

HORMEL FOODS CORP /DE/  
Form 11-K  
April 24, 2015  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D. C. 20549**

**FORM 11-K**

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended October 26, 2014

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-2402

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**Clougherty Packing, LLC Retirement Plan for Certain Employees**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**Hormel Foods Corporation**

**1 Hormel Place**

**Austin, MN 55912**

**507-437-5611**

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Clougherty Packing, LLC  
Retirement Plan For Certain Employees

Audited Financial Statements and Supplemental Schedule

For the Year Ended October 26, 2014 and  
for the Period from January 1, 2013 to October 27, 2013

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Ernst & Young LLP

Weinberg & Company, P.A.

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## Report of Independent Registered Public Accounting Firm

The Hormel Foods Corporation Employee Benefits Committee

Clougherty Packing, LLC Retirement Plan for Certain Employees

We have audited the accompanying statement of net assets available for benefits of the Clougherty Packing, LLC Retirement Plan for Certain Employees (the Plan) as of October 26, 2014, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at October 26, 2014, and the changes in its net assets available for benefits for the year then ended, in conformity with U.S. generally accepted accounting principles.

The accompanying supplemental schedule of assets (held at end of year) as of October 26, 2014, has been subjected to audit procedures performed in conjunction with the audit of the Clougherty Packing, LLC Retirement Plan for Certain Employees' financial statements. The information in the supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the information, we evaluated whether such information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Ernst & Young LLP

Minneapolis, Minnesota

April 24, 2015

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## Report of Independent Registered Public Accounting Firm

The Hormel Foods Corporation Employee Benefits Committee

Clougherty Packing, LLC Retirement Plan For Certain Employees

We have audited the accompanying statement of net assets available for benefits of the Clougherty Packing, LLC Retirement Plan For Certain Employees (the Plan) as of October 27, 2013, and the related statement of changes in net assets available for benefits for the period from January 1, 2013 to October 27, 2013. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at October 27, 2013, and the changes in net assets available for benefits for the period from January 1, 2013 to October 27, 2013, in conformity with accounting principles generally accepted in the United States of America.

/s/ Weinberg & Company, P.A.

Los Angeles, California

April 25, 2014





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Clougherty Packing, LLC  
Retirement Plan For Certain Employees

Statements of Net Assets Available for Benefits

	<b>October 26, 2014</b>	<b>October 27, 2013</b>
<b>Assets</b>		
Investments, at fair value	\$ <b>19,666,531</b>	\$ 18,513,591
Receivables:		
Contributions from Clougherty Packing, LLC	<b>21,909</b>	22,659
Net assets available for benefits, at fair value	<b>19,688,440</b>	18,536,250
Adjustment from fair value to contract value for interest in fully benefit-responsive investment contracts	<b>(137,018)</b>	(132,443)
Net assets available for benefits	\$ <b>19,551,422</b>	\$ 18,403,807

*See accompanying notes.*

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Clougherty Packing, LLC  
Retirement Plan For Certain Employees

Statements of Changes in Net Assets Available for Benefits

	<b>Year Ended October 26, 2014</b>	<b>Period from January 1, 2013 to October 27, 2013</b>
<b>Additions:</b>		
Contributions from Clougherty Packing, LLC	\$ <b>1,002,158</b>	\$ 904,211
Investment income	<b>45,608</b>	10,698
Total additions	<b>1,047,766</b>	914,909
<b>Deductions:</b>		
Distributions	<b>800,655</b>	1,097,828
Administrative expenses	<b>370</b>	24,471
Total deductions	<b>801,025</b>	1,122,299
Net realized and unrealized appreciation in fair value of investments	<b>900,874</b>	1,569,224
Net additions	<b>1,147,615</b>	1,361,834
Net assets available for benefits at beginning of year/period	<b>18,403,807</b>	17,041,973
Net assets available for benefits at end of year/period	\$ <b>19,551,422</b>	\$ 18,403,807

*See accompanying notes.*

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Clougherty Packing, LLC  
Retirement Plan For Certain Employees

Notes to Financial Statements

For the Year Ended October 26, 2014

and for the Period from January 1, 2013 to October 27, 2013

**1. Significant Accounting Policies**

The accounting records of the Clougherty Packing, LLC (the Company or the Sponsor) Retirement Plan For Certain Employees (the Plan) are maintained on the accrual basis.

