



## Senators Express Concerns About Smithfield Food Merger

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RENEE MONTAGNE: It's MORNING EDITION from NPR News. I'm Renee Montagne.

DAVID GREENE: And I'm David Greene. Good morning. Pork was on the menu on Capitol Hill yesterday, but not the kind Congress produces. Lawmakers on the Senate Agriculture Committee were focused on the takeover of **Smithfield** Foods by a big Chinese company.

MONTAGNE: **Smithfield** is the largest pork processor in the U.S. Both Democratic and Republican Senators on the Agriculture Committee expressed concerns about the \$4.7 billion dollar deal and its potential effect on U.S. food safety and security. Here's NPR's John Ydstie.

JOHN YDSTIE: **Smithfield** CEO Larry Pope tried to reassure lawmakers that the sale of his Virginia based company will not mean a transfer of jobs to China or a reduction in food safety. He said **Smithfield** and its prospective parent, Shuanghui International, intended to meet a growing demand for pork in China by exporting from the U.S.

(SOUNDBITE OF HEARING)

LARRY POPE: This means increased capacity for U.S. producers, more jobs in processing and more exports for the U.S. economy. At the same time, we will continue to supply our same high quality, renowned products to U.S. consumers.

YDSTIE: But a number of lawmakers expressed concern that the quality and safety of **Smithfield's** products might be undermined if the buyout is approved. Shuanghui, the Chinese company, has been involved in some of the recent food safety fiascos in China. Professor **Usha Haley** of the West Virginia University Center for Global Business and Strategy, listed a number of them.

**USHA HALEY**: There have been outrageous food safety violations. Shuanghui fed pigs the banned chemical clenbuterol, Chinese food growers into glowing pork, cadmium rice, rat meat sold as mutton, toxic milk, etc., etc. Sixteen thousand dead pigs floated down a Shanghai River in March.

YDSTIE: The **Smithfield** CEO tried to calm those food safety fears by reminding lawmakers that **Smithfield** would continue to operate under U.S. law.

(SOUNDBITE OF HEARING)

POPE: We're not operating under the laws of China. We're operating under the auspices of the USDA and the food inspection process. So I think, to your constituents back home, it's the same old **Smithfield**. Nothing's going to change. This is going to be an American company.

YDSTIE: The chair of the Senate Agriculture Committee Democrat Debbie Stabenow of Michigan had another concern - the transfer of **Smithfield's** pork production and processing technology to Shuanghui.

(SOUNDBITE OF HEARING)

REPRESENTATIVE DEBBIE STABENOW: Can we expect that after the company had adopted **Smithfield's** excellent technology and practices, they will increase exports to Japan, our largest export market in competition with U.S. products?

YDSTIE: Pope countered by pointing out that pork is the main protein in the Chinese diet and China is not producing enough to satisfy its growing domestic demand.

(SOUNDBITE OF HEARING)

POPE: China is looking at this as an opportunity to feed their people, to satisfy the civil issue that they've got to solve in giving safe food to their people. It's not about an opportunity to import product and then export back out to Japan.

YDSTIE: Republican Senator Mike Johanns of Nebraska pressed Pope on another issue that appeared to rankle a number of Senators.

(SOUNDBITE OF HEARING)

REPRESENTATIVE MIKE JOHANNNS: There is something really offensive about the reality that they can do this here, but a very aggressive company like **Smithfield** could not do this in China. Chinese regulators would laugh at you if you said, well, I'll just buy Shuanghui.

YDSTIE: Pope acknowledged that situation is troubling, but offered no solution. The U.S. government's Committee on Foreign Investment in the United States continues to review the **Smithfield** deal. It could block the takeover, but at present it's not obvious what might cause the committee to stop it. John Ydstie, NPR News, Washington.

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