

CAL-MAINE FOODS INC
Form 10-Q
December 23, 2015
Index

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

(mark one)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended November 28, 2015

OR

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: 000-04892

CAL-MAINE FOODS, INC.

(Exact name of registrant as specified in its charter)

Delaware

64-0500378

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(State or other jurisdiction of incorporation or organization) (I.R.S Employer Identification No.)

3320 Woodrow Wilson Avenue, Jackson, Mississippi 39209

(Address of principal executive offices)(Zip Code)

(601) 948-6813

(Registrant's telephone number, including area code)

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 such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated filer

Accelerated filer

Non – Accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

There were 43,694,886 shares of Common Stock, \$0.01 par value, and 4,800,000 shares of Class A Common Stock, \$0.01 par value, outstanding as of December 22, 2015.

Index

CAL-MAINE FOODS, INC. AND SUBSIDIARIES

FORM 10-Q

INDEX

FOR THE QUARTER ENDED NOVEMBER 28, 2015

	Page Number	
Part I.	Financial Information	
Item 1.	<u>Condensed Consolidated Financial Statements (Unaudited)</u>	
	<u>Condensed Consolidated Balance Sheets - November 28, 2015 and May 30, 2015</u>	2
	<u>Condensed Consolidated Statements of Income - Thirteen and Twenty-six Weeks Ended November 28, 2015 and November 29, 2014</u>	3
	<u>Condensed Consolidated Statements of Comprehensive Income - Thirteen and Twenty-six Weeks Ended November 28, 2015 and November 29, 2014</u>	4
	<u>Condensed Consolidated Statements of Cash Flow - Twenty-six Weeks Ended November 28, 2015 and November 29, 2014</u>	5
	<u>Notes to Condensed Consolidated Financial Statements</u>	6
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	13
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	22
Item 4.	<u>Controls and Procedures</u>	22
Part II.	Other Information	
Item 1.	<u>Legal Proceedings</u>	22
Item 1A.	<u>Risk Factors</u>	24
Item 6.	<u>Exhibits</u>	25
	<u>Signatures</u>	26

Index

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CAL-MAINE FOODS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)

	November 28, 2015 (unaudited)	May 30, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 15,030	\$ 8,667
Investment securities available-for-sale	405,301	249,961
Trade and other receivables (less allowance for doubtful accounts of \$815 and \$513 at November 28, 2015 and May 30, 2015, respectively)	157,836	101,977
Inventories	158,121	146,260
Prepaid expenses and other current assets	3,258	2,099
Total current assets	739,546	508,964
Property, plant and equipment, net	372,207	358,790
Goodwill	29,196	29,196
Other investments	40,248	18,843
Other intangible assets	6,134	7,560
Other assets	4,976	5,300
TOTAL ASSETS	\$ 1,192,307	\$ 928,653
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 85,551	\$ 70,821
Accrued dividends payable	36,410	15,372
Current maturities of long-term debt	6,159	10,065
Income taxes payable	88,902	5,288
Deferred income taxes	27,648	30,391
Total current liabilities	244,670	131,937
Long-term debt, less current maturities	22,611	40,795
Other noncurrent liabilities	5,916	5,745
Deferred income taxes	43,963	45,614
Total liabilities	317,160	224,091

Commitments and Contingencies - see Note 4

Stockholders' equity:

Common stock, \$0.01 par value, 120,000 shares authorized, 70,261 shares issued, and 43,695 and 43,698 shares outstanding, at November 28, 2015 and May 30, 2015, respectively	703	703
Class A common stock, \$0.01 par value, 4,800 shares authorized, issued and outstanding at November 28, 2015 and May 30, 2015	48	48
Paid-in capital	44,802	43,304
Retained earnings	848,109	679,969
Accumulated other comprehensive income (loss), net of tax	(256)	22
Common stock in treasury at cost – 26,566 and 26,563 shares at November 28, 2015 and May 30, 2015, respectively	(20,545)	(20,482)
Total Cal-Maine Foods, Inc. stockholders' equity	872,861	703,564
Noncontrolling interests in consolidated entities	2,286	998
Total stockholders' equity	875,147	704,562
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,192,307	\$ 928,653

See Notes to Condensed Consolidated Financial Statements.

