HORMEL FOODS CORP /DE/
Form DEF 14A
December 17, 2014
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

o	Preliminary Proxy Statement
o	Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
x	Definitive Proxy Statement
o	Definitive Additional Materials
o	Soliciting Material under Rule 14a-12

Hormel Foods Corporation
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x	No fee required	
o	Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11	
	(1)	Title of each class of securities to which transaction applies:
	(2)	Aggregate number of securities to which transaction applies:
	(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
	(4)	Proposed maximum aggregate value of transaction:
	(5)	Total fee paid:
o	Fee paid previously with preliminary materials.	
o	Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.	
	(1)	Amount Previously Paid:
	(2)	Form, Schedule or Registration Statement No.:
	(3)	Filing Party:
	(4)	Date Filed:

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HORMEL FOODS CORPORATION

AUSTIN, MINNESOTA

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders:

The Annual Meeting of Stockholders of Hormel Foods Corporation, a Delaware corporation, will be held in the Richard L. Knowlton Auditorium of the Austin High School, 300 NW 4th Street, Austin, Minnesota, on Tuesday, January 27, 2015, at 8:00 p.m. Central Standard Time. The items of business are:

1. Elect a board of 14 directors for the ensuing year;

2. Ratify the appointment by the Audit Committee of the Board of Directors of Ernst & Young LLP as independent registered public accounting firm for the fiscal year ending October 25, 2015;

3. Advisory vote to approve Named Executive Officer compensation as disclosed in the Company s 2015 annual meeting proxy statement (the say-on-pay vote);

4. Vote on a stockholder proposal, if presented at the meeting; and

5. Such other matters as may properly come before the meeting.

The Board of Directors has fixed November 28, 2014, at the close of business, as the record date for the determination of stockholders entitled to notice of, and to vote at, the meeting.

By Order of the Board of Directors

BRIAN D. JOHNSON

Vice President and

Corporate Secretary

December 17, 2014

Important Notice Regarding the Availability of Proxy Materials
for the Stockholder Meeting to be Held on January 27, 2015
The Proxy Statement and Annual Report to Stockholders
are available at www.proxyvote.com

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PROXY STATEMENT

HORMEL FOODS CORPORATION
(CUSIP No. 440452100)
1 HORMEL PLACE
AUSTIN, MINNESOTA 55912

The enclosed proxy is solicited by the Board of Directors of Hormel Foods Corporation (**Company**) for use at the Annual Meeting of Stockholders to be held on January 27, 2015. This proxy statement and form of proxy, or a Notice of Internet Availability of Proxy Materials, are first being mailed to stockholders on or about December 17, 2014.

GENERAL INFORMATION

Voting Securities - Only stockholders of record at the close of business as of November 28, 2014 are entitled to vote at the meeting. The Company had 263,637,955 shares of common stock outstanding as of November 28, 2014. Each share of stock is entitled to one vote. There is no cumulative voting. The Company has no other class of shares outstanding.

Voting Your Proxy - Whether or not you plan to attend the meeting, we encourage you to grant a proxy to vote your shares. Follow the instructions on your proxy card or electronic delivery notice to cast your vote via the Internet or telephone. If you received a proxy card, you may vote your shares by completing the card with your vote, signature and date, and returning it by mail in the envelope provided.

If you submit a proxy without giving specific voting instructions, your shares will be voted in accordance with the Board of Directors recommendations as follows:

FOR :

- Election to the Board of the 14 director nominees named in this proxy statement;

- Ratification of the appointment of Ernst & Young LLP as independent registered public accounting firm for the fiscal year ending October 25, 2015; and

- Approval of the non-binding resolution to approve Named Executive Officer compensation as disclosed in this proxy statement (the say-on-pay vote);

and AGAINST :

- The stockholder proposal set forth in this proxy statement, if presented at the meeting.

The persons appointed as proxies will vote in their discretion on other matters as may properly come before the meeting.

Revoking Your Proxy and Changing Your Vote - You may revoke your proxy or change your vote at any time before it is exercised by submitting a later-dated proxy, voting in person at the meeting or sending a written notice of revocation to the Corporate Secretary.

Expenses - The expenses of soliciting proxies will be paid by the Company. Proxies may be solicited at Company expense personally, or by mail, telephone or electronic communication, by directors, officers and other employees. Such persons will not receive additional compensation. The Company will reimburse banks, brokerage firms and other nominees for their reasonable out-of-pocket expenses incurred in sending proxy materials to beneficial owners. Your cooperation in promptly granting a proxy to vote your shares will help to avoid additional expense.

Quorum - A majority of the outstanding shares will constitute a quorum at the meeting.

Impact of Abstentions and Broker Non-Votes - If a stockholder holds shares in street name and does not provide voting instructions to the holder of the account regarding non-discretionary matters, such shares are considered broker nonvotes. Street name means the shares are held in a stock brokerage account or by a bank, trust or other institution. Broker nonvotes and abstentions are counted for purposes of determining the presence of a quorum for the transaction of business. Shares represented by abstentions are counted as shares represented at the meeting and therefore will have no effect on the election of directors (Item #1) and the advisory vote on executive compensation (Item #3), but will have the effect of a vote against the ratification of Ernst & Young LLP as independent registered public accounting firm (Item #2) and approval of

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the stockholder proposal (Item #4). Shares represented by broker nonvotes are not considered entitled to vote and thus are not counted for purposes of determining whether a proposal has been approved. Under current New York Stock Exchange (**NYSE**) rules, uninstructed brokers would have discretionary voting power for ratification of Ernst & Young LLP as independent registered public accounting firm (Item #2). Uninstructed brokers would not have discretionary voting power for the election of directors (Item #1), the advisory vote on executive compensation (Item #3), and the vote on the stockholder proposal (Item #4).

MEETING ADMISSION

The following persons will be admitted to the Annual Meeting of Stockholders to be held on January 27, 2015:

- Stockholders of record at the close of business on November 28, 2014, and their immediate family members;
- Individuals holding written proxies executed by stockholders of record at the close of business on November 28, 2014;
- Stockholders who provide a letter or account statement from their broker, bank or other nominee showing that they owned stock held in the name of the broker, bank or other nominee at the close of business on November 28, 2014, and their immediate family members;
- Stockholders by virtue of stock held in the Company s Employee Stock Purchase Plan;
- Other individuals with the approval of the Corporate Secretary; and
- One authorized representative of stockholders that are corporations or other entities. Additional authorized representatives may be admitted with the approval of the Corporate Secretary.

If you are not able to attend, we will have video of the meeting available on the Internet after January 28, 2015. To view this video, follow these instructions:

1. Go to the Newsroom section of http://www.hormelfoods.com/;
2. Click on the Annual Meeting featured story; and
3. Locate the video within the Annual Meeting story content and click on the video.

CONDUCT OF MEETING

The Chairman will preside over the Annual Meeting of Stockholders pursuant to the Bylaws and by action of the Board of Directors. The Chairman has broad authority to ensure the orderly conduct of the meeting. This includes discretion to recognize stockholders or proxies who wish to speak and to determine the extent of discussion on each item of business. Rules governing the conduct of the meeting will be distributed at the meeting along with the agenda. The Chairman may also rely on applicable law regarding disorderly conduct to ensure that the meeting is conducted in a manner that is fair to all stockholders.

ITEM 1 ELECTION OF DIRECTORS

Identifying and Evaluating Nominees for Director - The Governance Committee is responsible for establishing procedures to identify and review the qualifications of all nominees for Board membership. The Committee considers recommendations of director candidates made by directors, senior management, and the Company s stockholders. The Committee applies the same criteria for consideration of stockholder nominees as it does to nominees proposed by other sources. The Committee may engage an independent search firm to assist the Committee in identifying and evaluating potential director nominees to fill vacancies on the Board. In fiscal 2014, the independent search firm Russell Reynolds Associates, Inc. assisted the Committee in identifying and evaluating potential director nominees.

