



Cal-Maine Foods, Inc. Issues Statement on Jury Decision

December 1, 2023

RIDGELAND, Miss.--(BUSINESS WIRE)--Dec. 1, 2023-- Cal-Maine Foods, Inc. (NASDAQ: CALM) ("Cal-Maine Foods" or the "Company"), the largest producer and distributor of fresh shell eggs in the United States, today issued the following statement:

Approximately 20 years ago, United Egg Producers (UEP) responded to growing public demand to improve the overall treatment of egg laying hens by adopting the UEP animal-welfare certified program. The UEP certified program was based on the recommendations of an independent scientific advisory committee, developed as a scientifically sound, voluntary program, supported by consumers, customers and numerous trade groups. This program was not designed to restrict supply and affect prices. In fact, despite the filing of this case almost 13 years ago (Kraft Foods Global, Inc. et al. v. United Egg Producers, Inc. et al., Case No. 1:11-cv-8808 in the U.S. District Court for the Northern District of Illinois), this program continues to serve as the foundation of numerous state laws, remains the predominant animal welfare standard for laying hens, and is still required by substantially all customers, to this day.

The plaintiffs alleged that the prices they paid for processed egg products were increased by the defendants' conduct. The plaintiffs, however, continue to demand egg products created from UEP Certified eggs and/or eggs from hens that otherwise are humanely raised. On December 1, 2023, the jury returned a verdict awarding the plaintiffs \$17,777,579 in damages. This decision is not final and remains subject to the motion for a directed verdict noted below. Cal-Maine Foods would share responsibility with the other three defendants for the payment of this amount, trebled, plus reasonable attorneys' fees and subject to previous settlement credits. Cal-Maine Foods respects the jury's decision and appreciates that the damages awarded by the jury are relatively modest compared to the damages sought but remains disappointed with the verdict as Cal-Maine Foods continues to believe that the Company did nothing wrong. The two earlier trials based on substantially the same facts and legal arguments resulted in findings of no conspiracy and/or damages.

Because Cal-Maine Foods believes that the plaintiffs' claims fail as a matter of law, Cal-Maine Foods has petitioned the Court to enter a judgment in its favor, known as a directed verdict, notwithstanding the jury's decision. Significantly, the jury found that the UEP certified program itself does not constitute a restraint of trade. Also, because the egg producers in this case only represent 15.5 percent of the market, Cal-Maine Foods believes the law is clear that the defendants in issue did not have sufficient market power to restrain trade. Cal-Maine Foods looks forward to the Court's consideration of these arguments and will continue to evaluate its options, including, if necessary, an appeal.

About Cal-Maine Foods

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

Forward Looking Statements

Statements contained in this press release that are not historical facts are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements are based on management's current intent, belief, expectations, estimates and projections regarding our company and our industry. These statements are not guarantees of future performance and involve risks, uncertainties, assumptions and other factors that are difficult to predict and may be beyond our control. The factors that could cause actual results to differ materially from those projected in the forward-looking statements include, among others, (i) the risk factors set forth in the Company's SEC filings (including its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K), (ii) the risks and hazards inherent in the shell egg business (including disease, pests, weather conditions and potential for recall), including but not limited to the most recent outbreak of highly pathogenic avian influenza affecting poultry in the U.S., Canada and other countries that was first detected in commercial flocks in the U.S. in February 2022, (iii) changes in the demand for and market prices of shell eggs and feed costs, (iv) our ability to predict and meet demand for cage-free and other specialty eggs, (v) risks, changes or obligations that could result from our future acquisition of new flocks or businesses and risks or changes that may cause conditions to completing a pending acquisition not to be met, (vi) risks relating to increased costs and higher and potentially further increases in inflation and interest rates, which began in response to market conditions caused in part by the COVID-19 pandemic and which generally have been exacerbated by the Russia-Ukraine war that began in February 2022, (vii) our ability to retain existing customers, acquire new customers and grow our product mix, and (viii) adverse results in pending litigation matters. SEC filings may be obtained from the SEC or the

Company's website , www.calmainefoods.com. Readers are cautioned not to place undue reliance on forward-looking statements because, while we believe the assumptions on which the forward-looking statements are based are reasonable, there can be no assurance that these forward-looking statements will prove to be accurate. Further, the forward-looking statements included herein are only made as of the respective dates thereof, or if no date is stated, as of the date hereof. Except as otherwise required by law, we disclaim any intent or obligation to publicly update these forward-looking statements, whether as a result of new information, future events or otherwise.

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