Index

CAL-MAINE FOODS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share amounts)

(unaudited)

	13 Weeks Ended		26 Weeks Ended	
	November	November	November	November
	28, 2015	29, 2014	28, 2015	29, 2014
Net sales	\$ 545,975	\$ 378,617	\$ 1,155,870	\$ 735,561
Cost of sales	334,378	285,908	681,202	561,751
Gross profit	211,597	92,709	474,668	173,810
Selling, general, and administrative expense	45,438	37,112	88,401	77,050
Operating income	166,159	55,597	386,267	96,760
Other income (expense):				
Interest income (expense), net	616	(477)	643	(1,011)
Royalty income	298	1,452	905	2,024
Equity in income of affiliates	1,302	335	2,031	645
Other, net	(366)	(398)	(1,180)	877
	1,850	912	2,399	2,535
Income before income taxes and noncontrolling interest	168,009	56,509	388,666	99,295
Income tax expense	58,099	19,648	134,666	34,249
Net income before noncontrolling interest	109,910	36,861	254,000	65,046
Less: Net income attributable to noncontrolling interest	680	258	1,747	788
Net income attributable to Cal-Maine Foods, Inc.	\$ 109,230	\$ 36,603	\$ 252,253	\$ 64,258
Net income per common share attributable to Cal-Maine Foods, Inc.:				
Basic	\$ 2.27	\$ 0.76	\$ 5.24	\$ 1.34
Diluted	\$ 2.26	\$ 0.76	\$ 5.22	\$ 1.33
Dividends per common share	\$ 0.751	\$ 0.252	\$ 1.734	\$ 0.443
Weighted average shares outstanding:				
Basic	48,164	48,136	48,164	48,133
Diluted	48,361	48,404	48,354	48,400

See Notes to Condensed Consolidated Financial Statements.

3

Index

CAL-MAINE FOODS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)

(unaudited)

	13 Weeks Ended		26 Weeks Ended	
	November	November	November	November
	28, 2015	29, 2014	28, 2015	29, 2014
Net income, including noncontrolling interests	\$ 109,910	\$ 36,861	\$ 254,000	\$ 65,046
Other comprehensive loss, before tax:				
Unrealized holding loss on available-for-sale securities, net of reclassification adjustments	(158)	(57)	(458)	(73)
Income tax benefit related to items of other comprehensive income	60	22	180	28
Other comprehensive loss, net of tax	(98)	(35)	(278)	(45)
Comprehensive income	109,812	36,826	253,722	65,001
Less: comprehensive income attributable to the noncontrolling interest	680	258	1,747	788
Comprehensive income attributable to Cal-Maine Foods, Inc.	\$ 109,132	\$ 36,568	\$ 251,975	\$ 64,213

See Notes to Condensed Consolidated Financial Statements.

Index

CAL-MAINE FOODS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

(unaudited)

	26 Weeks Ended	
	November 28, 2015	November 29, 2014
Operating activities:		
Net income including noncontrolling interest	\$ 254,000	\$ 65,046
Depreciation and amortization	22,107	19,984
Other adjustments, net	24,345	(16,961)
Net cash provided by operations	300,452	68,069
Investing activities:		
Purchase of investments	(260,242)	(69,172)
Sales of investments	104,503	72,247
Investment in joint ventures	(19,709)	(8,160)
Purchases of property, plant and equipment	(34,028)	(43,035)
Payments received on notes receivable and from affiliates	853	783
Net proceeds from disposal of property, plant and equipment	219	145
Net cash used in investing activities	(208,404)	(47,192)
Financing activities:		
Proceeds from issuance of common stock from treasury, net (including tax benefit on nonqualifying disposition of incentive stock options)	-	60
Purchase of company stock	(62)	-
Distributions to noncontrolling interests	(459)	(655)
Principal payments on long-term debt	(22,090)	(5,201)
Payments of dividends	(63,074)	(19,718)
Net cash used in financing activities	(85,685)	(25,514)
Net change in cash and cash equivalents	6,363	(4,637)
Cash and cash equivalents at beginning of period	8,667	14,521
Cash and cash equivalents at end of period	\$ 15,030	\$ 9,884

See Notes to Condensed Consolidated Financial Statements.

Index

CAL-MAINE FOODS, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

November 28, 2015

(unaudited)

1. Presentation of Interim Information

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring adjustments, considered necessary for a fair statement of the results for the interim periods presented have been included. The preparation of condensed consolidated financial statements requires us to make estimates and assumptions. These estimates and assumptions affected reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and assumptions. Operating results for the thirteen and twenty-six weeks ended November 28, 2015 are not necessarily indicative of the results that may be expected for the year ending May 28, 2016.

The condensed consolidated balance sheet at May 30, 2015 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by GAAP for complete financial statements.

