a reduction in revenue at the time of sale using historical trends and projected redemption rates of each program. The Company regularly reviews these estimates and any difference between the estimated costs and actual realization of these programs would be recognized in the subsequent period.

As the estimates noted above are based on historical information, we do not believe that there will be a material change in the estimates and assumptions used to recognize revenue. However, if actual results varied significantly from our estimates it could expose us to material gains or losses.

LOSS CONTINGENCIES

The Company evaluates whether a loss contingency exists, and if the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the loss can be reasonably estimated, the estimated loss would be accrued in the Company's financial statements. The Company expenses the costs of litigation as they are incurred.

Except for the \$19.6 million litigation loss contingency accrual in fiscal 2024, there were no loss contingency accruals for the past three fiscal years. Our evaluation of whether loss contingencies exist primarily relates to litigation matters. The outcome of litigation is uncertain due to, among other things, uncertainties regarding the facts will be established during the proceedings, uncertainties regarding how the law will be applied to the facts established, and uncertainties regarding the calculation of any potential damages or the costs of any potential injunctive relief. If the facts discovered or the Company's assumptions change, future accruals for loss contingencies may be required. Results of operations may be materially affected by losses or a loss contingency accrual resulting from adverse legal proceedings.

INCOME TAXES

We determine our effective tax rate by estimating our permanent differences resulting from differing treatment of items for tax and accounting purposes. Judgment and uncertainty exist with management's application of tax regulations and evaluation of the more-likely-than-not recognition and measurement thresholds. We are periodically audited by taxing authorities. An adverse tax settlement could have a negative impact on our effective tax rate and our results of operations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

COMMODITY PRICE RISK

Our primary exposure to market risk arises from changes in the prices of conventional eggs, which are subject to significant price fluctuations that are largely beyond our control. We are focused on growing our specialty shell egg business because the selling prices of specialty shell eggs are generally not as volatile as conventional shell egg prices. Our exposure to market risk also includes changes in the prices of corn and soybean meal, which are commodities subject to significant price fluctuations due to market conditions that are largely beyond our control. To ensure continued availability of feed ingredients, we may enter into contracts for future purchases of corn and soybean meal, and as part of these contracts, we may lock-in the basis portion of our grain purchases several months in advance and commit to purchase organic ingredients to help assure supply. Ordinarily, we do not enter long-term contracts beyond a year to purchase corn and soybean meal or hedge against increases in the price of corn and soybean meal. The following table outlines the impact of price changes for corn and soybean meal on feed costs per dozen as feed ingredient pricing varies:

		Change in price per bushel of corn						
		\$ (0.84)	\$ (0.56)	\$ (0.28)	\$ 0.00	\$ 0.28	\$ 0.56	\$ 0.84
Change in price per ton soybean meal	\$ (76.50)	0.49	0.50	0.51	0.52	0.53	0.54	0.55
	\$ (51.00)	0.50	0.51	0.52	0.53	0.54	0.55	0.56
	\$ (25.50)	0.51	0.52	0.53	0.54	0.55	0.56	0.57
	\$ 0.00	0.52	0.53	0.54	0.55 ^(a)	0.56	0.57	0.58
	\$ 25.50	0.53	0.54	0.55	0.56	0.57	0.58	0.59
	\$ 51.00	0.54	0.55	0.56	0.57	0.58	0.59	0.60
	\$ 76.50	0.55	0.56	0.57	0.58	0.59	0.60	0.61

(a) Based on 2024 actual costs, table flexes feed cost inputs to show \$0.01 impacts to per dozen egg feed production costs.

INTEREST RATE RISK

We have a \$250 million Credit Facility, borrowings under which would bear interest at variable rates. No amounts were outstanding under that facility during fiscal 2024 or fiscal 2023. Under our current policies, we do not use interest rate derivative instruments to manage our exposure to interest rate changes.

FIXED INCOME SECURITIES RISK

At June 1, 2024, the effective maturity of our cash equivalents and investment securities available for sale was 8.5 months, and the composite credit rating of the holdings are A+ / A1 / A+ (S&P / Moody's / Fitch). Generally speaking, rising interest rates decrease the value of fixed income securities portfolios. As of June 1, 2024, the estimated fair value of our fixed income securities portfolio was approximately \$574.5 million and reflected unrealized losses of approximately \$1.2 million. For additional information see [Note 1 – Summary of Significant Accounting Policies](#) under the heading “Investment Securities Available-for-Sale” and [Note 3 – Investment Securities Available-for-Sale](#) in Part II, Item 8, Notes to the Consolidated Financial Statements.

CONCENTRATION OF CREDIT RISK

Our financial instruments exposed to concentrations of credit risk consist primarily of trade receivables. Concentrations of credit risk with respect to receivables are limited due to our large number of customers and their dispersion across geographic areas, except that at June 1, 2024 and June 3, 2023, 26.8% and 30.1%, respectively, of our net accounts receivable balance was due from Walmart Inc. (including Sam's Club). No other single customer or customer group represented 10% or greater of net accounts receivable at June 1, 2024 and June 3, 2023.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Cal-Maine Foods, Inc. and Subsidiaries
Ridgeland, Mississippi

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Cal-Maine Foods, Inc. and Subsidiaries as of June 1, 2024 and June 3, 2023, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended June 1, 2024, and the related consolidated notes and schedule listed in the Index at Items 15(a)(1) and 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Cal-Maine Foods, Inc. and Subsidiaries as of June 1, 2024 and June 3, 2023, and the results of their operations and their cash flows for each of the three years in the period ended June 1, 2024, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Cal-Maine Foods, Inc. and Subsidiaries' internal control over financial reporting as of June 1, 2024, based on the criteria established in 2013 Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated July 23, 2024 expressed an unqualified opinion.

Basis for Opinion

These consolidated financial statements are the responsibility of the entities' management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to Cal-Maine Foods, Inc. and Subsidiaries in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the Audit Committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Contingent Liabilities – Litigation and Claims – Refer to Note 16 in the Consolidated Financial Statements

Critical Audit Matter Description

Cal-Maine Foods, Inc. and Subsidiaries record liabilities for legal proceedings and claims in those instances where they can reasonably estimate the amount of the loss and when the liability is probable. Where the reasonable estimate of the probable loss is a range, Cal-Maine Foods, Inc. and Subsidiaries record the most likely estimate of the loss, or the low end of the range if there is no one best estimate. Cal-Maine Foods, Inc. and Subsidiaries either disclose the amount of a possible loss or range of loss

in excess of established accruals if estimable, or states that such an estimate cannot be made. Cal-Maine Foods, Inc. and Subsidiaries disclose significant legal proceedings and claims even where liability is not probable or the amount of the liability is not estimable, or both, if Cal-Maine Foods, Inc. and Subsidiaries believe there is at least a reasonable possibility that a loss may be incurred.

We identified litigation and claims as a critical audit matter because of the challenges auditing management's judgments applied in determining the likelihood of loss related to the resolution of such claims. Specifically, auditing management's determination of whether any contingent loss arising from the related litigation and claims is probable, reasonably possible, or remote, and the related disclosures, is subjective and requires significant judgment due to the sensitivity of the issue.

How the Critical Audit Matter was addressed during the Audit

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of the controls relating to the Cal-Maine Foods, Inc. and Subsidiaries' evaluation of the liability related to legal proceedings and claims, including controls over determining the likelihood of a loss and whether the amount of loss can be reasonably estimated, as well as financial statement disclosures over the legal proceedings and claims. These procedures also included obtaining and evaluating the letters of audit inquiry with external legal counsel, evaluating the reasonableness of Cal-Maine Foods, Inc. and Subsidiaries' assessment regarding whether an unfavorable outcome is reasonably possible or probable, and reasonably estimable, evaluating the sufficiency of Cal-Maine Foods, Inc. and Subsidiaries' disclosures related to legal proceedings and claims and evaluating the completeness and accuracy of Cal-Maine Foods, Inc. and Subsidiaries' legal contingencies.

/s/ Frost, PLLC

We have served as the Company's auditor since 2007.

Little Rock, Arkansas
July 23, 2024

Cal-Maine Foods, Inc. and Subsidiaries
Consolidated Balance Sheets
(in thousands, except for par value amounts)

	June 1, 2024	June 3, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 237,878	\$ 292,824
Investment securities available-for-sale	574,499	355,090
Receivables:		
Trade receivables, net	138,550	110,980
Income tax receivable	10,459	66,966
Other	13,433	9,267
Total receivables, net	162,442	187,213
Inventories, net	261,782	284,418
Prepaid expenses and other current assets	5,238	5,380
Total current assets	1,241,839	1,124,925
Property, plant & equipment, net	857,234	744,540
Investments in unconsolidated entities	11,195	14,449
Goodwill	45,776	44,006
Intangible assets, net	15,996	15,897
Other long-term assets	12,721	10,708
Total assets	<u>\$ 2,184,761</u>	<u>\$ 1,954,525</u>
Liabilities and stockholders' equity		
Current liabilities:		
Trade accounts payable	\$ 75,862	\$ 82,590
Dividends payable	37,760	37,130
Accrued wages and benefits	32,971	38,733
Income tax payable	43,348	8,288
Accrued expenses and other liabilities	37,802	15,990
Total current liabilities	227,743	182,731
Other noncurrent liabilities	17,109	9,999
Deferred income taxes	142,866	152,212
Total liabilities	387,718	344,942
Commitments and contingencies - see Note 16		
Stockholders' equity:		
Common stock (\$0.01 par value):		
Common stock – authorized 120,000 shares, issued 70,261 shares	703	703
Class A convertible common stock – authorized and issued 4,800 shares	48	48
Paid-in capital	76,371	72,112
Retained earnings	1,756,395	1,571,112
Accumulated other comprehensive loss, net of tax	(1,773)	(2,886)
Common stock in treasury, at cost – 26,022 and 26,077 shares in 2024 and 2023, respectively	(31,597)	(30,008)
Total Cal-Maine Foods, Inc. stockholders' equity	1,800,147	1,611,081
Noncontrolling interest in consolidated equity	(3,104)	(1,498)
Total stockholders' equity	1,797,043	1,609,583
Total liabilities and stockholders' equity	<u>\$ 2,184,761</u>	<u>\$ 1,954,525</u>

See Notes to Consolidated Financial Statements.

Cal-Maine Foods, Inc. and Subsidiaries
Consolidated Statements of Income
(in thousands, except per share amounts)

	Fiscal years ended		
	June 1, 2024	June 3, 2023	May 28, 2022
	52 weeks	53 weeks	52 weeks
Net sales	\$ 2,326,443	\$ 3,146,217	\$ 1,777,159
Cost of sales	1,784,872	1,949,760	1,440,100
Gross profit	541,571	1,196,457	337,059
Selling, general and administrative	252,625	232,207	198,631
Gain on involuntary conversions	(23,532)	(3,345)	(5,492)
(Gain) loss on disposal of fixed assets	26	(131)	383
Operating income	312,452	967,726	143,537
Other income (expense):			
Interest expense	(549)	(583)	(403)
Interest income	32,275	18,553	988
Patronage dividends	11,331	10,239	10,130
Equity in income of unconsolidated entities	1,420	746	1,943
Other, net	3,042	1,869	9,820
Total other income	47,519	30,824	22,478
Income before income taxes	359,971	998,550	166,015
Income tax expense	83,689	241,818	33,574
Net income	276,282	756,732	132,441
Less: Net loss attributable to noncontrolling interest	(1,606)	(1,292)	(209)
Net income attributable to Cal-Maine Foods, Inc.	\$ 277,888	\$ 758,024	\$ 132,650
Net income per share attributable to Cal-Maine Foods, Inc.:			
Basic	\$ 5.70	\$ 15.58	\$ 2.73
Diluted	\$ 5.69	\$ 15.52	\$ 2.72
Weighted average shares outstanding:			
Basic	48,717	48,648	48,581
Diluted	48,873	48,834	48,734

See Notes to Consolidated Financial Statements.

Cal-Maine Foods, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
(in thousands)

	Fiscal years ended		
	June 1, 2024	June 3, 2023	May 28, 2022
Net income	\$ 276,282	\$ 756,732	\$ 132,441
Other comprehensive income (loss), before tax:			
Unrealized holding gain (loss) available-for-sale securities, net of reclassification adjustments	1,271	(1,714)	(1,398)
(Increase) decrease in accumulated post-retirement benefits obligation, net of reclassification adjustments	167	(27)	(9)
Other comprehensive income (loss), before tax	1,438	(1,741)	(1,407)
Income tax expense (benefit) related to items of other comprehensive income (loss)	325	(451)	(369)
Other comprehensive income (loss), net of tax	1,113	(1,290)	(1,038)
Comprehensive income	277,395	755,442	131,403
Less: comprehensive loss attributable to the noncontrolling interest	(1,606)	(1,292)	(209)
Comprehensive income attributable to Cal-Maine Foods, Inc.	<u>\$ 279,001</u>	<u>\$ 756,734</u>	<u>\$ 131,612</u>

See Notes to Consolidated Financial Statements.

Cal-Maine Foods, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity
(in thousands)

	Common Stock				Treasury Shares	Treasury Amount	Paid In Capital	Retained Earnings	Accum. Other Comp. Income (loss)	Noncontrolling Interest	Total
	Shares	Amount	Class A Shares	Class A Amount							
Balance at May 29, 2021	70,261	\$ 703	4,800	\$ 48	26,202	\$ (27,433)	\$ 64,044	\$ 975,977	\$ (558)	\$ —	1,012,781
Stock compensation plan transactions	—	—	—	—	(81)	(1,014)	3,945	—	—	—	2,931
Dividends (\$0.874 per share)											
Common	—	—	—	—	—	—	—	(38,578)	—	—	(38,578)
Class A common	—	—	—	—	—	—	—	(4,195)	—	—	(4,195)
Contributions	—	—	—	—	—	—	—	—	—	3	3
Net income (loss)	—	—	—	—	—	—	—	132,650	—	(209)	132,441
Other comprehensive loss, net of tax	—	—	—	—	—	—	—	—	(1,038)	—	(1,038)
Balance at May 28, 2022	70,261	703	4,800	48	26,121	(28,447)	67,989	1,065,854	(1,596)	(206)	1,104,345
Stock compensation plan transactions	—	—	—	—	(44)	(1,561)	4,123	—	—	—	2,562
Dividends (\$5.161 per share)											
Common	—	—	—	—	—	—	—	(227,993)	—	—	(227,993)
Class A common	—	—	—	—	—	—	—	(24,773)	—	—	(24,773)
Net income (loss)	—	—	—	—	—	—	—	758,024	—	(1,292)	756,732
Other comprehensive loss, net of tax	—	—	—	—	—	—	—	—	(1,290)	—	(1,290)
Balance at June 3, 2023	70,261	703	4,800	48	26,077	(30,008)	72,112	1,571,112	(2,886)	(1,498)	1,609,583
Stock compensation plan transactions	—	—	—	—	(55)	(1,589)	4,259	—	—	—	2,670
Dividends (\$1.889 per share)											
Common	—	—	—	—	—	—	—	(83,565)	—	—	(83,565)
Class A common	—	—	—	—	—	—	—	(9,040)	—	—	(9,040)
Net income (loss)	—	—	—	—	—	—	—	277,888	—	(1,606)	276,282
Other comprehensive income, net of tax	—	—	—	—	—	—	—	—	1,113	—	1,113
Balance at June 1, 2024	70,261	\$ 703	4,800	\$ 48	26,022	\$ (31,597)	\$ 76,371	\$ 1,756,395	\$ (1,773)	\$ (3,104)	\$ 1,797,043

See Notes to Consolidated Financial Statements.

Cal-Maine Foods, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(in thousands)

	Fiscal year ended		
	June 1, 2024	June 3, 2023	May 28, 2022
Cash flows from operating activities:			
Net income	\$ 276,282	\$ 756,732	\$ 132,441
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	80,241	72,234	68,395
Deferred income taxes	(9,672)	24,467	5,676
Stock compensation expense, net of amounts paid	4,358	4,205	4,063
Loss on change in fair value contingent consideration	5,500	—	—
Other operating activities, net	(6,908)	(1,491)	(9,099)
Change in operating assets and liabilities, net of effects from acquisitions:			
Increase (decrease) in trade receivables	(27,570)	58,129	(88,063)
Increase (decrease) in inventories	28,800	(21,102)	(36,152)
Increase (decrease) in income taxes payable/receivable	91,567	(42,218)	26,056
Increase in accounts payable and current accrued expenses	9,353	14,944	29,993
Decrease in other operating assets and liabilities	(553)	(2,890)	(7,101)
Net cash provided by operating activities	451,398	863,010	126,209
Cash flows from investing activities:			
Purchases of investments	(573,565)	(530,781)	(98,243)
Sales of investments	358,932	291,832	92,703
Acquisition of business, net of cash acquired	(53,746)	—	(44,823)
Investment in unconsolidated entities	(363)	(1,673)	(3,000)
Distributions from unconsolidated entities	3,000	1,500	400
Purchases of property, plant and equipment	(147,116)	(136,569)	(72,399)
Net proceeds from insurance settlement - property, plant and equipment	—	—	7,655
Net proceeds from disposal of property, plant and equipment	272	580	686
Net cash used in investing activities	(412,586)	(375,111)	(117,021)
Cash flows from financing activities:			
Principal payments on finance lease	(214)	(224)	(215)
Purchase of common stock by treasury	(1,688)	(1,643)	(1,127)
Payments of dividends	(91,856)	(252,292)	(6,117)
Contributions	—	—	3
Net cash used in financing activities	(93,758)	(254,159)	(7,456)
Increase (decrease) in cash and cash equivalents	(54,946)	233,740	1,732
Cash and cash equivalents at beginning of year	292,824	59,084	57,352
Cash and cash equivalents at end of year	<u>\$ 237,878</u>	<u>\$ 292,824</u>	<u>\$ 59,084</u>
Supplemental information:			
Income taxes paid	\$ 35,101	\$ 258,247	\$ 1,747

See Notes to Consolidated Financial Statements.

