

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), 6057(b), 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
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</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 JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ►</td> <td>010</td> </tr> <tr> <td>1c Effective date of plan</td> <td>01/01/1957</td> </tr> </table>	1b Three-digit plan number (PN) ►	010	1c Effective date of plan	01/01/1957		
1b Three-digit plan number (PN) ►	010						
1c Effective date of plan	01/01/1957						
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) SMITHFIELD FOODS, INC. 200 COMMERCE ST. SMITHFIELD, VA 23430	<table border="1"> <tr> <td>2b Employer Identification Number (EIN)</td> <td>52-0845861</td> </tr> <tr> <td>2c Sponsor's telephone number</td> <td>757-357-1691</td> </tr> <tr> <td>2d Business code (see instructions)</td> <td>311610</td> </tr> </table>	2b Employer Identification Number (EIN)	52-0845861	2c Sponsor's telephone number	757-357-1691	2d Business code (see instructions)	311610
2b Employer Identification Number (EIN)	52-0845861						
2c Sponsor's telephone number	757-357-1691						
2d Business code (see instructions)	311610						

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2012	MEGAN GERRY
	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 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") SMITHFIELD FOODS, INC. P.O. BOX 9004 SMITHFIELD, VA 23431	3b Administrator's EIN 52-0845861 3c Administrator's telephone number 757-357-1691
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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	4955
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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	261
b Retired or separated participants receiving benefits.....	6b	2616
c Other retired or separated participants entitled to future benefits.....	6c	1455
d Subtotal. Add lines 6a , 6b , and 6c	6d	4332
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	443
f Total. Add lines 6d and 6e	6f	4775
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	0

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

1B 1G 1I 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)

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 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **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>JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>010</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>2011</u>
2	Assets:
a	Market value 2a <u>83856038</u>
b	Actuarial value 2b <u>77742048</u>
3	Funding target/participant count breakdown:
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>3133</u> <u>64783337</u>
b	For terminated vested participants 3b <u>1542</u> <u>17807894</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>307286</u>
(2)	Vested benefits 3c(2) <u>4670808</u>
(3)	Total active 3c(3) <u>283</u> <u>4978094</u>
d	Total 3d <u>4958</u> <u>87569325</u>
4	If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>6.02 %</u>
6	Target normal cost 6 <u>0</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>09/24/2012</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>412-355-8800</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) 2011
v.012611

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 (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>15.74</u> %		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		14156047
b	Interest on (a) using prior year's effective rate of <u>6.52</u> % except as otherwise provided (see instructions)		922974
c	Total available at beginning of current plan year to add to prefunding balance.....		15079021
d	Portion of (c) to be added to prefunding balance.....		2367288
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	2367288

Part III		Funding percentages	
14	Funding target attainment percentage.....	14	86.07 %
15	Adjusted funding target attainment percentage.....	15	86.07 %
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	80.01 %
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	
04/15/2011	920000		
04/13/2012	870000		
07/13/2012	865000		
Totals ▶		18(b)	2655000
		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 contributions 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 2503004
20	Quarterly contributions and liquidity shortfalls:	
a	Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b	If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c	If 20a is "Yes," see instructions and complete the following table as applicable:	

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

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

21 Discount rate:				
a Segment rates:	1st segment: 3.78%	2nd segment: 6.31%	3rd segment: 6.57 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 60
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	0	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	12194565	3272062	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	3272062	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	2367288	2367288
36 Additional cash requirement (line 34 minus line 35)	36	904774	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	2503004	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	1598230	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	1598230	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

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

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

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

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 2011 This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>010</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			
b Receivables (less allowance for doubtful accounts):				
(1) Employer contributions	1b(1)	16995000	1735000	
(2) Participant contributions	1b(2)			
(3) Other.....	1b(3)			
c General investments:				
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)			
(2) U.S. Government securities.....	1c(2)			
(3) Corporate debt instruments (other than employer securities):				
(A) Preferred	1c(3)(A)			
(B) All other	1c(3)(B)			
(4) Corporate stocks (other than employer securities):				
(A) Preferred	1c(4)(A)			
(B) Common	1c(4)(B)			
(5) Partnership/joint venture interests	1c(5)			
(6) Real estate (other than employer real property)	1c(6)			
(7) Loans (other than to participants)	1c(7)			
(8) Participant loans	1c(8)			
(9) Value of interest in common/collective trusts.....	1c(9)			
(10) Value of interest in pooled separate accounts.....	1c(10)			
(11) Value of interest in master trust investment accounts	1c(11)	67427524	78224417	
(12) Value of interest in 103-12 investment entities	1c(12)			
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)			
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)			
(15) Other	1c(15)			

