

<div>Form 5500</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Annual Return/Report of Employee Benefit Plan</div> <div>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A	This return/report is for: <div><div>☐ a multiemployer plan;</div><div>☒ a single-employer plan;</div><div>☐ a multiple-employer plan; or</div><div>☐ a DFE (specify) ____</div></div>
B	This return/report is: <div><div>☐ the first return/report;</div><div>☒ the final return/report;</div><div>☐ an amended return/report;</div><div>☐ a short plan year return/report (less than 12 months).</div></div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☒
D	Check box if filing under: <div><div>☒ Form 5558;</div><div>☐ automatic extension;</div><div>☐ the DFVC program;</div><div>☐ special extension (enter description)</div></div>

Part II	Basic Plan Information—enter all requested information		
1a	Name of plan GWALTNEY OF SMITHFIELD LTD PENSION PLAN FOR BARGAINED EMPLOYEES	1b	Three-digit plan number (PN) ▶ 007
		1c	Effective date of plan 11/01/1981
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) SMITHFIELD FOODS, INC. P.O. BOX 9004 SMITHFIELD, VA 23431-9002	2b	Employer Identification Number (EIN) 52-0845861
		2c	Sponsor's telephone number 757-365-1992
		2d	Business code (see instructions) 311610

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2010	JOEL CARR
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") SMITHFIELD FOODS, INC. P.O. BOX 9004 SMITHFIELD, VA 23431-9002	3b Administrator's EIN 52-0845861 3c Administrator's telephone number 757-365-1992
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	3321
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	0
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a , 6b , and 6c	6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	339

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1B 1G 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☐ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

Round off amounts to nearest dollar.

Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan GWALTNEY OF SMITHFIELD LTD PENSION PLAN FOR BARGAINED EMPLOYEES		B Three-digit plan number (PN)	007
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF SMITHFIELD FOODS, INC.		D Employer Identification Number (EIN) 52-0845861	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month 01 Day 01 Year 2009			
2 Assets:			
a Market value		2a	13386339
b Actuarial value		2b	14724973
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment		3a	376
b For terminated vested participants		3b	999
c For active participants:			
(1) Non-vested benefits		3c(1)	1358627
(2) Vested benefits		3c(2)	7006738
(3) Total active		3c(3)	1946
d Total		3d	3321
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor		4b	
5 Effective interest rate		5	7.96 %
6 Target normal cost		6	787627

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

<div>SIGN HERE</div>	<div>Signature of actuary</div> <div>WILLIAM SCOTT JARBOE</div> <div>Type or print name of actuary</div> <div>MERCER</div> <div>1255 23RD STREET, NW, SUITE 500 WASHINGTON, DC 20037-1198</div> <div>Address of the firm</div>	<div>09/24/2010</div> <div>Date</div> <div>08-05783</div> <div>Most recent enrollment number</div> <div>202-331-5200</div> <div>Telephone number (including area code)</div>
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	0	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8).....	0	0
10 Interest on item 9 using prior year's actual return of <u>-29.91</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		300370
b Interest on (a) using prior year's effective rate of <u>6.22</u> %		18683
c Total available at beginning of current plan year to add to prefunding balance		319053
d Portion of (c) to be added to prefunding balance.....		0
12 Reduction in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	0	0

Part III Funding percentages		
14 Funding target attainment percentage.....	14	87.82 %
15 Adjusted funding target attainment percentage.....	15	87.82 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	93.77 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/14/2009	308015				
07/15/2009	308015				
10/15/2009	180000				
12/23/2009	308015				
09/15/2010	137000				
			Totals ►	18(b)	1241045
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	1172656
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No	
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No	
c If 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	787627
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	2042100	384626
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	1172253
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	1172253
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	1172656
38 Interest-adjusted excess contributions for current year (see instructions).....	38	403
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

<div>SCHEDULE D</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009					
A Name of plan GWALTNEY OF SMITHFIELD LTD PENSION PLAN FOR BARGAINED EMPLOYEES				B Three-digit plan number (PN) ▶ 007	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 SMITHFIELD FOODS, INC.				D Employer Identification Number (EIN) 52-0845861	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: SMITHFIELD FOODS MASTER TRUST					
b Name of sponsor of entity listed in (a): J. P. MORGAN CHASE BANK					
c EIN-PN 13-4103752-001		d Entity code M		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
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a Name of MTIA, CCT, PSA, or 103-12 IE:					
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b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or	

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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan GWALTNEY OF SMITHFIELD LTD PENSION PLAN FOR BARGAINED EMPLOYEES	B Three-digit plan number (PN) ►	007
C Plan sponsor's name as shown on line 2a of Form 5500 SMITHFIELD FOODS, INC.	D Employer Identification Number (EIN) 52-0845861	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	398879	0
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities.....	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	0	0
(9) Value of interest in common/collective trusts.....	1c(9)	0	0
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	12988381	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	0	0
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	13387260	0