Cal-Maine Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 1 - Summary of Significant Accounting Policies

Nature of Operations

Cal-Maine Foods, Inc. (“we,” “us,” “our,” or the “Company”) 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 most of its shell eggs throughout the majority of the United States.

Principles of Consolidation

The consolidated financial statements include the accounts of all wholly-owned subsidiaries and of majority-owned subsidiaries over which we exercise control. All significant intercompany transactions and accounts have been eliminated in consolidation.

Fiscal Year

The Company’s fiscal year-end is on the Saturday closest to May 31. The fiscal years ending on June 1, 2024 and May 28, 2022 included 52 weeks and the fiscal year ended June 3, 2023 included 53 weeks.

Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles (“GAAP”) in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. We maintain bank accounts that are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Company routinely maintains cash balances with certain financial institutions in excess of federally insured amounts. The Company has not experienced any loss in such accounts. The Company manages this risk through maintaining cash deposits and other highly liquid investments in high quality financial institutions.

We primarily utilize a cash management system with a series of separate accounts consisting of lockbox accounts for receiving cash, concentration accounts to which funds are moved, and zero-balance disbursement accounts for funding accounts payable. Checks issued, but not presented to the banks for payment, may result in negative book cash balances, which are included in accounts payable.

Investment Securities Available-for-Sale

The Company has determined that its debt securities are available-for-sale investments. We classify these securities as current because the amounts invested are available for current operations. Available-for-sale securities are carried at fair value, based on quoted market prices as of the balance sheet date, with unrealized gains and losses recorded in other comprehensive income. The amortized cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity and is recorded in interest income. The Company regularly evaluates changes to the rating of its debt securities by credit agencies and economic conditions to assess and record any expected credit losses through allowance for credit losses, limited to the amount that fair value was less than the amortized cost basis.

The cost basis for realized gains and losses on available-for-sale securities is determined by the specific identification method. Gains and losses are recognized in other income (expenses) as Other, net in the Company’s Consolidated Statements of Income. Interest and dividends on securities classified as available-for-sale are recorded in interest income.

Trade Receivables

Trade receivables are stated at their carrying values, which include a reserve for credit losses. At June 1, 2024 and June 3, 2023, reserves for credit losses were \$490 thousand and \$579 thousand, respectively. The Company extends credit to customers based

on an evaluation of each customer's financial condition and credit history. Collateral is generally not required. The Company minimizes exposure to counter party credit risk through credit analysis and approvals, credit limits, and monitoring procedures. In determining our reserve for credit losses, receivables are assigned an expected loss based on historical loss information adjusted as needed for economic and other forward-looking factors. At June 1, 2024 and June 3, 2023, one customer accounted for approximately 26.8% and 30.1% of the Company's trade accounts receivable, respectively.

Inventories

Inventories of eggs, feed, supplies and flocks are valued principally at the lower of cost (first-in, first-out method) or net realizable value.

The cost associated with flocks, consisting principally of chicks, feed, labor, contractor payments and overhead costs, are accumulated during a growing period of approximately 22 weeks. Flock costs are amortized to cost of sales over the productive lives of the flocks, generally one to two years. As the amortization period of the flocks is relatively short, disclosure of the gross cost and accumulated amortization is omitted. Flock mortality is charged to cost of sales as incurred.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is provided by the straight-line method over the estimated useful lives, which are 15 to 25 years for buildings and improvements and 3 to 12 years for machinery and equipment. Repairs and maintenance are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property, plant, and equipment are retired, sold, or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. When certain events or changes in operating conditions occur, asset lives may be adjusted and an impairment assessment may be performed on the recoverability of the carrying amounts.

Investments in Unconsolidated Entities

The equity method of accounting is used when the Company can exert significant influence over an entity, but does not control its financial and operating decisions. Under the equity method, original investments are recorded at cost and adjusted by the Company's share of undistributed earnings or losses of these entities. Equity investments without readily determinable fair values, when the Company does not have the ability to exercise significant influence over the investee, are recorded at cost, less impairment, plus or minus observable price changes.

Membership in cooperatives are recorded at cost, plus or minus any allocated equities and retains.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the identifiable net assets acquired. Goodwill is evaluated for impairment at least annually or more frequently if impairment indicators arise by first performing a qualitative assessment to determine whether a quantitative goodwill test is necessary. After assessing the totality of events or circumstances, if we determine it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then we perform additional quantitative tests to determine the magnitude of any impairment.

Intangible Assets

Intangible assets are initially recorded at fair value in business acquisitions, which include franchise rights, customer relationships, non-compete agreements, trademarks and right of use intangibles. They are amortized over their estimated useful lives of 5 to 15 years. The gross cost and accumulated amortization of intangible assets are removed when the recorded amounts are fully amortized and the asset is no longer in use or the contract has expired. When certain events or changes in operating conditions occur, asset lives may be adjusted and an impairment assessment may be performed on the recoverability of the carrying amounts.

Indefinite life assets are recorded at fair value in business acquisitions and represent water rights. They are not amortized, but are reviewed for impairment at least annually or more frequently if impairment indicators arise.

Accrued Self Insurance

We use a combination of insurance and self-insurance mechanisms to provide coverage for the potential liabilities for health and welfare, workers' compensation, auto liability and general liability risks. Liabilities associated with our risks retained are estimated, in part, by considering claims experience, demographic factors, severity factors and other actuarial assumptions.

Dividend Payable

We accrue dividends at the end of each quarter according to the Company's dividend policy adopted by its Board of Directors. The Company pays a dividend to shareholders of its Common Stock and Class A Common Stock on a quarterly basis for each quarter for which the Company reports net income attributable to Cal-Maine Foods, Inc. computed in accordance with GAAP in an amount equal to one-third (1/3) of such quarterly income. Dividends are paid to shareholders of record as of the 60th day following the last day of such quarter, except for the fourth fiscal quarter. For the fourth quarter, the Company pays dividends to shareholders of record on the 65th day after the quarter end. Dividends are payable on the 15th day following the record date. Following a quarter for which the Company does not report net income attributable to Cal-Maine Foods, Inc., the Company will not pay a dividend for a subsequent profitable quarter until the Company is profitable on a cumulative basis computed from the date of the most recent quarter for which a dividend was paid. The dividend policy is subject to periodic review by the Board of Directors.

Treasury Stock

Treasury stock purchases are accounted for under the cost method whereby the entire cost of the acquired stock is recorded as treasury stock. The grant of restricted stock through the Company's share-based compensation plans is funded through the issuance of treasury stock. Gains and losses on the subsequent reissuance of shares in accordance with the Company's share-based compensation plans are credited or charged to paid-in capital in excess of par value using the average-cost method.

Revenue Recognition

The Company recognizes revenue through sale of its products to customers through retail, foodservice and other distribution channels. The majority of the Company's revenue is derived from agreements or contracts with customers based upon the customer ordering its products with a single performance obligation of delivering the product. The Company believes the performance obligation is met upon delivery and acceptance of the product by our customers, which generally occurs upon shipment or delivery to a customer based on terms of the sale. Costs paid to third party brokers to obtain agreements are expensed as the Company's agreements are generally less than one year.

Revenues are recognized in an amount that reflects the net consideration we expect to receive in exchange for delivery of the products. The Company periodically offers sales incentives or other programs such as rebates, discounts, coupons, volume-based incentives, guaranteed sales and other programs. The Company records an estimated allowance for costs associated with these programs, which is recorded as a reduction in revenue at the time of sale using historical trends and projected redemption rates of each program. The Company regularly reviews these estimates and any difference between the estimated costs and actual realization of these programs would be recognized the subsequent period.

Shipping and Distribution

Costs to deliver product to customers are included in selling, general and administrative expenses in the accompanying Consolidated Statements of Income and totaled \$72.7 million, \$77.5 million, and \$62.7 million in fiscal years 2024, 2023, and 2022, respectively.

Income Taxes

Income taxes are accounted for using the liability method. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company's policy with respect to evaluating uncertain tax positions is based upon whether management believes it is more likely than not the uncertain tax positions will be sustained upon review by the taxing authorities. The tax positions must meet the more-likely-than-not recognition threshold with consideration given to the amounts and probabilities of the outcomes that could be realized upon settlement using the facts, circumstances and information at the reporting date. The Company will reflect only the portion of the tax benefit that will be sustained upon resolution of the position and applicable interest on the portion of the tax benefit not recognized. The Company initially and subsequently measures the largest amount of tax benefit that is greater than 50% likely to be realized upon settlement with a taxing authority that has full knowledge of all relevant information. The Company records interest and penalties on uncertain tax positions as a component of income tax expense. Based upon management's assessment, there are no uncertain tax positions expected to have a material impact on the Company's consolidated financial statements.

Stock Based Compensation

The Company recognizes all share-based payments to employees and directors, including grants of employee stock options, restricted stock and performance-based shares, in the Consolidated Statements of Income based on their fair values. The benefits of tax deductions in excess of recognized compensation cost are reported as a financing cash flow. See [Note 14 – Stock Compensation Plans](#) for more information.

Business Combinations

The Company applies the acquisition method of accounting, which requires that once control is obtained, all the assets acquired and liabilities assumed, including amounts attributable to noncontrolling interests, are recorded at their respective fair values at the date of acquisition. We determine the fair values of identifiable assets and liabilities internally, which requires estimates and the use of various valuation techniques. When a market value is not readily available, our internal valuation methodology considers the remaining estimated life of the assets acquired and what management believes is the market value for those assets.

We typically use the income method approach for intangible assets acquired in a business combination. Significant estimates in valuing certain intangible assets include, but are not limited to, the amount and timing of future cash flows, growth rates, discount rates and useful lives. The excess of the purchase price over fair values of identifiable assets and liabilities is recorded as goodwill.

Gain on Involuntary Conversions

The Company maintains insurance for both property damage and business interruption relating to catastrophic events, such as fires, hurricanes, tornadoes and other acts of God, and is eligible to participate in U.S. Department of Agriculture (“USDA”) indemnity and compensation programs for certain losses due to disease outbreaks such as highly pathogenic avian influenza (“HPAI”). Specifically, the Animal Health Protection Act authorizes the USDA to provide indemnity payments to producers for birds and eggs that must be destroyed during a disease response. Payments received under these programs are based on the fair market value of the poultry and/or eggs at the time that HPAI virus is detected in the flock. Other covered costs include feed, depopulation and disposal costs, and virus elimination costs. The USDA does not provide indemnity for income or production losses suffered due to downtime or other business disruptions nor for indirect continuing expenses. Recoveries received for property damage, business interruption and disease outbreaks in excess of the netbook value of damaged assets, including poultry, clean-up and demolition costs, and other direct post-event costs are recorded within “Gain on involuntary conversions” in the period received or committed when all contingencies associated with the recoveries are resolved.

Loss Contingencies

Certain conditions may exist as of the date the financial statements are issued that may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company’s management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company’s legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, the estimated liability would be accrued in the Company’s financial statements. If the assessment indicates a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

The Company expenses the costs of litigation as they are incurred.

New Accounting Pronouncements and Policies

No new accounting pronouncement issued or effective during the fiscal year had or is expected to have a material impact on our Consolidated Financial Statements.

Note 2 – Acquisition

On October 4, 2023, the Company announced the acquisition of the assets of Fassio Egg Farms, Inc. (“Fassio”), related to its commercial shell egg production and processing business. Fassio owned and operated commercial shell egg production and processing facilities with a capacity at the time of acquisition of approximately 1.2 million laying hens, primarily cage-free, a feed mill, pullets, a fertilizer production and composting operation and land located in Erda, Utah, outside Salt Lake City. The Company accounted for the acquisition as a business combination.

The following table summarizes the consideration paid for the Fassio assets and the amounts of assets acquired and liabilities assumed recognized at the acquisition date (in thousands):

Cash consideration paid	\$	53,746
Fair value of contingent consideration		1,000
Total estimated purchase consideration		<u>54,746</u>
Recognized amounts of identifiable assets acquired and liabilities assumed		
Inventory	\$	6,164
Property, plant and equipment		44,540
Intangible assets		2,272
Other long-term assets		143
Liabilities assumed		<u>(143)</u>
Total identifiable net assets		52,976
Goodwill		<u>1,770</u>
	\$	<u>54,746</u>

Inventory consisted primarily of flock, feed ingredients, packaging, and egg inventory. Flock inventory was valued at carrying value as management believes that its carrying value best approximates its fair value. Feed ingredients, packaging and egg inventory were all valued based on market prices as of September 30, 2023.

Property, plant and equipment were valued utilizing the cost approach which is based on replacement or reproduction costs of the assets and subtracting any depreciation resulting from physical deterioration and/or functional or economic obsolescence.

Intangible assets consisted primarily of water rights within the property acquired. Water rights were valued using the sales comparison approach.

Contingent consideration liability was recorded and represents potential future cash payment to the sellers contingent on the acquired business meeting certain return on profitability milestones over a three-year period, commencing on the date of the acquisition. The fair value of the contingent consideration is estimated using a discounted cash flow model. Key assumptions and unobservable inputs that require significant judgement used in the estimate include weighted average cost of capital, egg prices, projected revenue and expenses over the period for which the contingent consideration is measured, and the probability assessments with respect to the likelihood of achieving the forecasted projections. A range of potential outcomes cannot be reasonably estimated due to market volatility of egg prices.

Goodwill represents the excess of the purchase price of the acquired business over the acquisition date fair value of the net assets acquired. Goodwill recorded in connection with the Fassio acquisition is primarily attributable to improved efficiencies from integrating the assets of Fassio with the operations of the Company. The Company recognized goodwill of \$1.8 million as a result of the acquisition.

Note 3 - Investment Securities Available-for-Sale

The following presents the Company's investment securities available-for-sale as of June 1, 2024 and June 3, 2023 (in thousands):

June 1, 2024	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Municipal bonds	\$ 4,100	\$ —	\$ 41	\$ 4,059
Commercial paper	137,856	—	121	137,735
Corporate bonds	233,289	—	697	232,592
Certificates of deposits	3,505	—	14	3,491
US government and agency obligations	154,520	—	251	154,269
Asset backed securities	3,154	—	30	3,124
Treasury bills	39,239	—	10	39,229
Total current investment securities	<u>\$ 575,663</u>	<u>\$ —</u>	<u>\$ 1,164</u>	<u>\$ 574,499</u>

June 3, 2023	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Municipal bonds	\$ 16,571	\$ —	\$ 275	\$ 16,296
Commercial paper	56,486	—	77	56,409
Corporate bonds	139,979	—	1,402	138,577
Certificates of deposits	675	—	—	675
US government and agency obligations	101,240	—	471	100,769
Asset backed securities	13,459	—	151	13,308
Treasury bills	29,069	—	13	29,056
Total current investment securities	<u>\$ 357,479</u>	<u>\$ —</u>	<u>\$ 2,389</u>	<u>\$ 355,090</u>

Proceeds from the sales and maturities of available-for-sale securities were \$358.9 million, \$291.8 million, and \$92.7 million during fiscal 2024, 2023, and 2022, respectively. Gross realized gains for fiscal 2024, 2023, and 2022 were \$ 199 thousand, \$51 thousand, and \$181 thousand, respectively. Gross realized losses for fiscal 2024, 2023, and 2022 were \$8 thousand, \$87 thousand, and \$76 thousand, respectively. There was no allowance for credit losses at June 1, 2024 and June 3, 2023.

Actual maturities may differ from contractual maturities as some borrowers have the right to call or prepay obligations with or without penalties. Contractual maturities of investment securities at June 1, 2024 are as follows (in thousands):

	Estimated Fair Value
Within one year	\$ 397,917
1-5 years	176,582
Total	<u>\$ 574,499</u>

Note 4 - Fair Value Measures

The Company is required to categorize both financial and nonfinancial assets and liabilities based on the following fair value hierarchy. The fair value of an asset is the price at which the asset could be sold in an orderly transaction between unrelated, knowledgeable, and willing parties able to engage in the transaction. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor in a transaction between such parties, not the amount that would be paid to settle the liability with the creditor.

- *Level 1* - Quoted prices in active markets for identical assets or liabilities
- *Level 2* - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, including:
 - Quoted prices for similar assets or liabilities in active markets
 - Quoted prices for identical or similar assets in non-active markets

- Inputs other than quoted prices that are observable for the asset or liability
- Inputs derived principally from or corroborated by other observable market data
- *Level 3* - Unobservable inputs for the asset or liability supported by little or no market activity and are significant to the fair value of the assets or liabilities

The disclosure of fair value of certain financial assets and liabilities recorded at cost are as follows:

Cash and cash equivalents, accounts receivable, and accounts payable: The carrying amount approximates fair value due to the short maturity of these instruments.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

In accordance with the fair value hierarchy described above, the following table shows the fair value of our financial assets and liabilities that are required to be measured at fair value on a recurring basis as of June 1, 2024 and June 3, 2023 (in thousands):

June 1, 2024	Level 1	Level 2	Level 3	Balance
Investment securities available-for-sale				
Municipal bonds	\$ —	\$ 4,059	\$ —	\$ 4,059
Commercial paper	—	137,735	—	137,735
Corporate bonds	—	232,592	—	232,592
Certificates of deposits	—	3,491	—	3,491
US government and agency obligations	—	154,269	—	154,269
Asset backed securities	—	3,124	—	3,124
Treasury bills	—	39,229	—	39,229
Total investment securities available-for-sale measured at fair value	\$ —	\$ 574,499	\$ —	\$ 574,499
Liabilities				
Contingent consideration	—	—	6,500	6,500
Total liabilities measured at fair value	\$ —	\$ —	\$ 6,500	\$ 6,500
June 3, 2023				
	Level 1	Level 2	Level 3	Balance
Investment securities available-for-sale				
Municipal bonds	\$ —	\$ 16,296	\$ —	\$ 16,296
Commercial paper	—	56,409	—	56,409
Corporate bonds	—	138,577	—	138,577
Certificates of deposits	—	675	—	675
US government and agency obligations	—	100,769	—	100,769
Asset backed securities	—	13,308	—	13,308
Treasury bills	—	29,056	—	29,056
Total investment securities available-for-sale measured at fair value	\$ —	\$ 355,090	\$ —	\$ 355,090

Investment securities – available-for-sale are all classified as Level 2 and consist of securities with maturities of three months or longer when purchased. Observable inputs for these securities are yields, credit risks, default rates, and volatility.

