

## **Hormel Foods Hurt by High Meat Costs**

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NEW YORK (AP) — Spam maker Hormel Foods said Wednesday that higher costs for pork, beef, turkey and avocados are hurting its business.

Hormel Foods Corp. said supplies of those four ingredients are tight, which led to higher costs that hurt its grocery products business. Hormel said it responded by raising prices on Spam products, Hormel Chili, and Dinty Moore stew during the quarter but it said sales of all of those products decreased compared to last year. The company also increased the price of Wholly Guacamole products.

Its shares fell \$1.26, or 2.6 percent, to \$47.27 in afternoon trading.

The company said its net income grew 12 percent, to \$140.1 million, or 52 cents per share, from \$125.5 million, or 46 cents per share. Revenue rose 4 percent to \$2.24 billion from \$2.15 billion.

Analysts expected net income of 56 cents per share and \$2.23 billion in revenue, according to FactSet. Hormel's fiscal second quarter ended April 27.

The Austin, Minnesota, company is still forecasting net income of \$2.17 to \$2.27 per share in the current fiscal year. Analysts expect \$2.25 per share.

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