SMITHFIELD FOODS INC
Form S-4/A
January 09, 2007
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As filed with the Securities and Exchange Commission on January 9, 2007

Registration No. 333-138090

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 2

TO

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Smithfield Foods, Inc.

(Exact name of registrant as specified in its charter)

Virginia	**2011**	**52-0845861**
(State of Incorporation)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

200 Commerce Street

Smithfield, Virginia 23430

(757) 365-3000

(Address, including zip code, and telephone number, including area code, of registrants principal executive offices)

Michael H. Cole, Esq.

Vice President, Chief Legal Officer & Secretary

200 Commerce Street

Smithfield, Virginia 23430

(757) 365-3030

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

Robert E. Spatt	**John J. Sabl**	**Robert B. Schumer**
Maripat Alpuche	**Dennis V. Osimitz**	**Paul, Weiss, Rifkind,**
Simpson Thacher & Bartlett LLP	**Sidley Austin LLP**	**Wharton & Garrison LLP**
425 Lexington Avenue	**One South Dearborn Street**	**1285 Avenue of the Americas**
New York, New York 10017-3954	**Chicago, Illinois 60603-2302**	**New York, New York 10019-6064**
(212) 455-2000	**(312) 853-7000**	**(212) 373-3000**

Approximate date of commencement of proposed exchange offer: As soon as practicable after this Registration Statement is declared effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, please check the following box. ¨

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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[•], 2007

To the Stockholders of Premium Standard Farms, Inc.:

You are cordially invited to attend a special meeting of stockholders of Premium Standard Farms, Inc. (PSF) to be held on [•], 2007, at [•] a.m., local time, in Conference Room 1A of the First Floor of the South Tower of State Street s offices at 805 Pennsylvania Avenue, Kansas City, Missouri 64105.

At the special meeting, you will be asked to vote to adopt the merger agreement entered into by PSF with Smithfield Foods, Inc. (Smithfield) and a subsidiary of Smithfield. The merger agreement provides that, upon effectiveness of the merger contemplated by the merger agreement, PSF will become a wholly owned subsidiary of Smithfield and each share of PSF common stock you own will be converted into the right to receive:

0.6780 of a share of Smithfield common stock; and

$1.25 in cash.

Under limited circumstances, Smithfield will increase by up to $1.00 per share, the amount of cash to be included in the merger consideration and decrease the fraction of a share of Smithfield common stock by an amount having an equivalent value (based on the average price of Smithfield common stock during a specified period prior to closing) as the amount of the increase in cash.

The board of directors of PSF has unanimously approved the merger agreement and has determined that the merger agreement is fair to, and in the best interests of, PSF and its stockholders. **The board of directors of PSF unanimously recommends that you vote FOR the adoption of the merger agreement at the special meeting.**

In reaching its determination to recommend adoption of the merger agreement, the board of directors considered the opinion of PSF s financial advisor, Centerview Partners LLC, that, as of September 17, 2006, the consideration to be received by PSF stockholders pursuant to the merger was fair to the stockholders of PSF from a financial point of view. Centerview s opinion is subject to the assumptions, matters considered, limitations and qualifications set forth in its written opinion dated September 17, 2006, which is attached as Annex C to the accompanying proxy statement/prospectus. We urge you to read the opinion in its entirety.

A holder of PSF common stock generally will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of the holder s shares of PSF common stock for shares of Smithfield common stock pursuant to the merger. A holder of PSF common stock may, however, recognize gain with respect to the cash such holder receives pursuant to the merger. For a more detailed description of the U.S. federal income tax consequences of the merger, see The Merger Material United States Federal Income Tax Consequences beginning on page 48 of the accompanying proxy statement/prospectus.

We cannot complete the merger unless the merger agreement is adopted by the affirmative vote of a majority of the shares of PSF common stock outstanding as of the record date. We urge you to read carefully the accompanying proxy statement/prospectus, which includes important information about PSF, Smithfield and the proposed merger. **In particular, please see the section titled Risk Factors beginning on page 16 of the accompanying proxy statement/prospectus which contains a description of the risks that you should consider in evaluating the merger.** Shares of PSF common stock are listed on the Nasdaq National Market under the ticker symbol PORK. Smithfield common stock is listed on the New York Stock Exchange under the symbol SFD. On [•], 2007, the most recent practicable trading day prior to the printing of the accompanying proxy statement/prospectus, the last sales price of PSF common stock was $[•] per share and the last sales price of Smithfield common stock was $[•] per share. Based on the number of shares of PSF common stock outstanding as of the record date, the total number of shares of Smithfield common stock to be issued pursuant to the merger to PSF stockholders (assuming no option exercises and no substitution of cash for stock merger consideration) would be approximately 21,677,563.

