



Key Facts

Business address: **Laurel, Mississippi, United States**

Industry: **Poultry Processing** (NAICS 311615)

SEC filer status: **Large Accelerated Filer** as of Jul 2020

Index member: **S&P 400, Russell 2000**

Market Cap: **\$2.59b** as of Sep 17, 2020

Annual revenue: **\$3.44b** as of Oct 31, 2019

Corporate Governance

CEO: **Joe F. Sanderson Jr.** since 1989

CFO: **Michael D. Cockrell CPA** since 1993

1st level

Board Chairman: **Joe F. Sanderson Jr.** since 1998

Audit Committee Chair: **Suzanne T. Mestayer**

2nd level

Auditor: **Ernst & Young LLP** since 1986

Outside Counsel (most recent): **Kirkland & Ellis LLP
Robinson Bradshaw & Hinson PA**

3rd level

SEC Reviewer: **(Lyn) Lynwood F Shenk**

4th level

Watchdog Research, Inc., offers both individual and group subscriptions, data feeds and/or custom company reports to our subscribers.

Subscribe: We have delivered 300,000 public company reports to over 27,000 individuals, from over 9,000 investment firms and to 4,000+ public company corporate board members.



How to analyze this company's Watchdog Report? [Skip to the last page](#)

Information in this report is effective Sep 18, 2020 and is taken from the company's public financial and regulatory filings. Latest filing 10-Q filed 08/27/2020. Over 75 accounting and data analysts scrutinize and review crucial information, footnotes, disclosures, etc., from these filings. Material facts are captured and processed using our proprietary methods which identify key risk factors our readers need to know. Each Watchdog Report represents 30 or more hours of analysis and processing.

Accounting and financial disclosure data from [Audit Analytics](#).

Executive compensation data from [Shore Group and Intrinio](#).

Data from [Sharadar](#).

[Data from Barchart via Quandl](#).

[Data from Exchange Data International via Quandl](#).

Sep 18, 2020

Jan 1, 2019

Jan 1, 2015

RECENT PERIOD

HISTORICAL PERIOD

10-Q filed on Aug 27, 2020 for period ending Jul 2020

Reporting Irregularities

RECENT		HISTORICAL
✓	Financial Restatements	✓
✓	Revisions	✓
✓	Out of Period Adjustments	✓
✓	Late Filings	✓
✓	Impairments	✓
✓	Changes in Accounting Estimates	✓
✓	Disclosure Controls	✓
✓	Internal Controls	✓
!	Critical / Key Audit Matters	✓

Anomalies in the Numbers

RECENT		HISTORICAL
✓	Benford's Law	!
—	Beneish M-Score	—
✓	Accounting Disclosure Complexity	✓

Securities & Exchange Commission Concerns

RECENT		HISTORICAL
✓	SEC Oversight	✓
✓	SEC Letters to Management	!
✓	Revenue Recognition	✓
✓	Non-GAAP Measures	✓

Litigation & External Pressures

RECENT		HISTORICAL
!	Significant Litigation	!
!	Class Actions	!
✓	Securities Law	!
✓	Shareholder Activism	✓
✓	Cybersecurity	✓

Management Review

RECENT		HISTORICAL
✓	CEO Changes	✓
✓	CFO Changes	✓
✓	Insider Sales	!
✓	Mergers & Acquisitions	✓
✓	Sales of Assets	✓

Auditor Assessment

RECENT		HISTORICAL
✓	Auditor Changes	✓
✓	Auditor Experience	✓
!	Auditor Tenure	!
!	Audit Fees	!
✓	Non-Audit Fees	✓



Overview

Price and Volume History

This graph shows the price and trading history for Sanderson Farms. Warning signs and red flags are marked on the graph according to their disclosure dates.