For further information, refer to the consolidated financial statements and footnotes thereto included in Cal-Maine Foods, Inc.'s annual report on Form 10-K for the fiscal year ended May 30, 2015. References to “we,” “us,” “our,” or the “Company” refer to Cal-Maine Foods, Inc.

2. Stock Based Compensation

Total stock based compensation expense for the twenty-six weeks ended November 28, 2015 and November 29, 2014 was \$1.5 million and \$1.2 million, respectively.

Liabilities associated with Stock Appreciation Rights as of November 28, 2015 and May 30, 2015 were zero and \$1.4 million, respectively. The liabilities for our 2005 Stock Appreciation Rights are included in the line item "Accounts payable and accrued expenses" in our Condensed Consolidated Balance Sheets.

Unrecognized compensation expense as a result of non-vested shares of the 2012 Omnibus Long-Term Incentive Plan at November 28, 2015 was \$3.6 million and will be recorded over a weighted average period of 1.7 years. Refer to Note 11 of our May 30, 2015 audited financial statements for further information on our stock compensation plans.

At November 28, 2015, there were 329,240 restricted shares outstanding. The restricted shares have a weighted average grant date fair value of \$27.25 per share.

6

Index

A summary of the Company's restricted share activity for the twenty-six weeks ended November 28, 2015 follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding, May 30, 2015	335,140	\$ 27.24
Granted	-	-
Vested	(4,050)	25.21
Forfeited	(1,850)	30.76
Outstanding, November 28, 2015	329,240	\$ 27.25

3. Inventories

Inventories consisted of the following (in thousands):

	November 28, 2015	May 30, 2015
Flocks	\$ 92,750	\$ 87,280
Eggs	16,992	15,507
Feed and supplies	48,379	43,473
	\$ 158,121	\$ 146,260

4. Contingencies

Financial Instruments

The Company maintained cash collateralized standby letters of credit (“LOC”) for the benefit of certain insurance companies totaling \$3.7 million at November 28, 2015. The cash collateralizing the LOCs is included in the line item “Other assets” in the Condensed Consolidated Balance Sheets. As a result, none of the LOCs are recorded as a liability on the consolidated balance sheets.

Legal Contingencies

The Company is a defendant in certain legal actions, and intends to vigorously defend its position in these actions. If the Company’s assessment of a contingency indicates it is probable a material loss has been incurred and the amount of the liability can be reasonably estimated, the estimated liability is accrued in the Company’s financial statements. If the assessment indicates a potential material loss contingency is not probable, but is reasonably possible, or probable but cannot be reasonably estimated, then the nature of the contingent liability, together with an estimate of the possible loss or range of possible loss will be disclosed, or a statement will be made that such an estimate cannot be made.

These legal actions are discussed in detail at Part II, Item 1, of this report.

Index

5. Net Income per Common Share

Basic net income per share was calculated by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted net income per share was calculated by dividing net income by the weighted-average number of common shares outstanding during the period plus the dilutive effects of options and restricted stock. The computations of basic and diluted net income per share attributable to the Company are as follows (in thousands, except per share data):

	13 Weeks Ended		26 Weeks Ended	
	November	November	November	November
	28, 2015	29, 2014	28, 2015	29, 2014
Net income attributable to Cal-Maine Foods, Inc.	\$ 109,230	\$ 36,603	\$ 252,253	\$ 64,258
Basic weighted-average common shares	48,164	48,136	48,164	48,133
Effect of dilutive securities:				
Restricted shares	197	245	190	245
Common stock options	0	23	0	22
Dilutive potential common shares	48,361	48,404	48,354	48,400
Net income per common share attributable to Cal-Maine Foods, Inc.:				
Basic	\$ 2.27	\$ 0.76	\$ 5.24	\$ 1.34
Diluted	\$ 2.26	\$ 0.76	\$ 5.22	\$ 1.33

Index

6. Accrued Dividends Payable and Dividends per Common Share

We make an accrual of dividends payable at the end of each quarter according to the Company's dividend policy adopted by its Board of Directors. According to the policy, the Company pays a dividend to shareholders 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 generally accepted accounting principles 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 such 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 subsequent 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. The amount of the accrual appears on the Condensed Consolidated Balance Sheets as "Accrued dividends payable."