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	13387260	0
---	-----------	----------	---

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1241045	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1241045

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	0	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		2403270
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		0
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		3644315

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	769256	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		769256
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		769256

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		2875059
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		16262319

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: GOODMAN & COMPANY, L.L.P. (2) EIN: 54-0640067

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		3500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
SMITHFIELD FOODS HOURLY PENSION PLAN	52-0845861	003

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>GWALTNEY OF SMITHFIELD LTD PENSION PLAN FOR BARGAINED EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>007</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SMITHFIELD FOODS, INC.</u>	D Employer Identification Number (EIN) <u>52-0845861</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-3795042</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>44</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☒ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☒ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Financial Statements
December 31, 2009 and 2008

Gwaltney of Smithfield, Ltd.
Pension Plan for Bargaining Employees



Certified Public Accountants
Specialized Services
Business Solutions

Gwaltney of Smithfield, Ltd. Pension Plan for Bargaining Employees

Index

	Page
<i>Report of Independent Auditors</i>	1
<i>Financial Statements</i>	
<i>Statements of Net Assets Available for Benefits as of December 31, 2009 and 2008</i>	2
<i>Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2009 and 2008</i>	3
<i>Statement of Accumulated Plan Benefits as of December 31, 2008</i>	4
<i>Statement of Changes in Accumulated Plan Benefits for the Year Ended December 31, 2008</i>	5
<i>Notes to Financial Statements</i>	6 - 15



Certified Public Accountants
Financial Planning
Specialized Services

Report of Independent Auditors

Plan Administrator
Gwaltney of Smithfield, Ltd.
Pension Plan for Bargaining Employees

We were engaged to audit the accompanying statements of net assets available for benefits of ***Gwaltney of Smithfield, Ltd. Pension Plan for Bargaining Employees*** as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended, and the statement of accumulated plan benefits as of December 31, 2008, and the related statement of changes in accumulated plan benefits for the year then ended. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 3 and 5, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that Wells Fargo Bank, N.A. holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2009 and 2008, and for the years then ended, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements taken as a whole. The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Goodman & Company T.T.P.

Newport News, Virginia
October 11, 2010

One Commercial Place, Suite 800
Norfolk, VA 23510
ph: 757.624.5100
fax: 757.624.5233
www.goodmanco.com

Gwaltney of Smithfield, Ltd. Pension Plan for Bargaining Employees

Statements of Net Assets Available for Benefits

<u>December 31,</u>	<u>2009</u>	<u>2008</u>
Employer contribution receivable	\$ -	\$ 398,879
Investment in Smithfield Foods Master Trust - at fair value	-	12,988,381
Net assets available for benefits	<u>\$ -</u>	<u>\$ 13,387,260</u>

The accompanying notes are an integral part of these financial statements.

Gwaltney of Smithfield, Ltd. Pension Plan for Bargaining Employees

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31,	2009	2008
Net investment income (loss) from Smithfield Foods Master Trust	\$ 2,453,214	\$ (5,373,420)
Employer contributions	1,241,045	1,595,516
Total additions	3,694,259	(3,777,904)
Benefits paid to participants	769,256	803,585
Administrative expenses	49,944	45,184
Total deductions	819,200	848,769
Net change	2,875,059	(4,626,673)
Plan transfer	(16,262,319)	-
Net assets available for benefits		
Beginning of year	13,387,260	18,013,933
End of year	\$ -	\$ 13,387,260

The accompanying notes are an integral part of these financial statements.

Gwaltney of Smithfield, Ltd. Pension Plan for Bargaining Employees

Statement of Accumulated Plan Benefits

December 31, 2008

Actuarial present value of accumulated plan benefits

Vested benefits

Participants currently receiving benefits

\$ 4,651,569

Other participants

10,141,570

14,793,139

Nonvested benefits

1,339,847

Total actuarial present value of accumulated plan benefits

\$ 16,132,986

The accompanying notes are an integral part of these financial statements.

Gwaltney of Smithfield, Ltd. Pension Plan for Bargaining Employees

Statement of Changes in Accumulated Plan Benefits

Year Ended December 31, 2008

Actuarial present value of accumulated plan benefits at beginning of year	\$	14,501,108
Increase (decrease) during the year attributable to		
Increase for interest due to decrease in discount period		1,163,194
Benefits accumulated and (gains)/losses		1,245,179
Change in actuarial assumptions		27,090
Change in plan provisions		-
Benefits paid		<u>(803,585)</u>
Actuarial present value of accumulated plan benefits at end of year	\$	<u>16,132,986</u>

The accompanying notes are an integral part of these financial statements.