- 1** Dec 19, 2019 - Critical / Key Audit Matters
- 2** Dec 19, 2019 - Critical / Key Audit Matters
- 3** Oct 11, 2019 - Lawsuit: Lentz et al v. Sanderson Farms Inc
- 4** Oct 11, 2019 - Class Actions Lawsuit: Lentz et al v. Sanderson Farms Inc
- 5** Aug 30, 2019 - Lawsuit: Jien et al v. Perdue Farms Inc et al
- 6** Aug 30, 2019 - Class Actions Lawsuit: Jien et al v. Perdue Farms Inc et al
- 7** Feb 21, 2018 - Lawsuit: In re Sanderson and Koch Broiler Chicken Grower Litigation
- 8** Feb 21, 2018 - Class Actions Lawsuit: In re Sanderson and Koch Broiler Chicken Grower...
- 9** Jun 22, 2017 - Lawsuit: Friends of the Earth et al v. Sanderson Farms Inc
- 10** Jan 27, 2017 - Lawsuit: Haff Poultry Inc et al v. Tyson Foods Inc et al
- 11** Jan 27, 2017 - Class Actions Lawsuit: Haff Poultry Inc et al v. Tyson Foods Inc et al
- 12** Oct 28, 2016 - Lawsuit: Gamm v. Sanderson Farms Inc et al
- 13** Oct 28, 2016 - Class Actions Lawsuit: Gamm v. Sanderson Farms Inc et al
- 14** Oct 28, 2016 - Securities Law Lawsuit: Gamm v. Sanderson Farms Inc et al
- 15** Sep 2, 2016 - Lawsuit: In re Broiler Chicken Antitrust Litigation
- 16** Sep 2, 2016 - Class Actions Lawsuit: In re Broiler Chicken Antitrust Litigation
- 17** Aug 14, 2016 - Lawsuit: Percy et al v. Koch Foods of Alabama LLC et al
- 18** Aug 14, 2016 - Class Actions Lawsuit: Percy et al v. Koch Foods of Alabama LLC et al
- 19** May 26, 2016 - SEC letters to management
- 20** Nov 3, 2015 - Insider Sale
- 21** Nov 3, 2015 - Insider Sale
- 22** Jun 4, 2015 - SEC letters to management
- 23** Mar 4, 2015 - Insider Sale
- 24** Mar 4, 2015 - Insider Sale



Notifications

Important notifications related to the company are listed here. Notifications may come from the SEC, exchanges such as the NYSE or NASDAQ, or Watchdog Research. Examples of notifications include announcements of bankruptcy proceedings, company name changes, and noncompliance with SEC regulations or exchange rules.

There are no notifications for Sanderson Farms at least since 2015.

Peer Group

Peer groups are used by companies to benchmark executive compensation and performance. Each company identifies its own peer group. Peer groups vary from company to company.

Peer Group

Company	Ticker	Market Cap
Brown Forman Corp.	BFB	\$37b
Hormel Foods Corp.	HRL	\$26.9b
McCormick & Co. Inc.	MKC	\$25.7b
Tyson Foods Inc.	TSN	\$22.9b
J.M. Smucker Co.	SJM	\$12.5b
Post Holdings, Inc.	POST	\$5.83b
Flowers Foods Inc.	FLO	\$4.96b
Pilgrims Pride Corp.	PPC	\$4.33b
Seaboard Corp.	SEB	\$3.31b
Sanderson Farms Inc.	SAFM	\$2.59b

Companies Who Named Sanderson Farms as a Peer

Company	Ticker	Market Cap
Hormel Foods Corp.	HRL	\$26.9b
Lamb Weston Holdings, Inc.	LW	\$10.2b
Darling Ingredients Inc.	DAR	\$5.69b
Lancaster Colony Corp.	LANC	\$4.79b
Pilgrims Pride Corp.	PPC	\$4.33b
Sanderson Farms Inc.	SAFM	\$2.59b
Coca-Cola Consolidated, Inc.	COKE	\$2.34b
Treehouse Foods, Inc.	THS	\$2.23b
Cal-Maine Foods Inc.	CALM	\$1.92b
Fresh Del Monte Produce Inc.	FDP	\$1.13b



Peer Flag Comparison

The return to a company's stock is not the only measure of executive performance. Ethics matter, and growth can quickly reverse and gains evaporate if a company's accounting and financial reporting processes are not fundamentally sound and trustworthy. How does Sanderson Farms' accounting quality compare to its peer group?

