



Cal-Maine Foods, Inc. Announces \$40.1 Million Capital Project to Expand Cage-Free Production in Kentucky

December 15, 2020

JACKSON, Miss.--(BUSINESS WIRE)--Dec. 15, 2020-- Cal-Maine Foods, Inc. (NASDAQ: CALM) today announced that its Board of Directors has approved a \$40.1 million capital project to expand the Company's cage-free egg production at its Guthrie, Kentucky, production facility. The project will include related site work and the additional infrastructure to convert existing conventional capacity to house approximately 1.5 million cage-free hens and 300,000 pullets. Construction will commence immediately with initial conversions expected in early 2021, first pullet placements by summer 2021 and the first layer house finished by fall 2021. Project completion is expected by late 2022. The Company plans to fund the project through a combination of available cash on hand, investments, and operating cash flow.

Commenting on the announcement, Dolph Baker, chairman and chief executive officer of Cal-Maine Foods, Inc., stated, "This latest expansion supports our continued efforts to position Cal-Maine Foods as an industry leader in meeting future customer goals for cage-free eggs. The Guthrie location is strategically located close to a large customer footprint, which will enable us to enhance our distribution of cage-free eggs for this important market region. Including this latest project, we have allocated approximately \$462.5 million during the prior twelve years to facilities, equipment, and related operations to expand our cage-free production. Across the country, a growing number of states have passed minimum space and/or cage-free requirements with implementations ranging from January 2022 to January 2026. We believe adding this capacity in Cal-Maine Foods' facilities over the next two years will help drive our continued efforts to meet customers' needs."

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

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

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Dolph Baker, Chairman and CEO
Max P. Bowman, Vice President and CFO
(601) 948-6813

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