

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2014</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>010</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1957</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>010</u>	1c Effective date of plan <u>01/01/1957</u>	
1b Three-digit plan number (PN) ▶	<u>010</u>				
1c Effective date of plan <u>01/01/1957</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>SMITHFIELD FOODS, INC.</u> <u>200 COMMERCE ST.</u> <u>SMITHFIELD, VA 23430</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>52-0845861</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>866-551-9423</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>311610</u></td> </tr> <tr> <td style="height: 40px;"></td> </tr> </table>	2b Employer Identification Number (EIN) <u>52-0845861</u>	2c Plan Sponsor's telephone number <u>866-551-9423</u>	2d Business code (see instructions) <u>311610</u>	
2b Employer Identification Number (EIN) <u>52-0845861</u>					
2c Plan Sponsor's telephone number <u>866-551-9423</u>					
2d Business code (see instructions) <u>311610</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	<u>10/12/2015</u>	<u>JAMIE KELLY</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor SMITHFIELD FOODS, INC. P.O. BOX 9004 SMITHFIELD, VA 23431		3b Administrator's EIN 52-0845861	
		3c Administrator's telephone number 866-551-9423	
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	
5 Total number of participants at the beginning of the plan year		5	4423
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year		6a(1)	234
a(2) Total number of active participants at the end of the plan year		6a(2)	199
b Retired or separated participants receiving benefits		6b	2487
c Other retired or separated participants entitled to future benefits.....		6c	297
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	2983
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	476
f Total. Add lines 6d and 6e		6f	3459
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	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B 1I 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics 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	
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)	

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2014</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

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 01 Day 01 Year 2014			
2 Assets:			
a Market value	2a	80071666	
b Actuarial value	2b	78082298	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	3025	57645655	57645655
b For terminated vested participants	1170	11218377	11218377
c For active participants	234	3528215	3824552
d Total	4429	72392247	72688584
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	6.25%	
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.

<div>SIGN HERE</div>	<div>10/12/2015</div> <div>Signature of actuary</div>	<div>14-06799</div> <div>Date</div>
<div>DANIEL M. SECKAR</div> <div>Type or print name of actuary</div>	<div>Most recent enrollment number</div>	<div>412-355-8800</div> <div>Telephone number (including area code)</div>
<div>MERCER</div> <div>Firm name</div>		
<div>SIX PPG PLACE PITTSBURGH, PA 15222</div> <div>Address of the firm</div>		

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 ☐

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>10.21</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		596082
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.44</u> %		38388
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		634470
d Portion of (c) to be added to prefunding balance		0
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	0

Part III Funding Percentages		
14 Funding target attainment percentage	14	107.42 %
15 Adjusted funding target attainment percentage	15	107.42 %
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	100.17 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required 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	0
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No		
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No		
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 61
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 subject to 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 line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
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	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
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 an election was made to use PRA 2010 funding relief for this plan:			
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		

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <hr/> 2014 <hr/> This Form is Open to Public Inspection.
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>010</u>
C Plan or DFE 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	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: SMITHFIELD FOODS MASTER TRUST

b Name of sponsor of entity listed in (a): SMITHFIELD FOODS, INC.

c EIN-PN <u>13-4103752-001</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>76072375</u>
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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)
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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)
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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)
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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)
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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)
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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)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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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
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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.	<small>OMB No. 1210-0110</small> 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</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)	660000	0
(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)	79437195	76072375
(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	80097195	76072375

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	80097195	76072375
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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)	0	
(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)		0
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
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(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)		8643172
(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		8643172

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	12292733	
(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)		12292733
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)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)	375259	
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		375259
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		12667992

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-4024820
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: KREISCHER MILLER

(2) EIN: 23-1980475

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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

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.).....

