

HORMEL FOODS CORP /DE/  
Form 11-K  
April 23, 2009  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D. C. 20549

**FORM 11-K**

**x** **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF  
THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the fiscal year ended October 25, 2008**

**OR**

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

**For the transition period from                      to**

**Commission file number 1-2402**

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**Hormel Foods Corporation Tax Deferred Investment Plan B**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Commission file number 1-2402

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**Hormel Foods Corporation**

**1 Hormel Place**

**Austin, MN 55912**

**507-437-5611**

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Hormel Foods Corporation

Tax Deferred Investment Plan B

Audited Financial Statements and Schedule

Years Ended October 25, 2008, and October 27, 2007

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Report of Independent Registered Public Accounting Firm

The Employee Benefits Committee

Hormel Foods Corporation

Tax Deferred Investment Plan B

We have audited the accompanying statements of net assets available for benefits of the Hormel Foods Corporation Tax Deferred Investment Plan B (the Plan) as of October 25, 2008, and October 27, 2007, 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 25, 2008, and October 27, 2007, 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 performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of October 25, 2008, is presented for the purpose 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. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule 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.

/s/ Ernst & Young LLP

Minneapolis, Minnesota  
April 17, 2009

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Hormel Foods Corporation

Tax Deferred Investment Plan B

Statements of Net Assets Available for Benefits

|  | October 25,<br>2008 | October 27,<br>2007 |
|--|---------------------|---------------------|
| <b>Assets</b>  |                     |                     |
| Investments, at fair value                             | \$ 82,881,111       | \$ 104,980,455      |
| Contributions receivable from Hormel Foods Corporation | 392,222             | 138,589             |
| Contributions receivable from participants             | 415,536             | 786,808             |
| Net assets available for benefits                      | \$ 83,688,869       | \$ 105,905,852      |

*See accompanying notes.*

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Hormel Foods Corporation

Tax Deferred Investment Plan B

Statements of Changes in Net Assets Available for Benefits

|  | Year Ended           |                       |
|--|----------------------|-----------------------|
|  | October 25,<br>2008  | October 27,<br>2007   |
| <b>Additions:</b>  |                      |                       |
| Contributions from Hormel Foods Corporation  | \$ 779,851           | \$ 193,516            |
| Contributions from participants  | 5,540,545            | 5,134,746             |
| Employee rollover  | 7,257                | 20,607                |
| Interest and dividend income   | 1,344,475            | 1,055,232             |
| Assets transferred to the Plan   |                      | 1,444,424             |
| <b>Total additions</b>   | <b>7,672,128</b>     | <b>7,848,525</b>      |
| <b>Deductions:</b>   |                      |                       |
| Distributions  | 6,321,066            | 6,770,998             |
| Administrative expenses  | 72,069               | 63,650                |
| <b>Total deductions</b>  | <b>6,393,135</b>     | <b>6,834,648</b>      |
| Net realized and unrealized (depreciation) appreciation in fair value of investments | (23,495,976)         | 6,895,592             |
| Net (deductions) additions   | (22,216,983)         | 7,909,469             |
| Net assets available for benefits at beginning of year                               | 105,905,852          | 97,996,383            |
| <b>Net assets available for benefits at end of year</b>                              | <b>\$ 83,688,869</b> | <b>\$ 105,905,852</b> |

*See accompanying notes.*

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Hormel Foods Corporation

Tax Deferred Investment Plan B

Notes to Financial Statements

October 25, 2008

**1. Significant Accounting Policies**

The accounting records of the Hormel Foods Corporation Tax Deferred Investment Plan B (the Plan) are maintained on the accrual basis.

Marketable securities are stated at fair value (the last reported sales price on the last business day of the year). The nonpooled separate account consists of common stock of Hormel Foods Corporation (the Company or the Sponsor) and a portion of uninvested cash. For separate accounts, fair value represents the net asset value of the fund shares, which is calculated based on the valuation of the funds underlying investments at fair value at the end of the year. The investment in the insurance company general account is reported at contract value which approximates fair value. The Plan's insurance company general account contract is fully benefit-responsive. Benefit responsiveness is defined as the extent to which a contract's terms and the Plan permit or require participant-initiated withdrawals at contract value. Participant loans are valued at their outstanding balances, which approximate fair value.

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.

As described in the Financial Accounting Standards Board (FASB) Staff Position, FSP AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans*, investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through Massachusetts Mutual Life Insurance Company (MassMutual). The statement of net assets available for benefits presents the fair value of the investment in the General Investment Account which equals the contract value relating to these investment contracts. The statement of changes in net assets available for benefits is prepared on a contract value basis.