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	84422524	79959417

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
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	84422524	79959417
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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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	2655000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2655000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(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)		
(B) Other	2b(5)(B)		
(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)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		751059
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		3406059

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	7697353	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		7697353
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	171813	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		171813
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		7869166

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-4463107
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

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.			
4n			

- 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)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2011</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN		B Three-digit plan number (PN) ▶ 010
C Plan sponsor's name as shown on line 2a of Form 5500 SMITHFIELD FOODS, INC.		D Employer Identification Number (EIN) 52-0845861
Part I	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 0
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): 13-3795042		
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 5
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 (include any prior year accumulated funding deficiency not waived)		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 or other authority 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. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☒ No		
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) 2011 v.012611		

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: 57% Investment-Grade Debt: 36% High-Yield Debt: _____% Real Estate: _____% 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): _____



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

Independent Auditors' Report

Plan Administrator

John Morrell & Co. Hourly Employees Pension Plan

We were engaged to audit the accompanying statements of net assets available for benefits of ***John Morrell & Co. Hourly Employee Pension Plan*** as of December 31, 2011, and 2010, and the related statements of changes in net assets for benefits for the years then ended, and the statement of accumulated plan benefits as of December 31, 2010, and the related statement of changes in accumulated plan benefits for the year then ended. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (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 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 years ended December 31, 2011 and 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

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

Dixon Hughes Goodman LLP

Newport News, Virginia
October 5, 2012

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.

Retirement Age	UNDER 30 YEARS OF SERVICE		OVER 30 YEARS OF SERVICE	
	Retirement Rate	Weighted Retirement Age	Retirement Rate	Weighted Retirement Age
50			0.0200	1
51			0.0200	1
52			0.0190	1
53			0.0190	1
54			0.0180	1
55	0.1500	8	0.1360	7
56	0.0425	2	0.0380	2
57	0.0404	2	0.0360	2
58	0.0384	2	0.0350	2
59	0.0364	2	0.0330	2
60	0.2077	12	0.1880	11
61	0.0727	4	0.0660	4
62	0.1648	10	0.1490	9
63	0.0494	3	0.0450	3
64	0.0395	3	0.0360	2
65	0.1582	10	0.1430	9
		60		60

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

Discount rate sponsor elections	Funding
▪ Segment rates or full yield curve	Segment rates
▪ Look-back months	4
▪ First 5 years	3.78%
▪ Next 15 years	6.31%
▪ Over 20 years	6.57%
Mortality sponsor elections	
▪ Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
▪ Pre-1995 disabilities	Revenue Ruling 96-7 table for participants who became disabled before 1995
▪ Post-1994 disabilities	Revenue Ruling 96-7 table for participants who became disabled after 1994 and are eligible for Social Security disability benefits
Other economic assumptions	
▪ Flat-dollar benefit increases	Not applicable
▪ Expected investment return	8.25% per year for year 2009, 8.00% per year for year 2010 and 7.75% per year for year 2011
▪ Expenses	\$0 added to current year normal cost
Demographic assumptions	
▪ Withdrawal	Client specific table. See table of sample rates.
▪ Disability incidence	1985 Pension Disability Study Table Class 3 for males and females. See table of sample rates. 100% of participants becoming disabled are assumed to be eligible for Social Security disability benefits.