Contingent consideration classified as Level 3 consists of the potential obligation to pay an earnout to the sellers of Fassio contingent on the acquired business meeting certain return on profitability milestones over a three-year period, commencing on the date of the acquisition. The fair value of the contingent consideration is estimated using a discounted cash flow model. Key assumptions and unobservable inputs that require significant judgement used in the estimate include weighted average cost of capital, egg prices, projected revenue and expenses over the period for which the contingent consideration is measured, and the probability assessments with respect to the likelihood of achieving the forecasted projections. See further discussion in [Note 2 - Acquisition](#).

The following table shows the beginning and ending balances in fair value of the contingent consideration:

	Fassio Contingent Consideration	
Balance, June 4, 2023		—
Acquisition of Fassio	\$	1,000
Fair value adjustments		5,500
Balance, June 1, 2024	\$	6,500

Adjustments to the fair value of contingent consideration are recorded within selling, general and administrative expenses in the consolidated statements of income.

Note 5 - Inventories

Inventories consisted of the following (in thousands):

	June 1, 2024	June 3, 2023
Flocks, net of amortization	\$ 149,985	\$ 164,540
Eggs and egg products	25,217	28,318
Feed and supplies	86,580	91,560
	<u>\$ 261,782</u>	<u>\$ 284,418</u>

We grow and maintain flocks of layers (mature female chickens), pullets (female chickens under 18 weeks of age), and breeders (male and female chickens used to produce fertile eggs to hatch for egg production flocks). Our total flock at June 1, 2024 and June 3, 2023, consisted of approximately 11.8 million and 10.8 million pullets and breeders and 39.9 million and 41.2 million layers, respectively.

The Company expensed amortization and mortality associated with the flocks to cost of sales as follows (in thousands):

	June 1, 2024	June 3, 2023	May 28, 2022
Amortization	\$ 198,298	\$ 186,973	\$ 160,107
Mortality	10,640	10,455	8,011
Total flock costs charged to cost of sales	<u>\$ 208,938</u>	<u>\$ 197,428</u>	<u>\$ 168,118</u>

Note 6 - Property, Plant and Equipment

Property, plant and equipment consisted of the following (in thousands):

	June 1, 2024	June 3, 2023
Land and improvements	\$ 131,051	\$ 117,279
Buildings and improvements	627,121	552,669
Machinery and equipment	782,736	715,205
Construction-in-progress	121,266	98,605
	1,662,174	1,483,758
Less: accumulated depreciation	804,940	739,218
	<u>\$ 857,234</u>	<u>\$ 744,540</u>

Depreciation expense was \$ 77.2 million, \$ 69.4 million and \$ 65.8 million in the fiscal years ended June 1, 2024, June 3, 2023, and May 28, 2022, respectively.

Note 7 - Investment in Unconsolidated Entities

As of June 1, 2024 and June 3, 2023, the Company owned 50% in Specialty Eggs, LLC ("Specialty Eggs") and Southwest Specialty Eggs, LLC ("Southwest Specialty Eggs"), which are accounted for using the equity method of accounting. Specialty

Eggs owns the Egg-Land's Best franchise for most of Georgia and South Carolina, as well as a portion of western North Carolina and eastern Alabama. Southwest Specialty Eggs owns the Egg-Land's Best franchise for Arizona, southern California and Clark County, Nevada (including Las Vegas).

Equity method investments are included in "Investments in unconsolidated entities" in the accompanying Consolidated Balance Sheets and totaled \$8.2 million and \$9.7 million at June 1, 2024 and June 3, 2023, respectively.

Equity in income of unconsolidated entities of \$1.4 million, \$746 thousand, and \$1.9 million from these entities has been included in the Consolidated Statements of Income for fiscal 2024, 2023, and 2022, respectively.

The consolidated financial information for the Company's unconsolidated joint ventures was as follows (in thousands):

	For the fiscal year ended		
	June 1, 2024	June 3, 2023	May 28, 2022
Net sales	\$ 159,698	\$ 222,602	\$ 145,281
Net income	2,840	1,492	3,942
Total assets	31,578	27,784	42,971
Total liabilities	15,468	9,854	21,892
Total equity	16,110	17,930	21,079

The following relates to the Company's transactions with these unconsolidated affiliates (in thousands):

	For the fiscal year ended		
	June 1, 2024	June 3, 2023	May 28, 2022
Sales to unconsolidated entities	\$ 100,553	\$ 136,351	\$ 94,311
Purchases from unconsolidated entities	63,916	75,024	60,016
Distributions from unconsolidated entities	3,000	1,500	400

	June 1, 2024	June 3, 2023
Accounts receivable from unconsolidated entities	\$ 8,490	\$ 4,719
Accounts payable to unconsolidated entities	1,233	3,187

Note 8 - Goodwill and Other Intangible Assets

Goodwill and other intangibles consisted of the following (in thousands):

	Goodwill	Other Intangibles					Trademark	Total intangibles
		Franchise rights	Customer relationships	Non-compete agreements	Right of Use	Water rights		
Balance May 28, 2022	\$ 44,006	\$ 15,071	\$ 1,326	\$ 860	\$ 18	\$ 720	\$ 136	\$ 62,137
Amortization	—	(1,657)	(356)	(152)	(18)	—	(51)	(2,234)
Balance June 3, 2023	44,006	13,414	970	708	—	720	85	59,903
Additions	1,770	—	—	50	—	2,222	—	4,042
Amortization	—	(1,627)	(362)	(134)	—	—	(50)	(2,173)
Balance June 1, 2024	\$ 45,776	\$ 11,787	\$ 608	\$ 624	\$ —	\$ 2,942	\$ 35	\$ 61,772

For the Other Intangibles listed above, the gross carrying amounts and accumulated amortization are as follows (in thousands):

	June 1, 2024		June 3, 2023	
	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization
Other intangible assets:				
Franchise rights	\$ 29,284	\$ (17,497)	\$ 29,284	\$ (15,870)
Customer relationships	2,900	(2,292)	9,644	(8,674)
Non-compete agreements	1,500	(876)	1,450	(742)
Water rights *	2,942	—	720	—
Trademark	400	(365)	400	(315)
Total	\$ 37,026	\$ (21,030)	\$ 41,498	\$ (25,601)

* Water rights are an indefinite life intangible asset.

No significant residual value is estimated for these intangible assets. Aggregate amortization expense for fiscal years 2024, 2023, and 2022 totaled \$2.2 million.

The following table presents the total estimated amortization of intangible assets for the five succeeding years (in thousands):

For fiscal year	Estimated amortization expense
2025	\$ 2,040
2026	1,836
2027	1,833
2028	1,763
2029	1,701
Thereafter	3,881
Total	\$ 13,054

Note 9 - Employee Benefit Plans

The Company maintains a medical plan that is qualified under Section 401(a) of the Internal Revenue Code and is not subject to tax under present income tax laws. The plan is funded by contributions from the Company and its employees. Under its plan, the Company self-insures its portion of medical claims for substantially all full-time employees. The Company uses stop-loss insurance to limit its portion of medical claims to \$275,000 per occurrence. The Company's expenses including accruals for incurred but not reported claims were approximately \$23.0 million, \$21.9 million, and \$24.6 million in fiscal years 2024, 2023, and 2022, respectively. The liability recorded for incurred but not reported claims was \$2.8 million and \$2.9 million as of June 1, 2024 and June 3, 2023, respectively and are classified within "Accrued expenses and other liabilities" in the Company's Consolidated Balance Sheets.

The Company has a KSOP plan that covers substantially all employees (the "Plan"). The Company makes contributions to the Plan at a rate of 3% of participants' eligible compensation, plus an additional amount determined at the discretion of the Board of Directors. Contributions can be made in cash or the Company's Common Stock, and vest immediately. The Company's cash contributions to the Plan were \$4.3 million, \$4.3 million, and \$3.9 million in fiscal years 2024, 2023 and 2022, respectively. The Company did not make direct contributions of the Company's Common Stock in fiscal years 2024, 2023, or 2022. Dividends on the Company's Common Stock are paid to the Plan in cash. The Plan acquires the Company's Common Stock, which is listed on the Nasdaq Global Select Market, by using the dividends and the Company's cash contributions to purchase shares in the public markets. The Plan sells Common Stock on the Nasdaq to pay benefits to Plan participants. Participants may make contributions to the Plan up to the maximum allowed by Internal Revenue Service regulations. The Company does not match participant contributions.

Deferred Compensation Plans

The Company has deferred compensation agreements with certain officers for payments to be made over specified periods beginning when the officers reach age 65 or over as specified in the agreements. Amounts accrued for the agreements are based upon deferred compensation earned over the estimated remaining service period of each officer. Payments made under these agreements were \$100 thousand, \$170 thousand, and \$170 thousand in fiscal years 2024, 2023 and 2022. The liability recorded

related to these agreements was \$844 thousand and \$1.0 million at June 1, 2024 and June 3, 2023, respectively and are classified within "Other noncurrent liabilities" in the Company's Consolidated Balance Sheets.

The Company sponsors an unfunded, non-qualified deferred compensation plan, which was amended and restated effective December 1, 2021 (the "Amended DC Plan") to expand eligibility for participation from named officers only to a select group of management or highly compensated employees of the Company, expand the investment options available and add the ability of participants to make elective deferrals. Participants may be awarded long-term incentive contributions ("Awards") under the Amended DC Plan. Awards vest on December 31st of the fifth year after such contribution is credited to the Amended DC Plan or, if earlier, the participant's attainment of age 60 with 5 years of service. Awards issued under the Amended DC Plan were \$380 thousand, \$388 thousand, and \$340 thousand in fiscal 2024, 2023, and 2022, respectively. Payments made under the Amended DC Plan were \$29 thousand, \$410 thousand and \$480 thousand in fiscal 2024, 2023 and 2022, respectively. The liability recorded for the Amended DC Plan was \$5.1 million, \$4.6 million and \$4.5 million at June 1, 2024, June 3, 2023 and 2022, respectively and is classified within "Other noncurrent liabilities" in the Company's Consolidated Balance Sheets.

Deferred compensation expense for both plans totaled \$ 614 thousand, \$346 thousand and \$258 thousand in fiscal 2024, 2023, and 2022, respectively.

Other Postretirement Employee Benefits

The Company maintains an unfunded postretirement medical plan to provide limited health benefits to certain qualified retired employees and officers. Retired non-officers and spouses are eligible for coverage until attainment of Medicare eligibility, at which time coverage ceases. Retired officers and spouses are eligible for lifetime benefits under the plan. Officers, who retired prior to May 1, 2012 and their spouses must participate in Medicare Plans A and B. Officers, who retire on or after May 1, 2012 and their spouses must participate in Medicare Plans A, B, and D.

The plan is accounted for in accordance with ASC 715, Compensation – Retirement Benefits ("ASC 715"), whereby an employer recognizes the funded status of a defined benefit postretirement plan as an asset or liability, and recognizes changes in the funded status in the year the change occurs through comprehensive income. Additionally, this expense is recognized on an accrual basis over the employees' approximate period of employment. The liability associated with the plan was \$2.6 million and \$2.7 million at June 1, 2024 and June 3, 2023, respectively. The remaining disclosures associated with ASC 715 are immaterial to the Company's financial statements.

Effective March 1, 2023, the Company adopted a non-qualified supplemental executive retirement plan ("SERP") and a split dollar life insurance plan ("Split Dollar Plan") designed to provide deferred compensation and a pre-retirement death benefit for a select group of management or highly compensated employees of the Company. Provided the vesting conditions are met, participants in the SERP are eligible to receive an aggregate retirement benefit of \$500,000, which is paid in annual installments of \$50,000 for 10 years. A participant becomes vested in the retirement benefit over five years of plan participation at 20% per year. If a participant becomes disabled, attains the retirement age of 65, or the Company experiences a change in control, vesting will be accelerated to 100%. If a participant dies while employed, he or she will not receive any benefits under the SERP, but their beneficiaries will instead be entitled to the life insurance benefit provided under the Split Dollar Plan, which is \$500,000. The liability recorded for these plans was \$298 thousand and \$63 thousand at June 1, 2024 and June 3, 2023, respectively, and is classified within "Other noncurrent liabilities" in the Company's Consolidated Balance Sheets.

Note 10 - Credit Facility

For fiscal years 2024, 2023 and 2022, interest expense was \$549 thousand, \$583 thousand, and \$403 thousand, respectively, primarily related to commitment fees on the Credit Facility described below.

On May 26, 2023, we entered into the First Amendment (the "Amendment") to the Amended and Restated Credit Agreement, dated November 15, 2021 (as amended, the "Credit Agreement"). The Amendment replaced the London Interbank Offered Rate interest rate benchmark with the secured overnight financing rate as administered by the Federal Reserve Bank of New York or a successor administrator of the secured overnight financing rate ("SOFR"). The Credit Agreement has a five-year term. The Credit Agreement provides for a senior secured revolving credit facility (the "Credit Facility" or "Revolver") in an initial aggregate principal amount of up to \$250 million, which includes a \$15 million sublimit for the issuance of standby letters of credit and a \$15 million sublimit for swingline loans. The Credit Facility also includes an accordion feature permitting, with the consent of BMO Harris Bank N.A. (the "Administrative Agent"), an increase in the Credit Facility in the aggregate up to \$200 million by adding one or more incremental senior secured term loans or increasing one or more times the revolving commitments under the Revolver. No amounts were borrowed under the facility as of June 1, 2024 or June 3, 2023 or during fiscal 2024 or

fiscal 2023. The Company had \$4.7 million of outstanding standby letters of credit issued under the Credit Facility at June 1, 2024.

The interest rate in connection with loans made under the Credit Facility is based on, at the Company's election, either the Adjusted Term SOFR Rate plus the Applicable Margin or the Base Rate plus the Applicable Margin. The "Adjusted Term SOFR" means with respect to any tenor, the per annum rate equal to the sum of (i) Term SOFR as defined in the Credit Agreement plus (ii) 0.10% (10 basis points); provided, if Adjusted Term SOFR determined as provided above shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor. The "Floor" means the rate per annum of interest equal to 0.00%. The "Base Rate" means a fluctuating rate per annum equal to the highest of (a) the federal funds rate plus 0.50% per annum, (b) the prime rate of interest established by the Administrative Agent, and (c) the Adjusted Term SOFR for a one-month tenor plus 1.00%. The "Applicable Margin" means 0.00% to 0.75% per annum for Base Rate Loans and 1.00% to 1.75% per annum for SOFR Loans, in each case depending upon the Total Funded Debt to Capitalization Ratio for the Company at the quarterly pricing date. The Company will pay a commitment fee on the unused portion of the Credit Facility payable quarterly from 0.15% to 0.25% in each case depending upon the Total Funded Debt to Capitalization Ratio for the Company at the quarterly pricing date.

The Credit Facility is guaranteed by all the current and future wholly-owned direct and indirect domestic subsidiaries of the Company (the "Guarantors"), and is secured by a first-priority perfected security interest in substantially all of the Company's and the Guarantors' accounts, payment intangibles, instruments (including promissory notes), chattel paper, inventory (including farm products) and deposit accounts maintained with the Administrative Agent.

The Credit Agreement for the Credit Facility contains customary covenants, including restrictions on the incurrence of liens, incurrence of additional debt, sales of assets and other fundamental corporate changes and investments. The Credit Agreement requires maintenance of two financial covenants: (i) a maximum Total Funded Debt to Capitalization Ratio tested quarterly of no greater than 50%; and (ii) a requirement to maintain Minimum Tangible Net Worth at all times of \$700 Million plus 50% of net income (if net income is positive) less permitted restricted payments for each fiscal quarter after November 27, 2021. Additionally, the Credit Agreement requires that Fred R. Adams Jr.'s spouse, natural children, sons-in-law or grandchildren, or any trust, guardianship, conservatorship or custodianship for the primary benefit of any of the foregoing, or any family limited partnership, similar limited liability company or other entity that 100% of the voting control of such entity is held by any of the foregoing, shall maintain at least 50% of the Company's voting stock. Failure to satisfy any of these covenants will constitute a default under the terms of the Credit Agreement. Further, under the terms of the Credit Agreement, payment of dividends under the Company's current dividend policy of one-third of the Company's net income computed in accordance with GAAP and payment of other dividends or repurchases by the Company of its capital stock is allowed, as long as after giving effect to such dividend payments or repurchases no default has occurred and is continuing and the sum of cash and cash equivalents of the Company and its subsidiaries plus availability under the Credit Facility equals at least \$ 50 million.

The Credit Agreement also includes customary events of default and customary remedies upon the occurrence of an event of default, including acceleration of the amounts due under the Credit Facility and foreclosure of the collateral securing the Credit Facility.

At June 1, 2024, we were in compliance with the covenant requirements of the Credit Facility.