Very truly yours,

PREMIUM STANDARD FARMS, INC.
John M. Meyer
Chief Executive Officer and President

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the securities to be issued in connection with the merger or determined if the accompanying proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated [•], 2007, and is being first mailed to stockholders of PSF on or about [•], 2007.

Information contained in this document is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under securities laws of such state.

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References to Additional Information

The accompanying proxy statement/prospectus incorporates by reference important business and financial information about Smithfield and PSF from documents that are not included in or delivered with this proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference in the accompanying proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Premium Standard Farms, Inc.	Smithfield Foods, Inc.
805 Pennsylvania Avenue, Suite 200	200 Commerce Street
Kansas City, Missouri 64105	Smithfield, Virginia 23430
Telephone: (816) 472-7675	Telephone: (757) 365-3000
Attention: Secretary	Attention: Secretary

If you would like to request documents, please do so by [•], 2007 in order to receive them before the special meeting.

See Where You Can Find More Information beginning on page 99.

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PREMIUM STANDARD FARMS, INC.

805 Pennsylvania Avenue, Suite 200

Kansas City, Missouri 64105

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON [•], 2007

Dear Premium Standard Farms, Inc. Stockholder:

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of Premium Standard Farms, Inc., a Delaware corporation (PSF), will be held on [•], 2007, at [•]:00 a.m., local time, in Conference Room 1A of the First Floor of the South Tower of State Street s offices at 805 Pennsylvania Avenue, Kansas City, Missouri 64105. The purposes of the special meeting are:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of September 17, 2006, among Smithfield Foods, Inc., KC2 Merger Sub, Inc. (a wholly owned subsidiary of Smithfield Foods, Inc. established for the purpose of effecting the merger) and PSF, as amended from time to time, which provides for the merger of KC2 Merger Sub, Inc. with PSF; and

2. To consider and vote upon any procedural matters incident to the conduct of the special meeting, such as adjournment of the special meeting, including any adjournment for the purpose of soliciting additional proxies.

The accompanying proxy statement/prospectus describes the merger agreement and the proposed merger in detail. The PSF board of directors has determined that the merger agreement is advisable and fair to, and in the best interests of, PSF and its stockholders and recommends that PSF stockholders vote to adopt the merger agreement.

In accordance with the provisions of PSF s Bylaws, the PSF board of directors has fixed the close of business on December 22, 2006 as the record date for the determination of PSF stockholders entitled to notice of, and to vote at, the special meeting of stockholders or any adjournment or postponement thereof.

Under Delaware law, PSF stockholders of record who do not vote in favor of the merger have the right to exercise appraisal rights in connection with the merger and obtain payment in cash of the fair value of their shares of common stock as determined by the Delaware Chancery Court rather than the merger consideration. To exercise your appraisal rights, you must strictly follow the procedures prescribed by Delaware law. These procedures are summarized in the accompanying proxy statement/prospectus. In addition, the text of the applicable provisions of Delaware law is included as Annex D to the accompanying proxy statement/prospectus.

We will admit to the special meeting (1) all stockholders of record at the close of business on December 22, 2006, (2) persons holding proof of beneficial ownership as of such date, such as a letter or account statement from the person s broker, (3) persons who have been granted proxies, and (4) such other persons that we, in our sole discretion, may elect to admit. **All persons wishing to be admitted must present photo identification.** If you plan to attend the special meeting, please check the appropriate box on your proxy card or register your intention when submitting your proxy by telephone or through the Internet, according to the instructions provided.

BY ORDER OF THE BOARD OF DIRECTORS,

Gerard J. Schulte
Secretary

Kansas City, Missouri

[•], 2007

Your vote is important. Please return your proxy as soon as possible, whether or not you expect to attend the special meeting in person. You may submit your proxy by telephone, through the Internet or by completing, dating and signing the enclosed proxy card and returning it in the enclosed postage prepaid envelope. You may revoke your proxy at any time before the special meeting. If you attend the special meeting and vote in person, your proxy will not be used. Please do not send your common stock certificates at this time. If the merger is completed, you will be sent instructions regarding the surrender of your certificates.

