

HORMEL FOODS CORP /DE/  
Form 11-K  
April 27, 2012  
Table of Contents

**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 30, 2011

**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:

**Jennie-O Turkey Store Retirement Savings Plan**

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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Table of Contents

Jennie-O Turkey Store Retirement Savings Plan

Audited Financial Statements and Supplemental Schedule

Years Ended October 30, 2011 and October 31, 2010

**Contents**

Report of Independent Registered Public Accounting Firm

**Audited Financial Statements**

Statements of Net Assets Available for Benefits

Statements of Changes in Net Assets Available for Benefits

Notes to Financial Statements

**Supplemental Schedule**

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

Table of Contents

## Report of Independent Registered Public Accounting Firm

The Employee Benefits Committee and the Trustees

Jennie-O Turkey Store Retirement Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Jennie-O Turkey Store Retirement Savings Plan (the Plan) as of October 30, 2011 and October 31, 2010, 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 30, 2011 and October 31, 2010, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedule of assets (held at end of year) as of October 30, 2011, is presented for purposes of additional analysis and is not a required part of the 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. Such information is the responsibility of the Plan's management. The 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 financial statements taken as a whole.

Minneapolis, Minnesota

April 27, 2012

Table of Contents

## Jennie-O Turkey Store Retirement Savings Plan

## Statements of Net Assets Available for Benefits

	October 30, 2011	October 31, 2010
<b>Assets</b>		
Investments, at fair value	\$ 109,537,787	\$ 102,020,978
Receivables:		
Contributions from Jennie-O Turkey Store	149,300	143,999
Contributions from participants	94,385	89,552
Promissory notes from participants	9,092,410	7,784,736
Total receivables	9,336,095	8,018,287
Total assets, at fair value	118,873,882	110,039,265
<b>Liabilities</b>		
Administrative fees payable	47,385	45,667
Net assets available for benefits, at fair value	118,826,497	109,993,598
Adjustment from fair value to contract value for interest in fully benefit-responsive investment contracts	(485,312)	(64,909)
Net assets available for benefits	\$ 118,341,185	\$ 109,928,689

*See accompanying notes.*

Table of Contents

## Jennie-O Turkey Store Retirement Savings Plan

## Statements of Changes in Net Assets Available for Benefits

	Year Ended October 30, 2011	Year Ended October 31, 2010
Additions:		
Contributions from Jennie-O Turkey Store	\$ 7,610,911	\$ 7,257,280
Contributions from participants	5,108,301	4,480,888
Employee rollover	16,380	20,260
Investment income	3,578,240	1,115,820
Interest income promissory notes receivable	361,473	357,406
Total additions	16,675,305	13,231,654
Deductions:		
Distributions	9,421,367	8,451,286
Administrative expenses	334,514	177,253
Total deductions	9,755,881	8,628,539
Net realized and unrealized appreciation in fair value of investments	1,493,072	6,710,626
Net additions	8,412,496	11,313,741
Net assets available for benefits at beginning of year	109,928,689	98,614,948
Net assets available for benefits at end of year	\$ 118,341,185	\$ 109,928,689

*See accompanying notes.*

Table of Contents

## Jennie-O Turkey Store Retirement Savings Plan

### Notes to Financial Statements

October 30, 2011

#### **1. Significant Accounting Policies**

The accounting records of the Jennie-O Turkey Store Retirement Savings Plan (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. See Note 3 for further discussion of fair value measurements.

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2010-06, *Improving Disclosures about Fair Value Measurements* (ASU 2010-06). ASU 2010-06 amended Accounting Standards Codification 820, *Fair Value Measurements and Disclosures* (ASC 820), to clarify certain existing fair value disclosures and to require a number of additional disclosures. The guidance in ASU 2010-06 clarified that disclosures should be presented separately for each class of assets and liabilities measured at fair value and provided guidance on how to determine the appropriate classes of assets and liabilities to be presented. ASU 2010-06 also clarified the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. In addition, ASU 2010-06 introduced new requirements to disclose the amounts (on a gross basis) and reasons for any significant transfers between Levels 1, 2, and 3 of the fair value hierarchy and to present information regarding the purchases, sales, issuances, and settlements of Level 3 assets and liabilities on a gross basis. With the exception of the requirement to present changes in Level 3 measurements on a gross basis, which is effective for the Plan beginning October 31, 2011, the guidance in ASU 2010-06 has been adopted for the plan year ending October 30, 2011.