Note 11 - Equity

The Company has two classes of capital stock: Common Stock and Class A Common Stock. Except as otherwise required by law or the Company's Second Amended and Restated Certificate of Incorporation ("Restated Charter"), holders of shares of the Company's capital stock vote as a single class on all matters submitted to a vote of the stockholders, with each share of Common Stock entitled to one vote and each share of Class A Common Stock entitled to ten votes. Holders of capital stock have the right of cumulative voting in the election of directors. The Common Stock and Class A Common Stock have equal liquidation rights and the same dividend rights. In the case of any dividend payable in stock, holders of Common Stock are entitled to receive the same percentage dividend (payable only in shares of Common Stock) as the holders of Class A Common Stock receive (payable only in shares of Class A Common Stock). Upon liquidation, dissolution, or winding-up of the Company, the holders of Common Stock are entitled to share ratably with the holders of Class A Common Stock in all assets available for distribution after payment in full of creditors. The holders of Common Stock and Class A Common Stock are not entitled to preemptive or subscription rights. No class of capital stock may be combined or subdivided unless the other classes of capital stock are combined or subdivided in the same proportion. No dividend may be declared and paid on Class A Common Stock unless the dividend is payable only to the holders of Class A Common Stock and a dividend is declared and paid to Common Stock concurrently.

Each share of Class A Common Stock is convertible, at the option of its holder, into one share of Common Stock at any time. The Company's Restated Charter identifies family members of Mr. Adams ("Immediate Family Members") and arrangements

and entities that are permitted to receive and hold shares of Class A Common Stock, with ten votes per share, without such shares converting into shares of Common Stock, with one vote per share (“Permitted Transferees”). The Permitted Transferees include arrangements and entities such as revocable trusts and limited liability companies that could hold Class A Common Stock for the benefit of Immediate Family Members. Each Permitted Transferee must have a relationship, specifically defined in the Restated Charter, with another Permitted Transferee or an Immediate Family Member. A share of Class A Common Stock transferred to a person other than a Permitted Transferee would automatically convert into Common Stock with one vote per share. Additionally, the Restated Charter includes a sunset provision pursuant to which all of the outstanding Class A Common Stock will automatically convert to Common Stock if: (a) less than 4,300,000 shares of Class A Common Stock, in the aggregate, are beneficially owned by Immediate Family Members and/or Permitted Transferees, or (b) if less than 4,600,000 shares of Class A Common Stock and Common Stock, in the aggregate, are beneficially owned by Immediate Family Members and/or Permitted Transferees.

Note 12 - Net Income per Common Share

Basic net income per share attributable to Cal-Maine Foods, Inc. is based on the weighted average Common Stock and Class A Common Stock outstanding. Diluted net income per share attributable to Cal-Maine Foods, Inc. is based on weighted-average common shares outstanding during the relevant period adjusted for the dilutive effect of share-based awards.

The following table provides a reconciliation of the numerators and denominators used to determine basic and diluted net income per common share attributable to Cal-Maine Foods, Inc. (amounts in thousands, except per share data):

	June 1, 2024	June 3, 2023	May 28, 2022
Numerator			
Net income	\$ 276,282	\$ 756,732	\$ 132,441
Less: Net loss attributable to noncontrolling interest	(1,606)	(1,292)	(209)
Net income attributable to Cal-Maine Foods, Inc.	<u>\$ 277,888</u>	<u>\$ 758,024</u>	<u>\$ 132,650</u>
Denominator			
Weighted-average common shares outstanding, basic	48,717	48,648	48,581
Effect of dilutive securities of restricted shares	156	186	153
Weighted-average common shares outstanding, diluted	<u>48,873</u>	<u>48,834</u>	<u>48,734</u>
Net income per common share attributable to Cal-Maine Foods, Inc.			
Basic	<u>\$ 5.70</u>	<u>\$ 15.58</u>	<u>\$ 2.73</u>
Diluted	<u>\$ 5.69</u>	<u>\$ 15.52</u>	<u>\$ 2.72</u>

Note 13 - Revenue Recognition

Net revenue is primarily generated through the sales of shell eggs and egg products. The Company's shell egg product offerings include specialty and conventional shell eggs. Specialty shell eggs include cage-free, organic, brown, free-range, pasture-raised and nutritionally enhanced eggs. Conventional shell eggs sales represent all other shell egg sales not sold as specialty shell eggs.

The Company's egg products offering include liquid and frozen egg products and hard-cooked eggs. Liquid and frozen egg products are primarily sold to the institutional, foodservice and food manufacturing sectors. Hard-cooked eggs are sold primarily within the foodservice and retail channels.

The following table provides revenue disaggregated by product category (in thousands):

	<u>13 Weeks Ended</u>	<u>14 Weeks Ended</u>	<u>52 Weeks Ended</u>	<u>53 Weeks Ended</u>
	<u>June 1, 2024</u>	<u>June 3, 2023</u>	<u>June 1, 2024</u>	<u>June 3, 2023</u>
Conventional shell egg sales	\$ 372,245	\$ 395,433	\$ 1,291,743	\$ 2,051,961
Specialty shell egg sales	236,786	256,190	925,665	956,993
Egg products	25,015	33,996	89,009	122,270
Other	6,743	3,061	20,026	14,993
	<u>\$ 640,789</u>	<u>\$ 688,680</u>	<u>\$ 2,326,443</u>	<u>\$ 3,146,217</u>

Our largest customer, Walmart Inc. (including Sam's Club) accounted for 34.0%, 34.2% and 29.5% of net sales dollars for fiscal 2024, 2023, and 2022, respectively.

Note 14 - Stock Compensation Plans

On October 2, 2020, shareholders approved the Amended and Restated Cal-Maine Foods, Inc. 2012 Omnibus Long-Term Incentive Plan (the "LTIP Plan"). The purpose of the LTIP Plan is to assist us and our subsidiaries in attracting and retaining selected individuals who are expected to contribute to our long-term success. The maximum number of shares of Common Stock available for awards under the LTIP Plan is 2,000,000 of which 856,119 shares remain available for issuance, and may be authorized but unissued shares or treasury shares. Awards may be granted under the LTIP Plan to any employee, any non-employee member of the Company's Board of Directors, and any consultant who is a natural person and provides services to us or one of our subsidiaries (except for incentive stock options, which may be granted only to our employees).

The only outstanding awards under the LTIP Plan are restricted stock awards. The restricted stock vests three years from the grant date, or upon death or disability, change in control, or retirement (subject to certain requirements). The restricted stock contains no other service or performance conditions. Restricted stock is awarded in the name of the recipient and, except for the right of disposal, constitutes issued and outstanding shares of the Company's Common Stock for all corporate purposes during the period of restriction including the right to receive dividends. Compensation expense is a fixed amount based on the grant date closing price and is amortized on a straight-line basis over the vesting period. Forfeitures are recognized as they occur.

Total stock-based compensation expense was \$4.4 million, \$4.2 million, and \$4.1 million in fiscal 2024, 2023, and 2022, respectively.

Our unrecognized compensation expense as a result of non-vested shares was \$7.5 million at June 1, 2024 and \$7.2 million at June 3, 2023. The unrecognized compensation expense will be amortized to stock compensation expense over a period of 2.1 years.

A summary of our equity award activity and related information for our restricted stock is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding, May 28, 2022	317,844	\$ 39.12
Granted	84,969	54.10
Vested	(98,684)	38.25
Forfeited	(9,989)	39.69
Outstanding, June 3, 2023	294,140	\$ 43.72
Granted	86,803	54.94
Vested	(101,660)	37.82
Forfeited	(1,329)	44.68
Outstanding, June 1, 2024	277,954	\$ 49.38

Note 15 - Income Taxes

Income tax expense consisted of the following:

	Fiscal year ended		
	June 1, 2024	June 3, 2023	May 28, 2022
Current:			
Federal	\$ 83,721	\$ 180,521	\$ 24,228
State	9,640	36,830	3,670
	93,361	217,351	27,898
Deferred:			
Federal	(7,371)	19,952	2,716
State	(2,301)	4,515	2,960
	(9,672)	24,467	5,676
	\$ 83,689	\$ 241,818	\$ 33,574

Significant components of the Company's deferred tax liabilities and assets were as follows:

	June 1, 2024	June 3, 2023
Deferred tax liabilities:		
Property, plant and equipment	\$ 120,402	\$ 109,590
Inventories	29,297	44,986
Investment in affiliates	904	1,133
Other	6,437	5,702
Total deferred tax liabilities	157,040	161,411
Deferred tax assets:		
Accrued expenses	3,230	3,838
State operating loss carryforwards	22	78
Other comprehensive income	986	1,317
Other	9,936	3,966
Total deferred tax assets	14,174	9,199
Net deferred tax liabilities	\$ 142,866	\$ 152,212

The differences between income tax expense at the Company's effective income tax rate and income tax expense at the statutory federal income tax rate were as follows:

	Fiscal year end		
	June 1, 2024	June 3, 2023	May 28, 2022
Statutory federal income tax	\$ 75,931	\$ 209,418	\$ 34,907
State income taxes, net	5,798	32,662	5,237
Tax exempt interest income	—	—	(9)
Reversal of outside basis in equity investment - Red River	—	—	(7,310)
Non-taxable remeasurement gain - Red River	—	—	(955)
Other, net	1,960	(262)	1,704
	<u>\$ 83,689</u>	<u>\$ 241,818</u>	<u>\$ 33,574</u>

As of June 1, 2024, we had no significant unrecognized tax benefits. Accordingly, the Company had no accrued interest and penalties related to uncertain tax positions.

We are subject to income tax in many jurisdictions within the U.S. We are currently not under audit by the Internal Revenue Service or by any state and local tax authorities. Tax periods for all years beginning with fiscal year 2020 remain open to examination by federal and state taxing jurisdictions to which we are subject.

Note 16 - Commitments and Contingencies

State of Texas v. Cal-Maine Foods, Inc. d/b/a Wharton; and Wharton County Foods, LLC

On April 23, 2020, the Company and its subsidiary Wharton County Foods, LLC ("WCF") were named as defendants in State of Texas v. Cal-Maine Foods, Inc. d/b/a Wharton; and Wharton County Foods, LLC, Cause No. 2020-25427, in the District Court of Harris County, Texas. The State of Texas (the "State") asserted claims based on the Company's and WCF's alleged violation of the Texas Deceptive Trade Practices—Consumer Protection Act, Tex. Bus. & Com. Code §§ 17.41-17.63 ("DTPA"). The State claimed that the Company and WCF offered shell eggs at excessive or exorbitant prices during the COVID-19 state of emergency and made misleading statements about shell egg prices. The State sought temporary and permanent injunctions against the Company and WCF to prevent further alleged violations of the DTPA, along with over \$ 100,000 in damages. On August 13, 2020, the court granted the defendants' motion to dismiss the State's original petition with prejudice. On September 11, 2020, the State filed a notice of appeal, which was assigned to the Texas Court of Appeals for the First District. On August 16, 2022, the appeals court reversed and remanded the case back to the trial court for further proceedings. On October 31, 2022, the Company and WCF appealed the First District Court's decision to the Supreme Court of Texas. On September 29, 2023, the Supreme Court of Texas denied the Company's Petition for Review and remanded to the trial court for further proceedings. The district court entered a pre-trial order scheduling pre-trial proceedings and tentatively setting a trial date for August 11, 2025. Management believes the risk of material loss related to this matter to be remote.

Kraft Foods Global, Inc. et al. v. United Egg Producers, Inc. et al.

As previously reported, on September 25, 2008, the Company was named as one of several defendants in numerous antitrust cases involving the United States shell egg industry. The Company settled all of these cases, except for the claims of certain plaintiffs who sought substantial damages allegedly arising from the purchase of egg products (as opposed to shell eggs). These remaining plaintiffs are Kraft Food Global, Inc., General Mills, Inc., and Nestle USA, Inc. (the "Egg Products Plaintiffs") and, until a subsequent settlement was reached as described below, The Kellogg Company.

On September 13, 2019, the case with the Egg Products Plaintiffs was remanded from a multi-district litigation proceeding in the United States District Court for the Eastern District of Pennsylvania, In re Processed Egg Products Antitrust Litigation, MDL No. 2002, to the United States District Court for the Northern District of Illinois, Kraft Foods Global, Inc. et al. v. United Egg Producers, Inc. et al., Case No. 1:11-cv-8808, for trial. The Egg Products Plaintiffs alleged that the Company and other defendants violated Section 1 of the Sherman Act, 15 U.S.C. § 1, by agreeing to limit the production of eggs and thereby illegally to raise the prices that plaintiffs paid for processed egg products. In particular, the Egg Products Plaintiffs attacked certain features of the United Egg Producers animal-welfare guidelines and program used by the Company and many other egg producers.

On October 24, 2019, the Company entered into a confidential settlement agreement with The Kellogg Company dismissing all claims against the Company for an amount that did not have a material impact on the Company's financial condition or results of operations. On November 11, 2019, a stipulation for dismissal was filed with the court, and on March 28, 2022, the court dismissed the Company with prejudice.

The trial of this case began on October 17, 2023. On December 1, 2023, the jury returned a decision awarding the Egg Products Plaintiffs \$17.8 million in damages. If the jury's decision is ultimately upheld, the defendants would be jointly and severally liable for treble damages, or \$53.3 million, subject to credit for the Kellogg settlement described above and certain other settlements with previous settling defendants, plus the Egg Product Plaintiffs' reasonable attorneys' fees. This decision is not final and remains subject to the defendants' motion for a directed verdict noted below and appeals by the parties. During our second fiscal quarter of 2024, we recorded an accrued expense of \$ 19.6 million in selling, general and administrative expenses in the Company's Condensed Consolidated Statements of Income and classified as other noncurrent liabilities in the Company's Condensed Consolidated Balance Sheets. The accrual represents our estimate of the Company's proportional share of the reasonably possible ultimate damages award, excluding the Egg Product Plaintiffs' attorneys' fees that we believe would be approximately offset by the credits noted above. We have entered into a judgment allocation and joint defense agreement with the other major producer defendant remaining in the case, and are in discussions with other defendants regarding their contributions. Our accrual may change in the future based on the outcome of those discussions. Our accrual may also be revised in whole or in part in the future to the extent we are successful in further proceedings in the litigation. On November 29, 2023, the defendants, including the Company, filed a motion for judgment as a matter of law in their favor, known as a directed verdict, notwithstanding the jury's decision. The court has not ruled on this motion. The Company intends to continue to vigorously defend the claims asserted by the Egg Products Plaintiffs.

State of Oklahoma Watershed Pollution Litigation

On June 18, 2005, the State of Oklahoma filed suit, in the United States District Court for the Northern District of Oklahoma, against Cal-Maine Foods, Inc. and Tyson Foods, Inc., Cobb-Vantress, Inc., Cargill, Inc., George's, Inc., Peterson Farms, Inc. and Simmons Foods, Inc., and certain of their affiliates. The State of Oklahoma claims that through the disposal of chicken litter the defendants polluted the Illinois River Watershed. This watershed provides water to eastern Oklahoma. The complaint sought injunctive relief and monetary damages, but the claim for monetary damages was dismissed by the court. Cal-Maine Foods, Inc. discontinued operations in the watershed in or around 2005. Since the litigation began, Cal-Maine Foods, Inc. purchased 100% of the membership interests of Benton County Foods, LLC, which is an ongoing commercial shell egg operation within the Illinois River Watershed. Benton County Foods, LLC is not a defendant in the litigation. We also have a number of small contract producers that operate in the area.

The non-jury trial in the case began in September 2009 and concluded in February 2010. On January 18, 2023, the court entered findings of fact and conclusions of law in favor of the State of Oklahoma, but no penalties were assessed. The court found the defendants liable for state law nuisance, federal common law nuisance, and state law trespass. The court also found the producers vicariously liable for the actions of their contract producers. The court directed the parties to confer in attempt to reach agreement on appropriate remedies. On June 12, 2023, the court ordered the parties to mediate before the retired Tenth Circuit Chief Judge Deanell Reece Tacha. On October 26, 2023, the parties filed separate status reports informing the court that the mediation was unsuccessful. Also on October 26, 2023, the defendants filed a post-trial motion to dismiss and supporting brief arguing that the case should be dismissed due to the state record before the court, the resulting mootness of the case, and violation of due process. On November 10, 2023, the State of Oklahoma filed its response in opposition to the motion to dismiss and on November 17, 2023, the defendants filed their reply. On June 26, 2024, the district court denied defendants' motion to dismiss. While management believes there is a reasonable possibility of a material loss from the case, at the present time, it is not possible to estimate the amount of monetary exposure, if any, to the Company due to a range of factors, including the following, among others: uncertainties inherent in any assessment of potential costs associated with injunctive relief or other penalties based on a decision in a case tried over 13 years ago based on environmental conditions that existed at the time, the lack of guidance from the court as to what might be considered appropriate remedies, the ongoing litigation with the State of Oklahoma and motion to dismiss before the court, and uncertainty regarding what our proportionate share of any remedy would be, although we believe that our share compared to the other defendants is small.

Other Matters

In addition to the above, the Company is involved in various other claims and litigation incidental to its business. Although the outcome of these matters cannot be determined with certainty, management, upon the advice of counsel, is of the opinion that the final outcome should not have a material effect on the Company's consolidated results of operations or financial position.

