

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 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 company reporting 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: ☐ Yes ☒ No

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: ☒ Yes ☐ No

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: ☐ Yes ☒ No

Indicate by a check mark whether any of those error corrections are restatements that required a recovery analysis of registrant's securities received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b): ☐ Yes ☒ No

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 year, was \$076,631,567.

As of July 23, 2024, 238,766 shares of the registrant's Common Stock, \$0.01 par value, 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 2004 annual meeting of stockholders which will be filed pursuant to Regulation 14A not later than 120 days after the end of the 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 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. 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 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 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 demand for and market prices of shell eggs and feed costs, (iv) our ability to predict and meet demand for cage-free and specialty eggs, (v) risks, changes, or obligations that could result from our recent or future acquisition of new flocks or businesses or changes that may cause conditions to completing a pending acquisition not to be met, (vi) risks relating to inflation and interest rates, (vii) our ability to retain existing customers, acquire new customers and grow our product line, (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 is no assurance that these forward-looking statements will prove to be accurate. Further, forward-looking statements 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 "Sustainable" 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, and male 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 ethically eggs as specialty eggs for accounting and reporting purposes. We classify all other shell eggs as conventional eggs. 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 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 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 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 businesses 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 subsidiaries, unless otherwise indicated or the context otherwise requires. The Company's fiscal year-end is on the calendar year ended May 31. Our fiscal year 2024 ended June 1, 2024, and the first three fiscal quarters of fiscal 2024 ended September 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 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 U.S. population growth; however, specific events can impact egg supply and consumption in a particular period. As 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 averaged, 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."

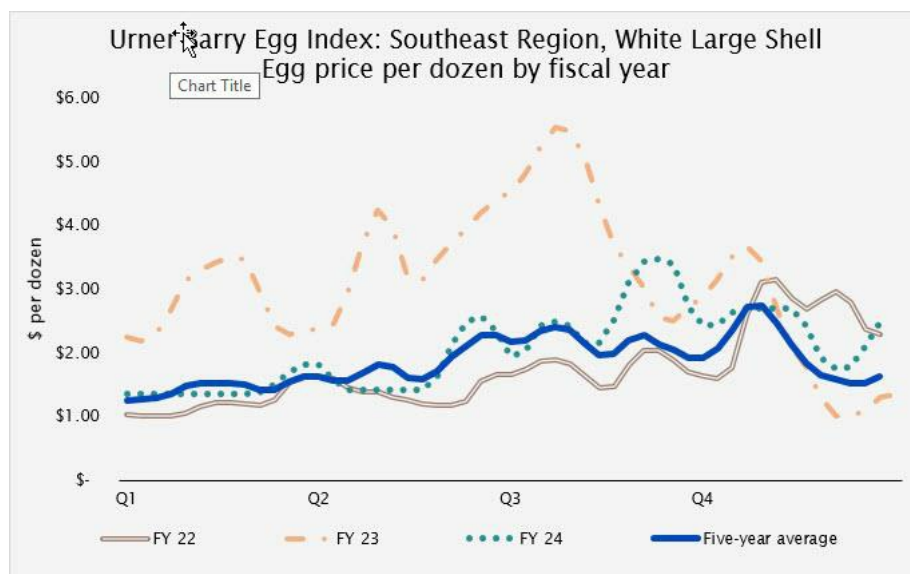
## Prices for Shell Eggs

Wholesale shell egg sales prices are a critical component of revenue for the Company. We sell the majority of our shell eggs at prices based on formulas that take into account, in varying ways, independently quoted regional wholesale prices for shell eggs or formulas related to our costs of production, which include the cost of corn and soybean meal. We do 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, seasonations, 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 account, in varying ways, independently quoted wholesale market prices, such as those published by [Egg Price Inc.](#) ("UB") or the USDA for shell eggs; however, grain-based or variations of cost plus arrangements are also utilized.

The weekly average price for the southeast region for large white conventional shell eggs as quoted by UB is shown below 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 [Item 7. Management's Discussion and Analysis – Results of Operations](#), egg prices in fiscal 2022 through fiscal 2024 were significantly impacted by HPAI.



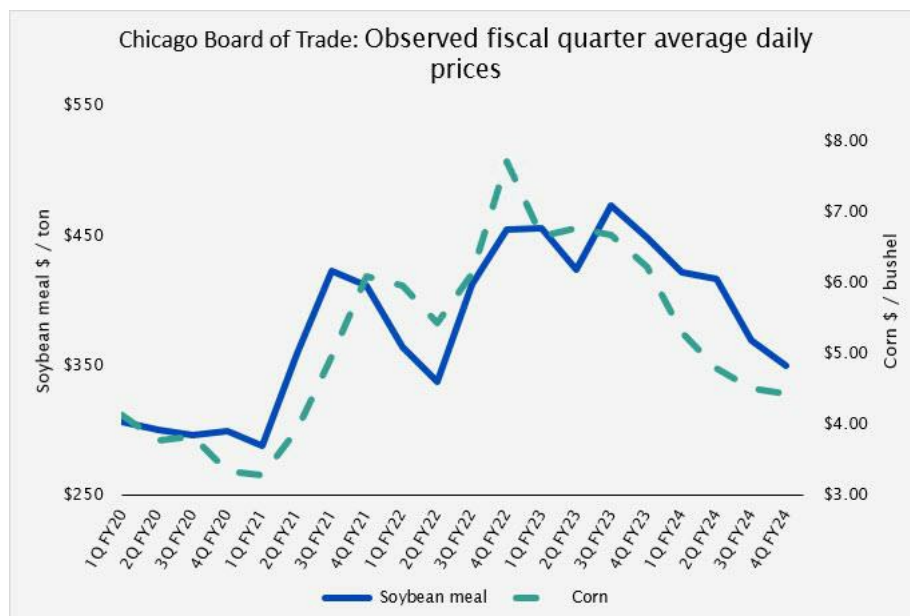
Wholesale prices for cage-free eggs are quoted by independent sources such as UB and USDA. There is no independently quoted wholesale market price for other specialty eggs such as nutritionally enhanced, organic, pasture-raise and free-range eggs. Specialty eggs are typically sold at prices and terms 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 for specialty eggs, but 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 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. Difference can be due to transportation costs, storage costs, supply and demand, local conditions and other factors. A basis 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 purchases of 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 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 variable supply and demand factors, transportation and storage costs, speculators, agricultural, energy and trade policies in 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 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 balance them 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 significantly 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 percentage of USDA Grade A eggs, which sell at higher prices. Eggs produced on farms owned by contractors are brought to our processing facility.

processing plants to be graded and packaged. We maintain a Safe Quality Food ("SQF") Management Program which is by the U.S. 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 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 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 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 necessary 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.

### Specialty Eggs

We are one of the largest producers and marketers of value-added specialty shell eggs in the U.S., which is 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 sensitive consumers 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 the sale of only cage-free eggs and egg products in their states, with implementation of these laws ranging from January 2020 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 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. In 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 Eggland's Best, Inc. cooperative ("EB") and produce, market, distribute and sell *Eggland's Best* and *Land O' Lakes*® branded eggs under license from EB at our facilities under EB guidelines. EB hens are fed a proprietary 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. *Soups®* 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 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 to the Creek needs to manufacture egg products. MeadowCreek's marketing plan is designed to extend our 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 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, 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 payment terms ranging from seven to 30 days. Although we have established long-term relationships with many of our customers, they 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 delivery trucks, or are picked up by our customers at our processing facilities.