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Hormel Foods Corporation

Tax Deferred Investment Plan B

Notes to Financial Statements (continued)

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

In September 2006, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*. The pronouncement defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurements and does not require any new fair value measurements. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Plan will adopt SFAS No. 157 at the beginning of fiscal year 2009 and is currently assessing the effect, if any, the adoption will have on the financial statements.

**2. Description of the Plan**

The following description of the Plan provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan is a contributory defined-contribution plan covering nonexempt hourly employees of the Company and certain eligible subsidiaries who have completed one year of eligibility service. A year of eligibility service would be a year beginning with the first day of employment in which an employee worked 1,000 hours or any subsequent fiscal year in which an employee works 1,000 hours.

Each employee who elects to become a member of the Plan authorizes a deduction of 1% to 50% of their compensation for each pay period. The Plan contains a diversified selection of funds intended to satisfy Section 404(c) of ERISA. Eligible employees receive company matching contributions according to the terms of their subscribing employer plan agreement.

Each participant's account is credited with the participant's and the Company's contributions and plan earnings and is charged with an allocation of administrative expenses if the employer does not pay those expenses from its own assets. Allocations are based on account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Employee contributions are always 100% vested in the participants' plan accounts. Employer contributions are 100% vested except for Dan's Prize Inc. which is more fully discussed below.



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Hormel Foods Corporation

Tax Deferred Investment Plan B

Notes to Financial Statements (continued)

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

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

Participants may borrow from their fund accounts a minimum of \$500 up to a maximum of the lesser of \$50,000 or 50% of their account balances. Loan terms range from 1 year to 5 years or up to 15 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account. Principal and interest are paid ratably through payroll deductions.

On October 8, 2007, the Hormel Foods Corporation Employee Benefits Committee resolved to merge the participants and assets of the Dan's Prize Inc. Employee Retirement Plan into the Hormel Foods Corporation Tax Deferred Investment Plan A and the Hormel Foods Corporation Tax Deferred Investment Plan B. The Dan's Prize Inc. plant production employees are eligible participants in Plan B. Accordingly, those assets and participants were merged into the Plan based on their eligibility as of October 27, 2007. The assets transferred on or before October 27, 2007, continue to vest according to the established five-year cliff vesting schedule contained within the Dan's Prize, Inc. Employee Retirement Plan. Future employer profit-sharing contributions after October 28, 2007, from Dan's Prize, Inc. to Plan B shall employ a three-year cliff vesting schedule. The Dan's Prize Inc. Employee Retirement Plan's eligible participants and assets totaling \$1,444,424 were merged into this Plan by October 27, 2007.

The employer may, at its sole discretion, discontinue contributions or terminate the Plan at any time without the consent of any participant or beneficiary subject to restrictions set by the collective bargaining agreement and subject to the provisions of ERISA.

**3. Investments**

The crediting interest rate on the General Investment Account was 4.30% and 4.65% as of October 25, 2008, and October 27, 2007, respectively. The average yield was 4.51% during plan year 2008, which approximates the actual interest rate credited to the plan participants.

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The Plan has entered into a benefit-responsive investment contract with MassMutual, which is a general account evergreen group annuity contract. MassMutual maintains the contributions in a general account. Specific securities within the general account are not attributed to the investment contract with the Plan. The Plan owns a series of guarantees that are embedded in the

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Hormel Foods Corporation

Tax Deferred Investment Plan B

Notes to Financial Statements (continued)

**3. Investments (continued)**

insurance contract. The contractual guarantees are backed up by the full faith and credit of MassMutual, the contract issuer. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. MassMutual is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer. Such interest rates are reviewed on a semiannual basis for resetting.

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

The General Investment Account contract does not allow the insurance company to terminate the agreement prior to a breach of the contract terms by the investor or on the contract anniversary date with 90 days' prior notice.

During the years ended October 25, 2008, and October 27, 2007, the Plan's investments (including investments bought and sold, as well as held during the year) depreciated or appreciated in fair value by \$(23,495,976) and \$6,895,592, respectively, as follows:

|   | 2008            | 2007         |
|---|-----------------|--------------|
| Net (depreciation) appreciation in fair value during the year:    |                 |              |
| Nonpooled separate account (including the Company's common stock) | \$ (7,516,745)  | \$ 1,721,309 |
| Separate trust accounts   | (952,086)       | 1,951,918    |
| Pooled separate accounts  | (15,027,145)    | 3,222,365    |
|   | \$ (23,495,976) | \$ 6,895,592 |

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Hormel Foods Corporation

Tax Deferred Investment Plan B

## Notes to Financial Statements (continued)

**3. Investments (continued)**

The Plan, at the discretion of the participants, is authorized to invest up to 100% of the fair value of its net assets available for benefits in the common stock of the Company. Such investment totaled approximately 36% and 39% of total investments at October 25, 2008, and October 27, 2007, respectively.