Note 17 – Subsequent Events

Effective on June 28, 2024, the Company acquired substantially all the assets of ISE America, Inc. and certain of its affiliates, related to their commercial shell egg production and processing facilities with a capacity at the time of acquisition of approximately 4.7 million laying hens, including 1.0 million cage-free, and 1.2 million pullets, feed mills, approximately 4,000 acres of land, inventories and an egg products breaking facility. The acquired assets also include an extensive customer distribution network across the Northeast and Mid-Atlantic states, and production operations in Maryland, New Jersey, Delaware and South Carolina. The purchase price was approximately \$ 110 million and was funded with available cash on hand.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
Fiscal Years ended June 1, 2024, June 3, 2023, and May 28, 2022
(in thousands)

Description	Balance at Beginning of Period	Charged to Cost and Expense	Write-off of Accounts	Balance at End of Period
Year ended June 1, 2024				
Allowance for credit losses	\$ 579	\$ 73	\$ 162	\$ 490
Year ended June 3, 2023				
Allowance for credit losses	\$ 775	\$ (148)	\$ 48	\$ 579
Year ended May 28, 2022				
Allowance for credit losses	\$ 795	\$ 30	\$ 50	\$ 775

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on an evaluation of our disclosure controls and procedures conducted by our Chief Executive Officer and Chief Financial Officer, together with other financial officers, such officers concluded that our disclosure controls and procedures were effective as of June 1, 2024 at the reasonable assurance level.

Internal Control Over Financial Reporting

(a) Management's Report on Internal Control Over Financial Reporting

The following sets forth, in accordance with Section 404(a) of the Sarbanes-Oxley Act of 2002 and Item 308 of the Securities and Exchange Commission's Regulation S-K, the report of management on our internal control over financial reporting.

1. Our management is responsible for establishing and maintaining adequate internal control over financial reporting. "Internal control over financial reporting" is a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer, together with other financial officers, and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:
 - Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
 - Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
 - Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.
2. Our management, in accordance with Rule 13a-15(c) under the Exchange Act and with the participation of our Chief Executive Officer and Chief Financial Officer, together with other financial officers, evaluated the effectiveness of our internal control over financial reporting as of June 1, 2024. The framework on which management's evaluation of our internal control over financial reporting is based is the "Internal Control – Integrated Framework" published in 2013 by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission.
3. Management has determined that our internal control over financial reporting as of June 1, 2024 is effective. It is noted that internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives, but rather reasonable assurance of achieving such objectives.
4. The attestation report of FROST, PLLC on our internal control over financial reporting, which includes that firm's opinion on the effectiveness of our internal control over financial reporting, is set forth below.

(b) Attestation Report of the Registrant's Public Accounting Firm

**Report of Independent Registered Public Accounting Firm
on Internal Control Over Financial Reporting**

Board of Directors and Stockholders
Cal-Maine Foods, Inc. and Subsidiaries
Ridgeland, Mississippi

Opinion on Internal Control Over Financial Reporting

We have audited Cal-Maine Foods, Inc. and Subsidiaries' internal control over financial reporting as of June 1, 2024, based on criteria established in 2013 Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, Cal-Maine Foods, Inc. and Subsidiaries maintained, in all material respects, effective internal control over financial reporting as of June 1, 2024, based on criteria established in 2013 Internal Control – Integrated Framework issued by the COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows of Cal-Maine Foods, Inc. and Subsidiaries and our report dated July 23, 2024 expressed an unqualified opinion.

Basis for Opinion

Cal-Maine Foods, Inc. and Subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for their assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting in Item 9A. Our responsibility is to express an opinion on the entities' internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to Cal-Maine Foods, Inc. and Subsidiaries in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

An entities' internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. An entities' internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entities; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entities are being made only in accordance with authorizations of management and directors of the entities; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entities' assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Frost, PLLC

Little Rock, Arkansas
July 23, 2024

(c) Changes in Internal Control Over Financial Reporting

In connection with its evaluation of the effectiveness, as of June 1, 2024, of our internal control over financial reporting, management determined that there was no change in our internal control over financial reporting that occurred during the fourth quarter ended June 1, 2024, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

On July 23, 2024, our Board of Directors (“Board”) approved and adopted, effective as of July 23, 2024, the Company’s Amended and Restated Bylaws (as amended and restated, the “Bylaws”). The amendments to the Bylaws, among other things:

- Modify the Bylaws to more closely align with the current Delaware General Corporation Law (the “DGCL”) and current practices, including provisions related to meetings held by remote communications, accessing the stockholder list, providing for consents, notices and other communications by means of electronic transmission, addressing uncertificated shares, adding that a determination whether indemnification is proper may also be made by a committee of non-party directors even though less than a quorum, and deleting the requirement for an “Annual Statement” at the annual meeting of stockholders.
- Add the Chairman of the Board as a person entitled to call a special meeting of stockholders and specify that the Chairman of the Board, or such other person designated by him or the Board, will preside at stockholders’ meetings.
- Amend Article VII to make advancement of expenses (including attorneys’ fees) incurred by current and former directors and officers in defending actions, suits or proceedings against them mandatory (subject to their delivery of an undertaking to repay if it is ultimately determined that they are not entitled to be indemnified), and to provide that the indemnification and expense advancement rights in the bylaws are not the exclusive means by which a person could be entitled to such rights.
- Add new Article VIII to provide that, unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or if such court does not have subject matter jurisdiction another state or federal court (as appropriate) located within the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company; (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other employee, or stockholder of the Company to the Company or its stockholders, creditors or other constituents; (iii) any action asserting a claim against the Company or any current or former director, officer, employee, or stockholder of the Company arising pursuant to any provision of the DGCL or the certificate of incorporation or the bylaws (as they may be amended and/or restated from time to time) or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; or (iv) any action asserting a claim governed by the internal affairs doctrine. A stockholder bringing any such action will be deemed to have consented to the personal jurisdiction of the state and federal courts located within the State of Delaware and to service of process on such stockholder’s counsel in such action as agent for such stockholder. To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Company shall be deemed to have notice of and consented to the provisions of this paragraph.

In addition, certain other technical, ministerial, clarifying and conforming changes were made to the Bylaws. The foregoing description of the amendments to the Company’s Bylaws is not intended to be complete and is qualified in all respects by reference to the text of the Bylaws, a copy of which is filed as Exhibit 3.2 to this Annual Report on Form 10-K and is incorporated herein by reference.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Except as set forth below, the information concerning directors, executive officers and corporate governance required by Item 10 is incorporated by reference from our definitive proxy statement which is to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934 in connection with our 2024 Annual Meeting of Shareholders.

We have adopted a Code of Ethics and Business Conduct that applies to our directors, officers and employees, including the chief executive officer and principal financial and accounting officers of the Company. We will provide a copy of the code free of charge to any person that requests a copy by writing to:

Cal-Maine Foods, Inc.
1052 Highland Colony Pkwy, Suite 200
Ridgeland, MS 39157
Attn.: Investor Relations

Requests can be made by phone at (601) 948-6813.

A copy is also available at our website www.calmainefoods.com under the heading "Investor Relations – Corporate Governance." We intend to disclose any amendments to, or waivers from, the Code of Ethics and Business Conduct on our website promptly following the date of any such amendment or waiver. Information contained on our website is not a part of this report.

ITEM 11. EXECUTIVE COMPENSATION

The information concerning executive compensation required by Item 11 is incorporated by reference from our definitive proxy statement which is to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934 in connection with our 2024 Annual Meeting of Shareholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information concerning security ownership of certain beneficial owners and management and related stockholder matters required by Item 12 is incorporated by reference from our definitive proxy statement which is to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934 in connection with our 2024 Annual Meeting of Shareholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information concerning certain relationships and related transactions, and director independence required by Item 13 is incorporated by reference from our definitive proxy statement which is to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934 in connection with our 2024 Annual Meeting of Shareholders.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information concerning principal accountant fees and services required by Item 14 is incorporated by reference from our definitive proxy statement which is to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934 in connection with our 2024 Annual Meeting of Shareholders.

PART IV.

ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

- (a)(1) Financial Statements

The following consolidated financial statements and notes thereto of Cal-Maine Foods, Inc. and subsidiaries are included in Item 8 and are filed herewith:

Report of Independent Registered Public Accounting Firm (PCAOB 5348)	38
Consolidated Balance Sheets – June 1, 2024 and June 3, 2023	40
Consolidated Statements of Income – Fiscal Years Ended June 1, 2024, June 3, 2023, and May 28, 2022	41
Consolidated Statements of Comprehensive Income – Fiscal Years Ended June 1, 2024, June 3, 2023, and May 28, 2022	42
Consolidated Statements of Changes in Stockholders' Equity for the Fiscal Years Ended June 1, 2024, June 3, 2023, and May 28, 2022	43
Consolidated Statements of Cash Flows for the Fiscal Years Ended June 1, 2024, June 3, 2023, and May 28, 2022	44
Notes to Consolidated Financial Statements	45
(a)(2) Financial Statement Schedule	
Schedule II – Valuation and Qualifying Accounts	62

All other schedules are omitted either because they are not applicable or required, or because the required information is included in the financial statements or notes thereto.

(a)(3) [Exhibits Required by Item 601 of Regulation S-K](#)

See Part (b) of this Item 15.

(b) Exhibits Required by Item 601 of Regulation S-K

The following exhibits are filed herewith or incorporated by reference:

Exhibit Number	Exhibit
3.1	Second Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 in the Registrant's Form 8-K, filed July 20, 2018)
3.2**	Amended and Restated Bylaws of the Registrant
4.1**	Description of Registrant's Securities Registered Under Section 12 of the Exchange Act
10.1	Agreement Regarding Common Stock, including Registration Rights Exhibit (attached) (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed June 5, 2018)
10.2*	Deferred Compensation Plan, dated November 15, 2021 (incorporated by reference to Exhibit 10.2 in the Registrant's Form 8-K, filed November 19, 2021)
10.3	Credit Agreement, dated November 15, 2021, among Cal-Maine Foods, Inc., the Guarantors, BMO Harris Bank N.A., as Administrative Agent, and the Lenders (incorporated by reference to Exhibit 10.1 in the Registrant's Form 8-K, filed November 19, 2021)
10.4	First Amendment to Credit Agreement, dated May 26, 2023, among Cal-Maine Foods, Inc., the Guarantors, BMO Harris Bank N.A., as Administrative Agent, and the Lenders (incorporated by reference to Exhibit 10.5 to the Company's Form 10K filed July 25, 2023)
10.5*	Cal-Maine Foods, Inc. KSOP, as amended and restated, effective April 1, 2012 (incorporated by reference to Exhibit 4.4 in the Registrant's Form S-8, filed March 30, 2012)
10.6*	Cal-Maine Foods, Inc. KSOP Trust, as amended and restated, effective April 1, 2012 (incorporated by reference to Exhibit 4.5 in the Registrant's Form S-8, filed March 30, 2012)
10.7*	Amended and Restated Cal-Maine Foods, Inc. 2012 Omnibus Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed October 2, 2020)
10.8*	Form of Restricted Stock Agreement for Amended and Restated Cal-Maine Foods, Inc. 2012 Omnibus Long-Term Incentive Plan (incorporated by reference to Exhibit 10.8 to the Company's Form 10K filed July 19, 2022)
10.9*	Supplemental Executive Retirement Plan, adopted March 24, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed March 27, 2023)
10.10*	Split Dollar Life Insurance Plan, adopted March 24, 2023 (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K filed March 27, 2023)
19.1**	Insider Trading Policy
21**	Subsidiaries of the Registrant
23.1**	Consent of FROST, PLLC
31.1**	Rule 13a-14(a) Certification of Chief Executive Officer
31.2**	Rule 13a-14(a) Certification of Chief Financial Officer
32***	Section 1350 Certifications of the Chief Executive Officer and the Chief Financial Officer
97**	Incentive-Based Compensation Recovery Policy
101.SCH***+	Inline XBRL Taxonomy Extension Schema Document
101.CAL***+	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF***+	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB***+	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE***+	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Management contract or compensatory plan or arrangement

** Filed herewith as an Exhibit

*** Furnished herewith as an Exhibit

† Submitted electronically with this Annual Report on Form 10-K

(c) Financial Statement Schedules Required by Regulation S-X

The financial statement schedule required by Regulation S-X is filed at page 62. All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in Ridgeland, Mississippi.

CAL-MAINE FOODS, INC.

/s/ Sherman L. Miller

Sherman L. Miller

President and Chief Executive Officer

Date: July 23, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Sherman L. Miller</u> Sherman L. Miller	President, Chief Executive Officer and Director (Principal Executive Officer)	July 23, 2024
<u>/s/ Max P. Bowman</u> Max P. Bowman	Vice President, Treasurer, Secretary, Chief Financial Officer and Director (Principal Financial Officer)	July 23, 2024
<u>/s/ Matthew S. Glover</u> Matthew S. Glover	Vice President, Accounting (Principal Accounting Officer)	July 23, 2024
<u>/s/ Adolphus B. Baker</u> Adolphus B. Baker	Chairman of the Board and Director	July 23, 2024
<u>/s/ Letitia C. Hughes</u> Letitia C. Hughes	Director	July 23, 2024
<u>/s/ James E. Poole</u> James E. Poole	Director	July 23, 2024
<u>/s/ Steve W. Sanders</u> Steve W. Sanders	Director	July 23, 2024
<u>/s/ Camille S. Young</u> Camille S. Young	Director	July 23, 2024

**AMENDED AND RESTATED BYLAWS
OF
CAL-MAINE FOODS, INC.
(As amended and restated through July 23, 2024)**

ARTICLE I

OFFICES

Section 1. The registered office shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. The corporation may also have offices at such other places both, within and without the State of Delaware, as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETING OF STOCKHOLDERS

Section 1. All meetings of the stockholders shall be held at such place, if any, either within or without the State of Delaware, or by means of remote communication, as shall be designated from time to time by the board of directors and stated in the notice of the meeting.

Section 2. Annual meetings of stockholders shall be held at such date and time as shall be designated from time to time by the board of directors and stated in the notice of the meeting, at which they shall elect by a plurality vote a board of directors, and transact such other business as may properly be brought before the meeting.

Section 3. Written notice of the annual meeting, stating the place (if any), date and hour of the meeting, and means of remote communication, if any, shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

Section 4. The corporation shall prepare and make, at least ten days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of ten days ending on the day before the meeting date, at the principal place of business of the corporation.

Section 5. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the chairman of the board, chief executive officer or president and shall be called by the chief executive officer or president or secretary at the request in writing of a majority of the board of directors, or at the request in writing of stockholders owning a majority in voting interest of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Written notice of a special meeting, stating the place (if any), date and hour of the meeting, and means of remote communication, if any, and the purpose or purposes for which the meeting is called, shall be given not less than ten nor more than sixty days before the date of the meeting, to each stockholder entitled to vote at such meeting.

Section 7. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 8. The holders of a majority in voting interest of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented in proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If the

adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 9. When a quorum is present at any meeting, the vote of the holders of a majority in voting interest of the capital stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 10. Unless otherwise provided in the certificate of incorporation, each stockholder holding Common Stock shall, at every meeting of the stockholders, be entitled to one vote in person or by proxy for each share of the Common Stock held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period. Unless otherwise provided in the certificate of incorporation, each stockholder holding Class A Common Stock shall at every meeting of the stockholders be entitled to ten votes in person or by proxy for each share of the Class A Common Stock held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period. At all elections of directors of the corporation, each stockholder having voting power shall be entitled to exercise such right of cumulative voting as provided in the certificate of incorporation.

Section 11. Unless otherwise provided in the certificate of incorporation, any action required to be taken at an annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding capital stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE III

DIRECTORS

Section 1. The number of directors which shall constitute the whole board shall not be less than three nor more than twelve. Within the limits above specified, the number of directors shall be determined by resolution of the board of directors or by the stockholders at the annual meeting. The directors shall be elected at the annual meeting of the stockholders except as provided in Section 2 of this Article, and each director elected shall hold office until his successor is elected and qualified. Directors do not need to be stockholders.

Section 2. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director; and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute. If, at the time of filling any vacancy or newly created directorship, the directors then in office shall constitute less than a majority of the whole board (as constituted immediately prior to such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent of the total number of votes represented by the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office.

Section 3. The business of the corporation shall be managed by or under the direction of its board of directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

MEETINGS OF THE BOARD OF DIRECTORS

Section 4. The board of directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

Section 5. The first meeting of each newly elected board of directors shall be held immediately following and at the same place as the annual meeting of the stockholders and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. If the annual meeting of the stockholders is held entirely by means of remote communication, the secretary shall provide three days notice to each director of the method by which to participate in such board meeting remotely. In the event such meeting is not held at the time and

place aforesaid, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the board of directors, or as shall be specified in a written waiver by all of the directors.

Section 6. Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board.

Section 7. Special meetings of the board may be called by the chairman of the board, chief executive officer, president or secretary on three days notice to each director, either personally, by mail, telegram, e-mail, or by facsimile transmission; special meetings shall be called by the chairman, chief executive officer, president, or secretary in like manner on written request of two directors.

Section 8. At all meetings of the board, a majority of the directors shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 9. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meetings of the board of directors or of any committee thereof may be taken without a meeting, if all members of the board or committee, as the case may be, consent thereto in writing or by electronic transmission, and a consent may be documented, signed and delivered in any manner permitted by law. After action is taken, the consent or consents relating thereto shall be filed with the minutes of the proceedings of the board or committee in accordance with applicable law.

Section 10. The chairman of the board of directors shall preside at all meetings of the board of directors. In the absence of the chairman, in order the vice chairman, the chief executive officer and then the president shall preside.

Section 11. The board of directors may elect a chairman and a vice chairman from among its members, which positions shall constitute offices of the corporation.

COMMITTEES OF DIRECTORS

Section 12. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the certificate of incorporation, adopting any agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the bylaws of the corporation; and, unless the resolution or the certificate of incorporation expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors.

