

HORMEL FOODS CORP /DE/
Form 11-KT
April 25, 2014
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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 _____

OR

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

For the transition period from January 1, 2013 to October 27, 2013

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 Period From January 1, 2013 Through
October 27, 2013, and the Year Ended December 31, 2012

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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 statements of net assets available for benefits of the Clougherty Packing, LLC Retirement Plan For Certain Employees (the Plan) as of October 27, 2013 and December 31, 2012, and the related statements of changes in net assets available for benefits for the period from January 1, 2013 to October 27, 2013, and for the year ended December 31, 2012. 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 audits.

We conducted our audits 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 audits 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 audits provide 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 December 31, 2012, and the changes in net assets available for benefits for the period from January 1, 2013 to October 27, 2013, and for the year ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedule H, Line 4i-Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplementary information is the responsibility of the Plan's management. The supplementary information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/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

	October 27, 2013	December 31, 2012
Assets		
Investments, at fair value	\$ 18,513,591	\$ 17,041,973
Receivables:		
Contributions from Clougherty Packing, LLC	22,659	
Net assets available for benefits, at fair value	18,536,250	17,041,973
Adjustment from fair value to contract value for interest in fully benefit-responsive investment contracts	(132,443)	
Net assets available for benefits	\$ 18,403,807	\$ 17,041,973

See accompanying notes.

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Clougherty Packing, LLC
Retirement Plan For Certain Employees

Statements of Changes in Net Assets Available for Benefits

	Period from January 1, 2013 Through October 27, 2013	Year Ended December 31, 2012
Additions:		
Contributions from Clougherty Packing, LLC	\$ 904,211	\$ 1,153,256
Investment income	10,698	757
Total additions	914,909	1,154,013
Deductions:		
Distributions	1,097,828	1,068,671
Administrative expenses	24,471	37,185
Total deductions	1,122,299	1,105,856
Net realized and unrealized appreciation in fair value of investments	1,569,224	1,571,308
Net additions	1,361,834	1,619,465
Net assets available for benefits at beginning of period/year	17,041,973	15,422,508
Net assets available for benefits at end of period/year	\$ 18,403,807	\$ 17,041,973

See accompanying notes.

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Clougherty Packing, LLC
Retirement Plan For Certain Employees

Notes to Financial Statements

For the Period from January 1, 2013 to October 27, 2013

and for the Year Ended December 31, 2012

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 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.

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).

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Clougherty Packing, LLC
Retirement Plan For Certain Employees

Notes to Financial Statements (continued)

2. Description of the Plan (continued)

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. Forfeited balances of terminated participants' nonvested accounts are used to reduce future company contributions. 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 period from January 1, 2013 to October 27, 2013 and for the year ended December 31, 2012, were \$86,437 and \$80,647, respectively. Cumulative forfeited nonvested accounts as of October 27, 2013 and December 31, 2012, were \$4,637 and \$0, 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.

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 will be consistent with the other plans sponsored by Hormel Foods Corporation.

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Clougherty Packing, LLC
Retirement Plan For Certain Employees

Notes to Financial Statements (continued)

3. Investments and Fair Value Measurement

During the period from January 1, 2013 to October 27, 2013, and for the year ended December 31, 2012, the Plan's investments (including investments bought, sold, as well as held during the year) appreciated in fair value as follows:

	Period from January 1, 2013 to October 27, 2013	Year Ended December 31, 2012
Net appreciation in fair value during the year:		
Collective trusts	\$ 904,873	\$
Pooled separate accounts	658,680	1,571,308
Mutual funds	5,665	
Nonpooled separate account (containing Hormel Foods Corporation common stock)	6	
	\$ 1,569,224	\$ 1,571,308

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

	October 27, 2013	December 31, 2012
Separate trust account:		
State Street Corporation:		
BlackRock LifePath Index 2015	\$ 1,608,753	\$
BlackRock LifePath Index 2020	3,186,270	
BlackRock LifePath Index 2025	3,582,845	
BlackRock LifePath Index 2030	3,241,497	
BlackRock LifePath Index 2035	1,636,192	
BlackRock LifePath Index 2040	976,904	
Insurance company general account:		
Massachusetts Mutual Life Insurance Company:		
General Investment Account	1,571,726	
Pooled separate accounts:		
John Hancock Life Insurance Company:		
Retirement Choices at 2015		1,689,090
Retirement Choices at 2020		2,461,126
Retirement Choices at 2025		3,113,494
Retirement Choices at 2030		2,874,429
Retirement Choices at 2035		1,800,611
Retirement Choices at 2040		955,903
Retirement Choices at 2045		1,212,706
John Hancock Stable Value Fund I		1,524,387

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Notes to Financial Statements (continued)