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.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
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	
4c			
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	
4d			
e Was this plan covered by a fidelity bond?	X		3500000
4e			
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	
4f			
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	
4g			
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	
4h			
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	
4i			
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	
4j			
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	
4k			
l Has the plan failed to provide any benefit when due under the plan?		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m			
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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

<div>SCHEDULE R (Form 5500) <div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div>		<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>2014</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014					
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): 25-1926855					
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.....				3 816	
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) 2014 v. 140124	

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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (a) through (c)

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

Stock: 46.0% Investment-Grade Debt: 44.0% High-Yield Debt: 0.0% Real Estate: 1.0% Other: 9.0%

- 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 line 19(b)?

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

**JOHN MORRELL & CO. HOURLY
EMPLOYEES PENSION PLAN**

**Financial Statements
December 31, 2014 and 2013**



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JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN
December 31, 2014 and 2013

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Independent Auditors' Report

The Participants and Plan Administrator
John Morrell & Co. Hourly Employees Pension Plan
Smithfield, Virginia

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of John Morrell & Co. Hourly Employees Pension Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) 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 Notes 4 and 6, which was certified by The Bank of New York Mellon/BNY Mellon N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that The Bank of New York Mellon/BNY Mellon N.A. holds the Plan's investment assets and executes investment transactions as of and for the years ended December 31, 2014 and 2013. The plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2014 and 2013 that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements. Accordingly, we do not express an opinion on the financial statements.

Report on Form and Content in Compliance with DOL Rules and Regulations

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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Kreischer Miller

Horsham, Pennsylvania
October 9, 2015

JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN

Statements of Net Assets Available for Benefits December 31, 2014 and 2013

	2014	2013
Assets:		
Investments, at fair value:		
Investment in Smithfield Foods Master Trust	\$ 76,072,375	\$ 79,437,195
Employer contributions receivable	-	660,000
Net assets available for benefits	\$ 76,072,375	\$ 80,097,195

See accompanying notes to financial statements.

JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN

Statements of Changes in Net Assets Available for Benefits Years Ended December 31, 2014 and 2013

	2014	2013
Change in net assets attributed to:		
Investment income:		
Net investment income from Smithfield Foods Master Trust	\$ 8,643,172	\$ 4,897,974
Net appreciation in fair value of investments	-	1,914,751
Total investment income	8,643,172	6,812,725
Employer contributions	-	660,000
Total additions	8,643,172	7,472,725
Deductions from net assets attributed to:		
Benefits paid to participants	12,292,733	7,633,713
Administrative fees	375,259	302,809
Total deductions	12,667,992	7,936,522
Net decrease	(4,024,820)	(463,797)
Net assets available for benefits:		
Beginning of year	80,097,195	80,560,992
End of year	\$ 76,072,375	\$ 80,097,195

See accompanying notes to financial statements.

JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN

Notes to Financial Statements December 31, 2014 and 2013

(1) Description of Plan

The following description of the John Morrell & Co. Hourly Employees Pension Plan (the 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. (the 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 solely in the Smithfield Foods Master Trust (the Master Trust). The Master Trust was created to hold investment assets of the Plan as well as investment assets of several other plans sponsored by Smithfield or its subsidiaries (collectively, the Participating Plans).

Plan Administration

Overall responsibility for administering the Plan rests with Smithfield. The Smithfield Foods, Inc. Administrative Committee and Investment Committee (the Committees) are responsible for oversight of the Plan, determine the appropriateness of the Plan's investment holdings, monitor investment performance, and control and manage the operation and administration of the Plan. The Committees report directly to the audit committee of the Board of Directors.

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, 2014 and 2013.

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.

Continued...

JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN

Notes to Financial Statements
December 31, 2014 and 2013

(1) Description of Plan, Continued

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 (based on bargaining unit) plus \$10 times years of credited service after the contract date. The Plan permits early retirement at ages 55 to 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.

During 2014, the Plan provided the opportunity for term vested individuals to receive a lump sum cash out of their accrued benefit, resulting in a decrease to the actuarial present value of accumulated plan benefits (See Note 7).

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 the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

The preparation of financial statements in accordance with GAAP 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, and changes therein. Actual results could differ from those estimates.