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

- Retirement age

Client specific table. Rates illustrated in the table shown below:

Attained age	Percentage	
	Under 30 Years of Service	Over 30 Years of Service
50	--	2.0%
51	--	2.0%
52	--	2.0%
53	--	2.0%
54	--	2.0%
55	15.0%	15.0%
56	5.0%	5.0%
57	5.0%	5.0%
58	5.0%	5.0%
59	5.0%	5.0%
60	30.0%	30.0%
61	15.0%	15.0%
62	40.0%	40.0%
63	20.0%	20.0%
64	20.0%	20.0%
65 and above	100.0%	100.0%

Benefit commencement age for

- Future vested deferred 65
- Current vested deferred 65

Spouse assumptions**Male participants****Female participants**

- Percentage married 80% 80%
- Spouse age difference 3 years younger 3 years older

Form of payment**Lump sum****Single life****J&S**

- Active retirements 0% 100% 0%
- Future vested deferred 0% 100% 0%
- Future disabilities 0% 100% 0%
- Future deaths 0% 100% 0%
- Current vested deferred 0% 100% 0%

Unpredictable contingent event assumptions N/A

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Table of sample rates****Table of Select Withdrawal Rates for Employees with Less than 5 Years of Service**

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

Table of Ultimate Withdrawal Rates for Participants with More than 5 Years of Service

Attained Age	Percentage
22	20.0%
32	16.0
42	10.0
52	6.0
62	3.0

Table of Disability Terminations from Active Status

Attained Age	Male	Female
22	0.175%	0.106%
32	0.354	0.302
42	0.683	0.627
52	1.487	1.444
62	3.688	2.378

Actuarial methods**Asset methods**

The asset valuation method is an average of the adjusted market value for each year during the last 24 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

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

Participant methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.

Minimum funding methods

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

A detailed description of the calculation follows:

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

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

Maximum deductible contribution method

Calculations of maximum deductible contributions include the excess of the funding target computed using the projected unit credit method over the minimum funding target. The objective of the projected unit credit method is to fund each participant's benefits under the plan as they accrue, taking into consideration expected 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.

A detailed description of the calculation follows:

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

Schedule SB, Part V — Summary of Plan Provisions

Benefits included or excluded

Unless noted below, all benefits provided by the plan, as restated January 1, 2007 and amended through Amendment #2, are included in this valuation.

- **Most recent plan amendments included:** All amendments through December 31, 2010 have been reflected in this valuation.
- **Plan amendments excluded:** None
- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements.
- **Late retirement increases:**
 - *Active participants:* The plan provides benefit suspension notices to participants who work beyond normal retirement; therefore, late retirement actuarial increases only apply to participants who defer retirement beyond age 70½. This valuation includes increases for current participants over age 70.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Unpredictable contingent event benefits:** This valuation does not value the plan's unpredictable contingent event benefits, which are summarized below, because the likelihood of an event is de minimis.
- **IRC Section 415(b) benefit limitations:** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Schedule SB, Part V — Summary of Plan Provisions

Effective date and plan year	Original plan: January 1, 1957 Restated plan: January 1, 2007 Plan year: Calendar year
Status of the plan	The plan is frozen under PPA as of April 3, 2005
Significant events that occurred during the year	None

Definitions

▪ Covered employees	The plan covers all employees who actively perform at least one hour of service on or after January 1, 2001 or who were covered by the plan prior to restatement.
▪ Participation	Employees who have completed at least 1 hour of service
▪ Employee contributions	None required or permitted.
▪ Vesting service	Any employment year in which the employee completes 1,000 hours shall be credited as a year of vesting service
▪ Credited service	Employment from hire date to termination date measured in whole and fractional years. Service is credited for service covered by the John Morrell & Company Salaried Employees Pension Plan. Service for benefit accruals cease at each location's freeze date. There are no employees accruing further benefits.
▪ Accrued benefit	Participant's earned benefit, in the form of a life annuity, determined in the same manner as the participant's Normal Retirement Pension and based on the participant's years of benefit service at the date the accrued benefit is being calculated.

