

SANDERSON FARMS INC  
Form SC 13G  
February 12, 2007

**UNITED STATES  
SECURITIES AND EXCHANGE  
COMMISSION**  
Washington, D.C. 20549

**SCHEDULE 13G**

Under the Securities Exchange Act of 1934  
(Amendment No. )\*

**Sanderson Farms, Inc.**

(Name of Issuer)

**Common Stock**

(Title of Class of Securities)

**800013104**

(CUSIP Number)

**December 31, 2006**

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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(Continued on following page(s))

Page 1 of 5 Pages

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CUSIP No. 800013104

13G

Page 2 of 5 Pages

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|-----|---|-----------------------|
| 1.  | Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)<br>Sheffield Asset Management, L.L.C. |                       |
| 2.  | Check the Appropriate Box if a Member of a Group (See Instructions)   |                       |
|     | (a)   | <input type="radio"/> |
|     | (b)   | <input type="radio"/> |
| 3.  | SEC Use Only  |                       |
| 4.  | Citizenship or Place of Organization<br>Delaware  |                       |
| 5.  | Sole Voting Power   | 0                     |
| 6.  | Shared Voting Power   | 1,200,650             |
| 7.  | Sole Dispositive Power  | 0                     |
| 8.  | Shared Dispositive Power  | 1,200,650             |
| 9.  | Aggregate Amount Beneficially Owned by Each Reporting Person<br>1,200,650   |                       |
| 10. | Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) <input type="radio"/>                     |                       |
| 11. | Percent of Class Represented by Amount in Row (9)<br>6.0%   |                       |
| 12. | Type of Reporting Person (See Instructions)<br>IA   |                       |

Number of  
Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With

CUSIP No. 800013104

13G

Page 3 of 5 Pages

Item 1.

- (a) Name of Issuer  
Sanderson Farms, Inc.
- (b) Address of Issuer's Principal Executive Offices  
225 N. 13th Avenue  
Laurel, Mississippi 39440

Item 2.

- (a) Name of Person Filing  
This statement is being filed by Sheffield Asset Management, L.L.C. ( SAM ), which serves as General Partner of Sheffield Partners, L.P. and Sheffield Institutional Partners, L.P. and Investment Advisor to Sheffield International Partners, Ltd. (collectively, the Funds ) with respect to the shares of the Issuer's common stock directly owned by the Funds. The members of SAM are Brian J. Feltzin and Craig C. Albert.
- (b) Address of Principal Business Office or, if none, Residence  
900 North Michigan Avenue, Suite 1100  
Chicago, Illinois 60611
- (c) Citizenship  
Delaware
- (d) Title of Class of Securities  
Common Stock
- (e) CUSIP Number  
800013104

Item 3.

- If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:
- (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
  - (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
  - (c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
  - (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8).
  - (e)  An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
  - (f)  An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
  - (g)  A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
  - (h)  A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
  - (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
  - (j)  Group, in accordance with §240.13d-1(b)(1)(ii)(J).

Edgar Filing: SANDERSON FARMS INC - Form SC 13G

CUSIP No. 800013104

13G

Page 4 of 5 Pages

Item 4. Ownership

The information in items 1 and 5 through 11 on the cover page (p. 2) of this Schedule 13G is hereby incorporated by reference.

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following .

Not Applicable

Item 6. Ownership of More than Five Percent on Behalf of Another Person

Not Applicable

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company

Not applicable.

Item 8. Identification and Classification of Members of the Group

Not applicable.

Item 9. Notice of Dissolution of Group

Not applicable.

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

4

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CUSIP No. 800013104

13G

Page 5 of 5 Pages

**Signature**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

February 12, 2007  
Date

Sheffield Asset Management, L.L.C.

/s/ Amy Rosenow  
Signature

Amy Rosenow, Chief Operating Officer  
Name/Title