In May 2011, the FASB issued Accounting Standards Update 2011-04, *Amendments to Achieve Common Fair Value Measures and Disclosure Requirements in U.S. GAAP and IFRSs*, (ASU 2011-04). ASU 2011-04 amended ASC 820 to converge the fair value measurement guidance in U.S. generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures (although certain of these new disclosures will not be required for nonpublic entities). The amendments are to be applied prospectively and are effective for the plan year beginning October 29, 2012. Plan management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plan's financial statements.

Table of Contents

## Jennie-O Turkey Store Retirement Savings Plan

### Notes to Financial Statements (continued)

#### **1. Significant Accounting Policies (continued)**

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 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 document or Summary Plan Description for a more complete description of the Plan's provisions.

The Plan is a contributory defined-contribution plan covering substantially all nonexempt employees of Jennie-O Turkey Store, Inc. (the Company) who have completed 180 days of continuous service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan's year-end is the last Sunday of October.

Each year, participants may contribute up to 50% of pretax annual compensation, subject to Internal Revenue Service (IRS) limitations, as defined in the Plan. An eligible employee who has not made an election to participate shall be deemed a member of the Plan and will automatically contribute 2% to the Plan through payroll deduction. The Company's matching contribution is an amount equal to 50% of the first 2% of pay contributed for the pay period. The Company's fixed contribution to the Plan is an amount equal to 4% of the eligible employees' earnings. Participants are eligible to direct the investment of their employee account balance. Forfeitures of terminated employees' unvested

interests may be used to reduce employer contributions.

Participants' employee savings contributions are fully vested immediately. The Company's 4.0% (fixed) contribution made before October 28, 2007, vests after five years of vesting service, and the Company's matching contribution vests after three years of vesting service.

Beginning October 28, 2007, all employees' fixed and matching contributions will vest after three years of vesting service.

Table of Contents

## Jennie-O Turkey Store Retirement Savings Plan

### Notes to Financial Statements (continued)

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

Amounts forfeited upon early termination of employment are used either to restore the nonvested accounts of rehired participants or lost distributees, or to reduce future employer contributions. Forfeitures used to reduce employer contributions for the years ended October 30, 2011 and October 31, 2010, were \$573,809 and \$705,194, respectively. Cumulative forfeited nonvested accounts at October 30, 2011 and October 31, 2010, were \$81,690 and \$95,197, respectively.

Promissory notes receivable are loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Participants may borrow from their account(s) a minimum of \$1,000 up to a maximum of \$50,000 or 50% of their vested account balances, whichever is less. If a participant has more than one account, the loans shall be deemed to have been made from the accounts in the following sequence: Rollover Account, Employee Savings Account, WCT Employer Contribution Account, and Employer Matching Account.

Loan transactions are treated as transfers from (to) the investment fund to (from) the loan fund. Loan terms are up to five years, unless the loan is used to acquire a primary residence. The interest rate is 1% over the prime rate of interest published in *The Wall Street Journal* on the first business day of the month the loan originates. For the purpose of sharing in any gains or losses of the trust fund, the amount of the accounts will be deemed to have been reduced by the unpaid balance of any outstanding loans. All loan repayments are made through payroll deductions. No allowance for credit losses has been recorded as of October 30, 2011 or October 31, 2010. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

Upon retirement, death, or termination of employment, the participant or beneficiary may, after approval by the Company, receive a lump-sum amount equal to the vested value of the funds allocated to his or her account. Annuities are available in certain circumstances, as described in the plan document.

