

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan 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). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>FARMLAND FOODS, INC. EMPLOYEE RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ►	<u>005</u>	
	1c Effective date of plan	<u>11/01/1986</u>	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>SMITHFIELD FOODS, INC.</u> <u>200 COMMERCE ST.</u> <u>SMITHFIELD, VA 23430</u>	2b Employer Identification Number (EIN) <u>52-0845861</u>	2c Sponsor's telephone number <u>757-365-1992</u>	2d Business code (see instructions) <u>311610</u>

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	<u>Filed with authorized/valid electronic signature.</u>	<u>10/17/2011</u>	<u>JOEL CARR</u>
	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 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") SMITHFIELD FOODS, INC. 200 COMMERCE ST. SMITHFIELD, VA 23430	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	17420
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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	5158
b Retired or separated participants receiving benefits.....	6b	4641
c Other retired or separated participants entitled to future benefits.....	6c	7323
d Subtotal. Add lines 6a , 6b , and 6c	6d	17122
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	1081
f Total. Add lines 6d and 6e	6f	18203
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	19

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:
 1A 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)
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SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **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 <u>FARMLAND FOODS, INC. EMPLOYEE RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>SMITHFIELD FOODS, INC.</u>	D Employer Identification Number (EIN) <u>52-0845861</u>
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 <u>01</u> Day <u>01</u> Year <u>2010</u>
2	Assets:
a	Market value 2a <u>425520946</u>
b	Actuarial value 2b <u>493462254</u>
3	Funding target/participant count breakdown
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>5509</u> <u>275672276</u>
b	For terminated vested participants 3b <u>7819</u> <u>145171499</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>9173600</u>
(2)	Vested benefits 3c(2) <u>123105671</u>
(3)	Total active 3c(3) <u>5204</u> <u>132279271</u>
d	Total 3d <u>18532</u> <u>553123046</u>
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 <u>6.68</u> %
6	Target normal cost 6 <u>7868865</u>

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	<u>10/13/2011</u>
Signature of actuary	Date
<u>DANIEL M. SECKAR</u>	<u>11-06799</u>
Type or print name of actuary	Most recent enrollment number
<u>MERCER</u>	<u>412-355-8706</u>
Firm name	Telephone number (including area code)
<u>SIX PPG PLACE</u> <u>PITTSBURGH, PA 15222</u>	
Address of the firm	

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) 2010
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)			
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)			
9 Amount remaining (Item 7 minus item 8).....	0	0	
10 Interest on item 9 using prior year's actual return of _____%			
11 Prior year's excess contributions to be added to prefunding balance:			
a Excess contributions (Item 38 from prior year)			
b Interest on (a) using prior year's effective rate of _____%		0	
c Total available at beginning of current plan year to add to prefunding balance		0	
d Portion of (c) to be added to prefunding balance.....			
12 Reduction in balances due to elections or deemed elections.....			
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	89.21	%
15 Adjusted funding target attainment percentage.....	15		%
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		%
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	
Totals ▶			18(b)	0	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	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	
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

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
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 2

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	
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	
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment		
b Waiver amortization installment		
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	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	34	0
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement		Total balance
		0
36 Additional cash requirement (item 34 minus item 35).....	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	
38 Interest-adjusted excess contributions for current year (see instructions).....	38	0
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 C</div> <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>Service Provider 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>	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

<div>A</div> <div>Name of plan</div> <div>FARMLAND FOODS, INC. EMPLOYEE RETIREMENT PLAN</div>	<div>B</div> <div>Three-digit plan number (PN)</div> <div>▶</div> <div>005</div>
<div>C</div> <div>Plan sponsor's name as shown on line 2a of Form 5500</div> <div>SMITHFIELD FOODS, INC.</div>	<div>D</div> <div>Employer Identification Number (EIN)</div> <div>52-0845861</div>

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1

Information on Persons Receiving Only Eligible Indirect Compensation

a

Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).....

☐ Yes

☒ No

b

If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b)

Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b)

Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name: WILLIAM SCOTT JARBOE	b EIN: 13-2834414
c Position: ENROLLED ACTUARY	
d Address: 1255 23RD STREET, NW, SUITE 500 WASHINGTON, DC 20037	e Telephone: 202-331-5200

Explanation: TERMINATED DUE TO A REALIGNMENT OF CLIENT RESPONSIBILITIES WITHIN MERCER.

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

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:**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:**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:**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:**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)

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
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

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
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>FARMLAND FOODS, INC. EMPLOYEE RETIREMENT PLAN</u>	B Three-digit plan number (PN) <u>005</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	Asset and Liability Statement
---------------	--------------------------------------

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)	52312196	42100000
(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)	373208750	463756966
(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	425520946	505856966

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	425520946	505856966
---	-----------	-----------	-----------

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)	54062196	
(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)		54062196

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
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(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)		57585849
(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		111648045

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	30089611	
(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)		30089611
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)	1222414	
(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)		1222414
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		31312025

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		80336020
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

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: DIXON HUGHES GOODMAN, LLP

(2) EIN: 56-0747981

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)

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
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>FARMLAND FOODS, INC. EMPLOYEE RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>005</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>618</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
-----------------	-------------------

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) 2010
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: 55% Investment-Grade Debt: 38% High-Yield Debt: 0% Real Estate: 0% Other: 7%

- 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, 2010 and 2009***

***Farmland Foods, Inc.
Employee Retirement Plan***



DIXON HUGHES GOODMAN^{LLP}
Certified Public Accountants and Advisors

Farmland Foods, Inc. Employee Retirement Plan

Contents

	Page
<i>Independent Auditors' Report</i>	1
<i>Financial Statements</i>	
<i>Statements of Net Assets Available for Benefits as of December 31, 2010 and 2009</i>	2
<i>Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2010 and 2009</i>	3
<i>Statement of Accumulated Plan Benefits as of December 31, 2009</i>	4
<i>Statement of Changes in Accumulated Plan Benefits for the Year Ended December 31, 2009</i>	5
<i>Notes to Financial Statements</i>	6 - 15



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

Independent Auditors' Report

Plan Administrator

Farmland Foods, Inc. Employee Retirement Plan

We were engaged to audit the financial statements of ***Farmland Foods, Inc. Employee Retirement Plan*** (Plan) as of and for the year ended December 31, 2010, as listed in the accompanying contents. These financial statements are the responsibility of the Plan's management. The financial statements of the Plan as of December 31, 2009, were audited by Goodman & Company, LLP, who merged into Dixon Hughes Goodman LLP as of April 1, 2011. 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 (ERISA), the plan administrator instructed Goodman & Company, LLP not to perform, and they did not perform any auditing procedures with respect to the information certified by the trustee. Their report, dated October 11, 2010, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Wells Fargo Bank N.A., the trustee of the Plan, except for comparing the information with the related information included in the 2010 financial statements. 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 and for the year ended December 31, 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information in the Plan's 2010 financial statements that we did not audit, we are unable to, and do not, express an opinion on the accompanying 2010 financial statements taken as a whole. The form and content of the information included in the 2010 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 ERISA.