We are a member of the Egg-Land'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 Arkansas, California, Nevada, North Carolina, Oklahoma and South Carolina. We also have an exclusive license in New York 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 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 States. During 2024, after careful review and full analysis we decided to withdraw our membership in ProEgg. Our 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 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 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 added 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 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 expect to experience lower selling prices, sales volumes and net income (and may incur net losses) in our first and fourth 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 product line. We believe that we can continue to expand our market reach through strategic acquisitions and favorable returns through our proven operating model emphasizing synergies and efficient operations. Organic growth is in our culture of operational excellence to optimize everything we can control. We are committed to investing in existing operations to increase sales, profitability and customer service. We have continued to increase our production of table shell eggs and other higher value specialty eggs such as pasture-raised, free-range and organic shell eggs. We believe in the long-term growth potential in value-added products such as hard-cooked eggs, which will enable us to leverage our distribution channels, expand our reach in foodservice and retail marketplaces and bring new opportunities in the 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 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 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 and mandated the sale of only cage-free eggs and egg products in their states. For further information refer to the "Egg Products" section 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 complying with existing environmental, health and safety laws and regulations and permits. We are not currently aware of any 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 personnel are part-time, and we utilize temporary employment agencies and independent contractors to staff our facilities 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 our *Chickadee 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 customers and contribute to a stable food supply. Our enterprise safety committee is comprised of two corporate safety managers, three 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 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 employees, 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 reduce 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 vendors we do business with acknowledge and agree to comply with the guidelines governed by our Safety and Health Program. At all 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 a 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' 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 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 contribution 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% 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, 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 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 insurance 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 a KSOP retirement plan, which offers a range of investment alternatives and includes many positive features, 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 participants' eligible compensation for each pay period that hours are worked.

We provide extensive training and development related to safety, regulatory compliance, and table training 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 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 in July 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](http://www.calmainefoods.com) where general information about our business and corporate governance 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 practicable after we file them with, or furnish them to, the SEC. In addition, the SEC maintains a website at [www.sec.gov](http://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 and 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 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 industry has typically geared up to produce more eggs, primarily by increasing the number of layers, which has historically 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 comparable.

**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 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. If feed costs declined during fiscal 2024, we saw higher prices for corn and soybean meal in fiscal 2022 and 2023. 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 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 business.**

Our shell egg production activities are subject to a variety of agricultural risks. Unusual or extreme weather conditions, diseases 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 2024, we experienced HPAI outbreaks within our facilities located in Kansas and Texas, resulting in total depopulation of 8 million laying hens and 577,000 pullets. Both locations have been cleared by the USDA to resume operations and depopulation is expected to be completed before calendar year end. As of July 5, 2024, the U.S. Centers for Disease Control and Prevention reported outbreaks in 138 dairy herds in 12 states and five cases in the U.S. in persons who were exposed to infected 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 further 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 the 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, 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, 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. In addition, products purchased from other producers could contain contaminants that might be inadvertently introduced 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 packaging materials increased during the past three fiscal years due to inflation and higher labor costs, and during 2022 as a result of supply chain constraints initially caused by the pandemic, and these costs may continue to increase. We 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 1, 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 facilities that have the 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 growth and profitability. The number of existing businesses with cage-free capacity that we may be able to purchase is limited. The production of shell eggs by other companies in our markets currently does not meet customer demand for cage-free eggs. 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 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 expenses 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. In addition, federal antitrust laws require regulatory approval of acquisitions that exceed certain thresholds 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 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 operations and

The effects of global or regional pandemics or epidemics can significantly impact our operations. Although demand for products could increase as a result of restrictions such as travel bans and restrictions, quarantines, shelter-in-place orders, 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 rates, which persist and may continue to persist. The impacts of health crises are difficult to predict and depend on factors including the severity, length and geographic scope of the outbreak, resurgences of the disease and availability and acceptance of vaccines, and governmental, business and individuals' responses. A resurgence of COVID-19 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, which 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 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 eggs from other sources. If, for any reason, one or more of our large customers were to purchase significantly less of our eggs in the future or terminate their purchases from us, and we were not able to sell our shell eggs to new customers at reasonable prices, we could 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 cyclicality, 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 impact 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 services 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. Increased 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 effectively or 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 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, ransomware, security breaches or cyber incidents. Cyber-attacks are becoming more sophisticated and are increasing 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 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 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 integrated businesses, and it may be difficult to integrate businesses into our information technology environment and operations.

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 systems to address these changes could result in increased costs, including remediation costs, system downtime, third-party 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 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 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 of 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. 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 extraordinary matters requiring the vote of the Company's stockholders such as a merger or amendment of the Company's Second and Restated Certificate of Incorporation require joint approval of Mr. Baker and members of the Daughters' 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 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, amendments to our certificate of incorporation and by-laws, the election and removal of directors, and any reorganization, or sale of all or substantially all of our assets, or other corporate transactions. Delaware law provides that 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 requiring stockholder approval cannot be effected without the approval of the Family. Such ownership will make the 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 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 we may experience significant dilution as a result of future issuances of our securities, which could materially and adversely affect 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 owns approximately 1.1 million shares of Common Stock (the "Subject Shares") that are subject to an Agreement Regarding 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 holder 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 on the 20 business-day volume-weighted average price. If the Company does not exercise its right of first refusal to 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 rights of first refusal, and if so such shares would be eligible for sale pursuant to the registration rights in the Agreement or Rule 144 under the Securities Act of 1933. Sales, or the availability for sale, of a large number of shares of 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, we were 44,238,766 shares of our Common Stock outstanding. Accordingly, a substantial number of shares of our 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 in connection with 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 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 practices to comply with developing standards or subject us to marketing costs to defend challenges to 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 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 incur additional costs to conform our practices to address these standards or to defend our existing practices and protect our image with 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. If 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 projected 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 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 table egg layer hen population. According to the USDA Agricultural Marketing Service, as of May 2024 approximately 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 and acquisition opportunities. Our customers typically do not commit to long-term purchases of specific quantities 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 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 and our competitors increase cage-free egg production and there is no commensurate increase in demand for cage-free eggs, 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 adversely affect our operating results, financial condition, and reputation. Further, we may incur significant costs to comply with any new 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 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 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, 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 become unsuitable, including due to water scarcity or high or unpredictable temperatures, which may result in 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 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 and market pricing may continue to drive the costs of fossil-based fuels higher, which could negatively impact our ability 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 to adapt to such changes, future compliance with legal or regulatory requirements may require significant time, management 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 for 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 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 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 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 business.**

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

- 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 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, 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 effectively compete 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 that are substantially similar to those we offer. This could negatively impact our ability to produce and sell those products, thereby 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 intangible assets acquired. Goodwill is reviewed at least annually for impairment by assessing qualitative factors to determine whether 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, winter 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, including 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 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 information systems through audit and consulting services to test the design and operational effectiveness of security controls. We continuously 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 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. This process includes the cooperation of the information technology team and our management team to properly respond to these incidents. These responses include determination of the potential impact and materiality of the incident, 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 results of operations or financial condition. See "Item 1A. Risk Factors" for further discussion about 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 of 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 <sup>(a)</sup>	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 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 [Section 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 property.

