

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 \_\_\_\_\_

**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:

**Hormel Foods Corporation Joint Earnings Profit Sharing Trust**

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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Hormel Foods Corporation  
Joint Earnings Profit Sharing Trust

Audited Financial Statements and Supplemental Schedule

Years Ended October 26, 2014 and October 27, 2013

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Report of Independent Registered Public Accounting Firm

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## Report of Independent Registered Public Accounting Firm

The Hormel Foods Corporation Employee Benefits Committee

Hormel Foods Corporation Joint Earnings Profit Sharing Trust

We have audited the accompanying statements of net assets available for benefits of the Hormel Foods Corporation Joint Earnings Profit Sharing Trust (the Plan) as of October 26, 2014 and October 27, 2013, and the related statements of changes in net assets available for benefits for the years 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 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 26, 2014 and October 27, 2013, and the changes in its net assets available for benefits for the years 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 Hormel Foods Corporation Joint Earnings Profit Sharing Trust's 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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Hormel Foods Corporation  
 Joint Earnings Profit Sharing Trust

Statements of Net Assets Available for Benefits

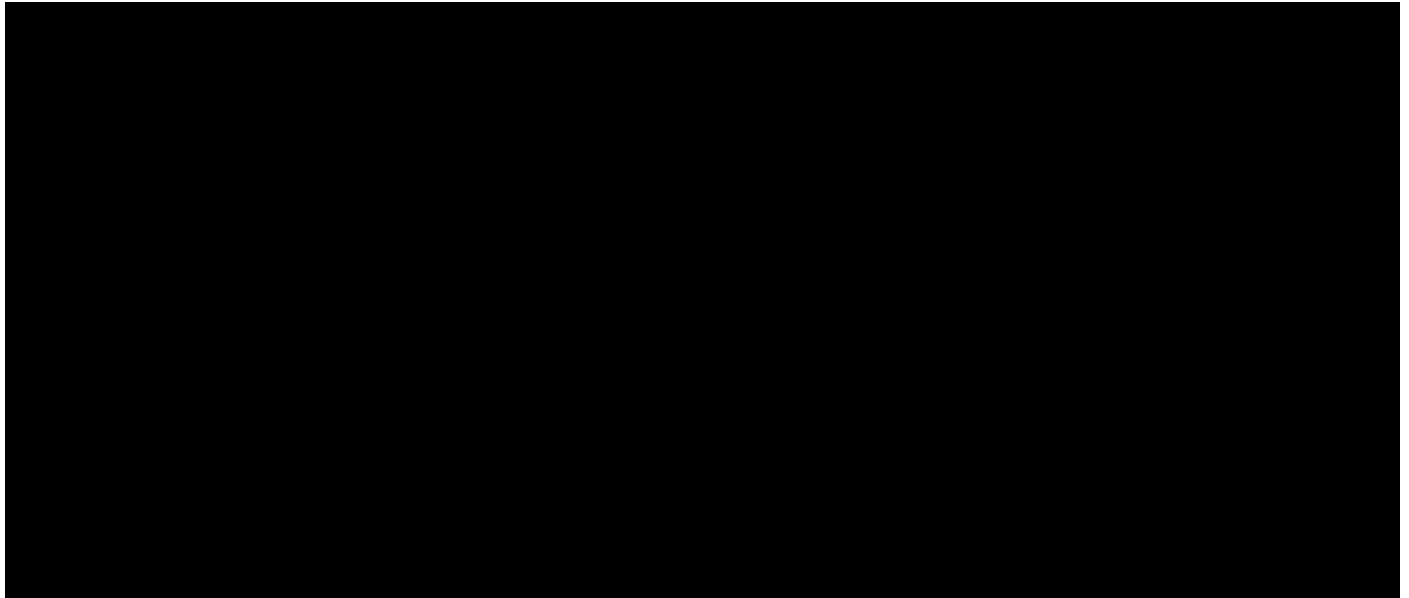
	<b>October 26, 2014</b>	<b>October 27, 2013</b>
<b>Assets</b>		
Investments, at fair value	\$ 422,802,760	\$ 392,435,590
Contributions receivable from Hormel Foods Corporation	11,826,846	11,515,632
Net assets available for benefits, at fair value	<b>434,629,606</b>	403,951,222
Adjustment from fair value to contract value for interest in fully benefit-responsive investment contracts	<b>(8,906,992)</b>	(8,894,379)
Net assets available for benefits	\$ <b>425,722,614</b>	\$ 395,056,843