Gwaltney of Smithfield, Ltd. Pension Plan for Bargaining Employees

Notes to Financial Statements

December 31, 2009 and 2008

1. Description of Plan

The following description of the *Gwaltney of Smithfield, Ltd. Pension Plan for Bargaining Employees* (Plan) provides general information only. Participants should refer to the Plan agreement for a more complete description of the Plan provisions.

General

The Plan was created effective January 1, 1989 as a defined benefit plan covering substantially all union employees of Gwaltney of Smithfield, Ltd. (Company) who are covered by a collective bargaining agreement between the Company and any union providing pensions, except those covered under the Esskay, Inc. Pension Plan. Employees must have completed 12 months of service and attained age 21 to participate in the plan. The Plan is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Company is a wholly owned subsidiary of Smithfield Foods, Inc. (Smithfield), and Smithfield has assumed the obligations under the Plan.

Effective December 31, 2009, the Plan merged with the Smithfield Foods Hourly Pension Plan. As a result, Plan assets of \$16,262,319 were transferred to the Smithfield Foods Hourly Pension Plan.

The Plan invests 100 percent in the Smithfield Foods Master Trust (Master Trust). The Master Trust was created to hold the investment assets of the Plan as well as the investment assets of several other plans (collectively, the Participating Plans) sponsored by Smithfield or one of its subsidiaries.

Plan Administration

Overall responsibility for administering the Plan rests with Smithfield. The plan administrator has entered into a trust agreement with Wells Fargo Bank, N.A. (Trustee) effective March 1, 2007. The plan administrator is responsible for the daily operation of the Plan.

Pension Benefits

Participants are entitled to a lifetime annual benefit beginning at normal retirement age (65) equal to a factor of \$96 - \$204 times years of credited service. The factor depends on the years that service was credited. The Plan permits early retirement at ages 55 – 64 and ten years of service with reduced benefits.

Death and Disability Benefits

The spouse of an active participant who dies with at least five years of service is eligible for a death benefit. The benefit is payable at the earliest date the participant would have been eligible for benefit as if the participant had survived and elected joint and survivor 50% benefit.

A participant with fifteen years of service who is totally and permanently disabled is eligible for a benefit equal to normal retirement benefit based on service to termination.

2. Summary of Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on an accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates and assumptions.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 6 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Smithfield Foods Master Trust

The fair value of the Plan's interest in the Master Trust is based on the beginning of year value of the Plan's interest in the trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses.

Net investment income (loss) from the Master Trust includes the Plan's share of interest, dividends, and net realized and unrealized appreciation (depreciation) of the fair value of the Master Trust's investments. Although the investment assets of the Participating Plans are commingled in the Master Trust, the trustee maintains supporting records for the purpose of allocating the net investment income (loss) of the Master Trust to the Participating Plans. All interest, dividends, and net appreciation (depreciation) of the Master Trust are allocated in accordance with the Master Trust's investment asset pools, except certain insurance contracts that are segregated and allocated to only two of the Participating Plans.

Administrative Expenses

Certain administrative expenses of the Plan are paid by the Company.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump sum distributions, which are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Participant benefits are based on a set dollar amount multiplied by years of benefit service, as defined in the Plan document.

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary, Mercer Human Resource Consulting, and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuation as of December 31, 2008 were (a) life expectancy of participants (the 2009 Pension Protection Act (PPA) separate static annuitant and nonannuitant mortality tables were used for healthy participants, and Revenue Ruling 96-7 tables for disabled participants was used for disabled participants), (b) retirement age assumptions (the assumed average retirement age was 65 or immediately, if older), and (c) investment return. The 2008 valuation included assumed average rates of return of 8.25%. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Subsequent Events

The plan has evaluated subsequent events through October 11, 2010, the date the financial statements were available to be issued.

3. Information Certified by the Trustee

The plan administrator has elected the alternative method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by Wells Fargo Bank, N.A., the trustee of the Plan, as complete and accurate, except for comparing such information certified by the trustee to information included in the Plan's financial statements. The Plan's financial information which was certified by Wells Fargo Bank, N.A. includes plan investments as of December 31, 2009 and 2008 of \$-0- and \$12,988,381, respectively, and investment income (loss) for 2009 and 2008 of \$2,453,214 and (\$5,373,420).

4. Funding Policy

The Company's funding policy is to make annual contributions to the Plan in amounts such that all employees' benefits will be fully provided for by the time they retire. The Plan met the minimum funding requirements under ERISA for 2009 and 2008.

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

5. Interest in Master Trust

The Plan invests all plan assets in the Master Trust. The Master Trust was created to hold the investment assets of the Plan as well as the investment assets of several other plans (collectively, the Participating Plans) sponsored by Smithfield or one of its subsidiaries. The assets of the Master Trust are held by Wells Fargo Bank, N.A. for the year ending December 31, 2009 and 2008. The Plan's interest in the net assets of the Master Trust was approximately 0% and 2.2% at December 31, 2009 and 2008, respectively.