Stockholders wishing to make a recommendation may do so by contacting the Governance Committee, c/o Brian D. Johnson, Vice President and Corporate Secretary, 1 Hormel Place, Austin, Minnesota 55912. Stockholders should send:

1. Name of the candidate and the candidate s business and residence addresses;

2. A resume or biographical sketch of the candidate, which includes the candidate s principal occupation or employment;

3. A document(s) evidencing the number of shares of Company stock currently held by the candidate and the candidate s willingness to serve as a director if elected; and

4. A signed statement as to the submitting stockholder s current status as a stockholder, which includes the stockholder s address and the number of shares of Company stock currently held.

The Committee s procedures include making a preliminary assessment of each proposed nominee. Such assessment is based upon the resume and biographical information, an indication of the individual s willingness to serve, and business experience and leadership skills. This information is evaluated against the criteria set forth below and the Company s

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specific needs at that time. Based upon a preliminary assessment of the candidates, those who appear best suited to meet the Company s needs may be invited to participate in a series of interviews, which are used to further evaluate candidates. On the basis of information learned during this process, the Committee determines which nominees to recommend to the Board.

The three director nominees who joined the Board in July 2014 were recommended to the Committee by various sources and evaluated along with other potential director nominees. Gary C. Bhojwani was recommended to the Committee by non-management directors and the Russell Reynolds Associates firm. Sally J. Smith was recommended to the Committee by a non-management director, the chief executive officer and the Russell Reynolds Associates firm. Steven A. White was recommended to the Committee by the Russell Reynolds Associates firm.

Director Qualifications The Governance Committee determines the selection criteria of director nominees based upon the Company s needs at the time nominees are considered. In evaluating director candidates, the Committee will consider a candidate s:

- Intellect;
- Integrity;
- Broad-based experience at the policy-making level in business, government, education or the public interest;
- Analytical ability;
- Ability to qualify as an independent director;
- Ability and willingness to devote time and energy to effectively carry out all Board responsibilities; and
- Unique qualifications, skills and experience.

The Committee reviews past performance on the Board for directors seeking reelection. The Board s annual self-evaluation process assists the Committee in this review.

The Committee considers the diversity of director candidates and seeks to enhance the overall diversity of the Board. Each candidate s diversity in terms of race, gender, national origin and other personal characteristics is considered. The Committee also assesses each candidate s contribution to the diversity of the Board in a broader sense, including age, education, experience, skills and other qualifications. While the Committee carefully considers diversity when evaluating director candidates, it has not adopted a formal diversity policy.

The Committee recommends director nominees to the Board to submit for election at the next Annual Meeting of Stockholders. The Board selects director nominees based on its assessment and consideration of various factors. These factors include the current Board profile, the long-term interests of stockholders, the needs of the Company, and the goal of creating an appropriate balance of knowledge, experience and diversity on the Board.

Our Nominees for Director Each of our director nominees is well qualified under the criteria described above. As employees of the Company, Mr. Ettinger and Ms. Feragen do not qualify as independent directors. Each director nominee brings a variety of qualifications, skills, attributes and experience to the Board of Directors.

A common trait among our director nominees is executive leadership experience with a large company or organization. Such experience brings a variety of benefits, including an understanding of business management, various business functions and strategic planning. Other advantages of an executive leadership background include experience with policy making, risk management and corporate governance matters.

Another common characteristic of our director nominees is each has prior service on our Board, although that service is limited for Mr. Bhojwani, Ms. Smith and Mr. White, the director nominees who joined the Board in July 2014. Each director nominee has a demonstrated record of regular attendance, advance preparation and active participation in Board and Board committee meetings. Through prior service on the Board committees, our director nominees have demonstrated and further developed expertise relating to the duties assigned to the Board committees.

The biographical information below identifies and highlights additional qualifications, skills, attributes and experience each director nominee brings to the Board.

The Board of Directors recommends a vote FOR each of the 14 director nominees listed below. The persons named as proxies will vote FOR the election of these 14 nominees to hold office as directors until the next Annual Meeting of Stockholders and until their successors are elected and qualify, unless stockholders specify otherwise. If any of such nominees become unavailable for any reason, it is intended that the proxies will vote for the election of such substitute persons as may be designated by the Board of Directors. Directors are elected by a plurality of the votes cast. The 14 candidates receiving the highest number of votes will be elected.

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DIRECTOR NOMINEES

GARY C. BHOJWANI, age 46, director since 2014.

Mr. Bhojwani has been Chairman of Allianz Life Insurance Company of North America and a member of the Board of Management of Allianz SE since 2012, and has resigned both positions effective January 1, 2015. He was Chief Executive Officer of Allianz Life Insurance Company of North America from 2007 to 2011, and was President of Commercial Business, Fireman s Fund Insurance Company from 2004 to 2007. Mr. Bhojwani was Chief Executive Officer of Lincoln General Insurance Company from 2002 to 2004, founder and Chief Executive Officer of Avalon Risk Management from 1998 to 2002, and President, Trade Insurance Services from 1995 to 1997. He is a member of the Board of Directors of the U.S. Chamber of Commerce, Irving, Texas, American Council of Life Insurers, Washington, D.C., Financial Services Roundtable, Washington, D.C., Teach for America Twin Cities, Minneapolis, Minnesota, and Minneapolis Institute of Arts, Minneapolis, Minnesota. Mr. Bhojwani brings extensive expertise in risk management, finance and consumer product marketing to the Board, as well as experience as the Chairman and Chief Executive Officer of a large insurance company.

TERRELL K. CREWS, age 59, director since 2007.

Mr. Crews retired from Monsanto Company, an agricultural company, in 2009. He served as Executive Vice President, Chief Financial Officer and Vegetable Business CEO for Monsanto Company, from 2007 to 2009, and Executive Vice President and Chief Financial Officer from 2000 to 2007. Mr. Crews is a member of the Board of Directors of Archer-Daniels-Midland Company, Decatur, Illinois, Rock Tenn Corporation, Norcross, Georgia, and Junior Achievement of Greater St. Louis, Chesterfield, Missouri, and the Board of Trustees of Freed-Hardeman University, Henderson, Tennessee. Mr. Crews brings extensive expertise in finance and related functions to the Board, as well as significant knowledge of corporate development, agri-business and international operations.

JEFFREY M. ETTINGER, age 56, director since 2004.

Mr. Ettinger is Chairman of the Board, President and Chief Executive Officer of the Company, serving in that capacity since November 2006. He was President and Chief Executive Officer from January to November 2006, and President and Chief Operating Officer from 2004 to 2006. Mr. Ettinger is a member of the Board of Directors of The Toro Company, Bloomington, Minnesota, Grocery Manufacturers of America, Washington, D.C., American Meat Institute, Washington, D.C., Minnesota Business Partnership, Minneapolis, Minnesota, and The Hormel Foundation, Austin, Minnesota. In addition to his exemplary executive leadership of the Company, Mr. Ettinger brings practical finance, marketing and legal expertise to the Board, as well as a deep knowledge of the Company and food industry developed during his 25-year tenure with the Company.

JODY H. FERAGEN, age 58, director since 2007.

Ms. Feragen is Executive Vice President and Chief Financial Officer of the Company. She was elected to that position in 2010, and was Senior Vice President and Chief Financial Officer from 2007 to 2010, and Vice President of Finance and Treasurer from 2005 to 2007. Ms. Feragen is a member of the Board of Directors of Patterson Companies, Inc., St. Paul, Minnesota, and the University of North Dakota Alumni Association and Foundation, Grand Forks, North Dakota.
Ms. Feragen brings to the Board in-depth expertise in finance and related functions developed during her over 28-year finance career, as well as knowledge of the Company and food industry.