*See accompanying notes.*

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Hormel Foods Corporation  
Joint Earnings Profit Sharing Trust

Statements of Changes in Net Assets Available for Benefits



*See accompanying notes.*

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Hormel Foods Corporation  
Joint Earnings Profit Sharing Trust

Notes to Financial Statements

October 26, 2014

**1. Significant Accounting Policies**

The accounting records of the Hormel Foods Corporation (the Company or the Sponsor) Joint Earnings Profit Sharing Trust (the Plan) are maintained on an 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 Hormel Foods Corporation Employee Benefits Committee (the Committee) 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 the Company and reports to the Compensation Committee of the Board of Directors of the Company. 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 the 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.

## **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's year-end is the last Sunday of October.

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Hormel Foods Corporation  
Joint Earnings Profit Sharing Trust

Notes to Financial Statements (continued)

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

The Plan is a defined-contribution plan covering employees of the Company and certain eligible subsidiaries. Subsequent to October 28, 2007, participant contributions are not permitted. The amount contributed by the Company each year is discretionary, as authorized by the Board of Directors. The amount available to all participants is allocated in proportion of individual recognized compensation for the plan year to the recognized compensation for the plan year for all such eligible participants. The Plan contains a diversified selection of funds intended to satisfy Section 404(c) of ERISA. Certain restrictions exist, as defined in the Plan document, for the investing of funds in other contribution accounts.

Each participant's account is credited with the participant's and the Company'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. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Employee contributions are always 100% vested in the participants' Plan accounts. Employer contributions are 100% vested in the participants' plan accounts for those employees hired prior to October 29, 2006. Employer contributions for employees hired after October 28, 2006, vest over a graduated six-year term. Forfeitures used to reduce employer contributions for the years ended October 26, 2014 and October 27, 2013, were \$277,180 and \$195,001, respectively. Cumulative forfeited non-vested accounts as of October 26, 2014 and October 27, 2013, were \$266,803 and \$281,255, respectively.

Most benefits are paid upon termination of service in a lump-sum amount equal to the vested value of a participant's account, unless an eligible participant elects to defer the payment. Complete details of payment provisions are described in a Summary Plan Description, available from the Sponsor. Benefits are recorded when paid.

On December 29, 2014, the Committee amended the Plan, effective August 11, 2014, the date Hormel Foods Corporation acquired CytoSport, Inc., to provide eligibility for the CytoSport, Inc. salaried employees in this Plan and allow employment service with CytoSport, Inc. prior to the acquisition date to count towards eligibility and vesting in the Plan.

The Company has the right under the Plan agreement to terminate the Plan subject to the provisions of ERISA. In the event of termination of the Plan, all amounts credited to participants would become fully vested, and the assets of the Plan shall be distributed to the participants based on amounts previously credited to their respective accounts.

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Hormel Foods Corporation  
Joint Earnings Profit Sharing Trust

Notes to Financial Statements (continued)

### 3. Investments and Fair Value Measurement

During the years ended October 26, 2014 and 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>Year Ended October 27, 2013</b>
Net appreciation in fair value during the year:		
Non-pooled separate account (containing the Company's common stock)	\$ 27,533,103	\$ 48,244,431
Pooled separate accounts		10,982,550
Mutual funds	4,291,653	7,835,188
Collective trusts	5,236,412	3,200,956
Separate trust accounts		2,871,023
Self-directed brokerage accounts	428,986	1,056,523
	\$ 37,490,154	\$ 74,190,671

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

	<b>October 26, 2014</b>	<b>October 27, 2013</b>
Non-pooled separate account:		
State Street Corporation:		
Hormel Foods Corporation Stock Fund	\$ 162,140,341	\$ 138,484,144

Insurance company general account:  
Massachusetts Mutual Life Insurance Company:

General Investment Account	<b>103,471,086</b>	105,551,400
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Hormel Foods Corporation  
Joint Earnings Profit Sharing Trust

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 investment includes a mix of predominately foreign common stocks and cash.