Dixon Hughes Goodman LLP

Newport News, Virginia
October 17, 2011

Farmland Foods, Inc. Employee Retirement Plan

Statements of Net Assets Available for Benefits

December 31,	2010	2009
Employer contribution receivable	\$ 42,100,000	\$ 52,312,196
Investment in Smithfield Foods Master Trust - at fair value (See Notes 3, 4 and 5)	463,756,966	373,208,750
Net assets available for benefits	\$ 505,856,966	\$ 425,520,946

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

Farmland Foods, Inc. Employee Retirement Plan

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31,	2010	2009
Net investment income from Smithfield Foods Master Trust	\$ 57,585,849	\$ 76,127,568
Employer contributions	54,062,196	52,312,196
Total additions	111,648,045	128,439,764
Benefits paid to participants	30,089,611	27,852,921
Administrative expenses	1,222,414	1,296,282
Total deductions	31,312,025	29,149,203
Net change	80,336,020	99,290,561
Net assets available for benefits		
Beginning of year	425,520,946	326,230,385
End of year	\$ 505,856,966	\$ 425,520,946

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

Farmland Foods, Inc. Employee Retirement Plan

Statement of Accumulated Plan Benefits

December 31, 2009

Actuarial present value of accumulated plan benefits

Vested benefits

Participants currently receiving benefits

\$ 248,369,513

Other participants

223,007,894

471,377,407

Nonvested benefits

7,417,150

Total actuarial present value of accumulated plan benefits

\$ 478,794,557

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

Farmland Foods, Inc. Employee Retirement Plan

Statement of Changes in Accumulated Plan Benefits

Year Ended December 31, 2009

Actuarial present value of accumulated plan benefits at beginning of year	\$ 449,243,587
Increase (decrease) during the period attributable to	
Increase for interest due to decrease in discount period	35,913,663
Benefits accumulated and (gains)/losses	8,463,778
Change in actuarial assumptions	13,026,450
Benefits paid	<u>(27,852,921)</u>
Actuarial present value of accumulated plan benefits at end of year	<u>\$ 478,794,557</u>

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

Farmland Foods, Inc. Employee Retirement Plan

Notes to Financial Statements

December 31, 2010 and 2009

1. Description of Plan

The following description of the ***Farmland Foods, Inc. Employee Retirement Plan*** (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 established January 1, 1946 as a defined benefit plan covering substantially all eligible employees of Farmland Industries, Inc. A subsidiary of Farmland Industries, Inc., Farmland Foods, Inc. (Company), was purchased by Smithfield Foods, Inc. (Smithfield) on October 28, 2003. At that time, all benefits for non-Farmland Foods, Inc. employees were frozen.

The Company is now a wholly owned subsidiary of Smithfield, and Smithfield has assumed the obligations under the Plan. Effective April 1, 2004 participation is mandatory for union employees who have attained the age of 35 years old following completion of the first hour of service. Non-union employees must complete 1,000 hours of service and have attained the age of 21 years old 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.

During 2007, Premium Standard Farms, LLC (PSF) was acquired by Smithfield. Effective January 1, 2008, PSF adopted the Plan and certain employees are now covered by the Plan and granted past vesting service.

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

Certain union employees with 5 or more years of service are entitled to monthly pension benefits beginning at normal retirement age (65) equal to 1.75% of their final average wage base for each year of creditable service. Other union employees as well as non-union employees with 5 or more years of service are entitled to monthly pension benefits beginning at normal retirement age (65) equal to the greatest pension benefit resulting from application of varying rates, as outlined in the Plan. The Plan permits early retirement at ages 55-64 with reduced benefits. Retirement benefits are usually paid in equal monthly installments, at varying rates, depending on the benefit option selected by the retiree. The participant may elect to receive a lump sum payment if the value of all payments is less than a specified amount.

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 early retirement as if the participant had survived to retirement and elected the joint annuity option.

A participant, with three years of service, who is totally and permanently disabled, is eligible for a benefit equal to the greater of their accumulated pension benefit (fully vested) or 25% of final wage base as of the date of disability.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

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, disclosure of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements. Accordingly, 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 4 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 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.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

The Plan's administrative expenses are paid by either the Plan or the Company, as provided by the Plan document. Certain administrative functions are performed by employees of the Company. No such employee receives compensation from the Plan. Expenses of maintaining the Plan were paid by the Company during 2010.

Subsequent Events

The plan has evaluated subsequent events through October 17, 2011, the date the financial statements were available to be issued.

3. 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, 2010 and 2009. The Plan's interest in the net assets of the Master Trust was approximately 52.7% and 51.8% at December 31, 2010 and 2009, respectively.

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

	December 31,	
	2010	2009
Investments at fair value		
Common stock	\$ 341,392,943	\$ 280,771,623
U.S. government and agencies	80,873,059	65,399,740
Mutual funds	281,521,452	196,978,491
Common/collective trusts	-	33,752,743
Corporate debt	81,734,750	103,314,550
Money market funds	73,485,336	16,707,367
Limited partnership	31,805,414	27,825,724
Insurance contracts	1,827,456	1,780,172
Preferred stock	221,949	173,333
	892,862,359	726,703,743
Cash	7,052	15,326
Accrued income	1,256,821	1,672,879
Net payables - unsettled trades	(14,222,720)	(7,223,598)
	<u>\$ 879,903,512</u>	<u>\$ 721,168,350</u>

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

	Years Ended December 31,	
	2010	2009
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments		
Common stock	\$ 41,929,640	\$ 60,886,924
U.S. government and agencies	(250,385)	(2,283,501)
Mutual funds	25,816,362	29,269,704
Common/collective trusts	7,607,317	6,598,046
Corporate debt	12,448,662	26,678,819
Limited partnership	3,284,233	(4,726,438)
Preferred stock	687,065	268,114
	91,522,894	116,691,668
Interest	7,637,770	8,832,574
Dividends	9,177,523	8,632,344
Other	864,291	549,768
	<u>\$ 159,046,117</u>	<u>\$ 18,014,686</u>

4. Fair Value Measurements

Fair value as defined under GAAP is an exit price, representing 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. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1: Observable inputs such as quoted prices in active markets.
- Level 2: Inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Plan's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

When quoted prices are available in active markets for identical instruments, investment securities are classified within Level 1 of the fair value hierarchy. Level 1 investments include certain cash equivalents, common stock, mutual funds, and fixed income funds.

Level 2 investment securities include certain cash equivalents, preferred stock, mutual funds, and fixed income funds.