GLENN S. FORBES, M.D., age 67, director since 2011.

Dr. Forbes is retired Executive Board Chair, past CEO Mayo Clinic-Rochester, and Emeritus Physician, Mayo Clinic, having retired in 2012. He was Medical Director for Diversified Business Activities for Medical Imaging Services at Mayo Clinic from 2010 to 2012, Medical Director for State Government Affairs and Public Relations at Mayo Clinic from 2009 to 2010, and Chief Executive Officer, Mayo Clinic-Rochester from 2006 to 2009. Dr. Forbes was Professor of Radiology, Mayo Clinic College of Medicine from 1990 to 2012, and Consultant in the Department of Diagnostic Radiology at Mayo Clinic from 1977 to 2012. He was a member of the Board of Trustees, Mayo Clinic from 2006 to 2009, and the Board of Governors, Mayo Clinic from 2003 to 2009, and Chair of the Executive Board, Mayo Clinic-Rochester from 2006 to 2009. He is Chair of the Board of Directors of the American Board of Radiology Foundation, Tucson, Arizona. Dr. Forbes brings executive leadership experience with a large Minnesota-based health care institution and extensive public policy and corporate governance expertise to the Board.

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STEPHEN M. LACY, age 60, director since 2011.

Mr. Lacy is Chairman of the Board, President and Chief Executive Officer of Meredith Corporation, a media and marketing company, a position he has held since 2010. He served Meredith Corporation as President and Chief Executive Officer starting in 2006, President and Chief Operating Officer starting in 2004, President, Publishing Group, and President, Interactive and Integrated Marketing Group, starting in 2000, and Chief Financial Officer starting in 1998. Mr. Lacy was President, from 1995 to 1997, and Chief Financial Officer, from 1992 to 1995, of Johnson & Higgins, an insurance brokerage firm, and General Manager, from 1990 to 1992, and Chief Financial Officer, from 1988 to 1990, of Commtron Corporation, a distributor of video cassettes and consumer electronics equipment. He is a member of the Board of Directors of Meredith Corporation, Des Moines, Iowa. Mr. Lacy brings extensive expertise in finance and consumer product marketing to the Board, as well as ongoing experience as the active Chief Executive Officer of a publicly held company whose stock is traded on the NYSE.

JOHN L. MORRISON, age 69, director since 2003.

Mr. Morrison has served as Managing Director, Goldner Hawn Johnson & Morrison Incorporated, a private equity investment firm, since 1989 and Chairman, Callanish Capital Partners, a private hedge fund, since 2001. He was Executive Vice President of Pillsbury and Chairman of the U.S. Consumer Foods Group from 1987 to 1989, and President of Pillsbury s International Group from 1981 to 1987. Mr. Morrison is a member of the Board of Directors of Andersen Corporation, St. Paul, Minnesota. Mr. Morrison brings extensive expertise in finance, corporate development, and international business, as well as deep food industry knowledge, to the Board.

ELSA A. MURANO, Ph.D., age 55, director since 2006.

Dr. Murano has served Texas A&M University as Director of the Norman Borlaug Institute for International Agriculture since October 2014, Professor, Department of Animal Science, since 2001, and President Emerita since 2009. She was Interim Director of the Norman Borlaug Institute for International Agriculture from 2012 to 2014, President of Texas A&M University from 2008 to 2009, and Vice Chancellor and Dean of Agriculture, Director of the Texas Agricultural Experiment Station, from 2005 to 2007. Dr. Murano was Undersecretary for Food Safety, U.S. Department of Agriculture from 2001 to 2004. Dr. Murano brings preeminent food safety expertise and significant experience in agri-business and regulatory affairs to the Board.

ROBERT C. NAKASONE, age 66, director since 2006.

Mr. Nakasone is Chief Executive Officer of NAK Enterprises, a family-owned investment and consulting business he has led since 2000. Mr. Nakasone was Chief Executive Officer, Toys R Us, Inc. from 1998 to 1999, President and Chief Operating Officer from 1994 to 1997, Vice Chairman from 1989 to 1993, and President U.S. Toy Stores from 1985 to 1988. Prior to 1985, he served in multiple senior executive capacities with the Jewel Companies, Inc., including Group Vice President and General Manager of the Jewel Food Stores Midwest Region. Mr. Nakasone is a member of the Board of Directors of Staples, Inc., Framingham, Massachusetts, and a member of the Board of Trustees of Claremont McKenna College, Claremont, California, Cottage Health System, Santa Barbara, California, and the V Foundation For Cancer Research, Cary, North Carolina. Mr. Nakasone brings extensive expertise in retail food product marketing and international business development to the Board, as well as experience as the Chief Executive Officer of a large publicly held company.

SUSAN K. NESTEGARD, age 54, director since 2009.

Ms. Nestegard is former President, Global Healthcare Sector, of Ecolab Inc., a provider of cleaning and sanitizing products and services. She held that position from 2010 to 2012, and was Executive Vice President, Global Healthcare Sector, from 2008 to 2010, Senior Vice President, Research, Development and Engineering, and Chief Technical Officer, from 2003 to 2008. Ms. Nestegard served as interim Chief Executive Officer of Cambridge Major Laboratories, Inc., a pharmaceutical company, from March 2014 to August 2014. She also has over 20 years experience with 3M Company in product development, research and development, and business unit management. Ms. Nestegard is a member of the Board of Directors of American Capital, Ltd., Bethesda, Maryland. Ms. Nestegard brings significant expertise in food safety, research and development, foodservice, and international business to the Board.

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DAKOTA A. PIPPINS, age 66, director since 2001.

Mr. Pippins has been President and Chief Executive Officer, Pippins Strategies, LLC, a marketing consulting company, since 2003. He served as Director of Urban Think Tank and Director of Planning for the Vigilante Division of Leo Burnett, USA, an advertising agency, from 1998 to 2003, Director of Management Institute at New York University from 1990 to 1995, and has been an Adjunct Associate Professor at New York University since 1990. Prior experience includes various management positions at Citicorp, a banking company, General Foods Corporation, a food company, and Burrell Communications Group, a marketing company. Mr. Pippins brings to the Board in-depth expertise in consumer product marketing and corporate sustainability, developed both through professional work experience and academia.

CHRISTOPHER J. POLICINSKI, age 56, director since 2012.

Mr. Policinski is President and Chief Executive Officer of Land O Lakes, Inc., a member-owned cooperative which produces and markets dairy-based food products and agricultural supplies, a position he has held since 2005. He served Land O Lakes, Inc. as Chief Operating Officer of the Dairy Foods business unit starting in 1999, and Vice President of Strategy and Business Development starting in 1997. Prior experience includes various management positions at Kraft General Foods Corporation, a food company, Bristol Myers Squibb, a biopharmaceutical and consumer goods company, and Pillsbury Company, a food company. Mr. Policinski is a member of the Board of Directors of Xcel Energy, Inc., Minneapolis, Minnesota, Grocery Manufacturers of America, Washington, D.C., National Council of Farmer Cooperatives, Washington, D.C., U. S. Global Leadership Campaign, Washington, D.C., and the Greater Twin Cities United Way, Minneapolis, Minnesota, the Board of Overseers of Carlson School of Management, Minneapolis, Minnesota, and the Board of Trustees of the University of Minnesota Foundation, Minneapolis, Minnesota.
Mr. Policinski brings extensive expertise in agri-business, consumer product marketing and corporate development to the Board, as well as ongoing experience as the active Chief Executive Officer of a large Minnesota-based company operating globally in the food industry.

SALLY J. SMITH, age 56, director since 2014.