On our condensed consolidated statement of income, we determine dividends per common share in accordance with the computation in the following table (in thousands, except per share data):

	13 Weeks Ended		26 Weeks Ended	
	November	November	November	November
	28, 2015	29, 2014	28, 2015	29, 2014
Net income attributable to Cal-Maine Foods, Inc. available for dividend	\$ 109,230	\$ 36,603	\$ 252,253	\$ 64,258
1/3 of net income attributable to Cal-Maine Foods, Inc.	36,410	12,201	84,084	21,419
Common stock outstanding (shares)	43,695	43,582		
Class A common stock outstanding (shares)	4,800	4,800		
Total common stock outstanding (shares)	48,495	48,382		
Dividends per common share*	\$ 0.751	\$ 0.252	\$ 1.734	\$ 0.443

*Dividends per common share = 1/3 of Net income (loss) attributable to Cal-Maine Foods, Inc. available for dividend ÷ Total common stock outstanding (shares)

7. Fair Value Measurements

The Company is required to categorize both financial and nonfinancial assets and liabilities based on the following fair value hierarchy. The fair value of an asset is the price at which the asset could be sold in an orderly transaction between unrelated, knowledgeable, and 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, either directly or indirectly
- Level 3 - Unobservable inputs for the asset or liability that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

The disclosure of fair value of certain financial assets and liabilities that are recorded at cost are as follows:

Index

Cash and cash equivalents: The carrying amount approximates fair value due to the short maturity of these instruments.

Long-term debt: The carrying value of the Company's long-term debt is at its stated value. We have not elected to carry our long-term debt at fair value. Fair values for debt are based on quoted market prices or published forward interest rate curves, which are level 2 inputs. Estimated fair values are management's estimate, which is a level 3 input; however, when there is no readily available market data, the estimated fair values may not represent the amounts that could be realized in a current transaction, and the fair values could change significantly. The fair value and carrying value of the Company's borrowings under its credit facilities and long-term debt were as follows (in thousands):

	November 28, 2015		May 30, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value
2.0% – 6.84% Notes payable	\$ 28,770	\$ 28,994	\$ 44,549	\$ 45,158
Series A Senior Secured Notes at 5.45%	-	-	6,311	6,312
	\$ 28,770	\$ 28,994	\$ 50,860	\$ 51,470

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 financial assets and liabilities measured at fair value on a recurring basis as of November 28, 2015 and May 30, 2015 (in thousands):

November 28, 2015	Level 1	Level 2	Level 3	Total Balance
Assets				
US government and agency obligations	\$ -	\$ 29,336	\$ -	\$ 29,336
Municipal bonds	-	81,064	-	81,064
Commercial paper	-	999	-	999
Corporate bonds	-	261,809	-	261,809
Foreign government obligations	-	2,059	-	2,059
Asset backed securities	-	26,473	-	26,473
Mutual Funds	5,279	-	-	5,279
Total assets measured at fair value	\$ 5,279	\$ 401,740	\$ -	\$ 407,019

Liabilities

Contingent consideration	\$ -	\$ -	\$ 1,024	\$ 1,024
Total liabilities measured at fair value	\$ -	\$ -	\$ 1,024	\$ 1,024

May 30, 2015	Level 1	Level 2	Level 3	Total Balance
Assets				
US government and agency obligations	\$ -	\$ 9,630	\$ -	\$ 9,630
Municipal bonds	-	76,311	-	76,311
Certificates of deposit	-	2,002	-	2,002
Commercial paper	-	7,496	-	7,496
Corporate bonds	-	136,364	-	136,364
Foreign government obligations	-	1,045	-	1,045
Asset backed securities	-	14,352	-	14,352
Mutual Funds	4,508	-	-	4,508
Commodity contracts	-	82	-	82
Total assets measured at fair value	\$ 4,508	\$ 247,282	\$ -	\$ 251,790

Liabilities

Contingent consideration	\$ -	\$ -	\$ 1,024	\$ 1,024
Total liabilities measured at fair value	\$ -	\$ -	\$ 1,024	\$ 1,024

Index

Our investment securities – available-for-sale classified as level 2 consist of certificates of deposit, U.S. government and agency obligations, taxable and tax exempt municipal bonds, zero coupon municipal bonds, foreign government obligations, asset backed securities and corporate bonds with maturities of three months or longer when purchased. We classify these securities as current, because amounts invested are available for current operations. Observable inputs for these securities are yields, credit risks, default rates, and volatility.