	SAFM	PEERGROUP FLAGS		
Reporting Irregularities				
Financial Restatements	✓	9		
Revisions	✓	8	1	
Out of Period Adjustments	✓	8	1	
Impairments	✓	2	7	
Changes in Accounting Estimates	✓	5	4	
Disclosure Controls	✓		8	1
Internal Controls	✓	9		
Critical / Key Audit Matters	!		9	
Anomalies in the Numbers				
Benford's Law	!	5		4
Beneish M-Score	⊖	7	2	
Accounting Disclosure Complexity	✓	6	2	1
Securities & Exchange Commission Concerns				
SEC Oversight	✓	9		
SEC Letters to Management	!	1	4	4
Revenue Recognition	✓	9		
Non-GAAP Measures	✓	9		

	SAFM	PEERGROUP FLAGS		
Litigation & External Pressures				
Significant Litigation	!	3		6
Class Actions	!	3		6
Securities Law	!	6		3
Shareholder Activism	✓	9		
Cybersecurity	✓	8	1	
Management Review				
CEO Changes	✓	1	5	3
CFO Changes	✓	5	2	2
Insider Sales	!	2	4	3
Mergers & Acquisitions	✓	1	5	3
Sales of Assets	✓	9		
Auditor Assessment				
Auditor Changes	✓	8	1	
Auditor Experience	✓	9		
Auditor Tenure	!	3	6	
Audit Fees	!	4	5	
Non-Audit Fees	✓	7	2	



About Watchdog Research, Inc.

Watchdog Research, Inc. is an independent research provider and publisher of Watchdog Reports. Watchdog Reports identify red flags, issues, and other anomalies in financial reporting. Our reports contain warning signs, red flags, material disclosures, and peer analysis for use in valuation, risk analysis, due diligence research, and idea generation.

Watchdog Reports are designed to assist investment professionals fulfill their fiduciary or suitability obligations and to help investors, executives, board members, regulators and educators learn what they need to know about publicly traded companies.

The company is headquartered in Ave Maria, FL. Watchdog Research, Inc. utilizes over 75 specialists and analysts to provide accurate and timely information to our readers.

Our management team is:

CEO: Brian Lawe. Brian has been part of the corporate staff at The New York Times Company and IBM. He has created and operated several technology companies including MyStoreCredit, OnPage Ideas and HelloCampus. He holds an MBA from Harvard Business School and a BBA from Texas Christian University. He and his wife have four children and live in the Naples, FL area.

CTO: Radu Cugut. Radu has led the award-winning technology team that developed the Watchdog Report and services. He, his wife and son split their time between his home in Ave Maria, FL and his home in Timisoara, Romania where he oversees five talented development professionals. Radu has a bachelors in Computer Science and a masters in Banking and Financial Information Systems, both from the West University of Timisoara.

Chief Content Officer: Joseph Burke, Ph.D. is responsible for the content development, analysis, and quality control for the Watchdog Report. Joseph worked previously as a professor of economics at Ave Maria University. He received his Ph.D. from the University of Wisconsin-Madison and resides with his family in the Naples area.

Director of Research: John Cheffers. John is responsible for writing our blogs and for our press relationships. He received his bachelors from Washington University in St. Louis, and has worked for Audit Analytics and Ave Maria University. He graduated Ave Maria University School of Law where his research was selected for publication in the Law Review. He currently lives in Pennsylvania with his wife and two children.



Watchdog Research, Inc.
5072 Annunciation Cir.
Suite 202
Ave Maria, FL 34142

info@watchdogresearch.com
(855) 820-6272
www.watchdogresearch.com