Ms. Smith is President and Chief Executive Officer of Buffalo Wild Wings, Inc., a restaurant company, a position she has held since 1996. She served Buffalo Wild Wings, Inc. as Chief Financial Officer from 1994 to 1996. Ms. Smith was Controller, from 1984 to 1987, and Chief Financial Officer, from 1987 to 1994, of Dahlberg, Inc., a manufacturer of hearing aids. She began her career with KPMG LLP, an international accounting and consulting firm. Ms. Smith is a member of the Board of Directors of Alerus Financial Corporation, Grand Forks, North Dakota, Allina Health System, Minneapolis, Minnesota, and the National Restaurant Association, Washington, D.C. Ms. Smith brings extensive expertise in finance, corporate development and the foodservice industry to the Board, as well as ongoing experience as the active Chief Executive Officer of a Minnesota-based publicly held company.

STEVEN A. WHITE, age 54, director since 2014.

Mr. White is President, ComCast West Division, of ComCast Corporation, an entertainment and communications company, a position he has held since 2009. He served ComCast as Regional Senior Vice President, ComCast California from 2007 to 2009 and as Regional Senior Vice President, ComCast Mid-South Region from 2002 to 2007. Mr. White was Regional Vice President of AT&T Broadband, LLC from 2000 to 2002 and Regional Vice President of Telecommunications, Inc. from 1997 to 2000. Prior experience includes various marketing positions with Colgate-Palmolive Company from 1991 to 1997. He is a member of the Board of Directors of Comcast Foundation, Philadelphia, Pennsylvania, and Denver Scholarship Foundation, Denver, Colorado. Mr. White brings significant expertise in digital commerce and consumer product marketing to the Board, as well as ongoing experience as the active President of a large business.

No family relationship exists between any of the director nominees or executive officers of the Company.

CORPORATE GOVERNANCE

Corporate Governance Guidelines

The Board of Directors has adopted Corporate Governance Guidelines which include the following:

- At all times a substantial majority of the Board will be independent, as that term is defined in relevant law and the NYSE listing standards;

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- Directors who (1) retire from or change their principal employment, (2) reach retirement age of 72, (3) resign or are removed from, or fail to be re-elected to, the board of directors of any other public company, or (4) take action that creates a conflict of interest with the Company, must submit a letter of resignation from the Board. The Board may accept or reject a letter of resignation. It is the Board s general policy that directors will not stand for reelection after reaching age 72;

- The Board and Board committees will conduct annual self-evaluations;

- Directors participate in an annual strategic planning retreat, which provides directors a detailed overview of the Company s strategic business plans and an opportunity to access senior management of the Company;

- All independent directors will typically meet in executive session at the end of every regular Board meeting but in all circumstances at least quarterly;

- The Compensation Committee will evaluate the Chief Executive Officer s performance annually. This evaluation is based in part on a self-evaluation by the Chief Executive Officer (**CEO**) which is reviewed by all the nonemployee directors. The annual evaluation will take into account the CEO s performance measured against established goals. After the process has been completed, the Compensation Committee will set the CEO s compensation and obtain the Board s ratification of such compensation;

- Directors will have full access to officers and employees of the Company; and

- The Board and each committee have the power to hire independent legal, financial or other advisers, without consulting or obtaining the approval of any officer of the Company.

The Company s Corporate Governance Guidelines may be found on the Company s Web site at www.hormelfoods.com under Investors - Corporate Governance.

Board Leadership Structure

The Board takes a flexible approach to the issue of whether the offices of Chairman and CEO should be separate or combined. This approach allows the Board to regularly evaluate whether it is in the best interests of the Company for the CEO or another director to hold the position of Chairman.

Mr. Ettinger has served as both Chairman and CEO of the Company since November 2006. The Board continues to believe there are important advantages to Mr. Ettinger serving in both roles at this time. Mr. Ettinger is the director most familiar with our Company s business and industry and best situated to propose the Board s agendas and lead Board discussions on important matters. Mr. Ettinger provides a strong link between management and the Board, which promotes clear communication and enhances strategic planning and implementation of corporate strategies. Another advantage is the clarity of leadership provided by one person representing the Company to employees, stockholders and other stakeholders.

When the Chairman is not an independent director, the Board believes it may be useful and appropriate to designate a Lead Director. The Governance Committee annually reviews use of the Lead Director position and duties of a Lead Director. The Lead Director position is held by an independent director elected by the Board of Directors. The Board s policy is that a director s term as Lead Director should generally be limited to five consecutive years.

John L. Morrison has served as the Lead Director since November 2011. The duties of the Lead Director include the following:

- Serve as a liaison between the Chairman and the non-management directors;
- Serve as a liaison among the non-management directors;
- Provide input to the Chairman on the preparation of Board meeting agendas, including content, sequence, and time allocations;
- Have the authority to call meetings of the non-management directors, with advance notice of such meetings to be given to the Chairman;
- Preside at meetings of the Board in the absence of the Chairman;
- Preside at executive sessions of the non-management or independent directors;
- In conjunction with the Governance Committee, take an active role in the Board s annual self-evaluation; and
- In conjunction with the Compensation Committee, take an active role in the annual evaluation of the CEO.

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The independent directors who chair the Company s Audit, Compensation, Governance and Contingency Committees also provide leadership to the Board in their assigned areas of responsibility. The Board believes the substantial majority of independent directors on the Board, use of a Lead Director, independent Committee chairs and executive sessions of the independent directors safeguard the independent governance of the Board.

Code of Ethical Business Conduct

The Company has adopted a Code of Ethical Business Conduct that covers its directors, officers and employees. This Code of Ethical Business Conduct may be found on the Company s Web site at www.hormelfoods.com under Investors - Corporate Governance.

Stock Ownership Guidelines

The Company s officers and directors are subject to stock ownership guidelines. Officers need to hold shares of Company stock with a value equal to their five-year average base salary times a multiple of 1.5 to 5, depending on position. Directors need to hold shares of Company stock with a value equal to their five-year average annual retainer times a multiple of 5. This multiple was changed from 4 to 5 effective November 24, 2014. For both officers and directors, the required stock ownership value is divided by the five-year average Company stock price, based on fiscal year end prices, to calculate the number of shares to be held.

The value of shares individually owned, held in Company benefit plans, and deferred in the Company s deferred compensation plans are counted toward the guidelines. Individual ownership of shares is determined under Section 16 of the Securities Exchange Act of 1934, as amended (**Exchange Act**). Stock options and restricted shares are not counted toward the guidelines.

Officers and directors have approximately five years from their initial election to comply with the guidelines. Officers promoted to a level requiring higher stock ownership under the guidelines have five years to achieve compliance. All officers and directors who are subject to the guidelines are in compliance with the guidelines.

The Company has adopted a pledging policy which prohibits officers and directors from holding Company stock in a margin account or pledging Company stock as collateral for a loan.

The Company has also adopted a hedging policy which prohibits employees, officers and directors from purchasing any financial instruments (including without limitation prepaid variable forward contracts, equity swaps, collars, and exchange funds) that are designed to hedge or offset any decrease in the market value of Company securities held directly or indirectly by the employee, officer or director.

Board Independence

The Company s Corporate Governance Guidelines require that a substantial majority of the Company s directors be independent. The NYSE listing standards require that a majority of the Company s directors be independent and that the Audit, Compensation and Governance Committees be comprised entirely of independent directors. The Board of Directors has adopted standards to assist it in making the annual determination of each director s independence status. These Director Independence Standards are consistent with the NYSE listing standards. The Director Independence Standards are posted on the Company s Web site at www.hormelfoods.com under Investors - Corporate Governance. A director will be considered independent if he or she meets the requirements of the Director Independence Standards and the independence criteria in the NYSE listing standards.