Continued...

JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN

Notes to Financial Statements December 31, 2014 and 2013

(2) Summary of Significant Accounting Policies, Continued

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. The Committees determine the Plan's valuation policies utilizing information provided by its investment advisors and trustee. See Notes 5 and 6 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation 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 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 of the Master Trust to the Participating Plans. All interest, dividends, and net appreciation of the Master Trust are allocated in accordance with the Master Trust's investment asset pools.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Expenses

The Plan's administrative expenses are paid by either the Plan or the Company, as provided by the plan document. Expenses that are paid directly by the Company are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statements of changes in net assets available for benefits. 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 2014 and 2013.

Subsequent Events

The Plan has evaluated subsequent events through October 9, 2015, the date the financial statements were available to be issued.

JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN

Notes to Financial Statements December 31, 2014 and 2013

(3) Investments

The following presents a summary of the Plan's investments at December 31:

	2014	2013
Investments at fair value:		
Investment in Smithfield Foods Master Trust	\$ 76,072,375 *	\$ 79,437,195 *

*Represents 5% or more of the Plan's assets at year end.

During 2014 and 2013 the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated as follows:

	2014	2013
Investment income:		
Net investment income from Smithfield Master Trust	\$ 8,643,172	\$ 4,897,974
Net appreciation in fair value of investments:		
Smithfield Foods, Inc. common stock	-	1,914,751
	<u>\$ 8,643,172</u>	<u>\$ 6,812,725</u>

(4) Financial Information Certified by the Trustee

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations under ERISA. Accordingly, as permitted under such election, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by The Bank of New York Mellon/BNY Mellon N.A. (Mellon), the trustee of the Plan, as complete and accurate, except for comparing such information certified by the trustee to information included in the Plan's financial statements. The trustee has certified the following as complete and accurate:

- The investments at fair value at December 31, 2014 and 2013.
- Net investment income from Smithfield Foods Master Trust for the years ended December 31, 2014 and 2013.
- Net appreciation in fair value of investments for the years ended December 31, 2014 and 2013.

JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN

Notes to Financial Statements December 31, 2014 and 2013

(5) Fair Value Measurements

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

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

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, 2014 and 2013.

Plan's interest in the Master Trust: See Note 6 for valuation methodology.

As of December 31, 2014 and 2013, the Plan did not hold investments outside the Master Trust.

Continued...

JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN

Notes to Financial Statements December 31, 2014 and 2013

(5) Fair Value Measurements, Continued

The preceding methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Plan 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.

(6) Interest in Master Trust (Unaudited)

The Plan invests the majority of its plan assets in the Master Trust. The Master Trust was created to hold the investment assets of the Participating Plans. The assets of the Master Trust are held by Mellon as of and for the years ended December 31, 2014 and 2013. The Plan's interest in the net assets of the Master Trust was approximately 6% and 7% at December 31, 2014 and 2013, respectively.

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by Mellon, the trustee of the Master Trust, as complete and accurate, except for comparing such information certified by the trustee to information included in the Plan's financial statements.

The trustee has certified to the accuracy and completeness of the investment in the net assets of the Master Trust at fair value as of December 31, 2014 and 2013, and the net investment income of the Master Trust for the years then ended, as summarized below.

Continued...

JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN

Notes to Financial Statements December 31, 2014 and 2013

(6) Interest in Master Trust (Unaudited), Continued

The following table presents the investments of the Master Trust as of December 31:

	2014	2013
Investments at fair value:		
Common collective trusts	\$ 644,937,553	\$ 624,815,589
Common stock	358,092,891	325,526,636
Limited partnerships	84,532,170	65,166,009
Alternative investments	20,822,541	32,797,189
Registered investment companies	86,768,722	54,275,439
Corporate debt	391,852	567,904
Foreign exchange funds	22,551	1,737,669
Cash equivalents	1,758,703	932,939
Preferred stock	3,401,099	2,868,817
	1,200,728,082	1,108,688,191
Cash	5,536,190	3,644,063
Receivables	71,621,708	44,078,966
Liabilities	(70,797,473)	(41,856,187)
	\$ 1,207,088,507	\$ 1,114,555,033