Section 13. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

COMPENSATION OF DIRECTORS

Section 14. Unless otherwise restricted by the certificate of incorporation, the board of directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the board of directors and may be paid a fixed sum for attendance at each meeting of the board of directors or a committee thereof or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed compensation for attending committee meetings.

DIRECTORS EMERITUS AND CHAIRMAN EMERITUS

Section 15. The board of directors may, from time to time in its discretion, by majority vote, designate one or more of its former directors a Director Emeritus or, in the case of a former Chairman of the Board, one Chairman Emeritus. Each such designation shall be for a one-year term or until such Director Emeritus' or Chairman Emeritus' earlier death, resignation, retirement or removal (for any reason or no reason by a majority of the board of directors). Each Director Emeritus and Chairman Emeritus may be re-appointed for one or more additional one-year terms. Directors Emeritus and the Chairman Emeritus shall provide such advisory services to the board and its committees as requested from time to time by the board. Directors Emeritus and the Chairman Emeritus may attend board meetings as and when invited by the board and attend meetings of any committee of the board as and when invited by the committee, but they shall not be entitled to notice of any such meetings or to vote or be counted for quorum purposes at any such meetings. If present, Directors Emeritus and the Chairman Emeritus may participate in the discussions occurring at such meetings. Any person holding the position of Director Emeritus or Chairman Emeritus shall not be considered a director or officer for any purpose, including the corporation's Certificate of Incorporation and bylaws, applicable federal securities laws and the General Corporation Law of the State of Delaware, as it may be amended (the "DGCL"), and a Director Emeritus or Chairman Emeritus shall have no power or authority to manage the affairs of the corporation. Directors Emeritus and the Chairman Emeritus shall not have any of the responsibilities or liabilities of a director or officer of the corporation under the DGCL, nor any of a director's or officer's rights, powers or privileges in their capacities as Directors Emeritus or Chairman Emeritus. Reference in these bylaws to "directors" or "officers" shall not mean or include Directors Emeritus or the Chairman Emeritus. Directors Emeritus and the Chairman Emeritus will be entitled to receive fees for such service in such form and amount as approved by the board of directors, and shall be reimbursed for reasonable travel and other out-of-pocket business expenses incurred in connection with attendance at meetings of the board and its committees. Directors Emeritus and the Chairman Emeritus shall remain subject to the reporting requirements of Section 16 of the Securities Exchange Act of 1934, as amended, and shall remain subject to all of the corporation's policies applicable to directors. A Director Emeritus and the Chairman Emeritus shall be entitled to benefits and protections in accordance Article VII of these bylaws ("Indemnification of Officers, Directors, Employees and Agents; Insurance").

ARTICLE IV

NOTICES

Section 1. Whenever, under the provisions of the statutes or of the certificate of incorporation or of these bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States Mail. Notice to directors may also be given by telegram, e-mail, or by facsimile transmission. Without limiting the manner by which notices otherwise may be given effectively to stockholders or directors, any notice may be given by electronic transmission in accordance with applicable law.

Section 2. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these bylaws, a waiver of notice thereof, in writing signed by, or by electronic transmission by, the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE V

OFFICERS

Section 1. The officers of the corporation shall be chosen by the board of directors and shall be a chairman of the board of directors, a chief executive officer, a vice chairman of the board of directors, a president, a vice-president, a secretary and a treasurer. The board of directors may also choose additional vice-presidents and one or more assistant secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the certificate of incorporation or these bylaws otherwise provide.

Section 2. The board of directors at its first meeting after each annual meeting of stockholders shall choose a chairman of the board of directors, a chief executive officer, a vice chairman of the board of directors, a president, one or more vice-presidents, a secretary and a treasurer and any other officers provided by these bylaws.

Section 3. The board of directors may appoint such officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 4. The salaries of all officers of the corporation shall be fixed by the board of directors or its designee.

Section 5. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the board of directors. Any vacancy occurring in any office of the corporation shall be filled by the board of directors.

CHAIRMAN OF THE BOARD OF DIRECTORS

Section 6. The Chairman of the Board of Directors shall be an officer of the corporation and shall have such duties and responsibilities as may be from time to time assigned to him by the board of directors of the corporation. The Chairman of the Board of Directors, or such other person designated by him or the board, shall act as the presiding officer at meetings of stockholders.

CHIEF EXECUTIVE OFFICER

Section 7. The Chief Executive Officer shall have general, managerial responsibilities for the affairs of the corporation, subject to orders and directions of the Board of Directors. He may execute bonds, mortgages and other contracts requiring a seal under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation.

CHIEF OPERATING OFFICER

Section 8. The Chief Operating Officer shall have general responsibility for the day-to-day operational activities of the corporation subject to the orders and directions of the President of the corporation. The Chief Operating Officer shall have the authority to execute all documents on behalf of the corporation as may be required to discharge the duties of such officer.

VICE CHAIRMAN OF BOARD OF DIRECTORS

Section 9. The Vice chairman of the board of directors shall be an officer of the corporation and shall have such duties and responsibilities as may be from time to time assigned to him by the board of directors of the corporation or by the chairman of such board.

THE PRESIDENT

Section 10. Subject to the direction of the Board of Directors and of the chief executive officer the president shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. He may execute bonds, mortgages and other contracts requiring a seal under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation.

THE VICE-PRESIDENTS

Section 11. In the absence of the chief executive officer or the president or in the event of their inability or refusal to act, the vice-president (or in the event there be more than one vice-president, the vice-presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the chief executive officer or of the president and when so acting, shall have all the powers of and be subject to all the restrictions upon the chief executive officer or the president. The vice-presidents shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARIES

Section 12. The secretary shall attend all meetings of the board of directors and all meetings of the stockholders and record all proceedings of the meetings of the corporation and of the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board of directors and shall perform such other duties as may be prescribed by the board of directors or chief executive officer, under whose supervision he shall be. He shall have custody of the corporate seal of the corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it, and when so affixed it may be attested by his signature or by the signature of such assistant secretary. The board of

directors may give general authority to any other office to affix the seal of the corporation and to attest the affixing by his signature.

Section 13. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors (or if there be no such determination, then in the order of their election), shall, in the absence of the secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

Section 14. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all monies and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors.

Section 15. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the chief executive officer and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation.

Section 16. If required by the board of directors, he shall give the corporation a bond at the expense of the corporation (which shall be renewed every six years) in such sum and with surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers and money and other property of whatever kind in his possession or under his control belonging to the corporation.

Section 17. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors (or if there be no such determination, then in the order of their election), shall, in the absence of the treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

ARTICLE VI

EVIDENCE OF STOCK OWNERSHIP

Section 1. The certificates of shares of the capital stock of the corporation shall be in such form as shall be approved by the board of directors. Shares issued in certificate form shall be signed by the chairman of the board of directors or the chief executive officer, or the president, or a vice president, and by the secretary or an assistant secretary or the treasurer or an assistant treasurer. Each certificate of stock shall certify the number of shares owned by the stockholder in the corporation.

Section 2. The shares of the corporation shall be represented by certificates unless the board of directors shall by resolution provide that some or all of any class or series of stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until the certificate is surrendered to the corporation. Notwithstanding the adoption of any resolution providing for uncertificated shares, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the corporation by, the chairman of the board of directors or the chief executive officer, or the president or a vice president, and by the treasurer or an assistant treasurer, or the secretary or an assistant secretary, representing the number of shares registered in certificate form.

Section 3. Where a certificate is countersigned (1) by a transfer agent other than the corporation or its employee, or (2) by a registrar other than the corporation or its employee, any other signature on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

LOST CERTIFICATES

Section 4. The board of directors may direct a new certificate or certificates or uncertificated shares to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or

destroyed. When authorizing such issue of a new certificate or certificates or uncertificated shares, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

TRANSFERS OF STOCK

Section 5. Stock of the corporation shall be transferable in the manner prescribed by law and in the bylaws. Transfers of stock shall be made on the books administered by or on behalf of the corporation. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate or uncertificated shares to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

FIXING RECORD DATE

Section 6. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than 60 days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

REGISTERED STOCKHOLDERS

Section 7. The corporation shall be entitled to recognize the exclusive right of a person registered on the books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII

INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS; INSURANCE

Section 1. To the fullest extent permitted under Section 145 of the General Corporation Law of the State of Delaware, Cal-Maine Foods, Inc. (the "Corporation") shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such actions suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction of upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. To the fullest extent permitted by Section 145 of the General Corporation Law of the State of Delaware, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of

Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such court shall deem proper.

Section 3. To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections (1) and (2) above or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 4. Any indemnification under Sections (1) and (2) (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections (1) and (2) hereof. Such determination shall be made (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders.

Section 5. Expenses (including attorneys' fees) incurred by a current or former officer or director in defending any civil, criminal, administrative, or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such current or former director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized herein. Such expenses (including attorneys' fees) incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

Section 6. The indemnification and advancement of expenses provided by, or granted pursuant to, the other sections of this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

Section 7. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

Section 8. For purposes of this Article, references to "the Corporation" shall include, in addition to the Corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

Section 9. For purposes of this Article, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interest of the Corporation" as referred to in this Article.

Section 10. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE VIII

FORUM FOR ADJUDICATION OF DISPUTES

Section 1. Unless the corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or if such court does not have subject matter jurisdiction another state or federal court (as appropriate) located within the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the corporation; (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other employee, or stockholder of the corporation to the corporation or the corporation's stockholders, creditors or other constituents; (iii) any action asserting a claim against the corporation or any current or former director, officer, employee, or stockholder of the corporation arising pursuant to any provision of the DGCL or the certificate of incorporation or the bylaws (as they may be amended and/or restated from time to time) or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; or (iv) any action asserting a claim governed by the internal affairs doctrine. A stockholder bringing any such action will be deemed to have consented to the personal jurisdiction of the state and federal courts located within the State of Delaware and to service of process on such stockholder's counsel in such action as agent for such stockholder. To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the corporation shall be deemed to have notice of and consented to the provisions of this paragraph.

ARTICLE IX

GENERAL PROVISIONS

DIVIDENDS

Section 1. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

Section 2. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors may from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation or for such other purpose as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish the reserve in the manner in which it was created.

CHECKS

Section 3. All checks or demands for money and notes of the corporation shall be signed by manual or facsimile signature by such officer or officers or such other person or persons as designated from time to time either by the board of directors or by an officer or officers authorized by the board to make such designation.

FISCAL YEAR

Section 4. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

SEAL

Section 5. The corporate seal shall have inscribed thereon the name of the corporation, the year of its incorporation and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise shown thereon.

ARTICLE X

AMENDMENTS

Section 1. These bylaws may be altered, amended or repealed or new bylaws may be adopted by the stockholders or by the board of directors, when such power is conferred upon the board of directors by the certificate of incorporation, at any regular meeting of the stockholders or of the board of directors or at any special meeting of the stockholders or of the board of directors if notice of such alteration, amendment, repeal or adoption of new bylaws be contained in the notice of such special meeting.

Subsidiaries of Cal-Maine Foods, Inc.

Name of Subsidiary	Place of Incorporation or Organization	Percentage of Outstanding Stock or Ownership Interest Held by Registrant
Southern Equipment Distributors, Inc.	Mississippi	100%
South Texas Applicators, Inc.	Delaware	100%
American Egg Products, LLC	Georgia	100%
Texas Egg Products, LLC	Texas	100%
Benton County Foods, LLC	Arkansas	100%
Wharton County Foods, LLC	Texas	100%
MeadowCreek Foods, LLC	Mississippi	89.12%
Cal-Maine Real Estate LLC	Mississippi	100%
Eggcellent Insurance Company, LLC	Vermont	100%

**Certifications Pursuant to 18 U.S.C. §1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Solely for the purposes of complying with 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, we, the undersigned Chief Executive Officer and Chief Financial Officer of Cal-Maine Foods, Inc. (the "Company"), hereby certify, based on our knowledge, that the Annual Report on Form 10-K of the Company for the fiscal year ended June 1, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Sherman L. Miller

Sherman L. Miller

President and Chief Executive Officer

/s/ Max P. Bowman

Max P. Bowman

Vice President and Chief Financial Officer

Date: July 23, 2024

DESCRIPTION OF CAPITAL STOCK

The amount of capital stock which Cal-Maine Foods, Inc. (the “Company” or “Corporation”) is authorized to issue (the “Capital Stock”) is 124,800,000 shares, consisting of (a) 120,000,000 shares of Common Stock with a par value of One Cent (\$.01) per share and (b) 4,800,000 shares of Class A Common Stock with a par value of One Cent (\$.01) per share.

The following summary describes the Capital Stock under the Company’s Second Amended and Restated Certificate of Incorporation (the “Restated Charter”) and Amended and Restated Bylaws (“the Bylaws”). The summary may not be complete and is subject to, and qualified in its entirety by, the applicable provisions of Delaware law and the terms and provisions of our Restated Charter and our Bylaws. You should refer to, and read this summary together with, our Restated Charter and our Bylaws to review all provisions applicable to our Capital Stock that may be important to you.

Equal Treatment

Except as otherwise provided in the Restated Charter as described below, or required by applicable law, shares of Common Stock and Class A Common Stock shall have the same rights and powers, rank equally (including as to dividends and distributions, and upon any liquidation, dissolution or winding up of the Corporation), share ratably and be identical in all respects and as to all matters.

Voting Rights

Holders of shares of Capital Stock vote as a single class on all matters submitted to a vote of the stockholders, with each share of Common Stock entitled to one vote and each share of Class A Common Stock entitled to ten votes. Holders of Capital Stock have the right of cumulative voting in the election of directors. Cumulative voting means that each stockholder is entitled to cast as many votes as he or she has the right to cast (before cumulating votes), multiplied by the number of directors to be elected, and such stockholder may cast all of such votes for a single director or may distribute them among the number to be voted for, or for any two or more of them as such stockholder may see fit.

Under Delaware law, the affirmative vote of the holders of a majority of the outstanding shares of any class of Capital Stock is required to approve, among other things, any amendment to the certificate of incorporation that would alter or change the powers, preferences or special rights of such class so as to affect such class adversely. In addition, as long as any of the shares of the Class A Common Stock are outstanding, the consent of not less than $66\frac{2}{3}\%$ of the total shares of Class A Common Stock outstanding is required to (1) alter or change the rights and privileges of Class A Common Stock; (2) to amend any provision of Paragraph 4 of the Restated Charter affecting the Class A Common Stock or (3) effect any re-classification or re-capitalization of the Company’s Capital Stock.

Dividends

Holders of shares of Capital Stock are entitled to receive such dividends as may be declared by our Board of Directors out of funds legally available for such purpose.

Shares of Common Stock and Class A Common Stock are required to be treated equally, identically and ratably, on a per share basis, with respect to any dividends or distributions as may be declared and paid from time to time by the Board of Directors out of any assets of the Company legally available therefor.

However, in the event a dividend is paid in the form of shares of Capital Stock (or rights to acquire such shares), then holders of Common Stock shall receive shares of Common Stock (or rights) and holders of Class A Common Stock shall receive shares of Class A Common Stock (or rights), with holders of shares of Common Stock and Class A Common Stock receiving, on a per share basis, an identical number of shares of Common Stock or Class A Common Stock, as applicable.

Notwithstanding the foregoing, the Board of Directors may pay or make a disparate dividend or distribution per share of Common Stock or Class A Common Stock (whether in the amount of such dividend or distribution payable per share, the form in which such dividend or distribution is payable, the timing of the payment, or otherwise) if such disparate dividend or distribution is approved in advance by the affirmative vote of the holders of a majority of the outstanding shares of Common Stock and Class A Common Stock, each voting separately as a class.

Ownership of Class A Common Stock

The Class A Common Stock may only be issued to Immediate Family Members and Permitted Transferees (each as defined in the Restated Charter, and as summarized below). In the event any share of Class A Common Stock, by operation of law or otherwise is, or shall be deemed to be owned by any person other than an Immediate Family Member or Permitted Transferee, such share of Class A Common Stock shall automatically convert into Common Stock, whereby the voting power of such stock would be reduced from ten votes per share to one vote per share.

The term "Immediate Family Member" includes: the natural children (the "Daughters") of our late founder and Chairman Emeritus Fred R. Adams, Jr., his sons-in-law (including our Chairman Adolphus B. Baker), and his grandchildren, including the estates of all of such persons.

The term "Permitted Transferee" includes:

- (i) an Immediate Family Member;
- (ii) a trust held for the sole or primary benefit of one or more Immediate Family Members or Permitted Transferees, including any trustee in such trustee's capacity as such, provided that if a trust is not for the sole benefit of one or more Immediate Family Members or Permitted Transferees, an Immediate Family Member or Permitted Transferee must retain sole dispositive and exclusive power to direct the voting of the shares of Class A Common Stock held by such trust;
- (iii) a corporation, limited liability company or partnership, including but not limited to, a family limited partnership or similar limited liability company or corporation, or a single member limited liability company, provided that all of the equity interest in such entity is owned, directly or indirectly, by one or more Immediate Family Members or Permitted Transferees and an Immediate Family Member or Permitted Transferee retains sole dispositive and exclusive power to direct the voting of the shares of Class A Common Stock held by such entity;
- (iv) a qualified Individual Retirement Account, pension, profit sharing, stock bonus or other type of plan or trust of which an Immediate Family Member or Permitted Transferee is a participant or beneficiary, provided that in each case an Immediate Family Member or Permitted Transferee retains sole dispositive and exclusive power to direct the voting of the shares of Class A Common Stock held by such account, plan or trust; or
- (v) any guardianship, conservatorship or custodianship for the benefit of an Immediate Family Member who has been adjudged disabled, incapacitated, incompetent or otherwise unable to manage his or her own affairs by a court of competent jurisdiction, including any guardian, conservator or custodian in such guardian's, conservator's or custodian's capacity as such.