The Board of Directors has affirmatively determined that the following directors have no direct or indirect material relationship with the Company and satisfy the requirements to be considered independent:

Gary C. Bhojwani	John L. Morrison	Dakota A. Pippins
Terrell K. Crews	Elsa A. Murano	Christopher J. Policinski
Glenn S. Forbes	Robert C. Nakasone	Sally J. Smith
Stephen M. Lacy	Susan K. Nestegard	Steven A. White
Susan I. Marvin (term expired January 28, 2014)		

The Board of Directors also has determined that each of the Company s Audit, Compensation, Governance and Contingency Committees is composed solely of independent directors. In making the independence determinations, the Board reviewed all of the directors relationships with the Company. This review is based primarily on a review of the responses of the directors to questions regarding employment, business, family, compensation and other relationships with the Company and its management. In making the independence determination for Mr. Lacy, Chairman of the Board, President & CEO of Meredith Corporation, the Board considered the relationship arising out of the transactions in the ordinary course of business between the Company, including transactions through its advertising agency, and Meredith Corporation, a supplier of the Company. The Board determined that this relationship was not material and did not impair

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Mr. Lacy s independence. In making the independence determination for Mr. Policinski, President & CEO of Land O Lakes, Inc., the Board considered the relationship arising out of the transactions in the ordinary course of business between the Company and Land O Lakes, Inc., a supplier of the Company. The Board determined that this relationship was not material and did not impair Mr. Policinski s independence. In making the independence determination for Mr. White, President, West Division of ComCast Corporation, the Board considered the relationship arising out of the transactions in the ordinary course of business between the Company and ComCast Corporation, a service provider to the Company. The Board determined that this relationship was not material and did not impair Mr. White s independence. The dollar amount of the Company s transactions with Meredith Corporation, Land O Lakes, Inc. and ComCast Corporation are below the thresholds for commercial transactions under the independence criteria in the NYSE listing standards.

Board of Director and Committee Meetings

Board of Directors and Committees - The Board of Directors conducts its business through meetings of the Board and its committees. The Lead Director presides at executive sessions of the non-management or independent directors. The Board held eight meetings during fiscal 2014. Each director attended at least 75% of the total meetings during the fiscal year of the Board and Board committees on which he or she served.

The Board of Directors has established the following Board committees: Audit, Compensation, Governance, and Contingency. The following table shows membership and meeting information for each committee for fiscal 2014.

Name	Audit Committee(2)	Compensation Committee(1) (2)	Governance Committee(1) (2) (3)	Contingency Committee(1) (2)
Gary C. Bhojwani		X	X	X
Terrell K. Crews	X*	X		X
Glenn S. Forbes			X	X
Stephen M. Lacy	X	X*		X
John L. Morrison		X	X	X*
Elsa A. Murano	X			X
Robert C. Nakasone		X	X	X
Susan K. Nestegard	X			X
Dakota A. Pippins			X*	X
Christopher J. Policinski	X	X		X
Sally J. Smith	X			X
Steven A. White			X	X
Total Meetings in Fiscal 2014	11	5	6	0

* Committee Chair

(1) Susan I. Marvin served on the Compensation (as Chair), Governance and Contingency Committees until her term expired on January 28, 2014. Christopher J. Policinski joined the Compensation Committee on that date and attended the three Compensation Committee meetings held after that date in fiscal 2014.

(2) Gary C. Bhojwani, Sally J. Smith and Steven A. White joined the Board at its July 28, 2014 meeting and were appointed to Board committees at that time. Ms. Smith attended the two Audit Committee meetings held after that date in fiscal 2014. Mr. Bhojwani attended the one Compensation Committee meeting held after that date in fiscal 2014. Mr. Bhojwani and Mr. White attended the one Governance Committee meeting held after that date in fiscal 2014.

(3) Robert C. Nakasone replaced Dakota A. Pippins as Governance Committee Chair effective at the end of the November 24, 2014 Board meeting.

Each of the Audit, Compensation and Governance Committees has adopted and operates under a written charter. These charters may be found on the Company s Web site at www.hormelfoods.com under Investors - Corporate Governance.

Audit Committee - Each member of the Audit Committee is financially literate as determined by the Board of Directors. The Board also determined that Terrell K. Crews, Stephen M. Lacy and Sally J. Smith each is an audit committee financial expert, as defined by the rules of the Securities and Exchange Commission (**SEC**). The duties of the Audit Committee include the following:

- Select and evaluate the performance of the independent registered public accounting firm;

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- Discuss with the internal auditors and independent registered public accounting firm the overall scope and plans for their respective audits;

- Ensure that the independent registered public accounting firm is accountable to the Committee and that the firm has no relationship with management or the Company that would impair their independence;

- Review and discuss with management and the external auditors the quarterly and annual financial statements of the Company;

- Establish procedures for the handling of complaints received by the Company regarding accounting, internal controls or auditing matters, including the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;

- Provide an open avenue of communication between the internal auditors, the external auditors, Company management and the Board;

- Understand the Company s key areas of risk and assess the steps management takes to manage such risk; and

- Oversee the Company s Code of Ethical Business Conduct, including assessment of the steps management takes to assure the Company s compliance with all applicable laws and regulations and corporate policies.

Compensation Committee - The duties of the Compensation Committee include the following:

- Establish compensation arrangements for all officers of the Company;

- Engage a compensation consultant to review the Company s compensation programs;

- Make recommendations to the Board regarding incentive compensation and equity-based compensation plans, and administer such plans;

- Make recommendations to the Board regarding compensation to be paid to the Company s directors; and

- Establish investment policies for the Company s defined benefit pension plans, and periodically review investments for consistency with those policies.

Governance Committee - The duties of the Governance Committee include the following:

- Establish criteria for new directors and evaluate potential candidates;
- Make recommendations to the Board regarding the composition of Board committees;
- Make recommendations to the Board regarding the Lead Director position;
- Review the Company s executive succession plans;
- Periodically assess the Company s Corporate Governance Guidelines, as well as the Company s adherence to them;
- Evaluate objectives and policies regarding the Company s management of its human resources; and
- Oversee the annual evaluation of the Board.

Contingency Committee - The Contingency Committee considers any matters referred to it by the Board. Such matters would require the deliberation and decision of disinterested and independent directors.

Board Role in Risk Oversight

The Board of Directors takes an active role in risk oversight. The Board administers its risk oversight function through the full Board and each of its committees. Management of the Company, which is responsible for day-to-day risk management, maintains an enterprise risk management (**ERM**) process. The ERM process is designed to identify and assess the Company s risks globally, and develop steps to mitigate and manage risks. The Board receives regular reports on the ERM process.

The Board s oversight of risk includes engaging in an annual strategic planning retreat with senior management, approving annual operating plans and strategic plans, and approving significant transactions. In addition, the Board receives regular reports on the Company s overall business, specific business units and financial results, as well as specific presentations on topics relating to risks and risk management.

The Audit Committee assists the Board with its risk oversight in a variety of areas, including financial reporting, internal controls and legal and regulatory compliance. The Audit Committee has oversight of the Company s internal audit function and the Company s Code of Ethical Business Conduct. The Audit Committee also appoints the independent

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registered public accounting firm and approves the services it provides to the Company. The Compensation Committee oversees risk in connection with compensation programs, including incentive compensation plans and equity-based plans. The Governance Committee oversees risk in connection with corporate governance practices. All of these committees make regular reports of their activities to the full Board.

Policy Regarding Attendance at Annual Meetings

The Company encourages, but does not require, its Board members to attend the Annual Meeting of Stockholders. Last year eleven directors of the Company attended the Annual Meeting of Stockholders.