Investment income for the Master Trust was as follows for the years ended December 31:

	2014	2013
Investment income:		
Net appreciation (depreciation) in fair value of investments:		
Common collective trusts	\$ 85,272,748	\$ (19,974,044)
Common stock	13,583,874	62,231,968
Limited partnerships	7,908,086	7,243,521
Alternative investments	511,989	2,424,365
Registered investment companies	3,106	89,036
Corporate debt	122,217	219,190
Foreign exchange funds	10,860,354	7,646,360
Cash equivalents	(60,121)	4,959
Preferred stock	(572,048)	470,913
	117,630,205	60,356,268
Interest	129,952	20
Dividends	9,495,368	6,107,682
Other	335,572	809,515
	\$ 127,591,097	\$ 67,273,485

Continued...

JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN

Notes to Financial Statements December 31, 2014 and 2013

(6) Interest in Master Trust (Unaudited), Continued

Following is a description of the valuation methodologies used for assets measured at fair value held by the Master Trust.

Common collective trusts: Valued at the net asset value (NAV) of units of a bank collective trust. The NAV as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Were the Plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

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

Limited partnerships: The valuation of limited partnership investments requires the use of significant unobservable inputs due to the absence of quoted market prices, inherent lack of liquidity and long-term nature of such assets and are classified as level 3. These investments are initially valued at cost with quarterly valuations performed utilizing available market data to determine the fair value of these investments. Such market data consists primarily of the observations of trading multiples of public companies considered comparable to the investments with adjustments for investment-specific issues, the lack of liquidity and other items. In connection with these investments, the Master Trust has entered into capital commitments, of which approximately \$45,000,000 remains outstanding as of December 31, 2014.

Alternative investments: The fair values of alternative investments are obtained from pricing services, broker quotes or other model-based valuation techniques with observable inputs and classified as level 2. The nature of these alternative investments include instruments for which quoted prices are available but traded less frequently, instruments whose fair value has been derived using a model where inputs to the model are directly observable in the market, or can be derived principally from or corroborated by observable market data and securities that are valued using other financial instruments, the parameters of which can be directly observed. Level 2 alternative investments include diversified investment funds, domestic options contracts and futures contracts.

Registered investment companies: Valued at the daily closing price as reported by the registered investment company. Registered investment companies held by the Plan are open end mutual funds that are registered with the Securities and Exchange Commission. These investments are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Continued...

JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN

Notes to Financial Statements
December 31, 2014 and 2013

(6) Interest in Master Trust (Unaudited), Continued

Corporate debt: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings, recently executed transactions, market price quotations (where observable), bond spreads or credit default swap spreads.

Foreign exchange funds: Valued using pricing models based on the prevailing forward exchange rate of the underlying currencies taking into account the counterparties' creditworthiness.

Cash equivalents: Valued at the closing price reported on the active market on which the individual securities are traded.

Preferred stock: Represents investments in preferred stock valued at fair value using recent activity for similar instruments.

Continued...

JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN

Notes to Financial Statements December 31, 2014 and 2013

(6) Interest in Master Trust (Unaudited), Continued

The following tables set forth by level, within the fair value hierarchy, the Master Trust's investments at fair value:

	Assets at Fair Value as of December 31, 2014			
	Level 1	Level 2	Level 3	Total
Common collective trusts:				
Domestic	\$ -	\$ 607,599,674	\$ -	\$ 607,599,674
International	-	37,337,879	-	37,337,879
Total common collective trusts	-	644,937,553	-	644,937,553
Common stock:				
Healthcare	39,800,698	-	-	39,800,698
Financials	72,969,558	-	-	72,969,558
Consumer staples	10,313,961	-	-	10,313,961
Consumer discretionary	26,257,219	-	-	26,257,219
Energy	21,012,545	-	-	21,012,545
Technology	60,490,390	-	-	60,490,390
Industrials	50,412,953	-	-	50,412,953
Telecommunications	9,064,353	-	-	9,064,353
Services	52,746,109	-	-	52,746,109
Utilities	6,855,635	-	-	6,855,635
Other	8,169,470	-	-	8,169,470
Total common stock	358,092,891	-	-	358,092,891
Limited partnerships	-	-	84,532,170	84,532,170
Alternative investments	-	20,822,541	-	20,822,541
Registered investment companies:				
Money market fund	86,632,828	-	-	86,632,828
Other	135,894	-	-	135,894
Total registered investment companies	86,768,722	-	-	86,768,722
Corporate debt	-	391,852	-	391,852
Foreign exchange funds	-	22,551	-	22,551
Cash equivalents	1,758,703	-	-	1,758,703
Preferred stock	-	3,401,099	-	3,401,099
Total assets at fair value	\$ 446,620,316	\$ 669,575,596	\$ 84,532,170	\$ 1,200,728,082

Continued...

JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN

Notes to Financial Statements December 31, 2014 and 2013

(6) Interest in Master Trust (Unaudited), Continued

	Assets at Fair Value as of December 31, 2013			
	Level 1	Level 2	Level 3	Total
Common collective trusts:				
Domestic	\$ -	\$ 571,856,111	\$ -	\$ 571,856,111
International	-	52,959,478	-	52,959,478
Total common collective trusts	-	624,815,589	-	624,815,589
Common stock:				
Healthcare	37,752,943	-	-	37,752,943
Financials	70,671,871	-	-	70,671,871
Consumer staples	13,434,896	-	-	13,434,896
Consumer discretionary	27,849,860	-	-	27,849,860
Energy	22,109,306	-	-	22,109,306
Technology	48,952,801	-	-	48,952,801
Industrials	48,475,556	-	-	48,475,556
Telecommunications	11,847,484	-	-	11,847,484
Services	23,047,236	-	-	23,047,236
Utilities	10,425,337	-	-	10,425,337
Other	10,959,346	-	-	10,959,346
Total common stock	325,526,636	-	-	325,526,636
Limited partnerships	-	-	65,166,009	65,166,009
Alternative investments	-	32,797,189	-	32,797,189
Registered investment companies:				
Money market fund	53,163,879	-	-	53,163,879
Other	1,111,560	-	-	1,111,560
Total registered investment companies	54,275,439	-	-	54,275,439
Corporate debt	-	567,904	-	567,904
Foreign exchange funds	-	1,737,669	-	1,737,669
Cash equivalents	932,939	-	-	932,939
Preferred stock	-	2,868,817	-	2,868,817
Total assets at fair value	\$ 380,735,014	\$ 662,787,168	\$ 65,166,009	\$ 1,108,688,191

Master Trust assets above do not include net receivables and payables for unsettled trades as well as accrued income and cash.

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, 2014 and 2013.

Continued...

JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN

Notes to Financial Statements December 31, 2014 and 2013

(6) Interest in Master Trust (Unaudited), Continued

Level 3 Gains and Losses

The following table illustrates the activity of the Master Trust's level 3 assets measured at fair value on a recurring basis for the years ended December 31:

	Limited Partnerships	
	2014	2013
Beginning balance	\$ 65,166,009	\$ 69,524,415
Realized gains	6,093,573	4,423,100
Unrealized gains relating to instruments still held at the reporting date	1,814,513	2,820,421
Purchases	34,886,897	33,956,688
Sales	(23,428,822)	(45,558,615)
Ending balance	\$ 84,532,170	\$ 65,166,009

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.

(7) Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump sum distributions that 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 independent actuary, Mercer Human Resource Consulting, and is the 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.

Continued...

JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN

Notes to Financial Statements December 31, 2014 and 2013

(7) Actuarial Present Value of Accumulated Plan Benefits, Continued

The significant actuarial assumptions underlying the valuations as of January 1, 2014 and 2013 were as follows:

Interest rate	7.5% (7.75% as of January 1, 2013)
Discount rate	5.25% (4.45% as of January 1, 2013)
Mortality:	
Healthy participants	RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA
Disabled participants	Revenue Ruling 96-7 tables for disabled participants
Retirement age	Attained age 65
Funding method	Unit Credit Actuarial Cost Method

The actuarial present value of accumulated plan benefits is as follows as of January 1:

	2014	2013
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Active participants	\$ 3,185,068	\$ 3,399,582
Inactive participants with deferred benefits	10,103,056	14,898,966
Inactive participants receiving benefits	53,220,418	54,426,639
	<hr/> 66,508,542	<hr/> 72,725,187
Nonvested benefits	267,428	189,099
Total actuarial present value of accumulated plan benefits	<hr/> \$ 66,775,970	<hr/> \$ 72,914,286

Continued...

JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN

Notes to Financial Statements December 31, 2014 and 2013

(7) Actuarial Present Value of Accumulated Plan Benefits, Continued

The change in the actuarial present value of accumulated plan benefits is as follows for the years ended January 1:

	2014	2013
Actuarial present value of accumulated plan benefits at beginning of year	\$ 72,914,286	\$ 74,577,861
Increase (decrease) during the year attributable to:		
Benefits accumulated and (gains) losses	(817,952)	384,962
Increase for interest due to decrease in discount period	5,330,400	5,458,359
Benefits paid	(7,633,713)	(7,656,781)
Change in actuarial assumptions	1,258,196	149,885
Term vested cashout cleanup (See Note 1)	(4,275,247)	-
Actuarial present value of accumulated plan benefits at end of year	\$ 66,775,970	\$ 72,914,286

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. The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2014 and 2013. Had the valuations been performed as of December 31, there would be no material differences.

(8) Plan Termination

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.
2. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a U.S. government agency) up to the applicable limitations.

Continued...

JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN

Notes to Financial Statements December 31, 2014 and 2013

(8) Plan Termination, Continued

3. All other vested benefits (that is, vested benefits not insured by the PBGC).
4. All nonvested benefits.

Certain benefits under the Plan are insured by the 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. However, there is a statutory ceiling, which is adjusted periodically on the amount of an individual's monthly benefit that the PBGC guarantees. For plan terminations occurring during 2015, that ceiling is \$5,011 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Whether all participants receive their benefits, should the Plan be terminated at some future time, will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the plan sponsor and the level of benefits guaranteed by the PBGC. 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 (IRS) 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 requirements of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2014, 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 2011.

JOHN MORRELL & CO. HOURLY EMPLOYEES PENSION PLAN

Notes to Financial Statements December 31, 2014 and 2013

(10) Related Party Transactions and 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. The Plan held 330,105 shares of Smithfield common stock outside the Master Trust at December 31, 2012 with a fair value of \$7,120,359. All such holdings were liquidated during 2013, and for the year ended December 31, 2013, no dividend income related to the stock was recorded by the Plan.

The Master Trust pays fees to various parties-in-interest on behalf of the Participating Plans. Fees paid to parties-in-interest for 2014 and 2013 were as follows:

	2014	2013
Investment management	\$ 5,684,427	\$ 3,995,305
Consulting	164,525	12,500
	<u>\$ 5,848,952</u>	<u>\$ 4,007,805</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 statement of net assets available for benefits.

