



Smithfield Foods to Acquire Farmer John, Saag's Specialty Meats and Three Farm Operations

Smithfield to expand operations and grow presence in Western U.S. with acquisition of California's largest pork processor

SMITHFIELD, Va. (Nov. 21, 2016)—Smithfield Foods, Inc. is pleased to announce that it has begun the process to acquire Clougherty Packing LLC from Hormel Foods Corporation. Through this agreement, which is expected to be complete within a month pending closing conditions and regulatory approvals, Smithfield will add the Farmer John and Saag's Specialty Meats brands to its lineup as well as two processing facilities and three farms to its operations.

"By folding Farmer John into our operations, we are better positioned to take advantage of our long-term strategic growth goals, which includes an increasingly diversified customer and consumer base and greater supply chain efficiency," said Kenneth M. Sullivan, president and CEO of Smithfield Foods. "As we continue this transition and expand our operations, we are proud to welcome these new West Coast employees into our growing Smithfield family."

Clougherty Packing LLC is based in Southern California and is a leading integrated producer and processor of a full line of branded pork products. Founded in 1931, Farmer John is the No. 1 bacon and sausage brand in Southern California. Saag's Specialty Meats is a premium brand of deli meat and specialty sausage made without any artificial flavors, colors, fillers, extenders or MSG. Along with two California-based processing facilities, Smithfield will acquire three PFFJ LLC farms located in Arizona, California and Wyoming. Altogether, the operations will add 2,000 employees, growing Smithfield's total workforce to 52,000.

The purchase price for Clougherty Packing LLC is \$145 million, pending capital adjustments at closing. The transaction is expected to take place within the next 30 days pending customary closing conditions and regulatory approvals.

This news release may contain "forward-looking" information within the meaning of the federal securities laws. The forward-looking information may include statements concerning the company's outlook for the future, as well as other statements of beliefs, future plans and strategies or anticipated events, and similar expressions concerning matters that are not historical facts. The forward-looking information and statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, the statements. These risks and uncertainties include availability and prices of livestock, raw materials and supplies, livestock costs, livestock disease, food safety, product pricing, the competitive environment and related market conditions, ability to make and successfully integrate acquisitions, operating efficiencies, access to capital, the cost of compliance with environmental and health standards, adverse results from ongoing litigation and actions of domestic and foreign governments.

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About Smithfield Foods

Smithfield Foods is a \$14 billion global food company and the world's largest pork processor and hog producer. In the United States, the company is also the leader in numerous packaged meats categories with popular brands including Smithfield[®], Eckrich[®], Nathan's Famous[®], Farmland[®], Armour[®], John Morrell[®], Cook's[®], Kretschmar[®], Gwaltney[®], Curly's[®], Margherita[®], Carando[®], Healthy Ones[®], Krakus[®], Morliny[®] and Berlinki[®]. Smithfield Foods is committed to providing good food in a responsible way and maintains robust animal care, community involvement, employee safety, environmental and food safety and quality programs. For more information, visit www.smithfieldfoods.com.

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