Board Communication

Interested parties may communicate with the Board of Directors by sending a letter directed to the Board of Directors, nonemployee directors or specified individual directors, addressed to: Brian D. Johnson, Vice President and Corporate Secretary, 1 Hormel Place, Austin, Minnesota 55912. All communications, whether signed or anonymous, will be directed to the Lead Director or the Chair of one of the committees based on the subject matter of the communication, or to the nonemployee directors or the specified directors, if so directed.

COMPENSATION OF DIRECTORS

In fiscal 2014, the Company provided the following elements of compensation to nonemployee directors:

- Annual retainer of $70,000;
- Additional retainer of $25,000 per year for Lead Director;
- Additional retainer of $15,000 per year for chair of the Audit and Compensation Committees;
- Additional retainer of $10,000 per year for chair of the Governance Committee;

- Meeting fee for each committee meeting of $1,000 for attendance in person or $500 for attendance by telephone (no meeting fees are paid for attendance at Board meetings); and

- An award of restricted shares of Company common stock having a fixed value of $160,000 on February 1 based on the NYSE closing price for the stock at the end of that day, subject to the restricted period described below.

The retainers are paid half on February 1 and half on August 1. These payments and the equity award are made on the first business day after February 1 and August 1 if those dates fall on a non-business day.

The NYSE closing price of the Company s stock was $43.46 on February 3, 2014. This price resulted in an award of 3,681.546 restricted shares of Company common stock to each nonemployee director on that date.

On July 28, 2014, the Compensation Committee revised the Company s nonemployee director compensation policy to make the following changes:

- The annual award of restricted shares is rounded to the nearest whole share number;

- The restricted period for future awards of restricted shares will expire upon the earlier of the day before the date of the Company s next annual stockholders meeting or the first anniversary of the award;

- Newly elected nonemployee directors shall receive a prorated annual retainer and award of restricted shares based on the number of regular Board meetings scheduled from the time the director joins the Board to the next stockholders meeting out of the total number of regular Board meetings between annual stockholders meetings (this policy change reflects the past practice of the Committee); and

- The restricted period for restricted shares awarded to newly elected nonemployee directors will expire upon the earlier of the day before the date of the Company s next annual stockholders meeting or the following February 1 (the changes to restricted periods better match the restricted periods to the director s term on the Board).

On July 28, 2014, each of the three newly elected directors, Gary C. Bhojwani, Sally J. Smith and Steven A. White, received an award of restricted shares of Company common stock having a fixed value of $106,667. The NYSE closing price of the Company s stock was $47.36 on July 28, 2014. This price resulted in an award of 2,252 restricted shares of Company common stock (after rounding to the nearest whole number) to each of the three new directors on that date.

The awards of restricted shares on February 3, 2014 and July 28, 2014 were made pursuant to the terms of the stockholder-approved 2009 Long-Term Incentive Plan. Each nonemployee director and the Company entered into a Restricted Stock Award Agreement consistent with the 2009 Long-Term Incentive Plan. Restricted shares granted in fiscal 2011 through February 3, 2014 are subject to a one-year restricted period. Restricted shares granted in fiscal 2010 and prior years have a five-year restricted period, with immediate vesting upon death, disability, or retirement from the Board, subject to a minimum one-year restricted period. The restricted period for the restricted shares awarded to each of the three new

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directors on July 28, 2014 ends on the earlier of the day before the date of the Company s next annual stockholders meeting or February 1, 2015. Directors receive declared dividends on, and are entitled to vote, the restricted shares prior to vesting.

Nonemployee directors may defer all or a portion of retainer and meeting fees under the Company s Nonemployee Director Deferred Stock Plan. Deferred fees times 105% are credited as stock units under the plan. The stock units have the same value as Company common stock and receive dividend equivalents. Stock units become payable in shares of Company common stock following termination of service as a director.

Directors who are employees of the Company receive no additional compensation for service on the Board pursuant to Compensation Committee policy.

The Compensation Committee reviews the compensation to be paid to the Company s nonemployee directors. The Committee uses a compensation consultant, Pearl Meyer & Partners, to provide advice regarding nonemployee director compensation. The consultant analyzes each element of director compensation and total director compensation for the same peer group of companies which is used to evaluate executive compensation. See How Annual Compensation Decisions are Made on page 23 for a list of these peer companies. The Committee reviews the consultant s report of competitive director compensation and determines whether to recommend to the Board a change in the Company s nonemployee director compensation. If such a change is recommended by the Committee, the full Board would then determine whether to ratify the change.

The Compensation Committee s current policy is to review nonemployee director compensation every other year. After this process was completed in late 2014, no changes were made to the Company s nonemployee director compensation policy.

The fiscal 2014 compensation of our nonemployee directors is shown in the following table.

DIRECTOR COMPENSATION FOR FISCAL 2014

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2) (3)	Option Awards ($)(3)	All Other Compensation ($)(4)	Total ($)
Gary C. Bhojwani	49,667	106,655	-	-	156,322
Terrell K. Crews	98,500	160,000	-	993	259,493
Glenn S. Forbes	76,000	160,000	-	908	236,908
Stephen M. Lacy	97,500	160,000	-	10,000	267,500
Susan I. Marvin	2,500	-	-	31,848	34,348
John L. Morrison	106,500	160,000	-	16,952	283,452
Elsa A. Murano	78,000	160,000	-	-	238,000
Robert C. Nakasone	80,500	160,000	-	20,495	260,995
Susan K. Nestegard	78,000	160,000	-	4,608	242,608
Dakota A. Pippins	86,000	160,000	-	8,238	254,238
Christopher J. Policinski	80,000	160,000	-	1,810	241,810
Sally J. Smith	48,667	106,655	-	-	155,322

Steven A. White	48,667	106,655	-	-	155,322

(1) Consists of annual retainer, additional retainer for Lead Director and committee chairs, and meeting fees. Includes amounts voluntarily deferred under the Company s Nonemployee Director Deferred Stock Plan.

(2) Consists of the aggregate grant date fair value of restricted stock awarded to each nonemployee director in fiscal 2014, calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (Compensation Stock Compensation) (**FASB ASC Topic 718**). Each nonemployee director on February 3, 2014 received a grant of 3,681.546 shares of restricted stock, and Mr. Bhojwani, Ms. Smith and Mr. White received a prorated grant of 2,252 shares of restricted stock when they joined the Board on July 28, 2014. The grant date fair value is based on the NYSE closing price of our common stock on the grant date, which was $43.46 on February 3, 2014 and $47.36 on July 28, 2014.

(3) As of October 26, 2014, nonemployee directors held the following number of unexercised stock options and unvested shares of restricted stock (rounded to the nearest full share):

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Name	Unexercised Options (#)	Unvested Shares of Restricted Stock (#)
Gary C. Bhojwani	-	2,252
Terrell K. Crews	39,970	8,682
Glenn S. Forbes	9,900	3,682
Stephen M. Lacy	9,900	3,682
John L. Morrison	61,200	8,682
Elsa A. Murano	48,600	8,682
Robert C. Nakasone	48,600	8,682
Susan K. Nestegard	23,816	8,682
Dakota A. Pippins	17,200	8,682
Christopher J. Policinski	3,300	3,682
Sally J. Smith	-	2,252
Steven A. White	-	2,252

(4) Consists primarily of dividend equivalents paid on stock units under the Company s Nonemployee Director Deferred Stock Plan. Also includes matching gifts to educational institutions made by the Company on behalf of directors as follows: Mr. Lacy - $10,000; and Mr. Nakasone - $10,000. This matching gift program is available to all full-time and retired employees and directors of the Company.

AUDIT COMMITTEE REPORT AND INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES

Audit Committee Report

The Audit Committee oversees the Company s financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls. The Committee has the sole authority to appoint or replace the Company s independent registered public accounting firm. The independent registered public accounting firm reports directly to the Audit Committee.