## **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 Select Market under the symbol "CALM". There is no public trading market for the Class A Common Stock.

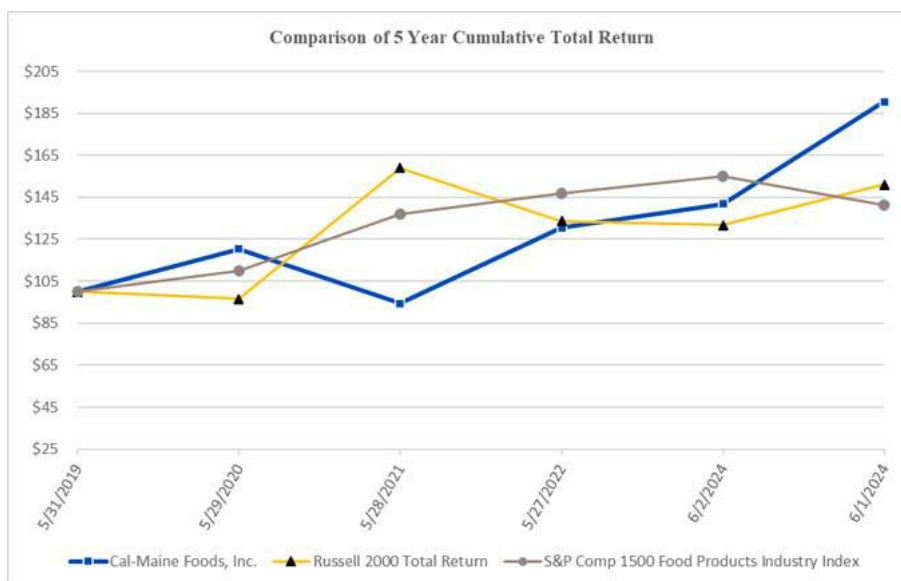
All outstanding shares of Class A Common Stock are owned by a limited liability company of which Adolphus Baker, Jr. is the sole managing member. For additional information, see [Section 1A. Risk Factors](#). "We are controlled by the family of our late founder, Fred R. Adams, Jr., and Adolphus B. Baker, 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 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 [Section 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 the holders 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 the 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 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 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 the total 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 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](#) 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, financial condition, operating results, or cash flow, reference is made to the disclosure set forth under [Risk Factors](#). In addition, because the following discussion includes numerous forward -looking statements relating to our securities, financial condition, operating results and cash flow, reference is made to the disclosure set forth under [Part I. A. Risk Factors](#) and to the information set forth in the section of Part I immediately preceding Item 1 above under the ["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 ended 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 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 restaurants 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 [Part I. Item I. Business](#).

**ACQUISITIONS**

On September 30, 2023, we completed our 24th acquisition since 1989, when we acquired the assets of Fassio Egg Farms, ("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, including 1.0 million 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 United States, 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 ~~operations~~ of 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 [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 <sup>(a)</sup>	\$ 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 production costs. Gross profit and net income increases were partially offset by the increased cost of feed ingredients and processing, packaging and warehouse costs. The impact of HPAI continued throughout the first three quarters of fiscal 2023 and prices continued to increase. For the first three quarters of fiscal 2023, the average UB southeastern large index price was higher than the average price of the first three quarters in fiscal 2022. For the fourth quarter of fiscal 2023 the average UB 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 2023.

Our dozens sold increased by 5.9% for fiscal 2023 compared to fiscal 2022, primarily due to an increase in specialty egg sales. 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, 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 can 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 96.0% of 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 represent all other shell egg sales not sold as specialty shell eggs. Shell egg sales also include 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	<u>\$ 2,237,434</u>	<u>100.0 %</u>	<u>\$ 3,023,947</u>	<u>100.0 %</u>
Dozens sold:				
Conventional	746,687	65.1 %	749,076	65.3 %
Specialty	400,946	34.9 %	398,297	34.7 %
Total dozens sold	<u>1,147,633</u>	<u>100.0 %</u>	<u>1,147,373</u>	<u>100.0 %</u>
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 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 has resulted in 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 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 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 costs incurred at the egg production facility, including feed, facility (including labor), hen amortization and other 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
<b>Cost of Sales:</b>			
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)
<b>Total</b>	<b>\$ 1,784,872</b>	<b>\$ 1,949,760</b>	<b>(8.5) %</b>
<b>Farm production costs (per dozen produced)</b>			
Feed	\$ 0.550	\$ 0.676	(18.6) %
Other	\$ 0.433	\$ 0.396	9.3 %
<b>Total</b>	<b>\$ 0.983</b>	<b>\$ 1.072</b>	<b>(8.3) %</b>
<b>Outside egg purchases (average cost per dozen)</b>	<b>\$ 2.16</b>	<b>\$ 3.02</b>	<b>(28.5) %</b>
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 prices. Basis levels for corn and soybean meal were lower in our areas of operation compared to our 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 and other costs 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 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 future, 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 eggs, 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 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 obligated to Best, Inc. to support the EB brand, brokerage and commission fees, and other general marketing expenses payroll expenses for our in-house sales team. Other general and administrative expenses include corporate payroll expenses and other general corporate overhead costs. The following table presents an analysis of our SGA expenses (in

	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 equity in income or loss of unconsolidated entities, and patronage dividends, among other items. Patronage dividends 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 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, federal tax credits and certain items included in income or loss for financial reporting purposes that are not included in taxable or loss for income tax purposes, including tax exempt interest income, certain nondeductible expenses, and net income 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 increase in accrual recorded in fiscal 2024. Due to seasonal factors described in [Part II, Item 1. 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 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 and the assets of Fassio Egg Farms, Inc., and purchases of property, plant and equipment compared to \$375.1 million in investing activities in the same period of fiscal 2023. Purchases of investment securities were \$73.6 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 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 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 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 ~~costs, and~~ employee related costs, and other general operating expenses, which we expect to be paid from our cash from operations and investment securities on hand for at least the next 12 months. While volatile egg prices and feed ingredient ~~costs~~ and other things, make long-term predictions difficult, we have substantial liquid assets and availability under our ~~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):

Project(s) Type	Projected Completion	Projected Cost	Spent as of June 1, 2024	Remaining Projected Cost
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 ~~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 ~~See~~ [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 ~~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 ~~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 ~~the~~ date of acquisition. The excess of the purchase price over fair values of identifiable assets and liabilities is ~~recorded~~ as

We typically use the income method approach for intangible assets acquired in a business combination. Significant ~~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 ~~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 valuation techniques. When a market value is not readily available, our internal valuation methodology requires an estimated life of the assets acquired and significant judgment is required as management determines the fair value for those assets.