Investments held by the Plan are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The Plan records financial assets and liabilities at fair value.

The Employee Benefits Committee (the Committee) of Hormel Foods Corporation, the parent company of the Sponsor, is responsible for determining the Plan's valuation policies and analyzing information provided by the investment advisors and record keeper that is used to determine the fair value of the Plan's investments. The Committee is comprised of officers and a director of Hormel Foods Corporation and reports to the Compensation Committee of the Board of Directors of Hormel Foods Corporation. For investments categorized within Level 3 of the fair value hierarchy, the Committee utilizes the record keeper to obtain information on the fair value of these assets. The record keeper employs third-party pricing services and obtains selected support from their portfolio managers to determine daily valuations and investment returns. See Note 3 for further discussion of fair value measurements.

All costs and expenses incurred in connection with the operation of the Plan with regard to the purchase and sale of investments and certain professional fees are paid by the Plan.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

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Clougherty Packing, LLC  
Retirement Plan For Certain Employees

Notes to Financial Statements (continued)

**2. Description of the Plan**

The following description of the Plan provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The Plan, sponsored by Clougherty Packing, LLC, is a defined contribution money purchase pension plan for substantially all hourly employees of the Company who are members of the local collective bargaining unit, as defined by the Plan.

The Company contributes 50 cents per hour for each regular hour worked, as defined by the Plan. Participants may also contribute (rollover) amounts representing distributions from other qualified retirement plans.

Each participant's account is credited with the Sponsor's contributions and plan earnings and is charged with an allocation of administrative expenses if the employer does not pay those expenses from its own assets. Allocations are based on account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Participants rollover contributions are always fully vested. Company contributions plus the earnings thereon are 100% vested after three years of continuous service. Forfeitures used to reduce employer contributions for the year ended October 26, 2014 and for the period from January 1, 2013 to October 27, 2013, were \$131,708 and \$86,437, respectively. Cumulative forfeited nonvested accounts as of October 26, 2014 and October 27, 2013, were \$26,467 and \$4,637, respectively.

Upon termination of service due to death, disability, or retirement from the Company, participants may elect to receive the vested interest of their accounts in the form of a single sum of cash, annuity, partial payments, or installments. Complete details of payment provisions are described in a Summary Plan Description, available from the Sponsor. Benefits are recorded when paid.

The employer may, at its sole discretion, discontinue contributions or terminate the Plan at any time subject to the provisions of ERISA. Upon the Plan's termination, all amounts credited to participants would become fully vested, and the assets of the Plan would be distributed to participants based on amounts previously credited to their respective accounts.

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**Clougherty Packing, LLC  
Retirement Plan For Certain Employees**

Notes to Financial Statements (continued)

**2. Description of the Plan (continued)**

On August 16, 2013 the Board of Managers of Clougherty Packing, LLC approved amending the plan year end date from December 31 to the last Sunday in October, effective January 1, 2013. The October year-end is consistent with the other plans sponsored by Hormel Foods Corporation.

**3. Investments and Fair Value Measurement**

During the year ended October 26, 2014 and for the period from January 1, 2013 to October 27, 2013, the Plan's investments (including investments bought, sold, as well as held during the year) appreciated in fair value as follows:

	<b>Year Ended October 26, 2014</b>	<b>Period from January 1, 2013 to October 27, 2013</b>
Net appreciation in fair value during the year:		
Collective trusts	\$ 894,499	\$ 904,873
Pooled separate accounts		658,680
Mutual funds	4,649	5,665
Nonpooled separate account (containing Hormel Foods Corporation common stock)	1,726	6
	\$ 900,874	\$ 1,569,224

The fair value of individual investments that represent 5% or more of the Plan's net assets is as follows:

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	October 26, 2014	October 27, 2013
Separate trust account:		
State Street Corporation:		
BlackRock LifePath Index 2015	<b>\$ 1,569,041</b>	\$ 1,608,753
BlackRock LifePath Index 2020	<b>3,460,813</b>	3,186,270
BlackRock LifePath Index 2025	<b>3,909,502</b>	3,582,845
BlackRock LifePath Index 2030	<b>3,483,234</b>	3,241,497
BlackRock LifePath Index 2035	<b>1,749,906</b>	1,636,192
BlackRock LifePath Index 2040	<b>1,070,940</b>	976,904
Insurance company general account:		
Massachusetts Mutual Life Insurance Company:		
General Investment Account	<b>1,591,721</b>	1,571,726