The Audit Committee has reviewed and discussed the Company s fiscal year 2014 audited financial statements with management and with Ernst & Young LLP (**Ernst & Young**), the Company s independent registered public accounting firm. The Audit Committee also has discussed with Ernst & Young the matters required to be discussed by the applicable Public Company Accounting Oversight Board standards.

The Audit Committee has received from Ernst & Young the written disclosures and the letter required by the Public Company Accounting Oversight Board in Ethics and Independence Rule 3526, Communication with Audit Committees Concerning Independence, regarding Ernst & Young s communications with the Audit Committee concerning independence, and has discussed with Ernst & Young its independence from the Company.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the fiscal year 2014 audited financial statements be included in the Company s Annual Report on Form 10-K for the year ended October 26, 2014, for filing with the SEC.

THE AUDIT COMMITTEE

Terrell K. Crews, *Chair*　　Susan K. Nestegard

Stephen M. Lacy　　Christopher J. Policinski

Elsa A. Murano　　Sally J. Smith

Independent Registered Public Accounting Firm Fees

The following table shows aggregate fees billed to the Company for fiscal years ended October 26, 2014 and October 27, 2013 by Ernst & Young, our independent registered public accounting firm.

	Fiscal 2014	Fiscal 2013
Audit fees	$1,803,300	$1,528,679
Audit-related fees	$144,500	$129,000
Tax fees	$0	$0
All other fees	$0	$0

Audit Fees - Audit fees are for audit of the Company s financial statements for fiscal years 2014 and 2013. Audit fees also include reviews of the financial statements included in the Company s quarterly reports on Form 10-Q.

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Audit-Related Fees - Audit-related fees are for services related to the performance of the audit. These services consist of benefit plan audits.

Audit Committee Preapproval Policies and Procedures

The Audit Committee has adopted policies and procedures requiring preapproval of audit and nonaudit services provided to the Company by the independent registered public accounting firm. The Committee preapproved all of the services performed by Ernst & Young during fiscal years 2014 and 2013. The Audit Committee approves all audit and nonaudit fees in advance at each quarterly meeting.

ITEM 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors appointed Ernst & Young as the independent registered public accounting firm to audit the consolidated financial statements of the Company and its subsidiaries for the fiscal year ending October 25, 2015. Ernst & Young has served as the Company s public auditors since 1931.

At the Annual Meeting, stockholders will be asked to ratify the appointment of Ernst & Young as the Company s independent registered public accounting firm for the fiscal year ending October 25, 2015. Stockholder approval of this appointment is not required. The Board is requesting ratification in order to obtain the views of the Company s stockholders. If the appointment is not ratified, the Audit Committee will reconsider its selection. Representatives of Ernst & Young are expected to be present at the meeting, will be afforded an opportunity to make a statement, and will be available to respond to appropriate questions.

Ratification of this appointment will require the affirmative vote of the majority of the shares of common stock represented in person or by proxy at the meeting. **The Board of Directors recommends a vote FOR ratification of the appointment of Ernst & Young LLP. Properly dated and signed proxies will be so voted unless stockholders specify otherwise.**

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

Information as to the persons or groups known by the Company to be beneficial owners of more than five percent of the Company s common stock, as of November 28, 2014, is shown below:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
The Hormel Foundation	128,616,558(1)	48.79%

329 North Main Street, Suite 102L, Austin, Minnesota 55912

(1) The Hormel Foundation (**Foundation**) holds 14,172,086 of such shares as individual owner and 114,444,472 of such shares as trustee of various trusts. The Foundation, as trustee, votes the shares held in trust. The Foundation has a remainder interest in all of the shares held in trust. The remainder interest consists of principal and accumulated income in various trusts. These interests are to be distributed when the trusts terminate upon the death of designated beneficiaries, or upon the expiration of twenty-one years after the death of such designated beneficiaries.

The Foundation was converted from a private foundation to a public foundation on December 1, 1980. The Certificate of Incorporation and Bylaws of the Foundation provide for a Board of Directors, a majority of whom represent nonprofit agencies to be given support by the Foundation. Each member of the Board of Directors of the Foundation has equal voting rights. Members of the Board of Directors of the Foundation are: Chair, Gary J. Ray, retired President Protein Business Units of Hormel Foods; Vice Chair, Bonnie B. Rietz, former Mayor of the City of Austin; Secretary, Steven T. Rizzi, Jr., Attorney, Austin; Treasurer, Jerry A. Anfinson, retired Certified Public Accountant, Austin; Lt. David D. Amick, Commanding Officer, The Salvation Army of Austin; Diane B. Baker, Executive Director, United Way of Mower County, Inc.; Dr. Mark R. Ciota, President and Chief Executive Officer of Mayo Clinic Health System-Austin and Albert Lea; Thomas J. Dankert, representing the City of Austin; Dr. Zigang Dong, Executive Director, The Hormel Institute, Austin, representing the University of Minnesota; Jeffrey M. Ettinger, Chairman of the Board, President and Chief Executive Officer of Hormel Foods; Craig W. Johnson, Attorney, Austin; Joel W. Johnson, retired Chairman of the Board of Hormel Foods; Randy J. Kramer, Financial Advisor, Austin; David M. Krenz, Superintendent of Austin Public Schools; Tedd M. Maxfield, Executive Director, YMCA of Austin; Richard R. Pavek, Executive Director, Cedar Valley Services, Inc., Austin; Larry J. Pfeil, retired Vice President of Hormel Foods; Michael C. Ruzek, representing the Austin Area Foundation; and Robert J. Thatcher, retired Vice President and Treasurer of Hormel Foods, representing the Austin Community Scholarship Committee.

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SECURITY OWNERSHIP OF MANAGEMENT

Information as to beneficial ownership of the Company s common stock by directors, nominees, executive officers of the Company named in the Summary Compensation Table on page 25, and all directors and executive officers of the Company as a group as of November 28, 2014, is shown below:

	Amount and Nature of Beneficial Ownership		
Name of Beneficial Owner	**Shares(1)**	**Exercisable Options(2)**	**Percent of Class**
Gary C. Bhojwani	2,252	-	*
Steven G. Binder(3)(4)	152,429	619,800	*
Terrell K. Crews	37,361	39,970	*
Thomas R. Day(4)	54,597	224,800	*
Jeffrey M. Ettinger(3)(4)(5)	377,843	4,025,200	1.63%
Jody H. Feragen(3)(4)	161,321	624,800	*
Glenn S. Forbes	14,949	9,900	*
Stephen M. Lacy	14,949	9,900	*
Glenn R. Leitch(4)	5,546	126,075	*
John L. Morrison(3)	68,806	61,200	*
Elsa A. Murano	33,341	48,600	*
Robert C. Nakasone	39,319	48,600	*
Susan K. Nestegard	23,835	23,816	*
Dakota A. Pippins	37,199	17,200	*
Christopher J. Policinski	10,449	3300	*
Sally J. Smith	2,252	-	*
Steven A. White	2,252	-	*
All Directors and Executive Officers as a Group (29 persons)(4)	1,424,574	7,226,411	3.19%

* One percent or less.

(1) Except as otherwise indicated and subject to applicable community property and similar statutes, the persons listed as beneficial owners of the shares of the Company s common stock have sole voting and investment powers with respect to the shares. None of the shares are pledged as security. Holdings are rounded to the nearest full share.

(2) Consists of shares subject to options exercisable on or within 60 days of November 28, 2014.

(3) Includes the following number of shares of the Company s common stock beneficially owned by members of their respective households: Mr. Binder 152,429; Mr. Ettinger 1,018; Ms. Feragen 32,000; and Mr. Morrison 7,000.