Normal retirement

▪ Freeze dates and Contract dates	Location	Freeze Date	Contract Date
	02 Sioux Falls (UFCW)	March 31, 1989	October 3, 1983
	02B Sioux Falls (Office Union)	March 31, 1989	October 3, 1983
	02T Sioux Falls (IBT)	June 30, 1990	January 1, 1985
	34 Saratoga Specialities	April 3, 2005	
▪ Eligibility	Age 65		

Schedule SB, Part V — Summary of Plan Provisions

▪ Benefit	A lifetime benefit payable upon reaching age 65 equal to:
	\$15 times years of credited service prior to the Contract date plus \$10 times years of credited service after the Contract date.
	This benefit is reduced by the benefit payable under the John Morrell & Company Salaried Employees' Pension Plan.
Early retirement	
▪ Eligibility	A participant is eligible to retire after age 55 with 10 years of service.
▪ Benefit	The benefit payable is the accrued benefit reduced 0.5% for each month which the benefit commencement date precedes age 65.
Late retirement	
▪ Eligibility	If a participant works past his normal retirement date, the normal retirement benefit will be deferred to the participant's actual retirement date.
▪ Benefit	Benefit calculated as the greater of: <ul style="list-style-type: none"> ▪ Service to the participant's normal retirement date actuarially increased to the actual retirement date or; ▪ Service to actual retirement date.
Deferred vested	
▪ Eligibility	A participant who has completed five or more years of vesting service or who has attained age 65 is 100% vested in his or her accrued benefit. Effective May 31, 2005, each participant who is a Non-union employee of Saratoga Specialties on May 31, 2005 shall be eligible regardless of years of service.
▪ Benefit	The benefit is equal to the vested accrued benefit payable at any date after the participant attains early retirement eligibility, with appropriate reduction for retirement before age 65.
Disability	
▪ Eligibility	A participant with five years of service who is totally and permanently disabled is eligible.

Schedule SB, Part V — Summary of Plan Provisions

▪ Benefit	The benefit is equal to twice the normal retirement benefit based on service to termination. This benefit is payable until the earlier of death or recovery. For Sioux Falls Hourly Production and Maintenance employees, Sioux Falls Office and Clerical employees or Sioux Falls Teamster Drivers, a \$100 monthly supplement is also payable for a maximum of two years.
Pre-retirement death	
▪ Eligibility	The spouse of an active participant who dies with at least five years of service or the spouse of a terminated vested participant who had elected survivor coverage is eligible for a death benefit.
▪ Benefit	<p>The benefit is payable immediately as if the participant had survived to retirement and elected the joint and 50% survivor benefit. If the spouse dies with a dependent child (of the employee), that child will receive 85% of the spouse's benefit until their 18th birthday.</p> <p>If a terminated vested participant dies and had elected survivor coverage, their spouse shall receive a joint and 50% survivor benefit reduced for early commencement and for months which the coverage is in effect.</p>
Unpredictable contingent event benefits	
▪ Event	Plant closing
▪ Eligibility	Age 50 and 20 years of credited service.
▪ Benefit	One and one-half times the accrued benefit.
Form of benefits	
▪ Automatic form for unmarried participants	Single Life Annuity
▪ Automatic form for married participants	Married participants receive an actuarially reduced joint and 50% survivor annuity.
▪ Optional forms	<ul style="list-style-type: none"> ▪ Life with 10 years certain annuity ▪ Joint and 50% survivor annuity ▪ Joint and 75% survivor annuity ▪ Joint and 100% survivor annuity <p>All options are actuarially reduced.</p>

Schedule SB, Part V — Summary of Plan Provisions

-
- Optional form conversion factors See appendix A of the plan.

Miscellaneous

- Maximum benefits Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2011, the limit is \$195,000.
-

Plan provision changes since prior valuation

Maximum benefits were updated from 2010 to 2011.

Schedule SB, Line 24 — Change in Actuarial Assumptions

- Interest discounts and mortality rates were updated from 2010 to 2011 in accordance with PPA.
- The expected investment return was updated from 8.00% as of January 1, 2010 to 7.75% as of January 1, 2011.

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	Total
Under 25											
25-29											
30-34											
35-39											
40-44		6									6
45-49		31	5								36
50-54	2	35	12	9							58
55-59	1	16	17	26	14						74
60-64		11	8	18	24	14					75
65-69		2	1	1	6	12	10				32
70 & up							2				2
Total	3	101	43	54	44	26	12				283

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

Schedule SB, Line 32 — Schedule of Amortization Bases

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

Shortfall bases

Year established		Outstanding balance	Years remaining		Installment
2008	\$	9,987,057	4	\$	2,637,390
2009		5,910,903	5		1,271,490
2010		(1,299,445)	6		(241,298)
2011		(2,403,950)	7		(395,520)
Total	\$	12,194,565		\$	3,272,062