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

The following table sets forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2010 and 2009:

	Fair Value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Cash equivalents (a)	\$ 1,022,325	\$ 72,463,011	\$ -	\$ 73,485,336
Equity securities:				
Preferred stock (b)	-	221,949	-	221,949
U.S. common stock:				
Health care	30,250,342	-	-	30,250,342
Utilities	3,974,494	-	-	3,974,494
Financials	35,509,605	-	-	35,509,605
Consumer staples	113,534,904	-	-	113,534,904
Consumer discretionary	31,948,611	-	-	31,948,611
Materials	14,212,050	-	-	14,212,050
Energy	23,269,280	-	-	23,269,280
Information technology	32,925,630	-	-	32,925,630
Industrials	33,526,112	-	-	33,526,112
Telecommunications	2,837,000	-	-	2,837,000
Total U.S. common stock	321,988,028	-	-	321,988,028
International common stock	19,404,915	-	-	19,404,915
Mutual funds				
International (c)	38,625,357	41,639,305	-	80,264,662
Domestic large cap (d)	-	65,610,043	-	65,610,043
Balanced	30,408,421	-	-	30,408,421
Total mutual funds	69,033,778	107,249,348	-	176,283,126
Fixed income:				
Mutual funds	105,238,326	-	-	105,238,326
Asset-backed securities (e)	-	60,198,623	-	60,198,623
Corporate debt securities (f)	-	44,612,060	-	44,612,060
Government debt securities (g)	36,397,401	21,399,725	-	57,797,126
Total fixed income	141,635,727	126,210,408	-	267,846,135
Limited partnerships (h)	-	-	31,805,414	31,805,414
Insurance contracts (i)	-	-	1,827,456	1,827,456
Total	\$ 553,084,773	\$ 306,144,716	\$ 33,632,870	\$ 892,862,359

Fair Value as of December 31, 2009				
	Level 1	Level 2	Level 3	Total
Cash equivalents (a)	\$ -	\$ 20,341,735	\$ -	\$ 20,341,735
Equity securities:				
Preferred stock (b)	-	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 (c)	36,201,102	36,311,075	-	72,512,177
Domestic large cap (d)	-	49,742,193	-	49,742,193
Total mutual funds	36,201,102	86,053,268	-	122,254,370
Common/Collective trust – international (j)	-	33,752,744	-	33,752,744
Fixed income:				
Mutual funds (k)	69,864,121	7,881,919	-	77,746,040
Asset-backed securities (e)	-	60,855,364	-	60,855,364
Corporate debt securities (f)	-	61,903,877	-	61,903,877
Government debt securities (g)	39,298,760	-	-	39,298,760
Total fixed income	109,162,881	130,641,160	-	239,804,041
Limited partnerships (h)	-	-	27,825,724	27,825,724
Insurance contracts (i)	-	-	1,780,172	1,780,172
Total	\$ 426,135,606	\$ 270,962,242	\$ 29,605,896	\$ 726,703,743

- (a) Represents investment in common collective trusts which seek to provide investors with a high level of stability of principal and liquidity by investing in a diversified portfolio of money market instruments with an average maturity of 90 days or less. There are no unfunded commitments, redemption frequency restrictions, or other redemption restrictions.
- (b) Represents investments in preferred stock valued at fair value using recent activity for similar instruments.
- (c) Represents investments in international mutual funds valued at quoted market price for similar assets and other observable inputs such as interest rate offered on similar investments. The investment objective is to seek investment growth/capital appreciation through both active and passive investment in stocks of non-U.S. companies in both developed and emerging markets.

- (d) Represents investments in domestic large cap mutual funds valued at quoted market price for similar assets and other observable inputs such as interest rate offered on similar investments. The investment objective is to seek long-term capital growth.
- (e) Represents investments in asset-backed securities valued based on cash flow stream models for securities with similar maturities and pass-through rates.
- (f) Represents investments in corporate debt securities valued at fair value using recently executed transactions, market price quotations (where observable), bond spreads or credit default swap spreads.
- (g) Represents investments in U.S. federal and state government debt securities 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.
- (h) Represents investments in limited partnerships valued as reported by the fund based on the active market on which the underlying investments are traded and current appraisals.
- (i) Represents investments in 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.
- (j) Represents investments in a common collective trust valued at the fair value of the collective trust's underlying investments. The investment objective is the long term growth of capital through investment in international equity-related instruments, including emerging markets.
- (k) Represents investments in closed-end mutual funds, whose underlying assets are invested in fixed income and equity securities.

Master Trust assets above do not include net payables for unsettled trades as well as accrued income and cash disclosed in Note 3.

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.

Level 3 Gains and Losses

The tables below set forth a summary of changes in fair value of the Master Trust's level 3 assets for the years ended December 31, 2010 and 2009.

	December 31, 2010	
	Insurance contracts	Limited partnerships
Balance - beginning of year	\$ 1,780,172	\$ 27,825,724
Realized gains	-	667,538
Unrealized losses	-	2,046,255
Purchases, sales and settlements (net)	47,284	1,265,897
Balance - end of year	<u>\$ 1,827,456</u>	<u>\$ 31,805,414</u>

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

5. Information Certified by the Trustee

The accompanying financial statements and supplemental schedules include the following unaudited information as of December 31, 2010 and 2009 and for the years then ended that was obtained from data prepared and certified to be complete and accurate by the Plan's trustee:

	2010	2009
Investments at fair value	\$ 463,756,966	\$ 373,208,750
Net investment income from Smithfield Foods Master Trust	\$ 57,585,849	\$ 76,127,568

The certification mentioned above includes all investment information discussed in Notes 3 and 4.

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, 2010 and 2009 of \$463,756,966 and \$373,208,750, respectively, and investment income for 2010 and 2009 of \$57,585,849 and \$76,127,568, respectively.

6. Funding Policy

Contributions to provide benefits under the Plan are made solely by the Company. The Company's funding policy is to make cash contributions to the Plan in the amount required under government regulations, plus amounts necessary to maintain an 80% funded status in order to avoid benefit restrictions under the Pension Protection Act. The Company met the minimum funding requirements of ERISA for the years ended December 31, 2010 and 2009.

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.

7. 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, 2009 were (a) life expectancy of participants (the 2010 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 2009 valuation included assumed average rates of return of 8.00%. 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.

8. 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 their benefits, should the Plan be terminated at some future time, will depend on the sufficiency, at the time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid, and the level and type of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty while other benefits may not be provided for at all.

9. 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). Although the Plan has been amended since receiving the determination letter, 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 requirements of the IRC.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2007.

10. Exempt Party-In-Interest 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 2,356,229 and 1450,000 shares of Smithfield common stock allocated to the Plan at December 31, 2010 and 2009 with a fair value of \$48,609,004 and \$22,025,500, respectively.