The following table presents the fair value of investments for the Master Trust.

	December 31,	
	2009	2008
Investments at fair value		
Common stock	\$ 280,771,623	\$ 218,421,037
U.S. government and agencies	65,399,740	88,879,088
Mutual funds	196,978,491	129,931,231
Certificates of deposit	-	605,303
Common/collective trusts	33,752,743	27,475,871
Corporate debt	103,314,550	78,407,467
Money market funds	16,707,367	34,168,791
Limited partnership	27,825,724	24,053,092
Insurance contracts	1,780,172	2,453,182
Preferred stock	173,333	767,564
	726,703,743	605,162,626
Cash	15,326	261,127
Net payables - unsettled trades	(5,550,719)	(4,074,890)
	<u>\$ 721,168,350</u>	<u>\$ 601,348,863</u>

Investment income (loss) for the Master Trust is as follows:

	Years Ended December 31,	
	2009	2008
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments		
Common stock	\$ 60,886,924	\$ (172,018,872)
U.S. government and agencies	(2,283,501)	1,704,317
Mutual funds	29,269,704	(75,626,986)
Common/collective trusts	6,598,046	(6,625,527)
Corporate debt	26,678,819	(19,283,181)
Limited partnership	(4,726,438)	(2,718,017)
Preferred stock	268,114	(1,286,948)
Certificates of deposit	-	(51,856)
	116,691,668	(275,907,070)
Interest	8,832,574	11,773,909
Dividends	8,632,344	8,263,669
Other	549,768	911,794
	\$ 134,706,354	\$ 20,949,372

6. Fair Value Measurements

Financial Accounting Standards Board Statement (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
Level 2	<p>Inputs to the valuation methodology include:</p> <ul style="list-style-type: none"> • Quoted prices for similar assets or liabilities in active markets; • Quoted prices for identical or similar assets or liabilities in inactive markets; • Inputs other than quoted prices that are observable for the asset or liability; • Inputs that are derived principally from or corroborated by observable market data by correlation or other means. <p>If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.</p>
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Because of the nature of the Plan's ownership interest in the Master Trust, fair value disclosures regarding the Master Trust is provided.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Common and preferred stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value (NAV) of shares held by the Master Trust at year end.

Certificates of deposit: Valued at fair value using recently executed transactions, market price quotations and pricing models that factor in, where applicable, interest rates, bond or credit default swap spreads and volatility.

Corporate bonds: Valued at fair value using recently executed transactions, market price quotations (where observable), bond spreads or credit default swap spreads.

Money market funds: Valued at quoted market price for similar assets and other observable inputs such as interest rate offered on similar investments.

Limited partnerships: Valued based on the closing market price reported on the active market on which the underlying investments are traded and current appraisals.

Insurance contracts: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

US government and government agency obligations: Valued using quoted market prices. If quoted market prices are not available for the specific security, then fair prices are estimated using pricing models, quoted prices of securities with similar characteristics or discounted cash flows.

Common/collective trusts: Valued at the fair value of the collective trust's underlying investments based on the information reported by Wells Fargo at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Master Trust believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2009 and 2008:

	Assets at Fair Value as of December 31, 2009			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ -	\$ 20,341,735	\$ -	\$ 20,341,735
Equity securities:				
Preferred stock	-	173,334	-	173,334
U.S. common stock:				
Health care	34,976,937	-	-	34,976,937
Utilities	3,389,838	-	-	3,389,838
Financials	33,227,140	-	-	33,227,140
Consumer staples	68,525,534	-	-	68,525,534
Consumer discretionary	28,712,174	-	-	28,712,174
Materials	9,848,809	-	-	9,848,809
Energy	22,994,388	-	-	22,994,388
Information technology	36,160,940	-	-	36,160,940
Industrials	21,795,911	-	-	21,795,911
Telecommunications	1,482,240	-	-	1,482,240
Total U.S. common stock	261,113,911	-	-	261,113,911
International common stock	19,657,712	-	-	19,657,712
Mutual funds				
International	36,201,102	36,311,075	-	72,512,177
Domestic large cap	-	49,742,193	-	49,742,193
Total mutual funds	36,201,102	86,053,268	-	122,254,370
Common/Collective trust - international	-	33,752,744	-	33,752,744
Fixed income:				
Mutual funds	69,864,121	7,881,919	-	77,746,040
Asset-backed securities	-	60,855,364	-	60,855,364
Corporate debt securities	-	61,903,877	-	61,903,877
Government debt securities	39,298,760	-	-	39,298,760
Total fixed income	109,162,881	130,641,160	-	239,804,041
Limited partnerships	-	-	27,825,724	27,825,724
Insurance contracts	-	-	1,780,172	1,780,172
Total assets at fair value	\$ 426,135,606	\$ 270,962,242	\$ 29,605,896	\$ 726,703,743