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Hormel Foods Corporation  
Joint Earnings Profit Sharing Trust

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, represents 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 international equities fund includes a mix of predominately foreign common stocks and cash.



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

### **Non-Pooled Separate Account**

The non-pooled separate account consists of common stock of the Company, 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 non-pooled separate account is deemed to be a Level 1 investment. The Company has implemented a dividend pass through election for its participants.

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Hormel Foods Corporation  
Joint Earnings Profit Sharing Trust

Notes to Financial Statements (continued)

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

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 the Company 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 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 38% and 35% of the total investments in the Plan at October 26, 2014 and October 27, 2013, respectively.

**Self-Directed Brokerage Assets**

The self-directed brokerage assets consist of common stock, preferred stock, and mutual funds, which are valued at the last reported sales price on the last business day of the year, and uninvested cash, which is recorded at carrying value as maturities are less than three months. These assets are deemed to be a Level 1 investment.

**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.

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Hormel Foods Corporation  
Joint Earnings Profit Sharing Trust

Notes to Financial Statements (continued)

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

The benefit-responsive investment contract with Massachusetts Mutual Life Insurance Company (MassMutual) is a general account evergreen group annuity contract. MassMutual maintains the contributions in a general account. Specific securities within the general account are not attributed to the investment contract with the Plan. The Plan owns a series of guarantees that are embedded in the insurance contract. The contractual guarantees are backed up by the full faith and credit of MassMutual, the contract issuer. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. MassMutual is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer and includes such factors as the investment-year method experience of the underlying contract or pool, projected levels of cash flows within the current interest rate environment, and the projected maturity of the underlying investments. Such interest rates are reviewed on a semiannual basis for resetting.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (i) amendments to the plan documents (including complete or partial plan termination or merger with another plan); (ii) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions; (iii) bankruptcy of the Sponsor or other Sponsor event (e.g., divestures or spin-offs of a subsidiary) that causes a significant withdrawal from the Plan; or (iv) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The plan administrator does not believe that the occurrence of any such event, which would limit the Plan's ability to transact at contract value with participants, is probable.

The investment option for the General Investment Account is a Guaranteed Interest Account, provided through a group annuity contract. This contract does not allow the insurance company to terminate the agreement prior to a breach of the contract terms by the investor. The Plan may terminate the contract on the contract anniversary date with 90 days prior notice.



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Hormel Foods Corporation  
Joint Earnings Profit Sharing Trust

Notes to Financial Statements (continued)

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

The General Investment Account is principally valued using a market value formula approach. The market value of the investment is determined to be the estimated liquidation value of the contract. The liquidation value is derived considering factors such as: (i) the observable interest rate being earned by investments underlying the contract; (ii) the unobservable assumed interest rate obtained by the record-keeper on new investments where a proxy is the Barclays Capital U.S. Aggregate Index (excluding Treasuries) with an adjustment made to duration; and (iii) the unobservable comparison between investments supporting the contract and the current market rates where historic investments are either at a premium or discount to current market rates, i.e., the experience rate. Therefore, the General Investment Account is deemed to be a Level 3 investment.

The following tables present the Plan's Level 3 investment, the valuation techniques used to measure the fair value, the significant unobservable inputs, and the ranges of values for those inputs.

