

Congress of the United States
House of Representatives
Washington, DC 20515

June 27, 2013

The Honorable William J. Baer
Assistant Attorney General
Antitrust Division
United States Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Assistant Attorney General Baer:

On May 29, 2013 Smithfield Foods, Inc. and Shuanghui International Holdings Limited announced that they have entered into a definitive merger agreement. Smithfield Foods is a \$13 billion U.S. company and the world's largest pork processor and hog producer. It controls 26% of pork processing in the U.S. and 15% of hog production. Shuanghui International and its subsidiaries are the majority shareholders of China's largest meat processing enterprise, which is publically traded as Henan Shuanghui Investment & Development on the Shenzhen Stock Exchange.

This transaction, if approved, will be the largest acquisition to date of a U.S. corporation by a Chinese Enterprise.

As such, we request that the Antitrust Division of the Department of Justice fully examine and investigate the market impact of this deal, if such a review is not already pending. Due to the circumstances surrounding this transaction, this may actually be an anticompetitive merger that would harm both competition and consumers.

The Antitrust Division, in cooperation with the Federal Trade Commission, has a duty to identify and investigate those mergers and acquisitions that raise potentially significant competitive concerns. As there are legitimate concerns regarding whether or not this is an independent decision, apart from the Chinese government, as well as this not representing a truly free market deal, an investigation of this merger from a competition standpoint is warranted.

We believe that the Shuanghui-Smithfield deal is not truly a free market transaction. Shuanghui claims to be a private company, but there is evidence to suggest strong ties to the Chinese government. Further, it is likely that the Chinese government is somewhat, if not heavily, involved in such a strategic overseas investment. There are also legitimate questions about free trade. A truly free market would allow a U.S. business the same opportunity as the Chinese business has – to go into their country and purchase one of their businesses. China's track record proves this is not likely, and as such, these one-sided transactions cannot be deemed examples of free enterprise.

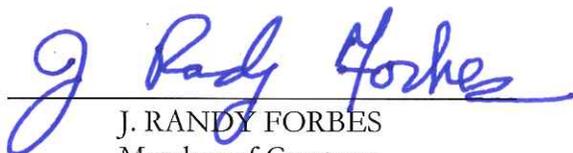
Finally, there are concerns regarding the future food supply in the United States. Not only is Shuanghui expected to increase its exports to China from the plant in Smithfield, Virginia, but eight

states – Iowa, Nebraska, Minnesota, Missouri, North Dakota, Oklahoma, South Dakota and Wisconsin – have laws barring foreign ownership of agricultural land. While the fate of these companies has yet to be determined, we cannot ignore the possibility of U.S. food supply being greatly diminished should these plants close.

Due to these concerns, we believe that it is imperative that the Antitrust Division conduct an investigation examining the market impact of this merger, with an emphasis on the free trade and food supply implications of this transaction.

If such an investigation is pending, please inform us of its status. If not, thank you for your consideration of this request and we look forward to hearing from you.

Sincerely,



J. RANDY FORBES
Member of Congress



FRANK WOLF
Chairman, House Commerce, Justice,
Science and Related Agencies
Appropriations Subcommittee