Assets at Fair Value as of December 31, 2008				
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ -	\$ 34,774,094	\$ -	\$ 34,774,094
Equity securities:				
Preferred stock	-	767,564	-	767,564
U.S. common stock:				
Health care	27,010,811	-	-	27,010,811
Utilities	3,555,461	-	-	3,555,461
Financials	27,700,781	-	-	27,700,781
Consumer staples	64,487,053	-	-	64,487,053
Consumer discretionary	19,261,215	-	-	19,261,215
Materials	7,181,878	-	-	7,181,878
Energy	15,727,416	-	-	15,727,416
Information technology	17,563,837	-	-	17,563,837
Industrials	16,170,517	-	-	16,170,517
Telecommunications	1,869,867	-	-	1,869,867
	200,528,836	-	-	200,528,836
International common stock	17,892,201	-	-	17,892,201
Mutual funds				
International	27,090,640	24,624,794	-	51,715,434
Domestic large cap	-	39,186,804	-	39,186,804
Total mutual funds	27,090,640	63,811,598	-	90,902,238
Common/Collective trust - international	-	27,475,871	-	27,475,871
Fixed income:				
Mutual funds	31,702,713	7,326,280	-	39,028,993
Asset-backed securities	-	105,046,928	-	105,046,928
Corporate debt securities	-	38,508,662	-	38,508,662
Government debt securities	15,504,748	8,226,217	-	23,730,965
	47,207,461	159,108,087	-	206,315,548
Limited partnerships	-	-	24,053,092	24,053,092
Insurance contracts	-	-	2,453,182	2,453,182
Total assets at fair value	\$ 292,719,138	\$ 285,937,214	\$ 26,506,274	\$ 605,162,626

Master Trust assets above do not include net payables for unsettled trades as well as cash disclosed in Note 5.

Level 3 Gains and Losses

The table below sets forth a summary of changes in fair value of the Master Trust's level 3 assets for years ended December 31, 2009 and 2008:

	December 31, 2009	
	Insurance contracts	Limited partnerships
Balance - beginning of year	\$ 2,453,182	\$ 24,053,092
Realized gains (losses)	-	322,269
Unrealized losses	-	(5,048,707)
Purchases, sales and settlements (net)	(673,010)	8,499,070
Balance - end of year	\$ 1,780,172	\$ 27,825,724

	December 31, 2008	
	Insurance contracts	Limited partnerships
Balance - beginning of year	\$ 3,739,569	\$ 22,559,780
Realized gains (losses)	-	456,411
Unrealized losses	-	(8,980,281)
Purchases, sales and settlements (net)	(1,286,387)	10,017,182
Balance - end of year	\$ 2,453,182	\$ 24,053,092

7. Plan Termination

In the event the Plan is terminated, the net assets of the Plan will be allocated for payment of plan benefits to the participants in order of priority determined in accordance with ERISA, applicable regulations thereunder, and the Plan document.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit that the PBGC guarantees.

Whether all participants receive benefits should the Plan terminate at some future time will depend on the sufficiency, at the time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the plan sponsor and the level of benefits guaranteed by the PBGC.

8. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated October 23, 2008, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable sections of the IRC.

9. Related Party Transactions

The Plan invests in the Master Trust, which is managed by Smithfield. The Master Trust invests in a money market fund managed by the trustee, common stock of the trustee, and Smithfield common stock. Within the Master Trust, there were 184,641 shares of Smithfield common stock allocated to the Plan at December 31, 2009 and 2008 with a fair value of \$2,804,697 and \$2,597,899, respectively.

The Master Trust pays fees to various parties-in-interest on behalf of the Participating Plans. Fees paid to parties-in-interest for 2009 and 2008 were as follows:

	2009	2008
Investment management	\$ 2,211,725	\$ 2,796,988
Trustee	182,260	143,319
	<u>\$ 2,393,985</u>	<u>\$ 2,940,307</u>

10. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

* * * * *

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 62.

(A) Retirement Age	(B) Theoretical Population	(C) Retirement Rate	(D) Expected Number of Retirements (B) x (C)	(E) Weighted Number of Retirements (A) x (D)
55	1,000.0	0.02	20.0	1,100.0
56	980.0	0.02	19.6	1,097.6
57	960.4	0.02	19.2	1,094.4
58	941.2	0.02	18.8	1,090.4
59	922.4	0.05	46.1	2,719.9
60	876.3	0.05	43.8	2,628.0
61	832.5	0.10	83.3	5,111.8
62	749.2	0.50	374.6	23,225.2
63	374.6	0.20	74.9	4,718.7
64	299.7	0.20	59.9	3,833.6
65	239.8	1.00	239.8	15,587.0
			1,000.0	62,206.6
				62.2