Investment	Fair Value	October 26, 2014		Weighted Average
		Valuation Technique	Significant Unobservable Inputs	
General investment account	\$ 103,471,086	Liquidation	Assumed interest rate Experience rate	1.32% 3.01%

Investment	Fair Value	October 27, 2013		Weighted Average
		Valuation Technique	Significant Unobservable Inputs	
General investment account	\$ 105,551,400	Liquidation	Assumed interest rate Experience rate	1.20% 3.07%

Generally, the General Investment Account crediting rates will typically show less volatility than current market rates. In a rising interest rate environment, credited rates will lag market rates because much of the contract's assets are backed by investment made in prior years with earnings that reflect the lower rates that prevailed in those years. Over time, as new contributions are made and investments mature and are reinvested at current interest rates, rates could be expected to move toward market levels. Conversely, as market rates decrease, the General Investment Account crediting rates would also be expected to fall, but generally more slowly than market rates.

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Hormel Foods Corporation  
Joint Earnings Profit Sharing Trust

Notes to Financial Statements (continued)

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

The crediting interest rate on the General Investment Account was 3.15% and 3.10% as of October 26, 2014 and October 27, 2013, respectively. The average yield was 2.81% during the 2014 Plan year and 2.72% during the 2013 Plan year, which approximates the actual interest rate credited to the Plan participants.

The investments of the Plan that are measured at fair value on a recurring basis as of October 26, 2014 and October 27, 2013, and their level within the fair value hierarchy, are as follows:

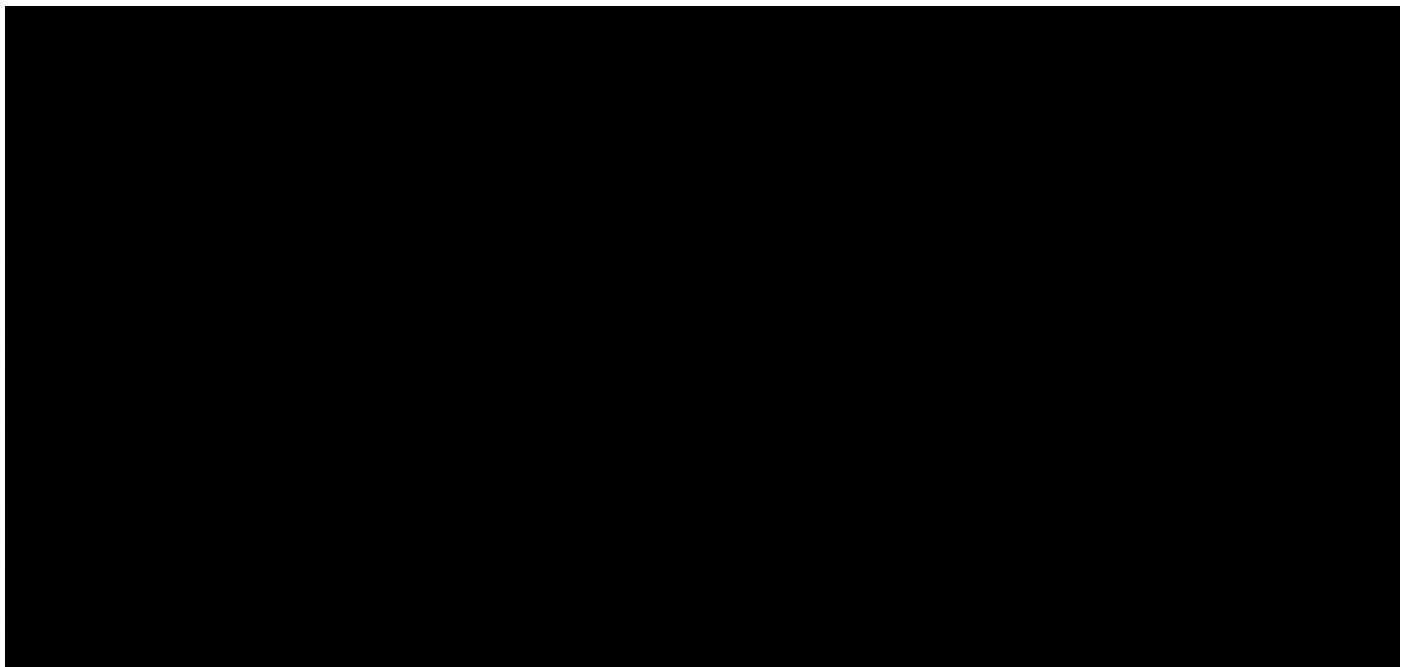






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Notes to Financial Statements (continued)