Waiver bases

Year established		Outstanding balance	Years remaining		Installment
2011		0			0
Total	\$	0		\$	0

***Financial Statements
December 31, 2011 and 2010***

***John Morrell & Co.
Hourly Employees Pension Plan***



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

John Morrell & Co. Hourly Employees Pension Plan

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

Independent Auditors' Report

Plan Administrator

John Morrell & Co. Hourly Employees Pension Plan

We were engaged to audit the accompanying statements of net assets available for benefits of ***John Morrell & Co. Hourly Employee Pension Plan*** as of December 31, 2011, and 2010, and the related statements of changes in net assets for benefits for the years then ended, and the statement of accumulated plan benefits as of December 31, 2010, and the related statement of changes in accumulated plan benefits for the year then ended. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (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 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 years ended December 31, 2011 and 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

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

Dixon Hughes Goodman LLP

Newport News, Virginia

October 5, 2012

John Morrell & Co. Hourly Employees Pension Plan

Statements of Net Assets Available for Benefits

December 31,	2011	2010
Employer contribution receivable	\$ 1,735,000	\$ 16,995,000
Investment in Smithfield Foods Master Trust - at fair value (See Notes 3, 4 and 5)	<u>78,224,417</u>	<u>67,427,524</u>
Net assets available for benefits	<u>\$ 79,959,417</u>	<u>\$ 84,422,524</u>

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

John Morrell & Co. Hourly Employees Pension Plan

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31,	2011	2010
Net investment income from Smithfield Foods Master Trust	\$ 751,059	\$ 9,321,727
Employer contributions	2,655,000	19,470,840
Total additions	3,406,059	28,792,567
Benefits paid to participants	7,697,353	7,932,333
Administrative expenses	171,813	173,572
Total deductions	7,869,166	8,105,905
Net change	(4,463,107)	20,686,662
Net assets available for benefits		
Beginning of year	84,422,524	63,735,862
End of year	\$ 79,959,417	\$ 84,422,524

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

John Morrell & Co. Hourly Employees Pension Plan

Statement of Accumulated Plan Benefits

December 31, 2010

Actuarial present value of accumulated plan benefits

Vested benefits

Participants currently receiving benefits

\$ 57,909,743

Other participants

19,446,365

77,356,108

Nonvested benefits

271,036

Total actuarial present value of accumulated plan benefits

\$ 77,627,144

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

John Morrell & Co. Hourly Employees Pension Plan

Statement of Changes in Accumulated Plan Benefits

Year Ended December 31, 2010

Actuarial present value of accumulated plan benefits at beginning of year	\$ 77,832,833
Increase (decrease) during the year attributable to	
Increase for interest due to decrease in discount period	5,882,892
Benefits accumulated and (gains)/losses	422,965
Benefits paid	(7,932,333)
Change in actuarial assumptions	<u>1,420,787</u>
Actuarial present value of accumulated plan benefits at end of year	<u>\$ 77,627,144</u>

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

John Morrell & Co. Hourly Employees Pension Plan

Notes to Financial Statements

December 31, 2011 and 2010

1. Description of Plan

The following description of the ***John Morrell & Co. Hourly Employees Pension 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 created effective January 1, 1957 as a defined benefit plan covering all hourly employees of John Morrell & Co. (Company) within a bargaining unit or other specific classification of employee designated by the Company, unless they are included in any other pension plan to which the Company contributes. The Plan is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. Benefit accruals for substantially all hourly employees under the Plan ceased as of April 3, 2005. Current benefits for these employees are provided by a defined contribution plan covering hourly employees. The Company is a wholly owned subsidiary of Smithfield Foods, Inc. (Smithfield), and Smithfield has assumed the obligations under the Plan.

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

Plan Administration

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

Pension Benefits

Employees with 5 or more years of service are entitled to monthly pension benefits beginning at normal retirement age (65) equal to \$15 times years of credited service prior to the contract date plus \$10 times years of credited service after the contract date. The Plan permits early retirement at ages 55 - 64 with reduced benefits. Generally, except for employees at facilities whose pension benefits have been frozen, employees with 30 years of service may retire and receive unreduced basic monthly benefits plus, until age 62, a monthly supplement of \$100.