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Discount rate elections	Full Yield Curve with a two month lookback
Mortality elections	
▪ Healthy participants	2009 PPA separate static annuitant and nonannuitant mortality tables
▪ Pre-1995 disabilities	Revenue Ruling 96-7 table for participants who became disabled before 1995
▪ Post-1994 disabilities ¹	Revenue Ruling 96-7 table for participants who became disabled after 1994
417(e) lump sums	
▪ Annuity substitution	Not applicable
▪ Generational mortality option	Not applicable
▪ Phase-in option	Not applicable
Non-417(e) lump sums	
▪ Mortality table	Not applicable
▪ Interest rate	Not applicable
Cash balance plans	
▪ Interest accumulation rate	Not applicable
▪ Whipsaw calculations	Not applicable
▪ Annuity conversion	
▫ Mortality table	Not applicable
Other economic assumptions	
▪ Salary increases	Not applicable
▪ Flat-dollar benefit increases	Not applicable
▪ Social Security wage base	Not applicable
▪ Inflation	Not applicable
▪ Expected investment return	8.25% for 2007 through 2008, capped at the 3rd segment rate of 6.09% for 2007 and 6.43% for 2008.
▪ Expenses	Not applicable
▪ Other	Not applicable
Demographic assumptions	
Withdrawal	Client specific table. See tables of sample rates.

¹ Used for participants eligible for Social Security disability - all others use the healthy participant mortality assumption.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Disability incidence See table of sample rates. Uses 1985 Pension Disability Study Table Class 3 for Males and Females. 100% of participants becoming disabled are assumed to be eligible for Social Security disability benefits.

Retirement age Client specific table. See table of sample rates.

Benefit commencement age for

- Future vested deferred 65
- Current vested deferred 65

Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>	
▪ Percentage married	80%	80%	
▪ Spouse age difference	3 years younger	3 years older	
Form of payment	<u>Lump sum</u>	<u>Single life</u>	<u>J&S</u>
▪ Active retirements	0%	100%	0%
▪ Future vested deferred	0%	100%	0%
▪ Future disabilities	0%	100%	0%
▪ Future deaths	0%	100%	0%
▪ Current vested deferred	0%	100%	0%

*Tables of Sample Rates***Table of Withdrawal Rates for employees with less than 5 years of service**

<u>Years of Service</u>	<u>Percentage</u>
0-1	50.0%
1-2	30.0
2-3	25.0
3-4	20.0
4-5	10.0

Table of Withdrawal Rates for employees with more than 5 years of service

<u>Attained Age</u>	<u>Percentage</u>
22	20.0%
32	16.0
42	10.0
52	6.0
62	3.0

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Table of Disability Terminations from Active Status**

Attained Age	Male	Female
22	.175%	.106%
32	.354	.302
42	.683	.627
52	1.487	1.444
62	3.688	2.378

Table of Retirement Rates

Attained age	Percentage
Under 55	0%
55	2
56	2
57	2
58	2
59	5
60	5
61	10
62	50
63	20
64	20
65 and above	100

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Asset methods

We used financial data submitted by the trustee as of the valuation date without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy.

The asset valuation method is an annual average of the adjusted market value over the last 24 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value. A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant methods

We used the participant data supplied by the plan sponsor. We have reviewed the data and have no reason to doubt its substantial accuracy. Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.
- **Disabled participants:** The liabilities for participants on long-term disability have been included with the liabilities for terminated vested participants.
- **Transferred participants:** The liabilities for employees who have transferred into another plan of the plan sponsor have been included with the liabilities for terminated vested participants.
- **Estimated benefits:** We estimated benefits for some terminated vested participants since exact termination calculations were not provided to us.

Plan sponsor elections

Mortality

- Static annuitant and non-annuitant tables

Funding interest rate

- Full yield curve as of 11/1/2008

Valuation of lump sums based on IRC Section 417(e) assumptions:

- Not applicable

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Minimum funding method

Target liability for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **accrued liability** is the present value of benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **normal cost** is the present value of the benefit deemed to accrue in the plan year. If multiple decrements are used, the accrued liability and the normal cost for an individual are the sum of the component accrued liabilities and normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual normal costs, and the plan's **funding target liability** is the sum of the accrued liabilities for all participants under the plan.

Maximum deductible contribution method

Calculations of maximum deductible contributions include the excess of the accrued liability computed using the projected unit credit method over the minimum funding target liability. The objective of the projected unit credit method is to fund each participant's benefits under the plan as they accrue, taking into consideration future benefit increases. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **projected accrued liability** is the present value of benefits based on credited service as of the beginning of the plan year and projected benefit that would be used in the calculation of the benefit on each expected separation date. If multiple decrements are used, the accrued liability for an individual is the sum of the component accrued liabilities associated with the various anticipated separation dates.
- The plan's **projected funding target liability** is the sum of the projected accrued liabilities for all participants under the plan. The excess of the plan's projected accrued liability over the plan's funding target is included in the "cushion amount."