The Master Trust pays fees to various parties-in-interest on behalf of the Participating Plans. Fees paid to parties-in-interest for 2010 and 2009 were as follows:

	2010	2009
Investment management	\$ 2,115,090	\$ 2,211,725
Trustee	179,492	182,260
	<u>\$ 2,294,582</u>	<u>\$ 2,393,985</u>

11. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities, in general, are exposed to various risks such as interest rate, credit and overall volatility. 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 60.95.

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 60.95.

(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	0.06	60.0	3300.0
56	940.0	0.08	75.2	4211.2
57	864.8	0.08	69.2	3943.5
58	795.6	0.08	63.6	3691.7
59	732.0	0.08	58.6	3454.9
60	673.4	0.08	53.9	3232.4
61	619.5	0.12	74.3	4535.0
62	545.2	0.40	218.1	13,520.8
63	327.1	0.20	65.4	4121.7
64	261.7	0.25	65.4	4187.1
65	196.3	1.00	196.3	12,757.5
			1,000.0	60,955.6
				61.0

Schedule SB, Part V — Summary of Plan Provisions**Summary of major plan provisions**

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.

<i>Most Recent Restatement Date and Plan Year</i>	The original plan effective date is September 8, 1946. The plan was amended and restated as of April 1, 2004. The plan year is the calendar year.
<i>Most recent amendment</i>	Effective January 1, 2008
<i>Applicable Effective Date</i>	<ul style="list-style-type: none"> • Non-Union participants: April 1, 2004 • Union New Benefit participants <ul style="list-style-type: none"> – Denison Iowa plant: January 1, 2005 – Crete Nebraska plant: July 1, 2005 – Wichita Kansas plant: January 1, 2006
<i>Status of the plan</i>	The plan has ongoing benefit accruals and new employees are eligible to participant in the plan once they satisfy the participation requirements.
<i>Significant events that occurred during the year</i>	None
Definitions	
<i>Eligibility</i>	<p>Full-time union employees become a participant in the plan on April 1 or October 1, depending on month of hire, following completion of the first hour of service. Mandatory participation is April 1 or October 1 following the 34th birthday.</p> <p>Effective on the Applicable Effective Date, Non-Union employees must complete 1,000 hours of service and attained age 21 to participant in the plan.</p>
<i>Participant Contributions</i>	<p>Prior to the Applicable Effective Date, participants contributed 2% of Wage Base. Union Old Benefit participants shall continue to contribute 2% of Wage Base.</p> <p>Effective on the applicable effective date, Non-Union and Union New Benefit participants are not required or permitted to make contributions.</p>

Schedule SB, Part V — Summary of Plan Provisions

<i>Service Considered</i>	For Union Old Benefit employees, employment from hire date to termination date measured in years and months. For Non-Union and Union New Benefit participants, each calendar year during which the employee completed at least 1,000 hours.
<i>Creditable Service</i>	Years and months of Participating Service. Following the Applicable Effective Date, Non-Union and Union New Benefit participants will earn Years of Benefit Service rather than Creditable Service.
<i>Year of Benefit Service</i>	Calendar Year during which the employee completed at least 1,000 hours of service.
<i>Final Average Earnings</i>	Average of the highest five consecutive calendar years of earnings out of the last ten calendar years prior to termination.
<i>Final Average Wage Base</i>	Average of the highest four wage bases of the last ten consecutive wage bases prior to termination. Wage base is defined as W-2 compensation with adjustments for certain expenses and contributions to benefit plans.

Schedule SB, Part V — Summary of Plan Provisions

<i>Normal Retirement Benefit</i>	<p>A lifetime monthly benefit payable at the later of age 65 or 5 years of participation.</p> <p>For Union Old Benefit employees:</p> <p>1.75% of Final Average Wage Base times Creditable Service, where creditable service is years and months of participating service.</p> <p>For Non-Union and Union New Benefit participants, equal to the greater of (a), (b), and (c):</p> <p>(a) The sum of (i) 0.8% of Final Average Earnings and (ii) 0.9% of Final Average Earnings in excess of Social Security Covered Compensation. The sum is multiplied by the sum of Creditable Service as of the Applicable Effective Date, and Years of Benefit Service after the Applicable Effective Date.</p> <p>(b) The sum of the amount determined under (a) above, but based on Years of Benefit Service beginning after the Applicable Effective Date and (b) Participant's accrued benefit as of the Applicable Effective Date. The accrued benefit for non-union and union new benefit employees as of the Applicable Effective Date is defined as 1.75% of Final Average Wage Base as of the Applicable Effective Date times Creditable Service at the Applicable Effective Date. For grandfathered, Non-Union or Union New Benefit participants (defined as being age 50 with 10 years of Creditable Service as of the Applicable Effective Date) the Final Average Wage used to determine the accrued benefit is to be determined at the date of termination from employment.</p> <p>(c) \$75. The \$75 minimum benefit is phased in over 5 years for Non-Union employees hired on or after the Applicable Effective Date.</p>
<i>Late Retirement Benefit</i>	<p>A lifetime monthly benefit equal to the Accrued Benefit, based on Creditable Service or Years of Benefit Service, payable to a participant whose separation from service date follows his normal retirement date.</p>

Schedule SB, Part V — Summary of Plan Provisions*Early Retirement Benefit*

A participant is eligible to receive an early retirement annuity after separation from service following age 55 with 5 years of vesting service. For Non-Union participants who first participate in the plan after the Applicable Effective Date, 10 years of vesting service are required to receive an early retirement benefit.

For Union Old Benefit participants, the early retirement annuity is equal to the accrued benefit times the percentage based on age below:

Age	Percentage
62+	100%
61	93
60	86
59	79
58	72
57	65
56	58
55	50

For a Non-Union or a Union New Benefit participant, early retirement benefits accrued before the Applicable Effective Date shall be calculated the same as for Union Old Benefit participants as above and early retirement benefits accrued after the Applicable Effective Date shall be equal to the accrued benefit after the Applicable Effective Date times the percentage based on age below:

Age	Percentage
65	100%
64	94
63	88
62	82
61	76
60	70
59	66
58	62
57	58
56	54
55	50