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

Schedule SB, Line 26 — Schedule of Active Participant Data**Distribution of Active Participants as of January 1, 2014**

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	1										1
40–44											
45–49	1	22									23
50–54	5	34	6								45
55–59	3	26	16	19							64
60–64	1	11	11	20	21						64
65–69		3	2	4	10	10					29
70 & up	1	1	1		1	1	3				8
Total	12	97	36	43	32	11	3				234

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

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial assumptions****Discount rate sponsor elections**

▪ Segment rates or full yield curve	Segment		
▪ Look-back months	4		
		<u>Stabilized rates</u>	<u>Nonstabilized rates</u>
▪ First 5 years		4.99%	1.37%
▪ Next 15 years		6.32%	4.05%
▪ Over 20 years		6.99%	5.06%

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	7.75% per year for years 2011 through 2013. 7.50% per year for year 2014
▪ 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 1 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	5.0%	5.0%
56	10.0%	10.0%
57	5.0%	5.0%
58	5.0%	5.0%
59	5.0%	5.0%
60	10.0%	10.0%
61	22.5%	22.5%
62	22.5%	22.5%
63	15.0%	15.0%
64	20.0%	20.0%
65	40.0%	40.0%
66	40.0%	40.0%
67	40.0%	40.0%
68	40.0%	40.0%
69	40.0%	40.0%
70	100.0%	100.0%

Benefit commencement age for

- Future vested deferred 65
- Current vested deferred 65

	<u>Male participants</u>	<u>Female participants</u>
Spouse assumptions		
Percentage married	80%	80%
Spouse age difference	3 years younger	3 years older

Form of payment	<u>Lump sum</u>	<u>Single life</u>	<u>75% J&S</u>
Active retirements	0%	70%	30%
Future vested deferred	0%	70%	30%
Future disabilities	0%	100%	0%
Future deaths	0%	100% ¹	0%
Current vested deferred	0%	70%	30%

¹ REA Spouse's Annuity.

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

Unpredictable contingent event assumptions	Not applicable
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Table of sample rates*Withdrawal Rates for Participants with Less than Five Years of Service*

Service	Percentage
0	60.0%
1	35.0
2	25.0
3	20.0
4	15.0

Withdrawal Rates for Participants with Five or More Years of Service

Attained Age	Percentage
22	21.5%
32	11.4
42	9.3
52	7.5
62	5.8

Disability Terminations from Active Status

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

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

Actuarial methods

Asset methods

The asset valuation method is an average of the adjusted market value for each year during the last 2 years 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.

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, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **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.

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

- 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 (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>	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 2014 This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

▶ **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>01</u> Day <u>01</u> Year <u>2014</u>			
2 Assets			
a Market value	2a	80071666	
b Actuarial value	2b	78082298	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	3025	57645655	57645655
b For terminated vested participants	1170	11218377	11218377
c For active participants	234	3528215	3824552
d Total	4429	72392247	72688584
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	6.25%	
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	 Signature of actuary	<u>10/12/15</u> Date 1406799 Most recent enrollment number 412-355-8800 Telephone number (including area code)
DANIEL M. SECKAR Type or print name of actuary		
MERCER Firm name		
SIX PPG PLACE PITTSBURGH PA 15222 Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2014
v. 140124

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>10.21</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance		
a Present value of excess contributions (line 38a from prior year)		596082
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.44</u> %		38388
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		634470
d Portion of (c) to be added to prefunding balance		0
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	0

Part III Funding Percentages

14 Funding target attainment percentage	14	107.42 %
15 Adjusted funding target attainment percentage	15	107.42 %
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	100.17 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c)
					0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required 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	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate				
a Segment rates	1st segment 4.99%	2nd segment 6.32%	3rd segment 6.99%	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 61
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 subject to 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 line 31a	31b	0	
32 Amortization installments	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
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	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
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 an election was made to use PRA 2010 funding relief for this plan				
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			

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 61.

Below are the retirement rates for participants with less than 30 years of service.

(A) Retirement Age	(B) Theoretical Population	(C) Retirement Age	(D) Expected Number of Retirements (B) x (C)	(E) Weighted Number of Retirements (A) x (D)
55	1,000	5.0%	50.0	2,750.0
56	950	10.0%	95.0	5,320.0
57	855	5.0%	42.8	2,436.8
58	812	5.0%	40.6	2,355.5
59	772	5.0%	38.6	2,276.3
60	733	10.0%	73.3	4,398.3
61	660	22.5%	148.4	9,055.1
62	511	22.5%	115.0	7,132.7
63	396	15.0%	59.4	3,744.7
64	337	20.0%	67.4	4,311.3
65	269	40.0%	107.8	7,005.9
66	162	40.0%	64.7	4,268.2
67	97	40.0%	38.8	2,599.7
68	58	40.0%	23.3	1,583.1
69	35	40.0%	14.0	963.8
70	21	100.0%	21.0	1,466.7
Total			1,000.0	61,668.3
Weighted average retirement age:				61.7

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

Below are the retirement rates for participants with 30 or more years of service.