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Clougherty Packing, LLC  
Retirement Plan For Certain Employees

Notes to Financial Statements (continued)

**3. Investments and Fair Value Measurement (continued)**

The Plan accounts for its financial assets and liabilities in accordance with Accounting Standards Codification 820, *Fair Value Measurements and Disclosures* (ASC 820), which are carried at fair value on a recurring basis in its financial statements. ASC 820 establishes a fair value hierarchy that requires assets and liabilities measured at fair value to be categorized into one of three levels based on the inputs used in the valuation. Assets and liabilities are classified in their entirety based on the lowest level of input significant to the fair value measurement. The three levels are defined as follows:

- Level 1: Observable inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Observable inputs, other than those included in Level 1, based on quoted prices for similar assets and liabilities in active markets, or quoted prices for identical assets and liabilities in inactive markets.
- Level 3: Unobservable inputs that reflect an entity's own assumptions about what inputs a market participant would use in pricing the asset or liability based on the best information available in the circumstances.

The following is a description of the valuation methodologies used for instruments held by the Plan measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

**Separate Trust Accounts    Mutual Funds**

The mutual funds are public investment vehicles valued using the net asset value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, less its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market, and thus, these investments are classified within Level 1 of the valuation hierarchy.

- The U.S. equities investments include a mix of predominately U.S. common stocks, bonds, and cash.
- The international equities investments include a mix of predominately foreign common stocks and cash.

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Clougherty Packing, LLC  
Retirement Plan For Certain Employees

Notes to Financial Statements (continued)

**3. Investments and Fair Value Measurement (continued)**

- The fixed income investment includes a mix of domestic and foreign securities, including corporate obligations, government securities, mortgage-backed and other asset-backed securities, preferred stocks, and cash.

**Separate Trust Accounts    Collective Trust Funds**

The fair value of the collective trust funds, which are deemed to be Level 2, represent the NAV of the fund shares, which is calculated based on the valuation of the funds' underlying investments at fair value at the end of the year. The investments are public investment vehicles, which are valued using the NAV provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, excluding transaction costs, minus its liabilities, and then divided by the number of shares outstanding.

- The LifePath funds are target retirement date funds and include investments in highly diversified funds designed to remain appropriate for investors in terms of risk through a variety of life circumstances. These funds contain a mix of domestic and foreign equities, fixed income investments, and cash.
- The U.S. equities funds include a mix of predominately U.S. common stocks, bonds, and cash.
- The fixed income fund includes a mix of domestic securities, including corporate obligations, government securities, mortgage-backed and other asset-backed securities, and cash.

**Non-pooled Separate Account**

The non-pooled separate account consists of common stock of Hormel Foods Corporation, which is valued at the last reported sales price on the last business day of the year, and a portion of uninvested cash, which is reported at carrying value as maturities are less than three months. This nonpooled separate account is deemed to be a Level 1 investment. The Company has implemented a dividend pass through election for its participants.

Participants were permitted to invest in Hormel Foods Corporation stock beginning September 1, 2013. Participants are authorized to invest up to 100% of the fair value of their net assets available for benefits in this fund. Each participant in this fund is entitled to exercise voting rights attributable to the shares allocated to their account and is notified by Hormel Foods Corporation prior to the time that such rights may be exercised. The trustee is not permitted to vote any allocated shares for which instructions have not been given by a participant. The trustee votes any unallocated shares in the same proportion as those shares that were allocated, unless

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Clougherty Packing, LLC  
Retirement Plan For Certain Employees

Notes to Financial Statements (continued)

**3. Investments and Fair Value Measurement (continued)**

the Committee directs the trustee otherwise. Participants have the same voting rights in the event of a tender or exchange offer.

This fund is approximately .046% and .001% of the total investments in the Plan at October 26, 2014 and October 27, 2013, respectively.

**General Investment Account**

The General Investment Account is a stable value fund and is reported at fair value with a reported adjustment to contract value shown in the statements of net assets available for benefits. The statements of changes in net assets available for benefits are prepared on a contract value basis. The Plan's insurance company general account contract is fully benefit responsive. Benefit responsiveness is defined as the extent to which a contract's terms and the Plan permit or require participant-initiated withdrawals at contract value.