Schedule SB, Part V — Summary of Plan Provisions

<i>Disability Retirement Benefit</i>	<p>An active Union Old Benefit participant is eligible upon total and permanent disability after completion of 3 years of participating service. The monthly benefit is equal to the greater of i) the accrued benefit (unreduced for age) at the date of disability and ii) 25% of final wage base as of the date of disability.</p> <p>An active Non-Union or Union New Benefit participant is eligible upon total and permanent disability after age 45 and 10 Years of Benefit Service. The monthly benefit shall be computed in the same manner as normal retirement benefits based on service at disability. There is no reduction for early payment.</p>
<i>Deferred Vested Benefit</i>	<p><u>Option A</u></p> <p>A participant not eligible for Normal, Early, or Deferred retirement is eligible to receive a termination annuity at age 65 equal to the sum of (a) and (b), or the actuarial equivalent as early as age 55:</p> <ul style="list-style-type: none"> (a) Employee contributions with interest in the form of an annuity deferred to age 65 (b) Accrued Benefit at 65 times 100% for 5 years of Vesting Service (0% otherwise) minus the amount described in (a) above. <p><u>Option B</u></p> <p>A participant not eligible for Normal, Early, or Deferred retirement is eligible to receive an immediate refund of employee contributions with interest (lump sum or life annuity) plus a termination annuity at age 65 equal to the amount described in (b) above, or the actuarial equivalent as early as age 55.</p>
<i>Pre-Retirement Death Benefit</i>	<p>The spouse of an active or terminated vested participant who dies with at least five years of Vesting Service after age 55 is eligible for a death benefit. The benefit is payable immediately as if the participant had retired on the date of death and elected a 100% Joint Annuity payment option. If death occurs before age 55, the spouse may choose Option A or Option B, with the annuity commencing on the date the participant would have attained age 55.</p> <p>If the participant dies with less than five years of Vesting Service, employee contributions with interest will be refunded.</p>

Schedule SB, Part V — Summary of Plan Provisions

<i>Post-Retirement Death Benefit</i>	<p>Upon the death of a Union Old Benefit participant who retired on or after age 62, the spouse is eligible to receive a supplemental lump sum benefit equal to 24% of the final Wage Base times Credible Service (up to 10 years). The lump sum shall not be less than \$1,000 and no more than \$10,000.</p> <p>A Non-Union or a Union New Benefit participant who was not eligible for early retirement on the Applicable Effective Date shall not be eligible to receive the above supplemental lump sum.</p>
<i>Normal Form of Benefit</i>	Single Life Annuity. Married participants receive an actuarially reduced 50% Joint Annuity.
<i>Optional Forms of Retirement Benefits</i>	<ul style="list-style-type: none"> • 10 Year Certain and Life annuity • Level Income Option with 10 Year Guarantee • 50% Joint Annuity • 66⅔% Joint Annuity • 75% Joint Annuity • 100% Joint Annuity <p>All options are actuarially reduced.</p>

Plan provision changes since prior valuation

Maximum compensation and maximum benefits were updated from 2009 to 2010

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

The following economic assumptions were used in valuing the liabilities and benefits under the plan.

<i>Investment return</i>	<ul style="list-style-type: none"> ▪ 8.00% compounded annually for funding purposes ▪ 6.76% compounded annually for RPA '94 current liability ▪ 6.76% compounded annually for gateway current liability ▪ For maximum deductible calculations, segment rates at 9/01/2009 was used.
<i>Salary increases</i>	See Table
<i>Social Security Taxable Wage Base increases</i>	3.50% per year compounded annually
<i>Consumer Price Index</i>	2.75% per year compounded annually
<i>Interest rate on account balances</i>	5.50% per year compounded annually
<i>Lump Sum Conversion rate</i>	Implied future segment rates based on November 2009 high-quality corporate bond yield curve for the 417(e) rate, 4% before and after age 65 for PBGC rates.
<i>Mortality</i>	<ul style="list-style-type: none"> - For healthy participants, 2010 PPA separate static annuitant and nonannuitant mortality tables. - For disabled participants, Revenue Ruling 96-7 tables for males and females.
<i>Withdrawal</i>	See Tables
<i>Expenses</i>	None Assumed
<i>Retirement age</i>	See Table
<i>Disability</i>	See Table. 1985 Pension Disability Study Table Class 1 for males and females.
<i>Percentage married</i>	<ul style="list-style-type: none"> ▪ Males.....85% ▪ Females.....85%
<i>Age difference</i>	Males are assumed to be three years older than their spouses..

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods*Tables of Sample Rates*

Salary Increases	
Attained Age	Percentage
0-24	8.0%
25-29	8.0
30-34	6.0
35-39	5.0
40-44	4.5
45-49	4.0
50-54	3.5
55-59	3.5
60+	3.5

Table of Select Withdrawal Rates for Participants With Less Than 5 Years Service

Service	Percentage
0-1	22.0%
1-2	17.0
2-3	14.0
3-4	11.0
4-5	10.0

Table of Ultimate Withdrawal Rates For Participants with at Least 5 Years Service

Attained Age	Percentage
0-24	16.0%
25-29	10.0
30-34	8.0
35-39	6.0
40-44	4.5
45-49	4.5
50-54	3.0
55+	3.0

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Table of Retirement Rates**

Attained Age	Percentage
55	6.0%
56	8.0
57	8.0
58	8.0
59	8.0
60	8.0
61	12.0
62	40.0
63	20.0
64	25.0
65+	100.0

Table of Disability Terminations from Active Status

Attained Age	Male	Female
22	.032%	.035%
32	.054	.099
42	.147	.250
52	.465	.660
62	1.475	1.188

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

Actuarial methods

Asset Methods

The asset valuation method is the smoothed market value without phase-in method, using a smoothing period of 5 years, as described in paragraph 3.15 of IRS Revenue Procedure 2000-40. The actuarial value of assets will equal the market value of assets with gains subtracted or losses added at the rates described below:

- a. 4/5 of the prior year's gain or loss
- b. 3/5 of the second preceding year's gain or loss
- c. 2/5 of the third preceding year's gain or loss
- d. 1/5 of the fourth preceding year's gain or loss

The gain or loss for a year is determined by calculating the difference between the expected value of assets for the year and the market value of assets at the valuation date. The expected value of assets for the year is the market value of assets at the prior-year valuation date brought forward with interest at the valuation interest rate to the current valuation date, plus contributions minus benefit disbursements minus expenses, all adjusted with interest at the valuation rate to the current valuation date. If the expected value is less than the market value, the difference is a gain. If the expected value is greater than the market value, there is a loss.

The asset value determined under this method will be adjusted to be no greater than 120% and no less than 80% of the fair market value as defined in Section 1.412(c)(2)-1(c) of the Internal Revenue Code.

Participant methods

We used participant data provided by United Benefits Group and financial data submitted by Smithfield Foods, Inc. as of January 1, 2010. 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.

- **Participants included:** The plan sponsor provides us with data on only those employees who have met the eligibility requirements as of the valuation date. No actuarial liability is included for participants who terminated nonvested prior to the valuation date.
- **Disabled participants:** The liabilities for participants on long-term disability have been included with the liabilities for terminated vested participants.

To our knowledge, no benefits are excluded from liabilities presented in the valuation.

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

Minimum funding method

Actuarial cost method: Liabilities and contributions shown in this report are computed using the projected unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue, taking into consideration future compensation 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. Typically, when this method is introduced, there will be an initial liability for benefits credited for service prior to that date, and to the extent that the liability is not covered by assets of the plan, there is an unfunded liability to be funded over a stipulated period in accordance with an amortization schedule.