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

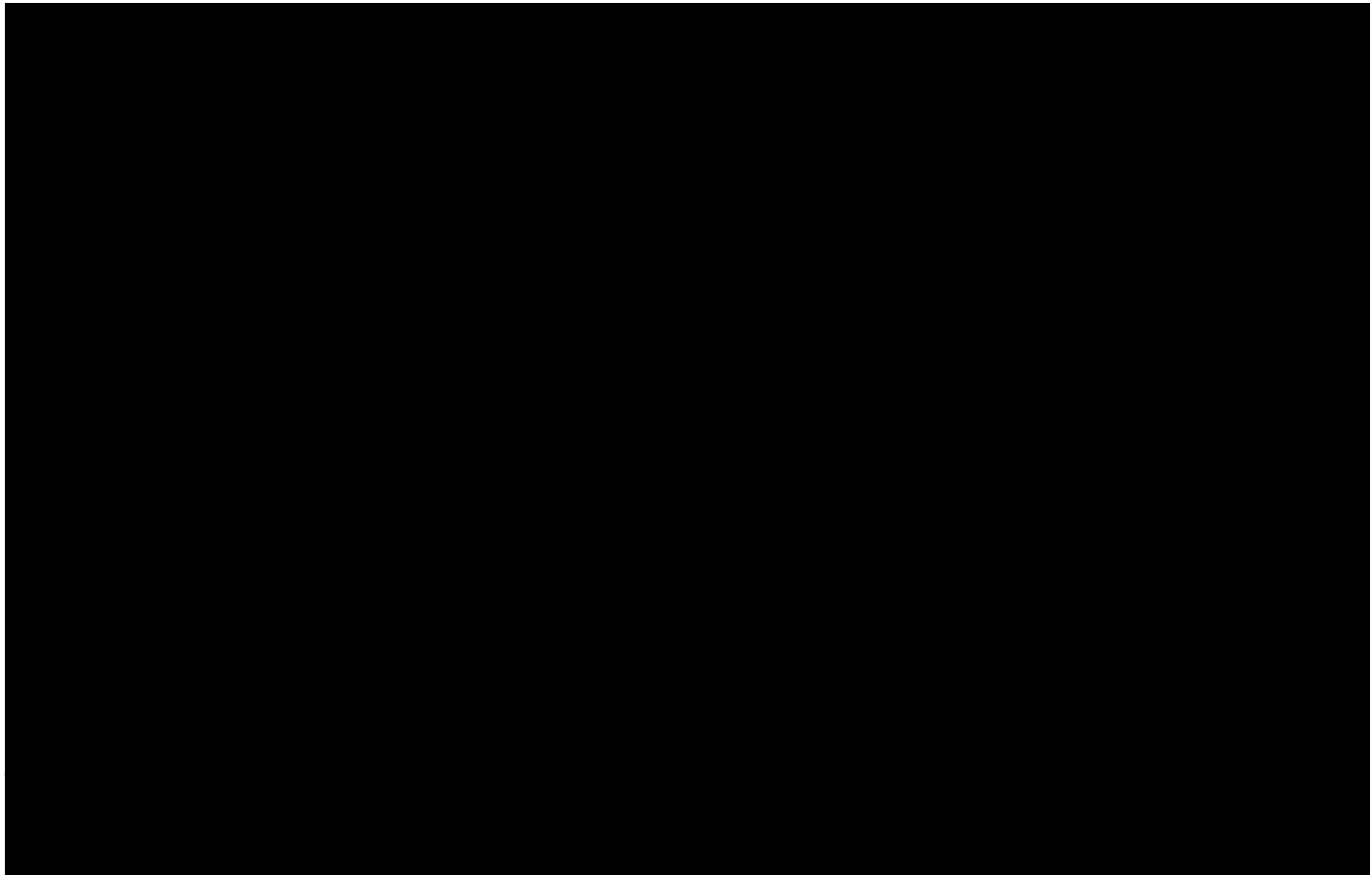




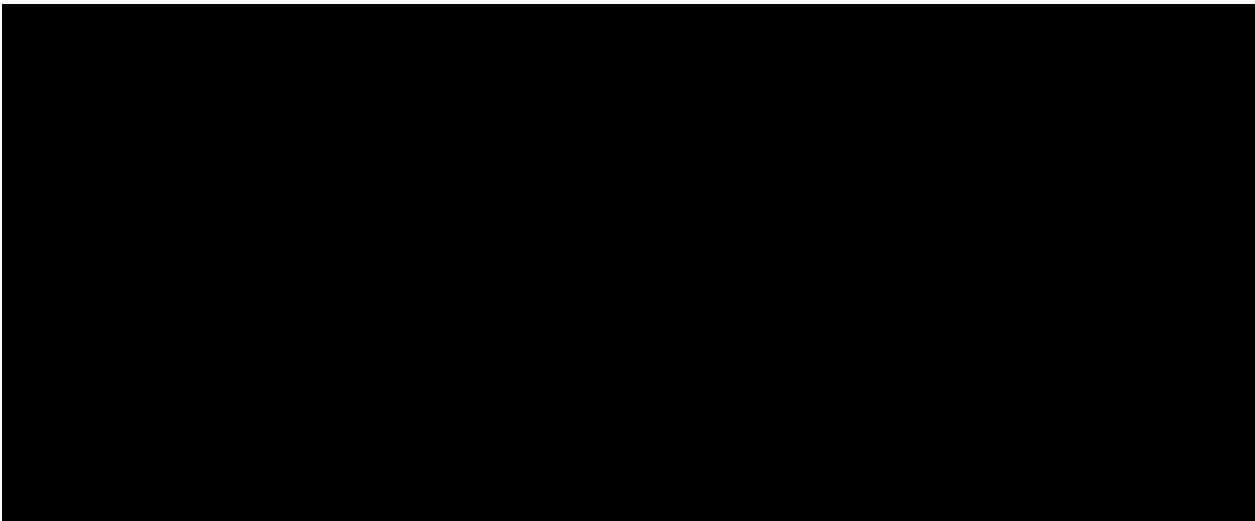
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Hormel Foods Corporation  
Joint Earnings Profit Sharing Trust

Notes to Financial Statements (continued)

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

A reconciliation of the beginning and ending balance of the investments measured at fair value using significant unobservable inputs (Level 3) is as follows:



\* Included in investment income, statements of changes in net assets available for benefits

\*\* Included in net realized and unrealized appreciation in fair value of investments, statements of changes in net assets available for benefits

#### **4. Income Tax Status**

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated September 16, 2013, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and therefore, believes the Plan, as amended, is qualified and the related trust is tax exempt.

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Hormel Foods Corporation  
Joint Earnings Profit Sharing Trust

Notes to Financial Statements (continued)

**4. Income Tax Status (continued)**

U.S. GAAP requires plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of October 26, 2014, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to the Plan year ended October 30, 2011.

**5. Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market volatility, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities could occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

**6. Related Parties**

The Plan maintains the following investments that qualify as party-in-interest transactions:

collective trust funds managed by State Street Global Markets, LLC;

common stock of Hormel Foods Corporation; and

General Investment Account of the record keeper, the Massachusetts Mutual Life Insurance Company.

In addition, State Street Global Markets, LLC also managed the self-directed brokerage accounts and offered a money market investment for these accounts through June 30, 2014.

These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA.

