

February 16, 2015

Hog Grower's Lawyers Object to Mentions of Chinese Ties

NC hog-grower's lawyers want federal lawsuits scrubbed of mentions of Chinese connections

By EMERY P. DALESIO AP Business Writer

The Associated Press

ROSE HILL, N.C.

Lawyers for the world's largest pork producer say it is bad enough being told your product stinks, but it's going too far to mention that a Chinese company is behind it.

WHO'S COMPLAINING?

More than 500 neighbors of industrial-scale hog operations across eastern North Carolina have filed 25 lawsuits since last summer. Attorneys contend the residents are forced to tolerate terrible smells and clouds of flies that have been unaddressed since the factory farms moved in during the 1990s.

WHO'S GETTING THE BLAME?

The outdated image of pigs wallowing in farmyard mud before being butchered into hams and hocks is largely the purview of food artisans and hobbyists. Now, the vast majority of pork products come from factory farms, pioneered by Murphy-Brown LLC a generation ago.

Murphy-Brown was bought in 2000 by Virginia-based Smithfield Foods. Smithfield was then purchased by WH Group in 2013 ??? the largest takeover of a U.S. company by a Chinese corporation.

CHINA'S PORK BELLIES

The WH Group buyout was motivated largely to provide the Communist-led country a steady supply of cheaper, untainted U.S.-grown meat.

"This transaction creates a terrific opportunity through growth in exports for U.S. hog farmers to expand production to meet the growing Chinese demand," Smithfield Chief Executive Officer C. Larry Pope said at the time.

But the lawsuits contend Chinese demand for more North Carolina-sourced pork will only increase the nuisance for hog-farm neighbors.

SAY WHAT?

Lawyers for Murphy-Brown argue in court documents that litigation over the stink of industrial-scale growing operations should be scrubbed of references to "the <u>Chinese government</u>, Chinese corporations, and Chinese demand for and purchases of pork."

The references are "scandalous and clearly designed to inflame the jury and the public while taking advantage of xenophobic biases in today's political landscape," the company's lawyers said, adding the lawsuits are a "platform for negative publicity ... that will harm Murphy-Brown's reputation."

The hog-grower's lawyers also object to suggestions that the company is subject to influence from Beijing

Hog Grower's Lawyers Object to Mentions of Chinese Ties

politicians.

CHINESE CONTROL?

The Smithfield Foods takeover was approved after a review by the Committee on Foreign Investment in the United States, a federal interagency group.

Dartmouth University management professor Matthew Slaughter said in 2013 that Shuanghui ??? as WH Group was called at the time ??? wasn't like the state-owned companies commonly found in Communist economies. Slaughter said its shareholders included Goldman Sachs and Singapore's sovereign wealth fund.

But <u>West Virginia</u> University management professor Usha Haley said at the same U.S. Senate committee hearing that Shuanghui's decisions wouldn't be entirely independent, noting pork is so central to the Chinese diet that Beijing controls domestic pork prices with the world's only strategic stockpile of pork.

"The price of pigs is linked to China's social and political stability: When pork prices rise, Beijing assumes that discontent will follow," she wrote in prepared testimony.

Emery Dalesio can be reached at http://twitter.com/emerydalesio

Copyright 2015 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten, or redistributed.

Copyright © 2015 ABC News Internet Ventures