Schedule SB, Part V — Summary of Plan Provisions

We have used and relied upon the plan documents, including amendments, supplied by the plan sponsor. The plan sponsor is solely responsible for the validity and completeness of this information.

Following is a summary of the major plan provisions used to determine the plan's financial position. It should not be used in determining plan benefits.

Effective date and plan year	Original plan: November 1, 1981 Restated plan: January 1, 2007 Plan year: Calendar year
Most recent amendment	September 1, 2008
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	None
Definitions	
▪ Covered employees	The plan covers all employees whose wages and other conditions of employment are subject to a collective bargaining agreement.
▪ Participation	Employees must have completed 12 months of service and attained age 21 to participate in the plan.
▪ Employee contributions	None required or permitted.
▪ Service considered	Employment from hire date to termination date measured in whole and fractional years. Total service is limited to 35 years.
▪ Accrued benefit	Participants earned benefit commencing at the participant's Normal Retirement Age in the form of a life annuity determined in the same manner as the participant's years of benefit service at the date the accrued benefit is being calculated.
Normal retirement	
▪ Eligibility	Age 65.

Schedule SB, Part V — Summary of Plan Provisions

▪ Benefit	<p>For Valleydale employees, a lifetime benefit payable at age 65 and equal to:</p> <ul style="list-style-type: none"> • \$96 times years of benefit service from September 26, 1992 through July 31, 1995, plus • \$120 times years of benefit service after July 31, 1995. <p>For all other employees, a lifetime benefit payable at age 65 and equal to:</p> <ul style="list-style-type: none"> • \$96 times years of benefit service through February 5, 1993, plus • \$120 times years of benefit service after February 5, 1993 through April 14, 1997, plus • \$132 times years of benefit service after April 14, 1997 through April 3, 2002, plus • \$204 times years of benefit service after April 3, 2002 through April 3, 2007, plus • \$240 times years of benefit service after April 3, 2007.
Early retirement	
▪ Eligibility	A participant is eligible to retire after age 55 with 10 years of vesting service.
▪ Benefit	A participant is eligible to retire after age 55 with 10 years of vesting service. The benefit payable is the accrued benefit reduced by 1/180th for each of the first 60 months and by 1/360th for each successive month that the Early Retirement Date precedes the Normal Retirement Date.
Late retirement	
▪ Eligibility	If a participant works past his normal retirement date, the normal retirement benefit.
▪ Benefit	<p>Benefit calculated as the greater of:</p> <ul style="list-style-type: none"> • Benefit based on service to the participant's normal retirement actuarially increased to the actual retirement date or; • Benefit based on service to actual retirement date.
Deferred vested	
▪ Eligibility	A participant who has completed five or more years of vesting service or who has attained age 65 is 100% vested in his or her accrued benefit.

Schedule SB, Part V — Summary of Plan Provisions

▪ Benefit	The benefit is equal to the vested accrued benefit payable at any date after the participant attains early retirement eligibility, with appropriate reduction for retirement before age 65.
Disability	
▪ Eligibility	A participant is eligible upon total and permanent disability after 15 years vesting service. A participant will be deemed to be totally and permanently disabled if and when he or she becomes entitled to disability income benefits under the Federal Social Security Act.
▪ Benefit	The benefit will commence at determination of disability and be computed in the same manner as normal retirement benefits based on service at disability. There is no actuarial reduction for early payment.
Pre-retirement death	
▪ Eligibility	The spouse of a vested participant who has deceased.
▪ Benefit prior to early retirement	None.
▪ Benefit after early but before normal retirement	If a vested participant dies, the participant's spouse will receive a monthly retirement income payable for life in an amount equal to 50% of the amount the participant would have received if he or she had retired on the date of his or her death with a 50% joint and survivor benefit. The benefit is payable commencing at the later of the participant's death, or the date the participant would have reached early retirement eligibility, reduced for early commencement before the date the participant would have reached age 65.
▪ Benefit after normal retirement	Unless a specific election to the contrary is made, benefits will be payable to a married member under the 50% joint and survivor form of payment.
Form of benefits	
▪ Automatic form for unmarried participants	Single Life Annuity.
▪ Automatic form for married participants	Married participants receive an actuarially reduced joint and survivor annuity.