A detailed description of the calculation follows:

- An individual's **accrued benefit** for valuation purposes related to a particular separation date is the accrued benefit described under the plan but determined using the projected compensation that would be used in the calculation of the benefit on the expected separation date.
- The **benefit** deemed to accrue for an individual during a plan year is the excess of the accrued benefit for valuation purposes at the end of the plan year over the accrued benefit for valuation purposes at the beginning of the plan year. Both accrued benefits are calculated from the same projections to the various anticipated separation dates as described above.
- An individual's **accrued liability** is the present value of the accrued benefit for valuation purposes at 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. Such accrued liabilities and normal costs reflect the accrued benefits as modified to obtain the benefits payable on those dates and the probability of the individual separating on those dates.
- The plan's **normal cost** is the sum of the individual normal costs, and the plan's **accrued liability** is the sum of the accrued liabilities for all participants under the plan.

Current liability: The current liability is a present value of accrued benefits determined in accordance with IRC Section 412(l). The accrued benefits, including benefits accruing during the year, are valued under two different measures:

- The RPA '94 current liability is computed using an interest rate that is the third segment rate as determined under the Pension Protection Act of 2006. The required mortality tables are separate for the period before benefits are assumed to begin (nonannuitant table) and after benefits are assumed to – or actually – begin (annuitant table) and for male and female participants. The annuitant mortality tables

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

are based on the RP-2000 Annuitant Mortality Tables for males and females, projected with Scale AA seven years beyond the valuation year (i.e., to 2017 for the 2010 valuation). The nonannuitant mortality tables are based on the RP-2000 Employee Mortality Tables for males and females, projected with Scale AA 15 years beyond the valuation year (i.e., to 2025 for the 2010 valuation). For disabled participants, different IRS mandated tables may be used, as specified in Revenue Ruling 96-7.

- The gateway current liability is computed using the same interest rate and mortality tables as the RPA '94 current liability.

Schedule SB, Line 24 — Change in Actuarial Assumptions

- The RPA '94 and Gateway current liability interest rates were changed from 6.69% to 6.76%. The interest rates were changed due to changes in the required rate under the Pension Protection Act of 2006.
- The healthy mortality tables were updated from the 2009 PPA separate static annuitant/nonannuitant tables to the 2010 PPA separate static annuitant/nonannuitant tables.
- For the liabilities used to calculate the maximum deductible contribution, the segment rates at 9/1/2009 were used in accordance with the plan sponsor's elections for the other PPA-applicable qualified plans.
- The rates used for lump sum conversion changed from November 2008 segment rates to November 2009 segment rates

Schedule SB, Line 26 — Schedule of Active Participant Data

Attained age	Years of credited service									
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up
< 25		194 38,367	3							
25 – 29		402 40,479	111 47,198	1						
30 – 34		326 40,461	167 51,029	19						
35 – 39		330 43,723	239 50,493	60 57,732	32 60,748	2				
40 – 44		323 45,731	350 48,276	87 60,060	65 53,667	32 57,142	2			
45 – 49		326 45,743	206 52,734	144 48,694	92 60,007	56 56,190	36 56,605			
50 – 54	1	203 46,468	141 50,809	99 49,335	80 54,049	38 65,463	65 56,506	41 56,255		
55 – 59		159 44,887	100 46,386	66 60,890	66 59,682	52 52,623	31 65,261	74 55,127		
60 – 64	1	98 34,811	46 58,034	40 51,654	43 47,603	21 56,930	16	27 58,315	15	
65 – 69		21 29,199	9	16	2	3	3	3	1	
70+		6	7	2	1	2				

In each cell, the top number is the count of active participants for each age/service combination. The lower number is the average compensation of the active participants in that group. For cells with fewer than 20 members, earnings have been suppressed to preserve confidentiality.

Total Earnings: \$ 250,432,820

Average credited service: 7.9

Note: Earnings shown in this matrix have been limited to \$245,000, the 401(a)(17) limit for 2010

Schedule SB, Line 32 — Schedule of Amortization Bases

Charge	Amortization Period			Balances		Beginning-of-Year Payment
	Date Created	Initial Years	Years Left	Initial	Outstanding	
Actuarial Loss	01/01/2009	5	4	\$ 89,072,376	\$ 73,889,415	\$ 20,656,251
Assumption Changes	01/01/2009	10	9	838,070	780,218	115,646
Total					\$ 74,669,633	\$ 20,771,897

Credit	Amortization Period			Balances		Beginning-of-Year Payment
	Date Created	Initial Years	Years Left	Initial	Outstanding	
Actuarial Gain	01/01/2010	5	5	\$ 48,551,066	\$ 48,551,066	\$ 11,259,192
Total					\$ 48,551,066	\$ 11,259,192

**SCHEDULE B
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974, referred to as ERISA, except when attached to Form 5500-EZ and, in all cases, under section 6059(a) of the Internal Revenue Code, referred to as the Code.

- ▶ **Attach to Form 5500 or 5500-EZ if applicable.**
▶ **See separate instructions.**

Official Use Only

OMB No. 1210-0110

2007

**This Form is Open to Public
Inspection (except when
attached to Form 5500-EZ).**

For calendar plan year 2007 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **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 FARMLAND FOODS, INC. EMPLOYEE RETIREMENT PLAN		B Three-digit plan number ... ▶ 005
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-EZ SMITHFIELD FOODS, INC.		D Employer Identification Number 52-0845861
E Type of plan: (1) ☐ Multiemployer (2) ☒ Single-employer (3) ☐ Multiple-employer		F 100 or fewer participants in prior plan year ☐

Part I Basic Information (To be completed by all plans)

1a Enter the actuarial valuation date: Month 01 Day 01 Year 2010

b Assets:

(1) Current value of assets	b(1)	425520946
(2) Actuarial value of assets for funding standard account	b(2)	493462254
c (1) Accrued liability for plans using immediate gain methods	c(1)	493014030
(2) Information for plans using spread gain methods:		
(a) Unfunded liability for methods with bases	c(2)(a)	
(b) Accrued liability under entry age normal method	c(2)(b)	
(c) Normal cost under entry age normal method	c(2)(c)	

Statement by Enrolled Actuary (see instructions before signing):

To the best of my knowledge, the information supplied in this schedule and on the accompanying schedules, statements, and attachments, if any, is complete and accurate, and in my opinion each assumption, used in combination, represents my best estimate of anticipated experience under the plan. Furthermore, in the case of a plan other than a multiemployer plan, each assumption used (a) is reasonable (taking into account the experience of the plan and reasonable expectations) or (b) would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption were reasonable; in the case of a multiemployer plan, the assumptions used, in the aggregate, are reasonable (taking into account the experience of the plan and reasonable expectations).