The Company applies fair value accounting guidance to measure non-financial assets and liabilities associated with business acquisitions. These assets and liabilities are measured at fair value for the initial purchase price allocation and are subject to recurring revaluations. The fair value of non-financial assets acquired is determined internally. Our internal valuation methodology for non-financial assets takes into account the remaining estimated life of the assets acquired and what management believes is the market value for those assets based on their highest and best use. Liabilities for contingent consideration (earn-outs) take into account commodity prices based on published forward commodity price curves, projected future egg prices as of the date of the estimate, and projected future cash flows expected to be received as a result of a business acquisition (Refer to Note 2 in the Annual Report on Form 10-K). Given the unobservable nature of these inputs, they are deemed to be Level 3 fair value measurements. During the twenty-six weeks ended November 28, 2015, there were no payments made or gains/losses recognized in earnings related to contingent consideration.

8. Investment Securities

The following represents the Company's investment securities as of November 28, 2015 and May 30, 2015 (in thousands):

	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
November 28, 2015				
US government and agency obligations	\$ 29,373	\$ -	\$ 37	\$ 29,336
Municipal bonds	80,814	250	-	81,064
Commercial paper	999	-	-	999
Corporate bonds	262,327	-	518	261,809
Foreign government obligations	2,068	-	9	2,059
Asset backed securities	26,525	-	52	26,473
Mutual funds	3,561	-	-	3,561
Total current investment securities	\$ 405,667	\$ 250	\$ 616	\$ 405,301
Mutual funds	1,197	521	-	1,718
Total noncurrent investment securities	\$ 1,197	\$ 521	\$ -	\$ 1,718

May 30, 2015	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
US government and agency obligations	\$ 9,609	\$ 21	\$ -	\$ 9,630
Municipal bonds	76,228	83	-	76,311
Certificates of deposit	2,001	1	-	2,002
Commercial paper	7,491	5	-	7,496
Corporate bonds	136,411	-	47	136,364
Foreign government obligations	1,042	3	-	1,045
Asset backed securities	14,356	-	4	14,352
Mutual funds	2,758	3	-	2,761
Total current investment securities	\$ 249,896	\$ 116	\$ 51	\$ 249,961
Mutual funds	1,199	548	-	1,747
Total noncurrent investment securities	\$ 1,199	\$ 548	\$ -	\$ 1,747

Proceeds from sales of available-for-sale securities were \$104.5 million and \$72.2 million during the twenty-six weeks ended November 28, 2015 and November 29, 2014, respectively. Gross realized gains on those sales during the twenty-six weeks ended November 28, 2015 and November 29, 2014 were \$18,000 and \$60,000, respectively. Gross

Index

realized losses on those sales during the twenty-six weeks ended November 28, 2015 and November 29, 2014 were \$36,000 and \$4,000, respectively. For purposes of determining gross realized gains and losses, the cost of securities sold is based on the specific identification method.

Unrealized holding losses, net of tax, on available-for-sale securities classified as current in the amount of \$267,000 and \$79,000 were recorded in other comprehensive income (loss) for the twenty-six weeks ended November 28, 2015 and November 29, 2014, respectively. Unrealized holding gains (losses), net of tax, on long-term available-for-sale securities of \$(11,000) and \$35,000 were recorded in other comprehensive income (loss) for the twenty-six weeks ended November 28, 2015 and November 29, 2014, respectively.

Actual maturities may differ from contractual maturities because some borrowers have the right to call or prepay obligations with or without call or prepayment penalties. Contractual maturities at November 28, 2015, are as follows (in thousands):

	Estimated Fair Value
Within one year	\$ 188,364
1-5 years	213,376
5-10 years	-
Total	\$ 401,740

9. Equity

The following reflects the equity activity, including our noncontrolling interest, for the twenty-six weeks ended November 28, 2015:

Cal-Maine Foods, Inc. Stockholders							
Common Stock							
	Class A	Treasury	Paid In	Accum.	Retained	Noncontrolling	
Amount	Amount	Amount	Capital	Other	Earnings	Interests	Total
				Comp.			
				Loss			
\$ 703	\$ 48	\$ (20,482)	\$ 43,304	\$ 22	\$ 679,969	\$ 998	\$ 704,562

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Balance at May 30, 2015								
Dividends	-	-	-	-	-	(84,113)	-	(84,113)
Other comprehensive loss, net of tax	-	-	-	-	(278)	-	-	(278)
Purchase of Company stock	-	-	(62)	-	-	-	-	(62)
Forfeiture of restricted stock	-	-	(1)	1	-	-	-	-
Distribution to noncontrolling interest partners	-	-	-	-	-	-	(459)	(459)
Restricted stock compensation	-	-	-	1,497				