Schedule SB, Part V — Summary of Plan Provisions

<ul style="list-style-type: none"> Optional forms 	<ul style="list-style-type: none"> Joint and Survivor Annuity (100%, 75%, 66⅔% or 50%) 10-Year Certain and Continuous Annuity <p>All options are actuarially reduced.</p>
<ul style="list-style-type: none"> Optional Form Conversion factors 	<p>Mortality Table – 1994 Group Annuity Reserving Table Projected to 2002, weighted 50% males/50% females Interest Rate – 5.25%.</p>

Miscellaneous

<ul style="list-style-type: none"> Maximum benefits 	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2009, the limit is \$195,000.
<ul style="list-style-type: none"> Funding Medium 	Trust
<ul style="list-style-type: none"> Administration 	Smithfield Foods, Inc.
<ul style="list-style-type: none"> Benefits not included in valuation 	To the best of our knowledge, no benefits have been excluded from this valuation.
<ul style="list-style-type: none"> Changes since the prior valuation 	Actuarial equivalence for optional forms was updated to use GATT2003 mortality and 5.25% interest. Actuarial equivalence for late retirement increases was updated to use UP-84 mortality and 7.00% interest. A 75% Joint & Survivor annuity was added to the optional forms of payment. Maximum benefits were updated from 2008 to 2009. There were no other changes in plan provisions from the prior valuation.

Benefits included or excluded

Unless noted below, all benefits provided by the plan are included in this valuation.

- Plan amendments:** Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation.
- Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements.

Schedule SB, Part V — Summary of Plan Provisions

- **Late retirement increases:**
 - *Active participants:* The plan provides benefit suspension notices to participants who work beyond normal retirement; therefore, late retirement actuarial increases only apply to participants who defer retirement beyond age 70½. This valuation includes increases for current participants over age 70.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Shutdown benefits:** We are not aware of any corporate actions that would create shutdown benefits; therefore, they are excluded.
- **IRC Section 415(b):** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **Benefit restrictions:** Benefit restrictions (if applicable) are ignored in this valuation.

Schedule SB, Line 25 — Change in Method

The asset method was changed from a monthly average of the market value of assets over the prior 4 months to an average of the adjusted market value over the last 24 months preceding the valuation.

Smithfield elected to change Smithfield elected to change the methodology used to determine the effective interest rate from the spot segment rates with no lookback effective January 1, 2008 to the full yield curve with a two month lookback and no phase-in effective January 1, 2009.

Schedule SB, Line 26 — Schedule of Active Participant Data

Attained age	Years of service as of January 1, 2009									
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up
< 25	95	100	6							
25-29	69	105	49	1						
30-34	49	74	56	21	1					
35-39	34	79	55	44	18	1				
40-44	28	76	64	31	40	22	1			
45-49	23	69	81	45	47	39	20			
50-54	32	55	42	24	22	23	49			
55-59	7	26	37	18	12	12	53			
60-64	3	5	6	12	7	1	28			
64-69	2	3	4	3	3		9			
70+			3			1	1			

In each cell, the number is the count of active participants for each age/service combination.

Schedule SB, Line 32 — Schedule of Amortization Bases

The shortfall amortization charge is the sum of the shortfall base amortization for each plan year covered under PPA. Although a shortfall base can be negative, the combined shortfall amortization charge cannot be negative.

Shortfall bases				
Year established		Outstanding balance	Years remaining	Installment
2008	\$	1,017,019	6	\$ 202,727
2009		1,025,081	7	181,899
Total	\$	2,042,100		\$ 384,626

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Gwaltney of Smithfield, Ltd. Pension Plan for Bargaining Employees	B Three-digit plan number (PN) ► <u>007</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Smithfield Foods, Inc.	D Employer Identification Number (EIN) 52-0845861
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ Other	
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2009</u>			
2 Assets:			
a Market value.....	2a		13,386,339
b Actuarial value.....	2b		14,724,973
3 Funding target/participant count breakdown			
		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	376	4,620,946
b For terminated vested participants	3b	999	3,780,762
c For active participants:			
(1) Non-vested benefits.....	3c(1)		1,358,627
(2) Vested benefits.....	3c(2)		7,006,738
(3) Total active	3c(3)	1,946	8,365,365
d Total.....	3d	3,321	16,767,073
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5		7.96 %
6 Target normal cost.....	6		787,627

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	 Signature of actuary William Scott Jarboe Type or print name of actuary Mercer Firm name 1255 23rd Street, NW, Suite 500 Washington DC 20037-1198 Address of the firm	<u>9/24/2010</u> Date 08-05783 Most recent enrollment number (202) 331-5200 Telephone number (including area code)
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 2
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	787,627
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	2,042,100	384,626
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	1,172,253
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35)	36	1,172,253
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	1,172,656
38 Interest-adjusted excess contributions for current year (see instructions)	38	403
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

Schedule SB, Line 21b – Explanation of Discount Rate Applicable Month Discrepancy

The full yield curve with an applicable lookback month of November 2008 was used to value funding liabilities as of January 1, 2009.

The applicable month has not been entered here due to restrictions within the EFAST2 system which did not allow for an entry in line 21b if the “N/A, full yield curve used” option was selected in line 21a. Since the applicable month was the second month preceding the month including the valuation date (November 2008), “2” would have been entered in line 21b had the system allowed an entry.

Line 21b was completed on the pdf attachment of the Schedule SB.