(A) Retirement Age	(B) Theoretical Population	(C) Retirement Age	(D) Expected Number of Retirements (B) x (C)	(E) Weighted Number of Retirements (A) x (D)
50	1,000	2.0%	20.0	1,000.0
51	980	2.0%	19.6	999.6
52	960	2.0%	19.2	998.8
53	941	2.0%	18.8	997.7
54	922	2.0%	18.4	996.2
55	904	5.0%	45.2	2,485.8
56	859	10.0%	85.9	4,808.9
57	773	5.0%	38.6	2,202.6
58	734	5.0%	36.7	2,129.2
59	697	5.0%	34.9	2,057.6
60	663	10.0%	66.3	3,975.7
61	596	22.5%	134.2	8,185.1
62	462	22.5%	104.0	6,447.4
63	358	15.0%	53.7	3,384.9
64	304	20.0%	60.9	3,897.1
65	244	40.0%	97.4	6,332.8
66	146	40.0%	58.5	3,858.1
67	88	40.0%	35.1	2,350.0
68	53	40.0%	21.0	1,431.0
69	32	40.0%	12.6	871.2
70	19	100.0%	18.9	1,325.8
Total			1,000.0	60,735.5
Average retirement age:				60.7

(A) Group	(B) Number of Active Participants	(C) Weighted Average Retirement Age	(B) x (C)
Less than 30 Years of Service	120	61.7	7,404.0
30 or more Years of Service	114	60.7	6,919.8
Total	234		14,323.8
Average retirement age:		61.2	

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, 2011 are included in this valuation.

- **Most recent plan amendments included:** All amendments through December 31, 2013 have been reflected in this valuation.
- **Plan amendments excluded:** None
- **Late retirement increases:**
 - *Active participants:* The plan applies late retirement actuarial increases for all participants who defer retirement beyond their normal retirement date and this valuation includes those increases.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Internal Revenue Code 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.
- **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.
- **Unpredictable contingent event benefits:** This valuation does not value the plan's unpredictable contingent event benefits, which are summarized herein, because the likelihood of an event is de minimis.

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

Effective date and plan year	Original plan: January 1, 1957 Restated plan: January 1, 2011 Plan year: January 1 Through December 31
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, 1991	October 3, 1983
	02T	Sioux Falls (IBT)	June 30, 1990	January 1, 1985
	34	Saratoga Specialties	April 3, 2005	
▪ Eligibility	Age 65			
▪ 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.

Schedule SB, Part V — Summary of Plan Provisions**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. |
| ▪ 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 | 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.
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. |

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

Schedule SB, Part V — Summary of Plan Provisions

▪ Automatic form for unmarried participants	Single Life Annuity
▪ Automatic form for married participants	An actuarially reduced joint and 50% survivor annuity.
• Optional forms	<ul style="list-style-type: none"> • Joint and Survivor Annuity (100% or 75%) All options are actuarially reduced.
• Optional form conversion factors	Late retirement increase: <ul style="list-style-type: none"> • Mortality Table – GAM71 mortality table for males • Interest Rate – 8.00% Optional form: <ul style="list-style-type: none"> • Mortality Table – 1994 Group Annuity Reserving Table, projected to 2002, weighted 50% males/50% females • Interest Rate – 5.25%
Miscellaneous	
▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2014, the limit is \$210,000.

Plan provision changes since prior valuation

Maximum benefit amounts under IRS rules were updated from 2013 to 2014.