



**THE HUMANE SOCIETY
OF THE UNITED STATES**

November 16, 2011

OFFICERS

Anita W. Coupe, Esq.
Chair of the Board
Jennifer Leaning, M.D., S.M.H.
Vice Chair of the Board
Walter J. Stewart, Esq.
Board Treasurer
Wayne Pacelle
President & CEO
Michael Markarian
Executive Vice President & COO
G. Thomas Waite III
Treasurer & CFO
Andrew N. Rowan, Ph.D.
*Chief International Officer
& Chief Scientific Officer*
Roger A. Kindler, Esq.
General Counsel & CLO
Janet D. Frake
Secretary

STAFF VICE PRESIDENTS

John Balzar
*Senior Vice President
Communications*
John W. Grandy, Ph.D.
*Senior Vice President
Wildlife & Habitat Protection*
Holly Hazard
Chief Innovations Officer
Heidi Prescott
*Senior Vice President
Campaigns*
Geoffrey L. Handy
*Media and Online
Communications*
Jonathan R. Loworn, Esq.
Animal Protection Litigation
Kathleen C. Milani
Investigations and Video
Nancy Perry, Esq.
Government Affairs
Kelly Peterson
Field Services
Robert G. Roop, Ph.D., SPHR
*Human Resources &
Education Programs*
Melissa Seide Rubin, Esq.
*Animal Care Centers
& Veterinary Services*
John M. Snyder
Companion Animals
Martin L. Stephens, Ph.D.
Animal Research Issues

DIRECTORS

Jeffrey J. Arciniaco
Peter A. Bender
Eric L. Bernthal, Esq.
Barbara S. Brack
Anita W. Coupe, Esq.
Neil B. Fang, Esq., C.P.A.
Jane Greenspun Gale
Paula A. Kislak, D.V.M.
Jennifer Leaning, M.D., S.M.H.
Kathleen M. Linehan, Esq.
Dwight E. Lowell II
William F. Mancuso
Mary I. Max
Patrick L. McDonnell
Gil Michaels
Judy Ney
Sharon Lee Patrick
Judy J. Peil
Marian G. Probst
Joshua S. Reichert, Ph.D.
Walter J. Stewart, Esq.
Andrew Weinstein
Persia White
David O. Wiebers, M.D.
Lona Williams

Mr. C. Larry Pope
President and Chief Executive Officer
Smithfield Foods, Inc. 200 Commerce Street
Smithfield, VA 23430

Re: Inspection of Corporate Records

Dear Mr. Pope,

As a Smithfield Foods, Inc. shareholder, and pursuant to Virginia law, including Va. Code Ann. §13.1-771, The Humane Society of the United States requests inspection or copies of all of the following:

1. All accounting records of Smithfield Foods and Murphy-Brown LLC from January 2009 through the present relating to the housing and care of sows, including those relating to sales, purchases, housing conversions, etc.
2. All accounting records relating to the 30% group housing conversion that Smithfield is reporting to investors it will achieve on company-owned farms by the end of 2011. This includes all records relating or referring to how that percentage was calculated.
3. All records relating to meetings of the Board of Directors of Smithfield Foods, Inc. or any committee thereof from January 2009 through the present at which the issue of sow housing was considered or acted upon.

HSUS has held stock in Smithfield since 2007, when the corporation announced to investors that it would respond to customer preferences by replacing individual sow gestation crates at all company-owned farms with group sow housing systems within ten years. This announcement promised a major advancement in animal welfare, which was praised by clients such as McDonald's, as well as renowned doctor of animal science Temple Grandin. Smithfield has since used such praise to promote the company's commitment to animal welfare through such communication vehicles as corporate responsibility reports, investor releases and its new Corporate Social Responsibility ("CSR") website. Significantly, Smithfield identified animal welfare as one of the highest stakeholder concerns that also have the highest potential impact on company performance in a Materiality Matrix featured in its 2009-2010 corporate responsibility report.

Most recently, Smithfield announced to investors the launch of a website dedicated exclusively to CSR issues. On the issue of gestation crates,

Smithfield is heavily promoting its purported phase-out progress by declaring that by the end of 2011, “we will have 30 percent of sows on company farms in group gestation housing facilities.” This 2011 progress report has been posted on multiple websites, published in media statements, and offered directly to investors, as well. Accordingly, the accuracy of this heavily promoted conversion percentage and how it was calculated are of particular interest to stakeholders.

After a conversion rate ranging between one and two percent in each of the four years since announcing the phase-out in 2007, Smithfield had only managed to reach a total of 6.6 percent conversion by the end of 2010. Smithfield has not released specific data on how it achieved the sudden leap in 2011—which is twelve times higher than the rate of its best previous year—thereby raising significant stakeholder questions as to the integrity of the claim. Further called into question by the sudden increase is why, despite a jump of 23 percentage points in one year, the company has withdrawn its original 2017 phase out commitment deadline—which is still more than five years away. The company’s failure to provide specific data on a conversion process that has become such a prominent part of its CSR claims creates an information gap on sow care and housing practices, leaving concerned stakeholders without the ability to verify the accuracy of such claims—claims that the company acknowledges have the highest potential to impact company performance.

As a shareholder in the corporation, HSUS is concerned about management and reporting issues and decisions on animal care issues that Smithfield acknowledges are very important to stakeholders and which undisputedly could significantly impact the corporation’s financial performance. HSUS now seeks inspection of corporate records for the purpose of ensuring that Smithfield is continuing to make significant and actual progress toward its professed group-housing goal.

Under Virginia law, the corporation is authorized to select a reasonable location of the inspection and copying of the records. Given that the statute also requires advance notice of at least five business days, we’d ask that you contact us by the end of that period to discuss the specific date and location of the inspection. As an alternative to physical inspection, we are willing to accept electronic transmissions of the records, as authorized by section 13.1-772(B).

Sincerely,

_____/s/_____

Jonathan Lovvorn
Senior Vice President and Chief Counsel,
Animal Protection Litigation

cc: Mr. Michael H. Cole, Vice President, Chief Legal Officer and Secretary
Smithfield Foods, Inc., 200 Commerce Street, Smithfield, VA 23430