Other Provisions

The holders of Common Stock and Class A Common Stock are not entitled to preemptive or subscription rights.

Unless approved in advance by the affirmative vote of the holders of a majority of the outstanding shares of Common Stock and Class A Common Stock, each voting separately as a class, shares of Common Stock or Class A Common Stock may not be subdivided, combined or reclassified unless the shares of the other class are concurrently therewith proportionately subdivided, combined or reclassified in a manner that maintains the same proportionate equity ownership between the holders of the outstanding Common Stock and Class A Common Stock on the record date for such subdivision, combination or reclassification.

Unless approved in advance by the affirmative vote of the holders of a majority of the outstanding shares of Common Stock and Class A Common Stock, each voting separately as a class, upon the dissolution, liquidation or winding up of the corporation, whether voluntary or involuntary, holders of Common Stock and Class A Common Stock will be entitled to receive ratably all assets of the Corporation available for distribution to its stockholders.

In the event of (i) a merger, consolidation or other business combination requiring the approval of the holders of the Corporation's capital stock entitled to vote thereon, (ii) a tender or exchange offer to acquire any shares of Common Stock or Class A Common Stock by a third party pursuant to an agreement to which the Corporation is a party, or (iii) a tender or exchange offer to acquire any shares of Common Stock or Class A Common Stock by the Corporation, holders of the Common Stock and the Class A Common Stock shall have the right to receive, or the right to elect to receive, the same form and amount of consideration on a per share basis.

Each share of Class A Common Stock is convertible, at the option of its holder, into one share of Common Stock at any time. Once shares of Class A Common Stock are converted into Common Stock, the shares of Class A Common Stock will be retired and may not be reissued. The number of shares of Common Stock into which the shares of Class A Common Stock may be converted is subject to adjustment from time to time in the event of any capital reorganization, reclassification of stock of the Company or consolidation or merger of the Company with or into another corporation.

The Restated Charter includes a sunset provision pursuant to which all of the outstanding Class A Common Stock will automatically convert to Common Stock if: (a) less than 4,300,000 shares of Class A Common Stock, in the aggregate, are beneficially owned by Immediate Family Members and/or Permitted Transferees, or (b) if less than 4,600,000 shares of Class A Common Stock and Common Stock, in the aggregate, are beneficially owned by Immediate Family Members and/or Permitted Transferees.

Control by Immediate Family Members, Anti-Takeover Considerations and Forum for Adjudication of Disputes

General

Mr. Adams founded the Company and served as its CEO from the formation of the Company in 1969 until 2010, when his son-in-law, Mr. Baker, became CEO. Mr. Adams died on March 29, 2020. Mr. Baker stepped down from CEO in September 2022, and remains Chairman of the Board and as an executive officer of the Company.

As of July 23, 2024, a limited liability company (the "Daughters' LLC"), owned by Mr. Adams' son-in-law Mr. Baker, Mr. Baker's spouse and her three sisters (Mr. Adams' four daughters) (collectively, the "Family"), owns 100% of our outstanding Class A Common Stock (which has 10 votes per share), controlling approximately 52.0% of our total voting power. As sole managing member of the Daughters' LLC, Mr. Baker controls the vote of 100% of our outstanding Class A Common Stock, except that certain extraordinary matters requiring the vote of the Company's stockholders such as a merger or amendment of the Company's Restated Charter require joint approval of Mr. Baker and members of the Daughters' LLC holding a majority of its voting interests. Family members also have additional voting power due to beneficial ownership of our Common Stock (which has one vote per share), directly or indirectly through the Daughter's LLC and other entities, resulting in family voting control of approximately 53.8% of our total voting power. The Daughters' LLC and its members are all Immediate Family Members or Permitted Transferees as defined in the Restated Charter.

The Common Stock is listed on The Nasdaq Global Select Market (“Nasdaq”) and qualifies as a “controlled company” under Nasdaq’s rules. As a controlled company, the Company is not subject to certain Nasdaq listing standards such as those that would otherwise require that a majority of a listed company’s directors be independent and that a compensation committee and nominating committee of the board of directors composed solely of independent directors be established. Although not required, the Company’s board is comprised of a majority of independent directors and the compensation committee is comprised solely of independent directors. The Company is, however, subject to Nasdaq’s listing standards requiring that the audit committee be composed solely of independent directors. Delaware law provides that the holders of a majority of the voting power of shares entitled to vote must approve certain fundamental corporate transactions such as a merger, consolidation and sale of all or substantially all of a corporation’s assets. Immediate Family Members and Permitted Transferees currently hold a majority of the voting power of all shares of capital stock of the Company and have indicated that they intend to retain ownership of a sufficient amount of Common Stock and Class A Common Stock to assure continued ownership of more than 50% of the voting power of our outstanding shares of capital stock. Accordingly, a merger, consolidation, sale of all or substantially all of the assets or other business combination or transaction involving the Company, which requires a stockholder vote, cannot be effected without the approval of the Immediate Family Members and Permitted Transferees.

As a result, majority control may make an unsolicited acquisition of the Company more difficult and discourage certain types of transactions involving a change of control of our Company, including transactions in which the holders of Common Stock might otherwise receive a premium for their shares over then current market prices. Also, the controlling ownership of our Capital Stock by Immediate Family Members and Permitted Transferees may adversely affect the market price of our Common Stock, due in part to lack of speculation that there may be a change in control.

Delaware Anti-Takeover Law

We are subject to Section 203 (“Section 203”) of the Delaware General Corporation Law. Under this provision, we may not engage in any “business combination” with any interested stockholder for a period of three years following the date the stockholder became an interested stockholder, unless:

- i. prior to that date our Board of Directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- ii. upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock outstanding at the time the transaction began; or
- iii. on or following that date, the business combination is approved by our Board of Directors and authorized at an annual or special meeting of stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

Section 203 defines “business combination” to include, subject to limited exceptions:

- i. any merger or consolidation involving the corporation and the interested stockholder;
- ii. any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- iii. any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- iv. any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or

v. the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an “interested stockholder” as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

The restrictions of Section 203 of the Delaware General Corporation Law do not apply to corporations that have elected, in the manner provided therein, not to be subject to Section 203 of the Delaware General Corporation Law. The Company has not made such an election. Accordingly, the Company would be subject to Section 203 in the event of a business combination.

Forum for Adjudication of Disputes

Article VIII of our Amended and Restated Bylaws provides that, unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or if such court does not have subject matter jurisdiction another state or federal court (as appropriate) located within the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company; (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other employee, or stockholder of the Company to the Company or its stockholders, creditors or other constituents; (iii) any action asserting a claim against the Company or any current or former director, officer, employee, or stockholder of the Company arising pursuant to any provision of the DGCL or the certificate of incorporation or the bylaws (as they may be amended and/or restated from time to time) or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; or (iv) any action asserting a claim governed by the internal affairs doctrine. A stockholder bringing any such action will be deemed to have consented to the personal jurisdiction of the state and federal courts located within the State of Delaware and to service of process on such stockholder’s counsel in such action as agent for such stockholder. To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Company shall be deemed to have notice of and consented to the provisions of this paragraph.

This choice of forum provision may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees, or stockholders, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the matter in the other jurisdiction. This choice of forum provision will not apply to suits brought to enforce a duty or liability created by the federal securities laws and our stockholders will not be deemed to have waived (and cannot waive) compliance with the federal securities laws and the rules and regulations thereunder.

Transfer Agent

Computershare Trust Company of Louisville, Kentucky, is the Transfer Agent and Registrar for our Common Stock.

CAL-MAINE FOODS, INC.

Incentive-Based Compensation Recovery Policy

The Board of Directors (the “**Board**”) of Cal-Maine Foods, Inc. (the “**Company**”) has determined that it is in the best interests of the Company and its stockholders to adopt this Incentive-Based Compensation Recovery Policy (this “**Policy**”), which provides for the recovery of certain incentive compensation in the event of an Accounting Restatement (as defined below). This Policy is designed to comply with, and shall be interpreted to be consistent with, Section 10D of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), Rule 10D-1 promulgated under the Exchange Act (“**Rule 10D-1**”) and Listing Rule 5608 (the “**Listing Standards**”) of The Nasdaq Stock Market (“**NASDAQ**”). As required by SEC Rule 10D-1, the Listing Standards require the Company to adopt a compensation recovery policy as set forth in the rule, comply with the policy and provide related disclosures required by the Listing Standards and in applicable filings with the U.S. Securities and Exchange Commission (“**SEC**”) in order for the Company’s common stock to remain listed on NASDAQ. Capitalized terms not otherwise defined herein have the meanings set forth in Section 2 hereof.

1. Administration

Except as specifically set forth herein, this Policy shall be administered by the Compensation Committee of the Board (the “**Committee**”). The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable to administer, and cause the Company to comply with, this Policy, without further action by the Board. Any determinations made by the Committee shall be final and binding on all affected individuals and need not be uniform with respect to each individual covered by the Policy. The Committee is authorized to consult with the full Board, the Audit Committee of the Board, or any other committee of the Board if and to the extent it deems necessary or appropriate to administer, and cause the Company to comply with, this Policy.

2. Definitions

As used in this Policy, the following definitions shall apply:

- (a) “**Accounting Restatement**” means an accounting restatement of the Company’s financial statements due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements (i) that is material to the previously-issued financial statements (commonly referred to as a “**Big R**” restatement), or (ii) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as a “**little r**” restatement).

- (b) “**Clawback Period**” means, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Date and any transition period (that results from a change in the Company’s fiscal year) of less than nine months within or immediately following those three completed fiscal years.
- (c) “**Code**” means the U.S. Internal Revenue Code of 1986, as amended. Any reference to a section of the Code or regulation thereunder includes such section or regulation, any valid regulation or other official guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing, or superseding such section or regulation.
- (d) “**Committee**” has the meaning set forth in Section 1 hereof.
- (e) “**Covered Executives**” means the Company’s current and former executive officers, as determined by the Board in accordance with the definition of executive officer set forth in Rule 10D-1 and the Listing Standards.
- (f) “**Effective Date**” means October 2, 2023.
- (g) “**Erroneously Awarded Compensation**” has the meaning set forth in Section 4 of this Policy.
- (h) “**Financial Reporting Measures**” means measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and all other measures that are derived wholly or in part from such measures. Stock price and total stockholder return (and any measures that are derived wholly or in part from stock price or total stockholder return) shall, for purposes of this Policy, be considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented within the Company’s financial statements or included in a filing with the SEC.
- (i) “**Incentive-Based Compensation**” means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.
- (j) “**Restatement Date**” shall mean the earlier to occur of (i) the date the Board, a committee of the Board or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement, in each case regardless of if or when the restated financial statements are publicly disseminated or filed with the SEC.

3. Covered Executives; Incentive-Based Compensation

This Policy applies to all Incentive-Based Compensation received by a person: (a) on or after the Effective Date (even if approved, awarded, granted or paid prior to the Effective Date); (b) after beginning service as a Covered Executive; (c) who served as a Covered Executive at any time during the performance period for

such Incentive-Based Compensation; (d) while the Company had a class of securities listed on a national securities exchange or a national securities association; and (e) during the Clawback Period.

For purposes of this Policy, Incentive-Based Compensation is deemed “received” in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period. For the avoidance of doubt, Incentive-Based Compensation that is subject to both a Financial Reporting Measure vesting condition and a service-based vesting condition shall be considered received when the relevant Financial Reporting Measure is achieved, even if the Incentive-Based Compensation continues to be subject to the service-based vesting condition.

4. Required Recovery of Erroneously Awarded Compensation in the Event of an Accounting Restatement

In the event of an Accounting Restatement, the Company must recover, reasonably promptly, Erroneously Awarded Compensation, in amounts determined pursuant to this Policy and in accordance with Rule 10D-1 and the Listing Standards, as follows:

- (a) For purposes of this Policy, “**Erroneously Awarded Compensation**” means, in the event of an Accounting Restatement, the amount of Incentive-Based Compensation received that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts in such Accounting Restatement, computed without regard to any taxes paid by the relevant Covered Executive.
 - (i) With respect to Incentive-Based Compensation based on stock price or total stockholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement:
 - A. the amount of Erroneously Awarded Compensation will instead be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total stockholder return upon which the Incentive-Based Compensation was received; and
 - B. the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to NASDAQ.
 - (ii) With respect to any compensation plans or programs that take into account Incentive-Based Compensation, the amount of Erroneously Awarded Compensation subject to recovery hereunder includes, but is not limited to, the amount contributed to any notional account based on Erroneously Awarded Compensation and any earnings accrued to date on that notional amount.
- (b) After an Accounting Restatement, the Committee shall promptly determine the amount of any Erroneously Awarded Compensation received by each Covered Executive and shall promptly

provide written notice to each Covered Executive by email, certified mail or overnight mail of the amount of any Erroneously Awarded Compensation and a demand for repayment or return of such compensation.

- (c) The Committee shall have discretion to determine the appropriate means of recovering Erroneously Awarded Compensation based on the particular facts and circumstances. Notwithstanding the foregoing, except as set forth in Section 5 below, in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Compensation in satisfaction of a Covered Executive's obligations hereunder.
- (d) To the extent that the Covered Executive has already reimbursed the Company for any Erroneously Awarded Compensation, the Committee may credit such reimbursed amount against the amount of Erroneously Awarded Compensation that is subject to recovery under this Policy.
- (e) To the extent that a Covered Executive fails to repay all Erroneously Awarded Compensation to the Company when due, the Company shall take all reasonable and appropriate actions to recover such Erroneously Awarded Compensation from the applicable Covered Executive. The applicable Covered Executive shall be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Erroneously Awarded Compensation in accordance with the immediately preceding sentence. Such recovery and reimbursement may include offsetting such Erroneously Awarded Compensation and expenses against any amounts due from the Company or its subsidiaries to the Covered Executive.
- (f) Recovery under this Policy with respect to a Covered Executive shall not require any finding that such Covered Executive engaged in misconduct or was responsible for any error that caused or contributed to the Accounting Restatement.
- (g) Any action by the Company to recover Erroneously Awarded Compensation under this Policy from a Covered Executive shall not, whether alone or in combination with any other action, event or condition, be deemed (i) "good reason" for resignation or to serve as a basis for a claim of constructive termination under any benefits or compensation arrangement applicable to such Covered Executive, or (ii) to constitute a breach of a contract or other arrangement to which such Covered Executive is party.

5. Method of Recovery

The Committee shall determine, in its sole discretion, the timing and method for promptly recovering Erroneously Awarded Compensation hereunder, which may include without limitation (a) seeking reimbursement of all or part of any cash or equity-based award, (b) cancelling prior cash or equity-based awards, whether vested or unvested or paid or unpaid, (c) cancelling or offsetting against base salary and/or any planned future cash or equity-based awards, (d) forfeiture of deferred compensation, subject to compliance with Section 409A of the Code, and (e) any other method that does not contravene any applicable law, including without limitation Section 409A of the Code.

The Company is authorized and directed pursuant to this Policy to recover Erroneously Awarded Compensation in compliance with this Policy unless the Committee or, in the absence of the Committee, a

majority of the independent directors serving on the Board, has determined in good faith that recovery would be impracticable solely for one or more of the following limited reasons, and subject to the following procedural and disclosure requirements:

- The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on the expense of enforcement, the Committee must make reasonable attempts to recover such Erroneously Awarded Compensation, document such reasonable attempts to recover and provide that documentation to NASDAQ;
- Recovery would violate home country law where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Committee must satisfy the applicable opinion and disclosure requirements of Rule 10D-1 and the Listing Standards; or
- Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. §401(a)(13) or 26 U.S.C. §411(a) and regulations thereunder.

6. No Indemnification of Covered Executives Against Loss of Erroneously Awarded Compensation

Notwithstanding the terms of any indemnification or insurance policy, any contractual arrangement with any Covered Executive or any provision of the Company's or any of its subsidiaries' governing or organizational documents (such as articles of incorporation, certificates of incorporation, by-laws or similar document) that provides or may be interpreted to provide to the contrary, the Company shall not indemnify any Covered Executives against the loss of any Erroneously Awarded Compensation, including any payment or reimbursement for the cost of third-party insurance purchased by any Covered Executives to fund potential clawback obligations under this Policy.

7. Committee Indemnification

Any members of the Committee, and any other members of the Board who assist in the administration of this Policy, shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Company to the fullest extent permitted under any articles of incorporation, certificate of incorporation, bylaw, similar organizational document, contract, policy or law applicable to the Company with respect to any such action, determination or interpretation.

8. Effective Date

This Policy shall be effective as of the Effective Date. Subject to applicable law, the Committee may affect recovery under this Policy from any amount of compensation approved, awarded, granted, payable or paid to the Covered Executive prior to, on or after the Effective Date.

9. Other Recovery Rights; Company Claims

The Board intends that this Policy shall be applied to the fullest extent of the law. Any right of recovery by the Company under this Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Company under applicable law, including Section 304 of the Sarbanes-Oxley Act of 2002, government regulation, or stock exchange listing requirement or pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or other agreement, policy or plan of the Company and any other legal or equitable remedies available to the Company, including those set forth in any corporate governance guidelines that may be adopted or amended by the Board. Notwithstanding the foregoing, unless otherwise required by applicable law, any amounts recovered under any other such recovery, recoupment or clawback rights that would be recoverable under this Policy shall count toward any required recovery under this Policy and vice versa.

Nothing contained in this Policy, and no recoupment or recovery as contemplated by this Policy, shall limit any claims, damages or other legal or equitable remedies the Company or any of its affiliates may have against a Covered Executive arising out of or resulting from any actions or omissions by the Covered Executive.