Due to inherent industry uncertainties including volatile egg prices and feed costs, unanticipated market changes, events and 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 market prices for eggs and feed grains move substantially lower, we record adjustments to write down the carrying amount 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 period 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 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 inventory. Management continually monitors each flock and attempts to take appropriate actions to minimize the mortality loss.

#### GOODWILL

As a result of acquiring businesses, the Company has \$45.8 million of goodwill on June 1, 2024. Goodwill is evaluated annually by first performing a qualitative assessment to determine whether a quantitative goodwill impairment 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 reporting unit or treated as a separate reporting unit. Historically, we have concluded that acquired operations should be integrated into a 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 acquisition 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 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 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 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 programs, which is recorded as a reduction in revenue at the time of sale using historical trends and projected redemption rates for each program. The Company regularly reviews these estimates and any difference between the estimated costs and actual costs 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 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 recorded 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 regarding how the law will be applied to the facts established, and uncertainties regarding the calculation of 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 contingencies 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 pricing 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 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 bushel of 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 <sup>(a)</sup>	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 ~~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 ~~portfolios~~ ~~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](#) 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~~ ~~at~~ that at June 1, 2024 and June 3, 2023, 26.8% and 30.1%, respectively, of our net accounts receivable balance ~~was~~ ~~due~~ ~~to~~ Walmart Inc. (including Sam's Club). No other single customer or customer group represented 10% or greater ~~of~~ ~~our~~ ~~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 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 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 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 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 that the audit provides 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) relates to or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging 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, 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 overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of the controls related to the Cal-Maine Foods, Inc. and Subsidiaries' evaluation of the liability related to legal proceedings and claims, including procedures over determining the likelihood of a loss and whether the amount of loss can be reasonably estimated, as well as procedures over the legal proceedings and claims. These procedures also included obtaining and evaluating the legal 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 completeness and accuracy 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
<b>Assets</b>		
<b>Current assets:</b>		
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>
<b>Liabilities and stockholders' equity</b>		
<b>Current liabilities:</b>		
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 - <a href="#">see Note 16</a>		
<b>Stockholders' equity:</b>		
Common stock (\$0.01 par value):		
Common stock – authorized 20,000 shares, issued 703 shares	703	703
Class A convertible common stock – authorized and issued 48 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 52 weeks	June 3, 2023 53 weeks	May 28, 2022 52 weeks
Net sales	\$ 2,326,443	\$ 3,146,217	\$ 1,777,159
Cost of sales	<u>1,784,872</u>	<u>1,949,760</u>	<u>1,440,100</u>
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	<u>26</u>	<u>( 131 )</u>	<u>383</u>
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	<u>3,042</u>	<u>1,869</u>	<u>9,820</u>
Total other income	47,519	30,824	22,478
Income before income taxes	359,971	998,550	166,015
Income tax expense	<u>83,689</u>	<u>241,818</u>	<u>33,574</u>
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>
Net income per share attributable to Cal-Maine Foods, Inc.:			
Basic	\$ 5.70	\$ 15.58	\$ 2.73
Diluted	<u>\$ 5.69</u>	<u>\$ 15.52</u>	<u>\$ 2.72</u>
Weighted average shares outstanding:			
Basic	48,717	48,648	48,581
Diluted	<u>48,873</u>	<u>48,834</u>	<u>48,734</u>

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.	Noncontrolling Interest	Total
	Shares	Amount	Class A Shares	Class A Amount					Income (loss)		
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 (\$0.874per 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 (\$5.161per 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 (\$1.889per 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
<b>Cash flows from operating activities:</b>			
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
<b>Cash flows from investing activities:</b>			
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 )
<b>Cash flows from financing activities:</b>			
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>
<b>Supplemental information:</b>			
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, marketing and distribution of fresh shell eggs, including conventional, cage-free, organic, brown, free-range, pasture-raised and enhanced eggs. The Company, which is headquartered in Ridgeland, Mississippi, is the largest producer and seller 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 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 June 3, 2023, respectively, each included 52 weeks and the fiscal year ended June 3, 2022 included 53 weeks.

*Use of Estimates*

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles 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. The Company maintains bank accounts that are insured by the Federal Deposit Insurance Corporation. The Company routinely maintains cash balances with certain financial institutions in excess of federally insured limits. The Company has not experienced any loss in such accounts. The Company manages this risk through maintaining cash equivalents in 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 receipt, concentration accounts to which funds are moved, and zero-balance disbursement accounts for funding accounts payable but not presented to the banks for payment, may result in negative book cash balances, which are recorded as 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 available-for-sale if they are not classified as held-to-maturity or trading securities. Available-for-sale securities are carried at fair value, based on market prices as of the balance sheet date, with unrealized gains and losses recorded in other comprehensive income. The 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 conditions to assess and record any expected credit losses through allowance for credit losses, limited to the amount that is 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. Realized gains and losses are recognized in other income (expenses) as Other, net in the Company's Consolidated Statements of Income. 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, credit losses were \$90 thousand and \$79 thousand, respectively. The Company extends credit to customers based on creditworthiness.

on an evaluation of each customer's financial condition and credit history. Collateral is generally not required. The Company's exposure to counter party credit risk through credit analysis and approvals, credit limits, and monitoring procedures is not material. The Company's reserve for credit losses, receivables are assigned an expected loss based on historical loss information and economic and other forward-looking factors. At June 1, 2024 and June 1, 2023, accounted 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 during a growing period of approximately 22 weeks. Flock costs are amortized to cost of sales over the lives of the flocks, generally one to two years. As the amortization period of the flocks is relatively short, disclosure of the 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 useful life, which is 5 to 25 years for buildings and improvements and 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 depreciation are removed from the accounts and any gain or loss is included in operations. When certain events or 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 have control and operating decisions. Under the equity method, original investments are recorded at cost and adjusted for the Company's share of undistributed earnings or losses of these entities. Equity investments without readily determinable fair values, Company does not have the ability to exercise significant influence over the investee, are recorded at cost or fair value, if 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 tested for impairment at least annually or more frequently if impairment indicators arise by first performing qualitative tests to determine whether a quantitative goodwill test is necessary. After assessing the totality of events or circumstances, if it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then a quantitative test is performed 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, agreements, trademarks and right of use intangibles. They are amortized over their estimated useful lives, generally 10 to 15 years. The gross cost and accumulated amortization of intangible assets are removed when the recorded amortized asset is no longer in use or the contract has expired. When certain events or changes in operating conditions 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 tested 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 workers' compensation, auto liability and general liability risks. Liabilities associated with our risks 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 of the Company's quarters. Dividends are paid to shareholders of record as of the close of business on the last day of such quarter, except for the fourth fiscal quarter. For the fourth quarter, the Company pays dividends on the 65th day after the quarter end. Dividends are payable on the 15th day following the close of the 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 over 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. The grant of restricted stock through the Company's share-based compensation plans is issued through 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 sale of its products with a single performance obligation of delivering the product. The performance obligation is met upon delivery and acceptance of the product by our customers, which is generally within 30 days of the date of sale. Costs paid to third party brokers to obtain agreements with customers are generally less than one year.