(4) Shares listed as beneficially owned include, where applicable, shares allocated to participants accounts under the Hormel Tax Deferred Investment Plan A 401(k), and a pro-rata share of unallocated shares held in the Company s Joint Earnings Profit Sharing Trust for the benefit of participants.

(5) Does not include any shares owned by The Hormel Foundation. Mr. Ettinger is a member of the Board of Directors of the Foundation. Mr. Ettinger disclaims beneficial ownership of all shares owned by the Foundation.

EXECUTIVE COMPENSATION

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis that follows this report. Based on this review and discussion, the Compensation Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference into the Company s Annual Report on Form 10-K for the fiscal year ended October 26, 2014.

THE COMPENSATION COMMITTEE

Stephen M. Lacy, *Chair*	John L. Morrison
Gary C. Bhojwani	Robert C. Nakasone
Terrell K. Crews	Christopher J. Policinski

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COMPENSATION DISCUSSION AND ANALYSIS

Compensation Overview

The Compensation Committee of the Board of Directors establishes and administers the compensation and benefit programs for executive officers. The Compensation Committee consists exclusively of nonemployee, independent directors. The Committee uses a compensation consultant, Pearl Meyer & Partners, to provide compensation advice independent of Company executives. The Committee determined the consultant s work did not raise any conflict of interest. Pearl Meyer & Partners does not provide any additional consulting services to the Company. The Committee and their consultant work with senior management to implement and monitor the programs the Committee approves.

The Company s executive compensation programs are designed to achieve two primary goals:

- Attract and retain highly qualified executive officers; and
- Incent the behavior of executive officers to create stockholder value.

These two goals are achieved by providing a competitive total compensation program that offers competitive fixed pay (i.e., base salary and benefits) along with variable, performance-based pay designed to reward performance.

Total compensation for executive officers is leveraged toward incentive compensation rather than base salary. Incentive compensation is comprised of both short-term and long-term incentives. An appropriate balance of short-term and long-term incentives assures executive officers are properly balancing the need for consistent annual performance with the need for improved performance over a multi-year timeline. This compensation balance provides both downside risk and upside opportunity for reward based on Company performance.

The Company s target pay positioning reflects the strong pay-for-performance philosophy. The Compensation Committee considers several factors in its review and approval of overall target compensation, including individual experience and performance, internal parity, competitive pay levels, and competitive performance. In addition to reviewing target pay levels, the Committee also considers the range of potential payouts under the various plans as well as the performance/payout time horizon. As indicated in the table below, target pay levels and incentive plan leverage are designed to create alignment between actual relative pay and relative performance. The Committee believes this strategy has allowed the Company to attract and retain a skilled, experienced management team, including the named executive officers (**NEOs**) listed in the Summary Compensation Table on page 25, that has delivered strong, consistent financial performance and returns to stockholders.

Pay Component	Performance Factors	Performance Time Horizon	Performance Leverage	% of Target Total Direct Compensation for NEOs
Base Salary	Individual performance	Annual	Low	10 25%

Operators Shares	Company EPS	Annual	Low/Moderate	5 - 10%
Annual Incentive Plan	Company and business unit operating profit, asset management and sales	Annual	Moderate/High	15 25%
Long-Term Incentive	Relative total shareholder return performance	3-year performance period	Moderate/High	15 30%
Stock Options	Stock price growth	4-year vesting; 10-year term	High	25 40%

At the 2013 Annual Meeting of Stockholders, the Company provided stockholders an advisory vote on executive compensation. The stockholders approved, on an advisory basis, the compensation of the Company s NEOs, as disclosed pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, compensation tables and narrative discussion set forth in the Company s 2013 annual meeting proxy statement. The vote was 205,307,993 shares For (94.82% of the shares voted), 4,299,917 shares Against (1.99% of the shares voted), and 6,904,180 shares Abstain (3.19% of the shares voted).

The Committee took into account the result of the stockholder vote in determining executive compensation policies and decisions since that vote. The Committee viewed the vote as an expression of the stockholders general satisfaction with the Company s current executive compensation programs. While the Committee considered this stockholder satisfaction in determining to continue the Company s executive compensation programs for fiscal 2014 and 2015, decisions regarding incremental changes in individual compensation were made in consideration of the factors described below.

Consistent with the stockholders preference expressed in voting at the 2011 Annual Meeting of Stockholders, the Company s Board of Directors determined that an advisory vote on the compensation of the Company s NEOs will be

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conducted every two years. Following the stockholder advisory vote at this meeting (See item 3 on page 32), the next such vote will take place at the 2017 Annual Meeting of Stockholders.

Executive Compensation Programs

Executive officer compensation consists of six parts:

- Base Salary;
- Operators Share Incentive Compensation Plan;
- Annual Incentive Plan;
- Long-Term Incentives;
- Stock Incentives; and
- Benefits and Perquisites.

Base Salary

Base salary levels are the fixed portion of the executive compensation package. Base salary levels typically represent less than 40% of an executive officer s total direct compensation. Salary levels are based on a combination of factors. These factors include competitive pay levels, the executive s experience and tenure, the executive s responsibilities, the executive s performance and the Company s overall annual budget for merit increases. In keeping with the Company s desire for a performance-oriented pay program, base salaries are generally below competitive median levels.

Operators Share Incentive Compensation Plan

Why Operators Shares?

The Hormel Foods Corporation Operators Share Incentive Compensation Plan (**Operators Share Plan**) is a short-term incentive. The basic concept of the Operators Share Plan structure has been in place since 1932.

This annual cash incentive plan rewards employee participants for Company financial performance, as measured by earnings per share (**EPS**). The concept behind the Operators Share Plan is that as the EPS of the Company rises over time, so too the executive s compensation rises. Improved EPS, over time, results in an increase in the stock price, which improves stockholder value.

How the Plan Works

Upon initial eligibility for plan participation, an employee receives a grant of Operators Shares. Operators Shares are phantom units, not actual shares of stock or the right to receive the value of stock. Operators Shares represent the right to receive cash compensation under the Operators Share Plan.

Grants of Operators Shares to executive officers are determined by the Compensation Committee. Operators Shares are awarded at a level that results in competitive total annual cash compensation relative to market pay levels, taking into consideration length of service and performance.

During the year, participants receive dividend equivalents. These are cash payments equal to declared dividends multiplied by the number of Operators Shares held.

Following the end of each fiscal year, the Company calculates each participant s Operators Share Plan award. This is done by multiplying the Company s annual EPS by the number of Operators Shares identified for that participant. This award is decreased by the total amount of dividend equivalents paid during the year to determine the final Operators Shares payment.

Annual Incentive Plan

Why AIP?

The Hormel Foods Corporation Annual Incentive Plan (**AIP**) is a short-term incentive. The AIP is an annual cash incentive program that rewards participants for the Company s financial performance. The AIP rewards achievement of profit objectives and the wise use of assets. The Committee believes the AIP further aligns performance pay to key drivers of the Company s financial success.

How the Program Works

Payout under the AIP is based on the achievement of financial goals in relation to the Company s annual operating plan. The Chief Executive Officer s goal is based on earnings before interest and taxes (**EBIT**) for the consolidated Company. Participants who are heads of one of the Company s segments (Grocery Products, Refrigerated Foods, Jennie-O Turkey

Store, Specialty Foods, and International & Other) will have their goal weighted, with one-half based on segment profit for their particular segment and one-half based on EBIT for the consolidated Company. Participants who are heads of one of the business units within a segment (e.g., Meat Products, Foodservice, etc.) will have their goal weighted, with one-quarter based on profit for their particular business unit, one-quarter based on segment profit for their segment, and one-half based on EBIT for the consolidated Company. All other participants will have their goal based on EBIT for the consolidated Company.