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.

Table of Contents

## Jennie-O Turkey Store Retirement Savings Plan

## Notes to Financial Statements (continued)

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

The Company 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.

**3. Investments and Fair Value Measurements**

During the years ended October 30, 2011 and October 31, 2010, the Plan's investments (including investments bought, sold, as well as held during the year) appreciated in fair value as follows:

	<b>October 30, 2011</b>	<b>October 31, 2010</b>
Net appreciation in fair value during the year:		
Collective trusts	\$ 549,750	\$ 467,793
Mutual funds	943,322	6,242,833
	\$ 1,493,072	\$ 6,710,626

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

	<b>October 30, 2011</b>	<b>October 31, 2010</b>
Wells Fargo Stable Return Fund C	\$ 21,585,843	\$ *
PIMCO Total Return II Institutional Class Fund	30,461,267	28,044,348

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Harbor Capital Appreciation Fund Institutional Class	<b>8,951,688</b>	8,113,998
Black Rock International Opportunities Portfolio Institutional Shares	<b>6,988,346</b>	7,035,495
Nuveen Equity Index Fund I	<b>13,677,892</b>	12,478,898
Invesco International Growth Fund Y	<b>7,965,378</b>	*
American Century Small Cap Value Institutional Fund	<b>6,522,852</b>	*
MFS Value Fund Class R4	<b>7,363,881</b>	*
U.S. Bank Stable Asset Fund	*	20,107,596
Invesco International Growth Fund A	*	7,877,111
MFS Value Fund Class A	*	6,748,887
American Century Small Cap Value Fund	*	6,207,371

\*Less than 5%

Table of Contents

Jennie-O Turkey Store Retirement Savings Plan

Notes to Financial Statements (continued)

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

Participants are authorized to invest up to 100% of the fair value of their net assets available for benefits in the Hormel Foods Corporation Stock Fund, which consists of Hormel Foods Corporation common stock, the parent company of Jennie-O Turkey Store, Inc., and cash. Such investment totaled approximately 0.35% and 0.20% of total investments at October 30, 2011 and October 31, 2010, respectively.

The Plan accounts for its financial assets and liabilities in accordance with 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: Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

Quoted prices for similar assets and liabilities in active markets

Quoted prices for identical or similar assets or liabilities in markets that are not active



Observable inputs other than quoted prices that are used in the valuation of the assets or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)

Inputs that are derived principally from or corroborated by observable market data by correlation or other means

- 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 measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Table of Contents

Jennie-O Turkey Store Retirement Savings Plan

Notes to Financial Statements (continued)

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

**Mutual Funds**

These investments 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.

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

**Collective Trusts**

At October 30, 2011, the Plan holds an investment in the Wells Fargo Stable Return Fund C (the Stable Return Fund), which invests in a collective trust fund that carries investments at contract value. The Stable Return Fund is reported at fair value with a reported adjustment to contract value as shown in the statement of net assets available for benefits. The value of the Stable Return Fund is based on the underlying unit value of the collective trust fund, and a NAV can be calculated for the Stable Return Fund. The collective trust fund invests in investment contracts and security-backed

contracts. An investment contract is a contract issued by a financial institution to provide a stated rate of return to the buyer of the contract for a specified period of time. A security-backed contract has similar characteristics as a traditional investment contract and is comprised of two parts: the first part is a fixed-income security or portfolio of fixed-income securities; the second part is a contract value guarantee (wrapper) provided by a third party. Wrappers provide contract value payments for certain participant-initiated withdrawals and transfers, a floor crediting rate, and return of fully accrued contract value at maturity. The investment in the Stable Return Fund contains several redemption restrictions: the right to require a 12-month notice for withdrawal of assets from the Stable Return Fund initiated by the Company; withdrawals initiated by participants of the Plan will be honored when received unless payments are being delayed to all Stable Return Fund unit holders as provided in the Declaration of Trust; and redemptions by plan participants to reinvest in options that compete with the Stable

Table of Contents

Jennie-O Turkey Store Retirement Savings Plan

Notes to Financial Statements (continued)

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

Return Fund may be delayed for up to 90 days. The crediting interest rate on the Stable Return Fund was 1.58% as of October 30, 2011. The average yield was 2.34% during plan year 2011, which approximates the actual interest rate credited to the plan participants. Audited financial statements are available for this investment, and it is classified as a Level 2 investment.