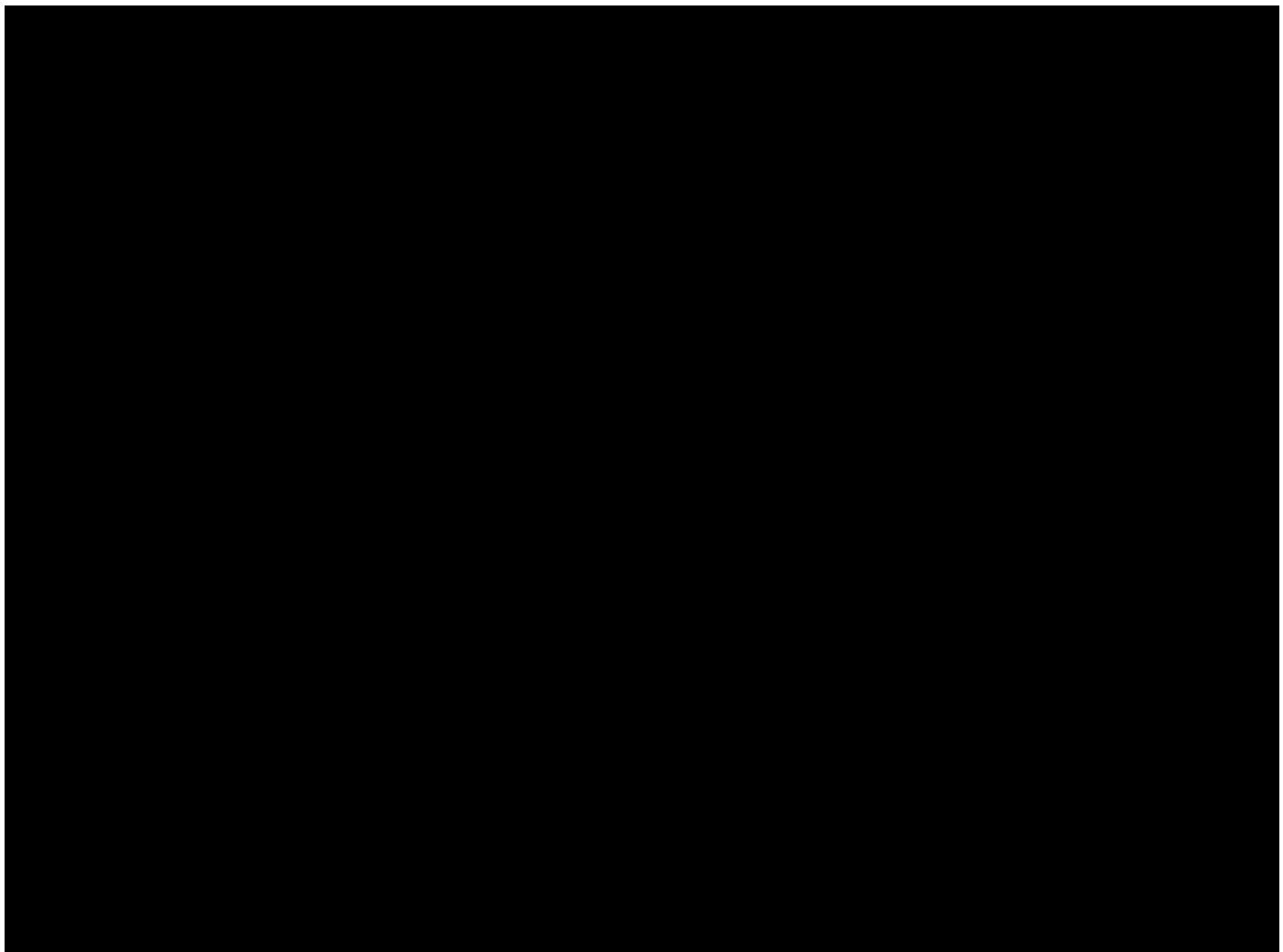
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Hormel Foods Corporation  
Joint Earnings Profit Sharing Trust

Schedule H, Line 4i Schedule of Assets (Held at End of Year)

EIN: 41-0319970 Plan Number: 030

October 26, 2014





\*Indicates a party-in-interest to the Plan.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on their behalf by the undersigned hereunto duly authorized.

HORMEL FOODS CORPORATION  
JOINT EARNINGS PROFIT SHARING TRUST

Date: April 24, 2015

By:

/s/ JODY H. FERAGEN  
JODY H. FERAGEN  
Executive Vice President and Chief Financial  
Officer,  
Hormel Foods Corporation

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**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description</b>
23	Consent of Independent Registered Public Accounting Firm