



FOR IMMEDIATE RELEASE

## John Morrell to Close Sioux City, Iowa Plant

CINCINNATI, Jan 20, 2010 /PRNewswire via COMTEX News Network/ -- John Morrell & Co. announced today that it would permanently close its hog processing and fresh meat fabrication plant located in Sioux City, Iowa, effective April 20, 2010. The Sioux City plant processes hogs and produces boneless loins and other fresh pork products. John Morrell is a subsidiary of Smithfield Foods, Inc. (NYSE: SFD).

"We deeply regret having to close this facility," said Joseph B. Sebring, president of John Morrell. "We recognize that layoffs and plant closings are difficult for everyone concerned. But at the same time, we believe this is a necessary business decision. The Sioux City plant is one of the oldest, most outdated and least efficient plants in the Smithfield system," he continued.

The Sioux City plant closure will affect approximately 1,450 hourly and salaried employees. The company will confer with union officials regarding this transition.

The company will comply with the federal Worker Adjustment and Retraining Notification Act (WARN), and will provide employees with a 90-day notification of the plant closure. Under the WARN Act, the company also will notify state dislocated worker units so that they can promptly offer dislocated worker assistance. WARN Act notices, where appropriate, are being issued today.

"The consistent quality of our products is extremely important and is a daily priority. We are constantly improving our facilities and equipment to ensure a safer, higher-quality product. In this case, the Sioux City plant was constructed in 1959 and would require significant capital expenditures to outfit it with the next generation of pork processing technology. In this adverse business environment those capital needs simply cannot be met," said Mr. Sebring.

"Furthermore, the Sioux City plant design, layout, and footprint severely limit our operating and sales flexibility and our ability to produce value-added packaged meats products and maximize production throughput. The refrigeration system is antiquated and inefficient and the plant lacks any significant refrigerated storage space," he continued.

The company said that three other Smithfield plants - located in Sioux Falls, South Dakota; Denison, Iowa; and Crete, Nebraska - have the capacity to partially absorb the number of hogs that are currently being processed at Sioux City and that it will transfer some of the Sioux City production to those plants in the near term. This partial transfer of production capacity will not require the company to secure additional employees. In addition, the company stated that it will honor all production contracts at Sioux City and that Smithfield has no further plans for plant closures in the foreseeable future.

With sales of \$12 billion, Smithfield Foods is the leading processor and marketer of fresh pork and packaged meats in the United States, as well as the largest producer of hogs. For more information, visit [www.smithfieldfoods.com](http://www.smithfieldfoods.com).

SOURCE Smithfield Foods, Inc.

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