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

#### *Shipping and Distribution*

Costs to deliver product to customers are included in selling, general and administrative expenses in the Consolidated Statement of Income and totaled \$17.5 million, \$77.5 million, and \$2.7 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 it is more likely than not the uncertain tax positions will be sustained upon review by the taxing authorities. The Company recognizes the more-likely-than-not recognition threshold with consideration given to the amounts and probabilities of that could be realized upon settlement using the facts, circumstances and information at the reporting date. The Company will only recognize the portion of the tax benefit that will be sustained upon resolution of the position and will recognize the portion of the tax benefit not recognized. The Company initially and subsequently measures the largest tax benefit that is greater than 50% likely to be realized upon settlement with a taxing authority that has full knowledge of all relevant facts. 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 and performance-based shares, in the Consolidated Statements of Income based on their fair values. The deductions in excess of recognized compensation cost are reported as a financing [Cash Flow](#). [See Compensation Plan](#) for more information.

#### Business Combinations

The Company applies the acquisition method of accounting, which requires that once control is obtained, all the assets and liabilities assumed, including amounts attributable to noncontrolling interests, are recorded at their respective fair values at acquisition. We determine the fair values of identifiable assets and liabilities internally, which requires the use of various valuation techniques. When a market value is not readily available, our internal valuations consider the technology, 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 intangible assets include, but are not limited to, the amount and timing of future cash flows, growth rates, customer 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 tornadoes and other acts of God, and is eligible to participate in U.S. Department of Agriculture (USDA) indemnity programs for certain losses due to disease outbreaks such as highly pathogenic avian influenza. The Animal Health Protection Act authorizes the USDA to provide indemnity payments to producers of poultry and eggs that must be destroyed during a disease response. Payments received under these programs are based on the fair value of the poultry and/or eggs at the time that HPAI virus is detected in the flock. Other covered costs include feed and disposal costs, and virus elimination costs. The USDA does not provide indemnity for income or profits lost due to downtime or other business disruptions nor for indirect continuing expenses. Property damage, business interruption and disease outbreaks in excess of the net book value of damaged assets, including demolition costs, and other direct post-event costs are recorded within "Gain on involuntary conversions" 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 will be resolved when one or more future events occur or fail to occur. The Company's management and its legal counsel assess contingent liabilities, and such assessment inherently involves an exercise of judgment. Contingencies related to legal proceedings that are pending against the Company or unasserted claims that may potentially result in a loss are recorded when the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims and determines that a loss is probable and the amount of the loss can be reasonably estimated.

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 reasonably estimated, the estimated liability would be accrued in the Company's financial statements. If the assessment indicates a contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, 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 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 the Company's Financial Statements.



## Note 2 – Acquisition

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

Cash consideration paid	\$	53,746
Fair value of contingent consideration		1,000
Total estimated purchase consideration		54,746
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		(143)
Total identifiable net assets		52,976
Goodwill		1,770
	\$	54,746

Inventory consisted primarily of flock, feed ingredients, packaging, and egg inventory. Flock inventory was valued at carrying value. Management believes that its carrying value best approximates its fair value. Feed ingredients, packaging and egg inventory were 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 assets and costs of reconstructing 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 approach.

Contingent consideration liability was recorded and represents potential future cash payment to the sellers of the business if the company meets certain return on profitability milestones over a three year period, commencing on the date of acquisition. The fair value of the contingent consideration is estimated using a discounted cash flow model. Key assumptions and inputs that require significant judgement used in the estimate include weighted average cost of capital, projected revenue and expenses over the period for which the contingent consideration is measured, assessment of the probability of achieving the forecasted projections. A range of potential outcomes is 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. Goodwill recorded in connection with the Fassio acquisition is primarily attributable to improved efficiency of the assets of Fassio with the operations of the Company. The Company recognized goodwill 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 \$58.0 million, \$291.8 million, and \$2.7 million during fiscal 2024, 2023, and 2022, respectively. Gross realized gains for fiscal 2024, 2023, and 2022 were \$1 thousand, \$1 thousand, and \$1 thousand, respectively. Gross realized losses for fiscal 2024, 2023, and 2022 were \$7 thousand, \$7 thousand, and \$6 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. 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: The fair value of an asset is the price at which the asset could be sold in an orderly transaction between 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, including:
  - o Quoted prices for similar assets or liabilities in active markets
  - o Quoted prices for identical or similar assets in non-active markets

- o Inputs other than quoted prices that are observable for the asset or liability
- o 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 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 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
<b>Investment securities available-for-sale</b>				
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
<b>Liabilities</b>				
Contingent consideration	—	—	6,500	6,500
Total liabilities measured at fair value	\$ —	\$ —	\$ 6,500	\$ 6,500
<b>June 3, 2023</b>				
<b>Investment securities available-for-sale</b>				
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 less 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 seller of 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 analysis. Key inputs and unobservable inputs that require significant judgement used in the estimate include weighted average cost of capital, projected revenue and expenses over the period for which the contingent consideration is probable, and assumptions with respect to the likelihood of achieving the forecasted projections. See further discussion in [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	<u>\$ 6,500</u>

Adjustments to the fair value of contingent consideration are recorded within selling, general and administrative expenses in the 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 (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 8 million and 10.8 million pullets and breeders and 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
	<u>1,662,174</u>	<u>1,483,758</u>
Less: accumulated depreciation	804,940	739,218
	<u>\$ 857,234</u>	<u>\$ 744,540</u>

Depreciation expense was \$5.2 million, \$69.4 million and \$5.8 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% of Specialty Eggs, LLC ("Specialty Eggs") and 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 northern Alabama. Southwest Specialty Eggs owns the Egg-Land's Best franchise for Arizona, southern California and Clark Nevada (including Las Vegas).

Equity method investments are included in "Investments in unconsolidated entities" in the accompanying Consolidated Balance Sheet and totaled \$2 million and \$9.7 million at June 1, 2024 and June 3, 2023, respectively.

Equity in income of unconsolidated entities of \$ million, \$746 thousand, and \$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						Total
		Franchise rights	Customer relationships	Non-compete agreements	Right of Use	Water rights	Trademark	
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 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 insures stop-loss to limit its portion of medical claims to \$50,000 per occurrence. The Company's expenses including incurred but not reported claims were approximately \$3.6 million, \$2.1 million, and \$2.6 million in fiscal years 2024, 2023, and 2022, respectively. The liability recorded for incurred but not reported claims was \$1.8 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 Balance Sheets.

The Company has a KSOP plan that covers substantially all employees (the "Plan"). The Company makes contributions to the Plan for eligible 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 \$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. The Company's Dividends on 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 open market. The Plan sells Common Stock on the Nasdaq to pay benefits to Plan participants. Participants may make contributions up to the maximum allowed by Internal Revenue Service regulations. The Company does not contribute to the Plan.