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 and 50% survivor benefit.

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

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 (GAAP).

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 (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Smithfield Foods Master Trust

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

Net investment income 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 2011 and 2010.

Reclassifications

Certain amounts in 2010 have been reclassified to conform to the 2011 presentation.

Subsequent Events

The plan has evaluated subsequent events through October 5, 2012, 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, 2011 and 2010. The Plan's interest in the net assets of the Master Trust was approximately 7.9% and 7.7% at December 31, 2011 and 2010, respectively.

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

	December 31,	
	2011	2010
Investments at fair value		
Common stock	\$ 287,866,194	\$ 341,392,943
U.S. government and agencies	71,382,380	81,895,384
Mutual funds	183,052,480	281,521,452
Common collective trusts	207,383,935	-
Corporate debt	87,117,469	80,614,227
Money market funds	78,932,459	72,463,011
Limited partnership	75,675,698	31,805,414
Municipal bonds	1,741,751	1,120,523
Insurance contracts	1,607,044	1,827,456
Preferred stock	93,502	221,949
	994,852,912	892,862,359
Cash	661,928	7,052
Accrued income	1,239,011	1,256,821
Net payables - unsettled trades	(2,911,423)	(14,222,720)
	<u>\$ 993,842,428</u>	<u>\$ 879,903,512</u>

Investment income for the Master Trust is as follows:

	Years Ended December 31,	
	2011	2010
Investment income		
Net appreciation (depreciation) in fair value of investments		
Common stock	\$ 17,956,611	\$ 58,018,757
U.S. government and agencies	4,059,892	2,184,913
Mutual funds	285,307	15,257,759
Common/collective trusts	(26,741,878)	7,607,317
Corporate debt	(503,199)	5,636,616
Limited partnerships	(2,025,298)	2,713,793
Municipal bonds	(1,005,945)	(22,705)
Preferred stock	(4,697)	126,444
	(7,979,207)	91,522,894
Interest	6,479,194	7,637,770
Dividends	11,397,113	9,177,523
Other	4,855,060	864,291
	<u>\$ 14,752,160</u>	<u>\$ 109,202,478</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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

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, 2011 and 2010:

	Fair Value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Cash equivalents (a)	\$ -	\$ 78,932,459	\$ -	\$ 78,932,459
Equity securities:				
Preferred stock (b)	-	93,502	-	93,502
U.S. common stock:				
Health care	20,146,597	-	-	20,146,597
Utilities	2,871,406	-	-	2,871,406
Financials	20,867,381	-	-	20,867,381
Consumer staples	138,090,016	-	-	138,090,016
Consumer discretionary	20,673,572	-	-	20,673,572
Materials	8,616,576	-	-	8,616,576
Energy	15,439,768	-	-	15,439,768
Information technology	21,489,113	-	-	21,489,113
Industrials	27,127,828	-	-	27,127,828
Telecommunications	417,312	-	-	417,312
Total U.S. common stock	275,739,569	-	-	275,739,569
International common stock	12,126,625	-	-	12,126,625
Common/collective trusts				
International (k)	-	111,860,320	-	111,860,320
Domestic (j)	-	95,523,615	-	95,523,615
	-	207,383,935	-	207,383,935
Mutual funds				
International (c)	36,658,111	-	-	36,658,111
Domestic large cap (d)	-	5,179,490	-	5,179,490
Balanced	30,060,805	-	-	30,060,805
Total mutual funds	66,718,916	5,179,490	-	71,898,406
Fixed income:				
Mutual funds (f)	109,775,020	1,379,053	-	111,154,074
Asset-backed securities (e)	-	77,531,744	-	77,531,744
Corporate debt securities (f)	-	48,893,618	-	48,893,618
Government debt securities (g)	24,624,506	9,191,732	-	33,816,238
Total fixed income	134,399,526	343,001,030	-	477,400,556
Limited partnerships (h)		-	75,675,698	75,675,698
Insurance contracts (i)		-	1,607,044	1,607,044
Total	\$ 488,984,637	\$ 428,585,533	\$ 77,282,742	\$ 994,852,912

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

- (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 investment in a common collective trust whose objective is to replicate the performance of the U.S. stock market as measured by the MSCI USA Index. This vehicle invests in U.S. stocks.
- (k) Represents investment in a common collective trust whose objective is to seek growth by investing primarily in securities of foreign issuers.