10. Amendment

The Board may amend, modify, supplement, rescind or replace all or any portion of this Policy at any time and from time to time in its discretion, and shall amend this Policy as it deems necessary to comply with applicable law or any rules or standards adopted by NASDAQ or other national securities exchange on which the Company's securities are listed.

11. Acknowledgement of Binding Effect

As a condition to continued employment, each Covered Executive shall sign and deliver to the Company, within 60 calendar days following the later of (i) the Effective Date of this Policy or (ii) the date the individual becomes a Covered Executive, the Acknowledgement Form attached hereto as Exhibit A, pursuant to which the Covered Executive agrees to be bound by, and to comply with, the terms and conditions of this Policy. This Policy is binding upon all Covered Executives, even if such Covered Executive fails to execute or deliver the attached Acknowledgment Form to the Company.

12. Severability

The provisions in this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision shall be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

13. Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

14. Governing Law; Jurisdiction and Forum; Waiver of Jury Trial

- (a) This Policy shall be governed by, and construed and enforced in accordance with, Section 10 of the Exchange Act, Rule 10D-1 and the Listing Standards, and to the extent applicable, the laws of the State of Delaware.
- (b) The Company and each Covered Executive: (i) submits to the personal jurisdiction of the federal district court with jurisdiction over the location of the Company's headquarters and, if that court lacks jurisdiction, the state court with jurisdiction over the location of the Company's headquarters, and the relevant appellate courts, in the event any dispute arises out of this Policy; (ii) agrees that it, he or she will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court; and (iii) agrees that it, he or she will not bring any proceeding relating to this Policy in any court other than the court designated in the preceding clause (i).
- (c) The Company and each Covered Executive: (i) waives trial by jury in any action, proceeding, or counterclaim arising out of or in any way connected with this Policy or the administration thereof, and (ii) agrees to refrain from seeking a jury trial in any lawsuit, proceeding, counterclaim or any other litigation procedure based upon, or arising out of, this Policy.

15. Required Policy-Related Filings and Disclosures

A copy of this Policy and any amendments thereto will be filed as an exhibit to the Company's annual report on Form 10-K filed with the SEC. In addition, the Company shall file all disclosures with respect to this Policy in accordance with the requirements of the federal securities laws, including disclosures required by the SEC.

ADOPTED BY THE BOARD OF DIRECTORS NOVEMBER 30, 2023.

CAL-MAINE FOODS, INC.

INSIDER TRADING POLICY AND RELATED MATTERS

1. **General Applicability of Policy**

This Policy applies to all transactions in the securities of Cal-Maine Foods, Inc. and its direct and indirect subsidiaries (collectively, the "Company"), including all classes of stock, options for all classes of stock and any other securities the Company may issue from time to time, such as preferred stock, restricted stock, restricted stock units, warrants and convertible debentures, as well as to derivative securities relating to the Company's stock, whether or not issued by the Company, such as exchange-traded options ("Company's securities"). Except as otherwise stated below, the Policy applies to such securities regardless of whether they are held in a brokerage account, a KSOP or similar account, through an employee stock purchase plan or otherwise. Transactions subject to this Policy include purchases, sales and gifts. The Policy also applies to transactions in the securities of other companies in certain circumstances as set forth below. The Policy applies to all officers of the Company, all members of the Company's Board of Directors, and all employees of, and consultants and contractors to, the Company. This group of people, and members of their immediate families, members of their households, and their controlled entities, are referred to in this Policy as "Insiders."

For purposes of this Policy, "immediate family" means any family members whose transactions in the Company's securities are directed by an Insider or subject to an Insider's influence or control, and "controlled entities" means any entity when transactions in the Company's securities by the entity are directed by an Insider or subject to an Insider's influence or control. Insiders are responsible for transactions in the Company's securities of immediate family, members of their households and of their controlled entities and therefore should make them aware of the need to confer with the Insider before transacting in the Company's securities.

In addition to the requirements of this Policy for all Insiders, this Policy contains additional requirements for the named individuals and individuals holding certain positions who are notified by the Company of such additional requirements as described further below.

2. **Statement of Policy**

2.1. **Transacting on Material Nonpublic Information.** No Insider shall engage in any transaction involving a purchase, sale or gift of the Company's securities, including any offer to purchase or offer to sell, during any period commencing with the date that he or she possesses or is aware of Material Nonpublic Information (defined below) concerning the Company, and ending at the time the information has been publicly disclosed for one full Trading Day, or at such time as such nonpublic information is no longer material. As used herein, the term "Trading Day" shall mean a day on which national stock exchanges and the Nasdaq Stock Market ("Nasdaq") are open for trading. This restriction on transacting does not apply to transactions made under a plan adopted pursuant to Securities and Exchange Commission ("SEC") Rule 10b5-1(c) (17 C.F.R. § 240.10b5-1(c)) ("Rule 10b5-1(c)") and approved in writing by the Company (an "approved Rule 10b5-1 plan").

2.2. **Tipping.** No Insider shall disclose ("tip") Material Nonpublic Information to any other person (including family members and other employees) nor shall such Insider make recommendations or express opinions on the basis of Material Nonpublic Information as to transactions in the Company's securities.

2.3. **Confidentiality of Nonpublic Information.** Nonpublic Information relating to the Company is the property of the Company and the unauthorized disclosure of such information is forbidden. In the event any Insider receives any inquiry from outside the Company, such as from a stock analyst, for information (particularly financial results and/or projections) that may involve Material Nonpublic Information, the inquiry should be referred to the Company's Disclosure Committee which is responsible for coordinating and overseeing the release of such information to the public, shareholders, analysts and others in compliance with applicable laws and regulations.

2.4. **Applicability of Policy to Material Nonpublic Information Regarding Other Companies.** This Policy also applies to Material Nonpublic Information relating to other companies (a) with which the Company does business or (b) that are involved in a potential transaction or business relationship with the Company, when that information is obtained in the course of employment with, or the performance of services to or on behalf of, the Company. Civil and criminal penalties, and termination of employment, may result from transacting on or "tipping" Material Nonpublic Information regarding such other companies. All officers, directors, employees, consultants and contractors should treat Material Nonpublic Information about such other companies with the same care required with respect to information related directly to the Company.

2.5. **Application to the Company.** It is the policy of the Company that the Company will not engage in transactions in the Company's securities in violation of applicable securities laws.

3. **Potential Criminal and Civil Liability and/or Disciplinary Action**

3.1. **Liability for Insider Trading.** Pursuant to federal and state securities laws, Insiders may be subject to criminal and civil fines and penalties as well as imprisonment for engaging in transactions in the Company's securities at a time when they have knowledge of Material Nonpublic Information regarding the Company and for engaging in transactions in another company's securities when they have knowledge of Material Nonpublic Information regarding such other company gained through their service to or on behalf of the Company.

3.2. **Liability for Tipping.** Insiders may also be liable for improper transactions by any person (commonly referred to as a "tippee") to whom they have disclosed Material Nonpublic Information regarding the Company or regarding another company gained through their service to or on behalf of the Company, or to whom they have made recommendations or expressed opinions on the basis of such information as to transacting in the Company's or such other company's securities. Criminal and civil fines and penalties and imprisonment have been imposed even when the disclosing person did not profit from the transaction. The stock exchanges and securities regulatory authorities use sophisticated electronic surveillance techniques to uncover insider trading.

3.3. **Possible Disciplinary Actions.** Employees of the Company who violate this Policy shall also be subject to disciplinary action by the Company, which may include ineligibility for future participation in the Company's equity incentive plans or termination of employment.

4. **Transaction Guidelines and Requirements**

4.1. **Black-Out Periods and Transaction Window.**

(a) **Quarterly Black-Out Period.** The period beginning at the close of market on the last Trading Day preceding the last week of each fiscal quarter and ending at the time the financial results for that quarter have been publicly disclosed for one full Trading Day is a particularly sensitive period of time for transactions in the Company's stock from the perspective of compliance with applicable securities laws. This sensitivity is due to the fact that there often exists Material Nonpublic Information about the expected financial results for the quarter during that period. Accordingly, this period of time is referred to as a "quarterly black-out" period. All Insiders who have been notified that they are subject to the quarterly black-out period are prohibited from transacting during such period. These restrictions on transactions do not apply to transactions made under an approved Rule 10b5-1 plan.

(b) **Mandatory Transaction Window.** To ensure compliance with this Policy and applicable federal and state securities laws, the Company requires that all individuals who have been notified that they are subject to the quarterly black-out periods refrain from conducting transactions involving the purchase, sale or gift of the Company's securities other than during the period (the "transaction window") commencing at the time the financial results for the preceding fiscal quarter or year have been publicly disclosed for one full Trading Day and continuing until the close of the market on the last Trading Day preceding the last week of the then fiscal quarter. This restriction on transactions does not apply to transactions made under an approved Rule 10b5-1 plan.

(c) **Event-Specific Black-Out Period.** From time to time, the Company may also prohibit directors, officers and potentially a larger group of employees, consultants and contractors from transacting in securities of the Company because of material developments known to the Company and not yet disclosed to the public. In such event, directors, officers and such employees, consultants and contractors may not engage in any transaction involving the purchase, sale or gift of the Company's securities and should not disclose to others the fact of such event-specific black-out period. This restriction does not apply to transactions made under an approved Rule 10b5 plan. The Company would re-open the transaction window at the time the information has been publicly disclosed for one full Trading Day, or at such time as the information is no longer material.

The prohibition against transacting during a quarterly or event-specific black-out period encompasses the fulfillment of "limit orders" by any broker, and the brokers with whom any such limit order is placed must be so instructed at the time it is placed.

It should be noted that even during the transaction window, any person possessing Material Nonpublic Information concerning the Company, whether or not subject to the quarterly black-out period and transaction window, should not engage in any transactions in the Company's securities until such information has been known publicly for one full Trading Day, whether or not the Company has recommended a suspension of transactions to that person. This restriction does not apply to transactions

made under an approved Rule 10b5-1 plan. **Transacting in the company's securities during the transaction window should not be considered a "safe harbor," and all Insiders should use good judgment at all times.**

4.2. **Pre-Clearance of Transactions.** The Company has determined that all executive officers and directors of the Company and certain other key persons identified by the Company from time to time and who have been notified that they have been so identified must refrain from transacting in the Company's securities, even during the transaction window, without first complying with the Company's "pre-clearance" process. Each such person should contact the Company's Chief Financial Officer prior to commencing any transaction in the Company's securities. The Chief Financial Officer will consult as necessary with senior management and/or counsel to the Company before clearing any proposed transaction. Although an Insider wishing to transact pursuant to an approved Rule 10b5-1 plan need not seek preclearance from the Company's Chief Financial Officer before each transaction takes place, such an insider must obtain Company approval of the proposed Rule 10b5-1 plan before it is adopted.

4.3. **Individual Responsibility.** Every Insider has the individual responsibility to comply with this Policy against insider trading. An Insider may, from time to time, have to forego a proposed transaction in the Company's securities even if he or she planned to make the transaction before learning of the Material Nonpublic Information and even though the Insider believes he or she may suffer an economic loss or forego anticipated profit by waiting.

5. **Definition of Material Nonpublic Information**

Information is "material" if there is a substantial likelihood that a reasonable investor would consider the information important in deciding whether to purchase, sell or hold a security, or if there is a substantial likelihood that the information would be viewed by a reasonable investor as significantly altering the total mix of publicly available information about the Company. Any information that could reasonably be expected to affect the market price of a security is likely to be considered material. This determination is made based on the facts and circumstances of each particular situation and is often evaluated by enforcement personnel with the benefit of hindsight.

There are various categories of information that are particularly sensitive and, as a general rule, should be considered material. Examples of such information include:

- Financial results
- Known but unannounced future earnings or losses
- News of a pending or proposed merger, or acquisition
- News of the disposition or acquisition of significant assets or opening or closing of a significant business operation
- Significant developments related to intellectual property
- Significant developments involving corporate relationships
- Changes in dividend policy
- Stock splits
- New equity or debt offerings
- Significant litigation exposure due to actual or threatened litigation
- Significant cybersecurity incidents

Either positive or negative information may be material. The above list is not exclusive and many other types of information may be considered material, depending on the circumstances. The probability of whether an event will or will not occur, along with the magnitude of the potential event, affects the determination of whether it is material.

Nonpublic information is information that has not been previously disclosed to the general public and is otherwise not available to the general public. For information to be considered public, it must be widely disseminated in a manner making it generally

available to investors, including through the issuance of a press release or a filing with the SEC. In addition, even after a public announcement of material information, a reasonable period of time must elapse in order for the market to absorb and react to the information. Generally, Insiders should not engage in any transactions in the Company's securities until such information has been known publicly for at least one full Trading Day.

Insiders with questions concerning whether particular information is Material Nonpublic Information may consult with their supervisor or the Company's general counsel.

6. **Exceptions to this Policy**

For purposes of this Policy, the Company considers that the exercise of stock options or similar equity awards for cash under any Company equity incentive plan, the use of shares delivered or withheld from the exercise to cover the cost of the option exercise or to cover the satisfaction of tax withholding obligations, and the purchase of shares pursuant to any Company employee stock purchase plan (but not the sale or gift of any shares issued upon such exercise or purchase, not a cashless exercise (accomplished by a sale of a portion of the shares issued upon exercise of an option), and not any other market sale for the purpose of generating cash to pay the exercise price or taxes) are exempt from this Policy.

The transaction restrictions under this Policy do not apply to the grant or award of options, restricted stock, restricted stock units or stock application rights by the Company. The transaction restrictions under this Policy do not apply to the vesting, cancellation or forfeiture of stock options, restricted stock, restricted stock units or stock appreciation rights in accordance with the applicable plans and agreements. However, the transaction restrictions do apply to any subsequent transactions in such securities and to any sale or gift of Company securities received upon the settlement of any restricted stock unit or similar award. The Company may withhold shares to cover taxes due upon vesting.

The Policy does not apply to the purchase of Company stock in the Company's KSOP resulting from periodic contributions of money to the plan pursuant to payroll deduction elections. The Policy does apply to certain elections that may be made under the KSOP, including (a) an election to increase or decrease the percentage of periodic contributions to the KSOP based on the payroll contribution election that will be allocated to Company stock; (b) an election to make an intra-plan transfer of an existing account balance into or out of Company stock; (c) an election to borrow against a KSOP account if the loan will result in liquidation of stock in the Company Stock Accounts; and (d) an election to prepay a KSOP loan if the prepayment will result in the allocation of the loan proceeds to any Company Stock Accounts.

Any purchase of the Company's securities from the Company or sales of the Company's securities to the Company are not subject to this Policy.

Transactions made pursuant to and in compliance with an approved Rule 10b5-1 plan are not subject to the transaction restrictions in this Policy.

7. **Special Situations**

7.1. **Section 16 and Rule 144 Restrictions and Reporting for Directors and Certain Officers.** Section 16 of the Securities Exchange Act of 1934, as amended ("Section 16"), and Rule 144 under the Securities Act of 1933, as amended ("Rule 144") impose additional transaction restrictions and reporting obligations on directors, certain officers and certain principal stockholders. The Company will notify its directors and officers subject to these additional restrictions and reporting requirements and provide additional information regarding compliance.

Some transactions that are not subject to restrictions under this Policy may nevertheless be subject to Section 16 and Rule 144, so in addition to this Policy, directors and notified officers should consult the additional information provided by the Company before transacting in the Company's securities.

7.2. **Short Sales.** While employees who are not executive officers and directors are not prohibited by law from engaging in short sales of the Company's securities, the Company believes it is inappropriate for employees to engage in such transactions and therefore strongly discourages all employees from such activity.

7.3. **Hedging Transactions.** Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. Such transactions may permit a director, officer or employee to continue to own Company securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, the director, officer or employee may no longer have the same objectives as the Company's other stockholders. Therefore, Insiders are prohibited from engaging in any such transactions.

7.4. **Margin Accounts and Pledging Transactions.** Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Securities pledged as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of Material Nonpublic Information or otherwise is not permitted to transact in the Company's securities, persons subject to this Policy are prohibited from holding the Company's securities in a margin account or otherwise pledging the Company's securities as collateral for a loan, except (1) for those Company securities held in a margin account or otherwise pledged as collateral for a loan as of July 23, 2024 and (2) pledges of the Company's securities as collateral for a loan (not including margin debt) when the person demonstrates to the Company the financial capacity to repay the loan without resorting to the pledged securities, with the prior approval of the Company.

8. **Adoption and Amendment**

This Policy was adopted by the Board of Directors of Cal-Maine Foods, Inc. effective July 23, 2024 and supersedes previous versions of the policy. This Policy may be amended from time to time in the discretion of the Company.

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-180470) of Cal-Maine Foods, Inc. pertaining to the Cal-Maine Foods, Inc. KSOP and the Registration Statement (Form S-8 No. 333-252069) pertaining to the Amended and Restated Cal-Maine Foods, Inc. 2012 Omnibus Long-Term Incentive Plan, of our reports dated July 23, 2024, relating to the consolidated financial statements and financial statement schedules, and the effectiveness of Cal-Maine Foods, Inc. and Subsidiaries' internal control over financial reporting, which appear in the Annual Report to Stockholders, which is incorporated by reference in this Annual Report on Form 10-K.

/s/ Frost, PLLC

Little Rock, Arkansas
July 23, 2024

Certification
Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Sherman L. Miller, certify that:

1. I have reviewed this Annual Report on Form 10-K of Cal-Maine Foods, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Sherman L. Miller

Sherman L. Miller

President and Chief Executive Officer

Date: July 23, 2024

Certification
Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Max P. Bowman, certify that

1. I have reviewed this Annual Report on Form 10-K of Cal-Maine Foods, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Max P. Bowman

Max P. Bowman

Vice President and Chief Financial Officer

Date: July 23, 2024