#### Deferred Compensation Plans

The Company has deferred compensation agreements with certain officers for payments to be made over a period of up to 10 years after the officers reach age 65 or over as specified in the agreements. Amounts accrued for the agreements upon deferred compensation earned are based on the estimated remaining service period of each officer. Payments under the agreements were \$10 thousand, \$70 thousand, and \$70 thousand in fiscal years 2024, 2023 and 2022. The liability recorded was \$0.

related to these agreements was \$49 thousand and \$1.0 million at June 1, 2024 and June 3, 2023, respectively and are 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 2021 (the "Amended DC Plan") to expand eligibility for participation from named officers only to a select group of or highly compensated employees of the Company, expand the investment options available and add participants to make elective deferrals. Participants may be awarded long-term incentive contributions (Awards) under the Amended DC Plan. Awards vest on December 31 the fifth year after such contribution is credited to the Amended DC or, if earlier, the participant's attainment of age 65 or 15 years of service. Awards issued under the Amended DC Plan were \$88 thousand, \$88 thousand, and \$40 thousand in fiscal 2024, 2023, and 2022, respectively. Payments made under the DC Plan were \$9 thousand, \$10 thousand and \$80 thousand in fiscal 2024, 2023 and 2022, respectively. The liability for the Amended DC Plan was \$1.1 million, \$4.6 million and \$4.5 million at June 1, 2024, June 3, 2023 and 2022, and is classified within "Other noncurrent liabilities" in the Company's consolidated Balance Sheets.

Deferred compensation expense for both plans totaled \$11 thousand, \$46 thousand and \$58 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 eligible retired 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 retire on or after 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 employee's funded status of a defined benefit postretirement plan as an asset or liability, and recognizes changes in that status 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 \$1.1 million and \$2.7 million at June 1, 2024 and June 3, 2023, respectively. The remaining disclosures associated with ASC 715 are Company's financial statements.

Effective March 1, 2023, the Company adopted a non-qualified supplemental executive retirement plan ("SERP") and a split-dollar insurance plan ("Split Dollar Plan") designed to provide deferred compensation and a pre-retirement death benefit for a group of management or highly compensated employees of the Company. Provided the vesting participation 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 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, accelerated to 100%. If a participant dies while employed, he or she will not receive any benefits under the plan. The beneficiaries will inherit the SERP benefit entitled to the life insurance benefit provided under the Split Dollar Plan, which is \$500,000. The liability recorded for these plans was \$93 thousand and \$63 thousand at June 1, 2024 and June 3, 2023, respectively, 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 \$49 thousand, \$83 thousand, and \$43 thousand, 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 benchmark with the secured overnight financing rate as administered by the Federal Reserve Bank of New York or administrator of the secured overnight financing rate ("SOFR"). The Credit Agreement has a term of five years. The Credit Agreement provides for a senior secured revolving credit facility (the "Credit Facility" or "Revolver") with an 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 Bank N.A. (the "Administrative Agent"), an increase in the Credit Facility in the aggregate of up to \$200 million by adding one or more incremental senior secured term loans or increasing one or more times the revolving credit limit. 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 \$ 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 option, the Adjusted Term SOFR Rate plus the Applicable Margin or the Base Rate plus the Applicable Margin. The "Adjusted Term SOFR" with respect to any tenor, the per annum rate equal to the sum of (i) Term SOFR as defined in the Credit Agreement (10 basis points); provided, if Adjusted Term SOFR determined as provided above shall ever be less than then Adjusted Term SOFR shall be deemed to be the Floor. The "Floor" means the rate per annum of interest. The "Base Rate" means a fluctuating rate per annum equal to the highest of (a) the federal funds rate plus 50 basis points, (b) the prime rate of interest established by the Administrative Agent, and (c) the Adjusted Term SOFR 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 date the Company will pay a commitment fee on the unused portion of the Credit Facility payable quarterly 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 Guarantors, and is secured by a first-priority perfected security interest in substantially all of the assets of the Guarantors' accounts, payment intangibles, instruments (including promissory notes), chattel paper, inventory (including 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 additional debt, sales of assets and other fundamental corporate changes and investments. The Credit Agreement contains two financial covenants: (i) a maximum Total Funded Debt to Capitalization Ratio tested quarterly of 50%; and (ii) a requirement to maintain Minimum Tangible Net Worth at all times of \$100 million plus 50% of net income (if net income is positive) less permitted restricted payments for each fiscal quarter after November 1, 2024. The Credit Agreement requires that Fred R. Adams Jr.'s spouse, natural children, sons-in-law or grandchild, guardianship, conservatorship or custodianship for the primary benefit of any of the foregoing, or any family member, similar limited liability company or other entity that 50% of the voting control of such entity is held by any of foregoing, shall maintain at least 50% of the Company's voting stock. Failure to satisfy any of these covenants will default under the terms of the Credit Agreement. Further, under the terms of the Credit Agreement, payment of the Company's current dividend policy of one-third of the Company's net income computed in accordance with GAAP and dividends or repurchases by the Company of its capital stock is allowed, as long as after giving effect to such payments or repurchases no default has occurred and is continuing and the sum of cash and cash equivalents and the subsidiaries plus availability under the Credit Facility equals at least \$10 million.

The Credit Agreement also includes customary events of default and customary remedies upon the occurrence 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 or the Company's Bylaws and Amended and Restated Certificate of Incorporation ("Restated Charter"), holders 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 dividend and rights. In the case of any dividend payable in stock, holders of Common Stock are entitled to receive a percentage dividend (payable only in shares of Common Stock) as the holders of Class A Common Stock receive (payable 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 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 consent in the same proportion. No dividend may be declared and paid on Class A Common Stock unless a dividend is also declared and paid 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 one vote per share, without such converting into shares of Common Stock, with one vote per share ("Permitted Transferees"). The Permitted Transferees include 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 Charter, with another Permitted Transferee or an Immediate Family Member. A share of Class A Common Stock transferred to a Permitted Transferee would automatically convert into Common Stock with one vote per share. Additionally, the Charter includes a sunset provision pursuant to which all of the outstanding Class A Common Stock will convert to Common Stock if: (a) less than 1,000,000 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 1,000,000 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 outstanding. Diluted net income per share attributable to Cal-Maine Foods, Inc. is based on the weighted average 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
<b>Numerator</b>			
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
<b>Denominator</b>			
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	48,873	48,834	48,734
<b>Net income per common share attributable to Cal-Maine Foods, Inc.</b>			
Basic	\$ 5.70	\$ 15.58	\$ 2.73
Diluted	\$ 5.69	\$ 15.52	\$ 2.72

### 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 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 products are primarily sold to the institutional, foodservice and food manufacturing sectors. Hard-cooked eggs are sold primarily to the foodservice and retail channels.

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

	13 Weeks Ended	14 Weeks Ended	52 Weeks Ended	53 Weeks Ended
	June 1, 2024	June 3, 2023	June 1, 2024	June 3, 2023
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 ~~Equity Incentive Plan~~ (the "LTIP Plan"). The purpose of the LTIP Plan is to assist us and our subsidiaries in attracting and retaining individuals who are expected to contribute to our long-term success. The maximum number of shares of Available Stock awards under the LTIP Plan is 2,000,000 of which 856,119 shares remain available for issuance, and authorized but unissued shares or treasury shares. Awards may be granted under the LTIP Plan to any employee, member of the Company's Board of Directors, and any consultant who is a natural person and provides services to 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 death or disability, change in control, or retirement (subject to certain requirements). The restricted stock vests on a performance condition. Restricted stock is awarded in the name of the recipient and, except for disposal, constitutes issued and outstanding shares of the Company's Common Stock for all corporate purposes during the period including the right to receive dividends. Compensation expense is a fixed amount based on the grant date closing amortized on a straight-line basis over the vesting period. Forfeitures are recognized as they occur.