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

The Master Trust recognizes transfers between the levels as of the beginning of the reporting period. There were no transfers for the years ended December 31, 2011 and 2010.

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, 2011 and 2010.

	December 31, 2011	
	Insurance contracts	Limited partnerships
Balance - beginning of year	\$ 1,827,456	\$ 31,805,414
Realized losses	-	(306,774)
Unrealized losses	-	(1,718,524)
Purchases	1,049,583	59,644,366
Sales	(1,269,995)	(13,748,784)
Balance - end of year	\$ 1,607,044	\$ 75,675,698

	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>

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.

5. Unaudited Information Certified by Trustee

The accompanying financial statements include the following unaudited information as of December 31, 2011 and 2010 and for the years then ended that was obtained from data prepared and certified to be complete and accurate by the Plan's trustee:

	2011	2010
Investments at fair value	\$ 78,224,417	\$ 67,427,524
Net investment income from Smithfield Foods Master Trust	\$ 751,059	\$ 9,321,727

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

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, 2011 and 2010.

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, 2010 were (a) life expectancy of participants (based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA 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 2010 valuation included assumed average rates of return of 7.75%. 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). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable sections of the IRC. Therefore, the plan administrator believes that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

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, 2011, 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 2008.

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 499,630 shares of Smithfield common stock allocated to the Plan at December 31, 2011 and 2010 with a fair value of \$12,131,016 and \$10,307,367, respectively.

The Master Trust pays fees to various parties-in-interest on behalf of the Participating Plans. Fees paid to parties-in-interest for 2011 and 2010 were as follows:

	2011	2010
Investment management	\$ 2,419,142	\$ 2,115,090
Trustee	-	123,242
Consulting	74,998	56,250
	<u>\$ 2,494,140</u>	<u>\$ 2,294,582</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 market 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.

12. Subsequent Event

Effective April 1, 2012, The Bank of New York Mellon (BNY Mellon) replaced Wells Fargo Bank, N.A. as trustee. The Smithfield Foods Master Trust assets, in which the Plan invests, were transferred to BNY Mellon.

* * * * *

**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

2011**This Form is Open to Public
Inspection**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ 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 JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN		B Three-digit plan number (PN) ▶ 010
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF SMITHFIELD FOODS, INC.		D Employer Identification Number (EIN) 52-0845861
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2011</u>			
2 Assets:			
a Market value		2a	83,856,038
b Actuarial value		2b	77,742,048
3 Funding target/participant count breakdown:			
		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....		3a	3,133
b For terminated vested participants.....		3b	1,542
c For active participants:			
(1) Non-vested benefits.....		3c(1)	307,286
(2) Vested benefits.....		3c(2)	4,670,808
(3) Total active.....		3c(3)	283
d Total.....		3d	4,958
4 If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor		4b	
5 Effective interest rate		5	6.02 %
6 Target normal cost		6	0

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>Don Secker</u> Signature of actuary	<u>9/24/12</u> Date
<u>DANIEL M. SECKAR</u> Type or print name of actuary		<u>11-06799</u> Most recent enrollment number
<u>MERCER</u> Firm name		<u>(412) 355-8800</u> Telephone number (including area code)
<u>SIX PPG PLACE</u> Address of the firm		
<u>PITTSBURGH PA 15222</u>		

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) 2011
v.012611

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

21 Discount rate:			
a Segment rates:	1st segment: 3.78 %	2nd segment: 6.31 %	3rd segment: 6.57 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 60
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....		31a	0
b Excess assets, if applicable, but not greater than 31a		31b	0
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	12,194,565	3,272,062	
b Waiver amortization installment.....	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount.....		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...		34	3,272,062
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	2,367,288	2,367,288
36 Additional cash requirement (line 34 minus line 35).....	36	904,774	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	2,503,004	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	1,598,230
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	1,598,230
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:				
a Schedule elected ☐ 2 plus 7 years ☐ 15 years				
b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011				
42 Amount of acceleration adjustment	42			
43 Excess installment acceleration amount to be carried over to future plan years	43			