

Cal-Maine provides Americans with remarkable food choice; Eggs

Cal-Maine Foods, Inc. is the largest producer and marketer of shell eggs in the United States. In fiscal 2015, we sold approximately 1,063.1 million dozen shell eggs, which we believe represented approximately 23% of domestic shell egg consumption. Our total flock of approximately 33.7 million layers and 8.4 million pullets and breeders is the largest in the U.S. Layers are mature female chickens, pullets are young female chickens usually under 18 weeks of age, and breeders are male and female chickens used to produce fertile eggs to be hatched for egg production flocks.

We operate in a single segment. Our primary business is the

production, grading, packaging, marketing and distribution of shell eggs. We sell most of our shell eggs in the southwestern, southeastern, mid-western and mid-Atlantic regions of the U.S. We market our shell eggs through our extensive distribution network to a diverse group of customers, including national and regional grocery store chains, club stores, foodservice distributors and egg product consumers. Some of our sales are completed through copack agreements – a common practice in the industry whereby production and processing of certain products is outsourced to another producer. The strength of our position

is evidenced by the fact that we have the largest market share in the grocery segment for shell eggs, and we sell shell eggs to a majority of the largest food retailers in the U.S.

We are one of the largest producers and marketers of value-added specialty shell eggs in the U.S. Specialty shell eggs include nutritionally enhanced, cage free, organic and brown eggs. They have been a significant segment of the market in recent years. In fiscal 2015, specialty shell eggs and co-pack specialty shell eggs represented 27.2% and 2.8% of our shell egg dollar sales, respectively, and accounted for approximately 19.8% and 2.0%, respectively,

of our total shell egg dozen volumes. In fiscal 2014, specialty shell eggs and co-pack specialty shell eggs represented 24.3% and 3.8% of our shell egg dollar sales, respectively, and accounted for approximately 17.2% and 2.7%, respectively, of our total shell egg dozen volumes.

Retail prices for specialty eggs are less cyclical than non-specialty shell egg prices and are generally higher due to consumer willingness to pay for the perceived increased benefits from those products. We market our specialty shell eggs under the following brands: Egg-Land's Best®, Land O' Lakes®, Farmhouse®, and 4-Grain®. We are a member of the

Egg-Land's Best, Inc. ("EB") cooperative and produce, market and distribute Egg-Land's Best® and Land O' Lakes® branded eggs, along with our associated joint ventures, under exclusive license agreements for a number of states in the southeast, south central, and southwest U.S. as well as the New York City area. We market cage free eggs under our trademarked Farmhouse® brand and distribute them across the southeast and southwest regions of the U.S. We market organic, all natural, cage-free, vegetarian, and omega-3 eggs under our 4-Grain® brand. We also produce, market, and distribute private label specialty shell eggs


to several customers.

We are a leader in industry consolidation. Since 1989, we have completed eighteen acquisitions ranging in size from 600,000 layers to 7.5 million layers. Despite a market that has been characterized by increasing consolidation, the shell egg production industry remains highly fragmented.



At December 31, 2014, 59 producers, owning at least one million layers, owned approximately 93% of total industry layers and the ten largest producers owned approximately 47% of total industry layers. We believe industry consolidation will continue and we plan to capitalize on opportunities as they arise.



Cal-Maine is located West of Chase. Above is a row of several buildings which also house laying hens. The company ships millions of eggs yearly from this facility alone.




IT JUST ISN'T
BREAKFAST
WITHOUT
EGGS



Today's Eggs
are an important source of

- Protein
- Vitamin A
- Riboflavin
- Folacin
- Vitamin B₁₂
- Iron
- Zinc
- Phosphorous



Wouldn't you love some now?!

CAL-MAINE FOODS, INC.

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