Total stock-based compensation expense was \$1.5 million, \$4.2 million, and \$1.1 million in fiscal 2024, 2023, and 2022, respectively.

Our unrecognized compensation expense as a result of non-vested shares was \$2.5 million at June 1, 2024 and \$2.3 million at June 3, 2023. The unrecognized compensation expense will be amortized to stock compensation expense over the period of

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

	Number of Shares	Weighted Average Date Fair Value	Grant
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 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 significant unrecognized tax benefits. Accordingly, the Company had 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 any state and local tax authorities. Tax periods for all years beginning with fiscal year 2020 are not under audit 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 a lawsuit filed by Cal-Maine Foods, Inc. d/b/a Wharton; and Wharton County Foods, LLC, Cause No. 2020-25427, in the District Court, Texas. The State of Texas (the "State") asserted claims based on the Company's and WCF's alleged violation of the Deceptive Trade Practices—Consumer Protection Act, Tex. Bus. & Com. Code §§ 17.41-17.63 (the "DTPA") and that the Company and WCF offered shell eggs at excessive or exorbitant prices during the COVID-19 pandemic, made misleading statements about shell egg prices. The State sought temporary and permanent injunctive relief against WCF to prevent further alleged violations of the DTPA, along with \$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 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 Court of Texas denied the Company's Petition for Review and remanded to the trial court for further proceedings. The court entered a pre-trial order scheduling pre-trial proceedings and tentatively setting a trial date for August 1, 2025. 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 a class action lawsuit filed in the United States shell egg industry. The Company settled all of these cases, except for the plaintiffs who sought substantial damages allegedly arising from the purchase of egg products (as opposed to shell eggs). The plaintiffs are Kraft Food Global, Inc., General Mills, Inc., and Nestle USA, Inc. (the "Egg Products Plaintiffs"). A 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 to the District Court for the Eastern District of Pennsylvania, In re Processed Egg Products Antitrust Litigation, 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 cause the plaintiffs paid for processed egg products. In particular, the Egg Products Plaintiffs attacked certain features of the 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 the Company for an amount that did not have a material impact on the Company's financial operations. On November 11, 2019, a stipulation for dismissal was filed with the court, and on March 28, 2022, the court dismissed the case 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 \$8 million in damages. If the jury's decision is ultimately upheld, the defendants would be jointly liable for treble damages of approximately \$24 million, subject to credit for the Kellogg settlement described above and settlements with previous settling defendants, plus the Egg Product Plaintiffs' reasonable attorneys' fees. This decision is not subject to the defendants' motion for a directed verdict noted below and appeals by the parties. During the quarter of 2024, we recorded an accrued expense of \$8 million in selling, general and administrative 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 proportionate share of ultimate damages award, excluding the Egg Product Plaintiffs' attorneys' fees that we expect to be offset by the credits noted above. We have entered into a judgment allocation and joint defense agreement with our producer defendant remaining in the case, and are in discussions with other defendants regarding the way change in the future based on the outcome of those discussions. Our accrual may also be revised in part in the future to the extent we are successful in further proceedings in the litigation. On November 15, 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 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 various other defendants, 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 requested monetary damages, but the claim for monetary damages was dismissed by the court. Cal-Maine Foods continued operations in the watershed in or around 2005. Since the litigation began, Cal-Maine Foods, Inc. 100% owned 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 production facilities 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 findings of fact and conclusions of law in favor of the State of Oklahoma, but no penalties were assessed. The court found the defendants jointly and severally liable for the actions of their contract producers. The court directed the parties to confer in attempt to reach appropriate remedies. On June 12, 2023, the court ordered the parties to mediate before the retired Tenth Circuit Chief Judge 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 26, 2023, the defendants filed their reply. On June 26, 2024, the district court denied defendants' motion to dismiss. While 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 future uncertainties inherent in any assessment of potential costs associated with injunctive relief or other penalties based on a case tried over 13 years ago based on environmental conditions that existed at the time, the lack of guidance as to what might be considered appropriate remedies, the ongoing litigation with the State of Oklahoma and the court's decision before the court, and uncertainty regarding what our proportionate share of any remedy would be, although the liability 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 these matters cannot be determined with certainty, management, upon the advice of counsel, is of the opinion that these matters 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 related to their commercial shell egg production and processing facilities with a capacity at the time of acquisition of approximately 4.0 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 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 \$10 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 in the reports we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and regulations. 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 communicated and recorded, 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 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 over Financial Reporting" 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 ("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 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 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 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 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 in accordance with authorizations of management and directors of the entities; and (3) provide reasonable assurance regarding the 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, 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-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 a written 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, 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 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 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](http://www.calmainefoods.com) under the heading "Investor Relations – Governance." We intend to disclose any amendments to, or waivers from, the Code of Ethics and Business Conduct 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:

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

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	<a href="#">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)</a>
3.2**	<a href="#">Amended and Restated Bylaws of the Registrant</a>
4.1**	<a href="#">Description of Registrant's Securities Registered Under Section 12 of the Exchange Act</a>
10.1	<a href="#">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)</a>
10.2*	<a href="#">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)</a>
10.3	<a href="#">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)</a>
10.4	<a href="#">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)</a>
10.5*	<a href="#">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)</a>
10.6*	<a href="#">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)</a>
10.7*	<a href="#">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)</a>
10.8*	<a href="#">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)</a>
10.9*	<a href="#">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)</a>
10.10*	<a href="#">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)</a>
19.1**	<a href="#">Insider Trading Policy</a>
21**	<a href="#">Subsidiaries of the Registrant</a>
23.1**	<a href="#">Consent of FROST, PLLC</a>
31.1**	<a href="#">Rule 13a-14(a) Certification of Chief Executive Officer</a>
31.2**	<a href="#">Rule 13a-14(a) Certification of Chief Financial Officer</a>
32***	<a href="#">Section 1350 Certifications of the Chief Executive Officer and the Chief Financial Officer</a>
97**	<a href="#">Incentive-Based Compensation Recovery Policy</a>
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 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 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, shall be given to each stockholder entitled to vote at the meeting.



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 vote of the capital stock having voting power present in person or represented by proxy shall decide any question 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 one share of 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

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 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 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 may be permitted to be taken at any meetings of the board of directors or of any committee thereof may be taken by written consent at 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.

## DIRECTORS EMERITUS AND CHAIRMAN EMERITUS

### Section 15

The board of directors may, from time to time in its discretion, by majority vote, designate 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' 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 to the board.

Directors Emeritus and the Chairman Emeritus may attend board meetings as and when invited by the board to 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 office of Director

Emeritus or Chairman Emeritus shall not be considered a director or officer for any purpose, including the determination of the corporation's

status under the 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 authority or

authority to manage the affairs of the corporation. Directors Emeritus and the Chairman Emeritus shall not be liable for 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 the 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<sup>4</sup> for such service in such form and amount as approved by the board.