At October 31, 2010, the Plan held an investment in the U.S. Bank Stable Asset Fund (the Stable Asset Fund), which is managed by a third party, that invests in a well-diversified portfolio of investment contracts from highly rated financial institutions and high-quality, fixed income securities combined with book value wrapper. The fair value of the units of this investment is based on the fair value of the underlying investments, and a NAV can be calculated for this Stable Asset Fund. The Stable Asset Fund intends to hold only assets whose fair market value is the contract value of the investment. Income is calculated daily and is automatically reinvested. The amount of income is dependent on contract interest rates, contract maturities, and new investments in the Stable Asset Fund. This investment is a fully benefit-responsive fund; however, it does contain several redemption restrictions: redemptions by plan participants to reinvest in options that compete with the Fund may be delayed for up to 365 days, and full or partial plan sponsor directed redemptions or terminations may be delayed for up to 365 days. Audited financial statements are available for this investment, and it is classified as a Level 2 investment.

The remaining fund held within collective trusts is also managed by a third party and includes equity securities and cash for which there is an active quoted market. Therefore, this fund is classified as Level 1.



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Total collective trusts	20,313,493	205,897	20,107,596
	\$ 102,020,978	\$ 81,913,382	\$ 20,107,596
			\$

Table of Contents

## Jennie-O Turkey Store Retirement Savings Plan

### Notes to Financial Statements (continued)

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

The Plan has received a determination letter from the IRS dated March 23, 2007, 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 qualification. The plan administrator believes the Plan is being operated within the applicable requirements of the Code and, therefore, believes the Plan, as amended, is qualified and the related trust is tax-exempt.

U.S. generally accepted accounting principles require 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 30, 2011, 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.

#### **5. Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, 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.

Table of Contents

## Jennie-O Turkey Store Retirement Savings Plan

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

EIN: 41-0734466 Plan Number: 003

October 30, 2011

Description of Asset	Number of Shares/Units Held	Current Value
Collective trusts:		
Orchard Trust Company, LLC:		
Hormel Foods Corporation Stock Fund*	22,407 units	\$ 378,910
Wells Fargo Stable Return Fund C, contract value	439,503 units	21,100,531
Total collective trusts		21,479,441
Mutual funds:		
Orchard Trust Company, LLC:		
PIMCO Total Return II Fund Institutional Class	2,906,609 shares	30,461,267
Nuveen Equity Index Fund Class I	622,288 shares	13,677,892
Harbor Capital Appreciation Fund	227,894 shares	8,951,688
Invesco International Growth Fund Class Y	288,915 shares	7,965,378
MFS Value Fund Class R4	318,921 shares	7,363,881
Black Rock International Opportunities Portfolio Institutional Shares	212,025 shares	6,988,346
American Century Small Cap Value Fund Institutional Class	762,015 shares	6,522,852
Wasatch Small Cap Growth Fund	131,136 shares	5,346,431
Janus Forty Fund Class I	8,711 shares	295,299
Total mutual funds		87,573,034
Promissory notes*	Varying maturity dates with interest rates ranging from 4.25% to 9.25%	9,092,410
Total assets (held at end of year)		\$ 118,144,885



\*Indicates a party in interest to the plan.

Table of Contents

**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.

JENNIE-O TURKEY STORE  
RETIREMENT SAVINGS PLAN

Date: April 27, 2012

By: /s/ JODY H. FERAGEN  
JODY H. FERAGEN  
Executive Vice President  
and Chief Financial Officer

Table of Contents

**EXHIBIT INDEX**

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