**SIGN
HERE**

DMG

Signature of actuary

DANIEL M. SECKAR

Type or print name of actuary

MERCER

Firm name

SIX PPG PLACE

PITTSBURGH

PA

15222

Address of the firm

9/26/11

Date

G

11-06799

Most recent enrollment number

412-355-8706

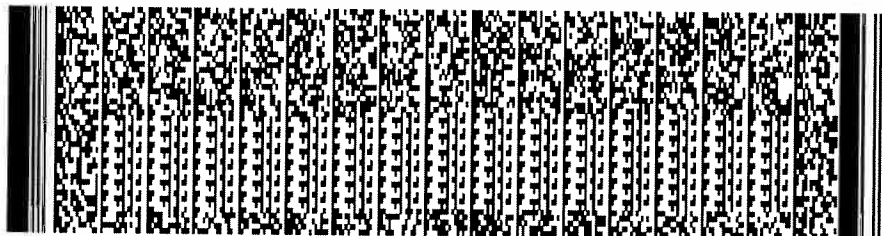
Telephone number (including area code)

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-EZ.

v10.1

Schedule B (Form 5500) 2007



1d Information on current liabilities of the plan:

(1) Amount excluded from current liability attributable to pre-participation service (see instructions) . . .	d(1)	0
(2) "RPA '94" information:		
(a) Current liability	d(2)(a)	548223572
(b) Expected increase in current liability due to benefits accruing during the plan year	d(2)(b)	7945516
(c) Current liability computed at highest allowable interest rate (see instructions)	d(2)(c)	548223572
(d) Expected release from "RPA '94" current liability for the plan year	d(2)(d)	
(3) Expected plan disbursements for the plan year	d(3)	30899530

2 Operational information as of beginning of this plan year:

a Current value of the assets (see instructions)		2a	425520946
b "RPA '94" current liability:			
	(1) No. of Persons	(2) Vested Benefits	(3) Total Benefits
(1) For retired participants and beneficiaries receiving payments	5509	271150513	271150513
(2) For terminated vested participants	7819	145313916	145313916
(3) For active participants	5204	122589225	131759143
(4) Total	18532	539053654	548223572
c If the percentage resulting from dividing line 2a by line 2b(4), column (3), is less than 70%, enter such percentage.			
		2c	%

3 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Month-Day-Year	(b) Amount paid by employer	(c) Amount paid by employees	(a) Month-Day-Year	(b) Amount paid by employer	(c) Amount paid by employees
04/15/2010	11962196				
06/28/2011	42100000				
3 Totals ▶ (b)				54062196	(c) 0

4 Quarterly contributions and liquidity shortfall(s):

a Plans other than multiemployer plans, enter funded current liability percentage for preceding year (see instructions).	4a	73.3 %
b If line 4a is less than 100%, 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



5 Actuarial cost method used as the basis for this plan year's funding standard account computation:

- a** ☐ Attained age normal **b** ☐ Entry age normal **c** ☒ Accrued benefit (unit credit)
- d** ☐ Aggregate **e** ☐ Frozen initial liability **f** ☐ Individual level premium
- g** ☐ Individual aggregate **h** ☐ Other (specify) ▶ _____

i Has a change been made in funding method for this plan year? ☐ Yes ☒ No

j If line i is "Yes," was the change made pursuant to Revenue Procedure 2000-40? ☐ Yes ☐ No

k If line i is "Yes," and line j is "No" enter the date of the ruling letter (individual or class) approving the change in funding method Month Day Year

6 Checklist of certain actuarial assumptions:

a Interest rate for "RPA '94" current liability. **6a** 6.76 % ☐ N/A

b Weighted average retirement age **6b** 61 ☐ N/A

c Rates specified in insurance or annuity contracts. . . ☐ N/A **6c** ☐ Yes ☒ No ☐ Yes ☒ No ☐ N/A

d Mortality table code for valuation purposes:

(1) Males **d(1)** A ☐ N/A

(2) Females **d(2)** A ☐ N/A

e Valuation liability interest rate **6e** 8.00 % ☐ N/A

f Expense loading. **6f** 0.0 % ☐ N/A

g Annual withdrawal rates:

(1) Age 25. **g(1)** S 22.00 % ☐ N/A

(2) Age 40. **g(2)** S 22.00 % ☐ N/A

(3) Age 55. **g(3)** S 22.00 % ☐ N/A

h Salary scale **6h** 4.74 % ☐ N/A

i Estimated investment return on actuarial value of assets for year ending on the valuation date **6i** 19.6 %

j Estimated investment return on current value of assets for year ending on the valuation date. . **6j** 22.5 %

7 New amortization bases established in the current plan year:

(1) Type of Base

1

(2) Initial Balance

-48551066

(3) Amortization Charge/Credit

-11259192

8 Miscellaneous information:

a If a waiver of a funding deficiency or an extension of an amortization period has been approved for this plan year, enter the date of the ruling letter granting the approval Month Day Year



8b If one or more alternative methods or rules (as listed in the instructions) were used for this plan year, enter the appropriate code in accordance with the instructions ▶

c Is the plan required to provide a Schedule of Active Participant Data? (see instructions) If "Yes," attach schedule ☒ Yes ☐ No

9 Funding standard account statement for this plan year:

Charges to funding standard account:

a Prior year funding deficiency, if any	9a	0
b Employer's normal cost for plan year as of valuation date	9b	6024710
c Amortization charges as of valuation date:		
(1) All bases except funding waivers	▶ (\$ 74669633)	c(1) 20771897
(2) Funding waivers	▶ (\$ 0)	c(2) 0
d Interest as applicable on lines 9a, 9b, and 9c		9d 2143729
e Additional interest charge due to late quarterly contributions, if applicable		9e 0
f Adjusted additional funding charge from Part II, line 12q, if applicable ☐ N/A		9f 0
g Total charges. Add lines 9a through 9f		9g 28940336

Credits to funding standard account:

h Prior year credit balance, if any	9h	7132295
i Employer contributions. Total from column (b) of line 3	9i	54062196
j Amortization credits as of valuation date	▶ (\$ 48551066)	9j 11259192
k Interest as applicable to end of plan year on lines 9h, 9i, and 9j		9k 2145414

l Full funding limitation (FFL) and credits

(1) ERISA FFL (accrued liability FFL)	l(1)	87102096
(2) "RPA '94" override (90% current liability FFL)	l(2)	2431605
(3) FFL credit	l(3)	0

m (1) Waived funding deficiency	m(1)	0
(2) Other credits	m(2)	0

n Total credits. Add lines 9h through 9k, 9l(3), 9m(1), and 9m(2)	9n	74599097
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o Credit balance: If line 9n is greater than line 9g, enter the difference	9o	45658761
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p Funding deficiency: If line 9g is greater than line 9n, enter the difference	9p	0
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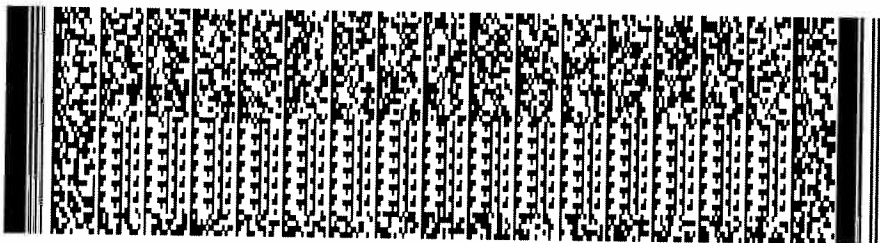
Reconciliation account:

q Current year's accumulated reconciliation account:

(1) Due to additional funding charges as of the beginning of the plan year	q(1)	18986272
(2) Due to additional interest charges as of the beginning of the plan year	q(2)	0
(3) Due to waived funding deficiencies:		
(a) Reconciliation outstanding balance as of valuation date	q(3)(a)	0
(b) Reconciliation amount. Line 9c(2) balance minus line 9q(3)(a)	q(3)(b)	0
(4) Total as of valuation date	▶ q(4)	20505174

10 Contribution necessary to avoid an accumulated funding deficiency. Enter the amount in line 9p or the amount required under the alternative funding standard account if applicable	10	0
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11 Has a change been made in the actuarial assumptions for the current plan year? If "Yes," see instructions ☒ Yes ☐ No



Part II Additional Information for Certain Plans Other Than Multiemployer PlansPlease see **Who Must File** in the Schedule B instructions to determine if you must complete Part II.**12** Additional required funding charge (see instructions):**a** Enter "Gateway %." Divide line 1b(2) by line 1d(2)(c) and multiply by 100.

If line 12a is at least 90%, go to line 12q and enter -0-.

If line 12a is less than 80%, go to line 12b.

If line 12a is at least 80% (but less than 90%), see instructions and, if applicable, go to line 12q and enter -0-. Otherwise, go to line 12b.

b "RPA '94" current liability. Enter line 1d(2)(a).**c** Adjusted value of assets (see instructions)**d** Funded current liability percentage. Divide line 12c by 12b and multiply by 100**e** Unfunded current liability. Subtract line 12c from line 12b.**f** Liability attributable to any unpredictable contingent event benefit**g** Outstanding balance of unfunded old liability**h** Unfunded new liability. Subtract the total of lines 12f and 12g from line 12e. Enter -0- if negative**i** Unfunded new liability amount (% of line 12h)**j** Unfunded old liability amount**k** Deficit reduction contribution. Add lines 12i, 12j, and 1d(2)(b).**l** Net charges in funding standard account used to offset the deficit reduction contribution. Enter a negative number if less than zero.**m** Unpredictable contingent event amount:

(1) Benefits paid during year attributable to unpredictable contingent event

(2) Unfunded current liability percentage. Subtract the percentage on line 12d from 100%.

(3) Enter the product of lines 12m(1) and 12m(2)

(4) Amortization of all unpredictable contingent event liabilities

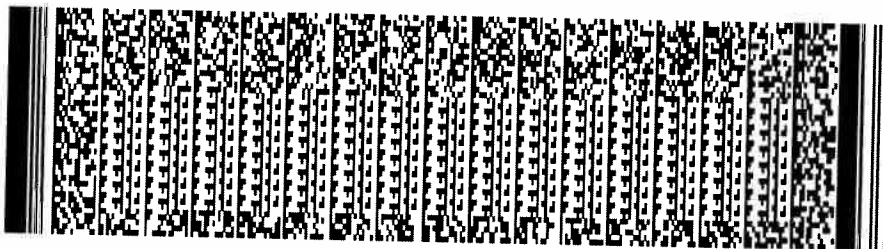
(5) "RPA '94" additional amount (see instructions).

(6) Enter the greatest of lines 12m(3), 12m(4), or 12m(5).

n Preliminary additional funding charge: Enter the excess of line 12k over line 12l (if any), plus line 12m(6), adjusted to end of year with interest**o** Contributions needed to increase current liability percentage to 100% (see instructions)**p** Additional funding charge prior to adjustment: Enter the lesser of line 12n or 12o**q** Adjusted additional funding charge. (

.0 % of line 12p)

12a	90.0 %
12b	
12c	
12d	%
12e	
12f	
12g	
12h	
12i	
12j	
12k	
12l	
m(1)	
m(2)	%
m(3)	
m(4)	
m(5)	
m(6)	
12n	
12o	
12p	
12q	0



**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**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

2010**This Form is Open to Public
Inspection**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **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**B** Three-digit
plan number (PN) ▶

005

Farmland Foods, Inc. Employee Retirement Plan

D Employer Identification Number (EIN)

52-0845861

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

Smithfield Foods, Inc.

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 1 Day 1 Year 2010**2** Assets:

	2a	2b
a Market value.....		
b Actuarial value.....	425,520,946	493,462,254

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a 5,509	275,672,276
b For terminated vested participants.....	3b 7,819	145,171,499
c For active participants:		
(1) Non-vested benefits.....	3c(1)	9,173,600
(2) Vested benefits.....	3c(2)	123,105,671
(3) Total active.....	3c(3) 5,204	132,279,271
d Total.....	3d 18,532	553,123,046

4 If the plan is at-risk, check the box and complete items (a) and (b) ☐

	4a	4b
a Funding target disregarding prescribed at-risk assumptions.....		
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.....		

5 Effective interest rate..... **5** 6.68 %**6** Target normal cost..... **6** 7,868,865**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***DMS*

Signature of actuary

9/26/11

Date

Daniel M. Seckar

Type or print name of actuary

11-06799

Most recent enrollment number

MERCER

(412) 355-8706

Six PPG Place

Firm name

Telephone number (including area code)

Pittsburgh

PA 15222

Address of the firm

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) 2010
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)		
9 Amount remaining (Item 7 minus item 8).....	0	0
10 Interest on item 9 using prior year's actual return of _____%		
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		
b Interest on (a) using prior year's effective rate of _____%		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance.....		
12 Reduction in balances due to elections or deemed elections.....		
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	89.21 %
15 Adjusted funding target attainment percentage.....	15	%
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	%
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
Totals ►			18(b)	0	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	

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

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****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**

2

Part VII Reconciliation of unpaid minimum required contributions for prior years**28** Unpaid minimum required contribution for all prior years**28****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****32** Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment**b** Waiver amortization installment**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****34** Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)**34**

0

Carryover balance

Prefunding balance

Total balance

35 Balances used to offset funding requirement**35**

0

36 Additional cash requirement (item 34 minus item 35)**36**

0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)**37****38** Interest-adjusted excess contributions for current year (see instructions)**38**

0

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