**Section 4**

. The salaries of all officers of the corporation shall be fixed by the board of directors o

**Section 5**

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

**CHAIRMAN OF THE BOARD OF DIRECTORS**

**Section 6**

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

**CHIEF EXECUTIVE OFFICER**

**Section 7**

. The Chief Executive Officer shall have general, managerial responsibilities for the aff  
corporation, subject to orders and directions of the Board of Directors. He may execute bonds, mortgages  
other contracts  
requiring a seal under the seal of the corporation, except where required or permitted by law to be otherwi  
signed and  
executed and except where the signing and execution thereof shall be expressly delegated by the board o  
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 opera  
activities of the corporation subject to the orders and directions of the President of the corporation. The Ch  
Operating Officer  
shall have the authority to execute all documents<sup>5</sup> on behalf of the corporation as may be required to disch

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

### **Section 13**

. The assistant secretary, or if there be more than one, the assistant secretaries in the 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 pre

## **THE TREASURER AND ASSISTANT TREASURERS**

### **Section 14**

. The treasurer shall have the custody of the corporate funds and securities and shall keep 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 upon 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

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 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 accordance with the Transfers of stock shall be made on the books administered by or on behalf of the corporation. Upon surrender of 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 attend 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 any meeting, nor

more than 60 days prior to any other action. A determination of stockholders of record entitled to notice of or to attend a

meeting of stockholders shall apply to any adjournment of the meeting: provided, however, that the board of

Chancery or the court in which such action or suit was brought shall determine upon application that, despite 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 in defending or asserting his or her merits or otherwise in defense of any action, suit or proceeding referred to in Sections (1) and (2) above or in connection with the 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 paid 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 of the Corporation in connection with 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 officer 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 or agents may be so

## **ARTICLE VIII**

### **FORUM FOR ADJUDICATION OF DISPUTES**

#### **Section 1**

Unless the corporation consents in writing to the selection of an alternative forum, the Chancery of the State of Delaware (or if such court does not have subject matter jurisdiction another state 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 for breach of a fiduciary duty owed by any current or former director, officer or other employee, or stockholder of 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 reinterpreted 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**





**Exhibit 21****Subsidiaries of Cal-Maine Foods, Inc.**

<b>Name of Subsidiary</b>	<b>Place of Incorporation or Organization</b>	<b>Percentage of Outstanding Stock or Ownership Interest Held by Registrant</b>
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	



**Exhibit 32**

**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 (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 results and

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 is not 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, the holders of Common Stock

and Class A Common Stock shall have the same rights and powers, rank equally (including as to dividend 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.

Notwithstanding the foregoing, the Board of Directors may pay or make a disparate dividend or distribution share of Common

Stock or Class A Common Stock (whether in the amount of such dividend or distribution payable per share or in any other 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 is issued in violation 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 Chairman 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:

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.



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. Such requirements are 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 an audit committee be

composed solely of independent directors. Delaware law provides that the holders of a majority of the outstanding 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 own 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 our 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 C

v. the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, ple  
other financial

benefits provided by or through the corporation.

In general, Section 203 defines an "interested stockholder" as any entity or person beneficially ow  
15% or more of the

outstanding voting stock of the corporation and any entity or person affiliated with or controlling or cont  
the entity or

person.

The restrictions of Section 203 of the Delaware General Corporation Law do not apply to corporations th  
elected, in the

manner provided therein, not to be subject to Section 203 of the Delaware General Corporation Law. The C  
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  
selection of an

alternative forum, the Court of Chancery of the State of Delaware (or if such court does not have s  
matter jurisdiction

another state or federal court (as appropriate) located within the State of Delaware) shall, to the fullest e  
permitted by law,

be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the C  
(ii) any action

asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other emp  
or stockholder

of the Company to the Company or its stockholders, creditors or other constituents; (iii) any action assert  
claim against the



**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 (“**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 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.

(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 trailing period (that results from a change in the Company’s fiscal year) of less than nine months with 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 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.

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 101-1 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 with regard to any taxes paid by the relevant Covered Executive.

provide written notice to each Covered Executive by email, certified mail or overnight mail 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 recovery of 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 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 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

majority of the independent directors serving on the Board, has determined in good faith that 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 those 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, 2002. 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 legal 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~~



**8.**  
**Effective Date**

This Policy shall be effective as of the Effective Date. Subject to applicable law, the Committee may allow recovery under this Policy from any amount of compensation approved, awarded, granted, payable or otherwise received by 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 under 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 procedure 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 preclude 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.

**12. Severability**

The provisions in this Policy are intended to be applied to the fullest extent of the law. To the extent 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 101 of the Exchange Act, Rule 10D-1 and the Listing Standards, and to the extent applicable, the law 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.



**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 of 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 all transactions in the Company's 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 transactions in 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 entities whose 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 the

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 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 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 does 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 incentive

made under an approved Rule 10b5-1 plan.

**Transacting in the company's securities during the transaction window will 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, the Company and certain other key persons identified by the Company from time to time and who have been or may be identified as Insiders must refrain from transacting in the Company's securities during the transaction window without first

obtaining pre-clearance from the Company's Chief Financial Officer. Insiders who have been so identified must refrain from transacting in the Company's securities, even during the transaction window without first

obtaining pre-clearance from the Company's Chief Financial Officer. Each such person should contact the Company's Chief Financial Officer

for approval prior to commencing any transaction in the Company's securities. The Chief Financial Officer will coordinate the pre-clearance process as necessary

with senior management and/or counsel to the Company before clearing any proposed transaction. Although the Chief Financial Officer is the designated Insider wishing

to transact pursuant to an approved Rule 10b5-1 plan need not seek pre-clearance 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 regarding 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

available to investors, including through the issuance of a press release or a filing with the SEC. In addition, 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 the information has been known publicly for at least one full Trading Day.

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 exercise or to cover the satisfaction of tax withholding obligations, and the purchase of shares pursuant to

Company employee stock purchase plan (but not the sale or gift of any shares issued upon such exercise or purchase) are cashless

exercise (accomplished by a sale of a portion of the shares issued upon exercise of an option), and not an open market sale for

the purpose of generating cash to pay the exercise price or taxes) are exempt from this Policy.

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 units or stock application rights by the Company. The transaction restrictions under this Policy do not apply to

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.

award. The Company may withhold shares to cover taxes due upon vesting.

7.4.

**Margin Accounts and Pledging Transactions**

. Securities held in a margin account as collateral for a 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 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. Cal-

Maine Foods, Inc. pertaining to the Cal-Maine Foods, Inc. KSOP and the Registration Statement (Form No. 333-252069)

pertaining to the Amended and Restated Cal-Maine Foods, Inc. 2012 Omnibus Long-Term Incentive Plan reports dated

July 23, 2024, relating to the consolidated financial statements and financial statement schedules, and 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



**Exhibit 31.1**

**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 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 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 the report is prepared;



**Exhibit 31.2**

**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 proced~~