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

|  | October 25,<br>2008 | October 27,<br>2007 |
|--|---------------------|---------------------|
| Nonpooled separate account:                  |                     |                     |
| Hormel Foods Corporation common stock        | \$ 29,232,811       | \$ 40,720,929       |
| State Street Money Market Fund               | 530,743             | 308,280             |
| Total nonpooled separate account             | 29,763,554          | 41,029,209          |
| Pooled separate accounts:                    |                     |                     |
| Massachusetts Mutual Life Insurance Company: |                     |                     |
| Aggressive Growth Option                     | 4,358,000           | 8,580,567           |
| Moderate Growth Option                       | *                   | 5,257,770           |
| Select Fundamental Value Fund (Wellington)   | *                   | 5,493,857           |
| Separate trust account:                      |                     |                     |
| State Street Corporation:                    |                     |                     |
| American Funds Euro Pacific Fund             | *                   | 7,584,395           |
| Insurance company general account:           |                     |                     |
| Massachusetts Mutual Life Insurance Company: |                     |                     |
| General Investment Account                   | 25,617,936          | 17,808,638          |

\*Less than 5% of assets.

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Hormel Foods Corporation

Tax Deferred Investment Plan B

Notes to Financial Statements (continued)

**4. Income Tax Status**

The Plan has received a determination letter from the Internal Revenue Service dated February 4, 2003, 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 issuance of the determination letter, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan sponsor has indicated that it will take the necessary steps, if any, to bring the Plan's operations into compliance with the Code.

**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.

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Hormel Foods Corporation

Tax Deferred Investment Plan B

EIN: 41-0319970 Plan: 051

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

October 25, 2008

| Identity of Issuer, Borrower,<br>Lessor, or Similar Party | Number of<br>Shares/Units Held  | Current<br>Value |
|---|---|------------------|
| Nonpooled separate account:                               |   |                  |
| State Street Corporation:*                                |   |                  |
| Hormel Stock Account                                      | 1,530,933 units   | \$ 29,763,554    |
| Insurance company general account:                        |   |                  |
| Massachusetts Mutual Life Insurance Company:*             |   |                  |
| General Investment Account                                | 1,532,496 units   | 25,617,936       |
| Pooled separate accounts:                                 |   |                  |
| Massachusetts Mutual Life Insurance Company:*             |   |                  |
| Aggressive Growth Option                                  | 422,479 units   | 4,358,000        |
| Moderate Growth Option                                    | 289,554 units   | 3,279,136        |
| Conservative Growth Option                                | 306,214 units   | 3,640,864        |
| Select Fundamental Value Fund (Wellington)                | 29,504 units  | 2,965,058        |
| Select Small Cap Value Equity Fund (SSgA)                 | 24,533 units  | 1,469,588        |
| Select Large Cap Value (Davis)                            | 9,351 units   | 1,154,479        |
| Select Indexed Equity Fund (Northern Trust)               | 4,677 units   | 369,979          |
| American Funds Euro Pacific Growth Fund                   | 54,556 units  | 2,770,084        |
| American Funds Growth Fund of America                     | 13,023 units  | 744,502          |
| Premier Core Bond Fund (Babson Capital)                   | 417 units   | 617,680          |
| Conservative Journey                                      | 2,359 units   | 297,396          |
| Total pooled separate accounts                            |   | 21,666,766       |
| Separate trust accounts:                                  |   |                  |
| State Street Corporation:*                                |   |                  |
| Black Rock High Yield Bond Fund                           | 56,719 units  | 516,945          |
| Rainier Large Cap Growth Equity Portfolio                 | 77,057 units  | 480,432          |
| Van Kampen Small Cap Growth                               | 129,231 units   | 878,874          |
| Laudus Rosenberg International Small Capitalization Fund  | 8,250 units   | 46,107           |
| Total separate trust accounts                             |   | 1,922,358        |
| Promissory notes*   | Various notes from participants,<br>bearing interest at 6.0% to 11.5%,<br>due in various installments through | 3,910,497        |



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October 2018

|   |    |            |
|---|----|------------|
| Total assets held for investment purposes | \$ | 82,881,111 |
|---|----|------------|

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\*Indicates a party in interest to the Plan.

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**SIGNATURES**

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

HORMEL FOODS CORPORATION TAX DEFERRED INVESTMENT PLAN B

Date: April 22, 2009

By:

/s/ JODY H. FERAGEN

JODY H. FERAGEN

Senior Vice President and Chief Financial Officer

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**EXHIBIT INDEX**

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

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