

SANDERSON FARMS INC
 Form 4
 March 09, 2005

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
COCKRELL D MICHAEL

2. Issuer Name and Ticker or Trading Symbol
**SANDERSON FARMS INC
 [SAFM]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 225 NORTH 13TH AVENUE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 03/07/2005

Director 10% Owner
 Officer (give title below) Other (specify below)
 Treasurer & CFO

LAUREL, MS 39440

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount (A) or (D) Price | | |
| Common Stock | 03/07/2005 | | M | | 6,750 A \$ 4.979 | 35,149 | D |
| Common Stock | 03/07/2005 | | D | | 6,750 D \$ 46.1 | 28,399 | D |
| Common Stock | 03/08/2005 | | M | | 6,750 A \$ 12.367 | 35,149 | D |
| Common Stock | | | | | | 2,219 | I |
| | | | | | | | Allocated to Reporting Persons account in |

Issuer
ESOP

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Phantom Stock Rights ⁽¹⁾ | \$ 4.979 | 03/07/2005 | | M | 6,750 | 04/22/2000 ⁽²⁾ 04/21/2010 | Common Stock | 6,750 |
| Employee Stock Options (Right to Buy) | \$ 12.367 | 03/08/2005 | | M | 6,750 | 07/25/2003 ⁽²⁾ 07/24/2012 | Common Stock | 6,750 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------|-------|
| | Director | 10% Owner | Officer | Other |
| COCKRELL D MICHAEL 225 NORTH 13TH AVENUE LAUREL, MS 39440 | X | | Treasurer & CFO | |

Signatures

/s/ D. Michael
Cockrell 03/09/2005

**Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Upon conversion of a Phantom Stock Right, the holder thereof is entitled to receive an amount equal to: (i) the number of shares of

(1) Phantom Stock converted times the fair market value per share of the Issuers common stock on that date, less (ii) the number of shares of Phantom Stock converted times the exercise price per share. The Issuers Audit Committee has approved the conversion of Phantom Stock Rights for cash by the Reporting Person as reported in this form.

(2) Exercisable for a 10-year period, with vesting beginning on the date indicated, which was one year after the date of grant. Vesting continues thereafter at 25% per year on each anniversary date until fully vested.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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