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PROXY STATEMENT/PROSPECTUS

Premium Standard Farms, Inc. is providing this proxy statement/prospectus and accompanying proxy card to you in connection with the solicitation by the Premium Standard Farms, Inc. board of directors of proxies to be voted at a special meeting of stockholders and at any adjournment of the special meeting. This proxy statement/prospectus also constitutes a prospectus of Smithfield Foods, Inc. for the shares of common stock of Smithfield Foods, Inc. to be issued to stockholders of Premium Standard Farms, Inc. pursuant to the merger of a wholly owned subsidiary of Smithfield Foods, Inc. with and into Premium Standard Farms, Inc.

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QUESTIONS AND ANSWERS ABOUT VOTING PROCEDURES FOR THE SPECIAL MEETING

Q1: What is the proposed transaction upon which I am being asked to vote?

A1: You are being asked to vote to adopt a merger agreement entered into between Smithfield and PSF. In the merger, KC2 Merger Sub, Inc., a newly formed, wholly owned subsidiary of Smithfield, will be merged with and into PSF. After the merger, PSF will be the surviving corporation and will be a wholly owned subsidiary of Smithfield.

Q2: What vote is required for adoption?

A2: The merger agreement must be adopted by a majority of the outstanding shares of PSF common stock entitled to vote at the special meeting. Therefore, if you abstain or fail to vote, it will have the same effect as voting against the merger agreement. You are entitled to vote on the merger agreement if you held PSF common stock at the close of business on the record date, which is December 22, 2006. On that date, 31,972,806 shares of PSF common stock were outstanding and entitled to vote.

Q3: When do you expect the merger to be completed?

A3: We expect to complete the merger promptly after the PSF stockholders adopt the merger agreement at the special meeting and after we receive all necessary regulatory approvals. We are hopeful that we can complete the merger in the first calendar quarter of 2007.

Q4: If my shares are held in street name by my broker, will my broker vote my shares for me?

A4: You should instruct your broker to vote your shares, following the directions your broker provides. If you do not instruct your broker, your broker will generally not have the discretion to vote your shares. Because the adoption of the merger agreement requires an affirmative vote of a majority of the outstanding shares of PSF common stock for

Q5: What do I need to do now?

A5: After carefully reading and considering the information contained in this proxy statement/

prospectus, please fill out and sign the proxy card, and then mail your signed proxy card in the enclosed prepaid envelope as soon as possible so that your shares may be voted at the special meeting. Your signed proxy card will instruct the persons named on the card to vote your shares at the special meeting as you direct on the card. If you sign and send in your proxy card and do not indicate how you want to vote, your proxy will be voted FOR the adoption of the merger agreement. You may also submit a proxy by telephone or through the Internet by following the instructions with your proxy card. If you do not vote or if you abstain, the effect will be the same as a vote against the merger agreement. YOUR VOTE IS VERY IMPORTANT.

Q6: May I change my vote after I have mailed my signed proxy card?

A6: You may change your vote at any time before your proxy is voted at the special meeting. You can do this in one of four ways. First, you can send a written notice stating that you want to revoke your proxy to:

Gerard J. Schulte, Secretary,

Premium Standard Farms, Inc.

805 Pennsylvania Avenue, Suite 200

Kansas City, Missouri 64105

Second, you can complete and submit a new later-dated proxy card. Third, you can submit a proxy by telephone or through the Internet at a later time. Fourth, you can attend the special meeting and vote in person. Simply attending the meeting, however, will not revoke your proxy; you must vote at the meeting.

approval, these so-called broker non-votes have the same effect as votes cast against the merger agreement.

If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote.

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Q7: Should I send in my stock certificates now?

A7: No. After the merger is completed, you will receive written instructions for exchanging your stock certificates.

Q8: Who can help answer my questions?

A8: If you have any questions about the special meeting or if you need additional copies of this proxy statement/prospectus or the enclosed proxy, please contact PSF s proxy solicitor:

D.F. King & Co., Inc.

48 Wall Street, 22nd Floor

New York, New York 10005

Telephone: (212) 269-5550 (collect)

(800) 290-6429 (toll-free)

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SUMMARY

The following summary highlights selected information from this proxy statement/prospectus and may not contain all of the information that may be important to you. Accordingly, stockholders are encouraged to carefully read this entire proxy statement/prospectus, its annexes and the documents referred to or incorporated by reference in this proxy statement/prospectus. The term PSF refers to Premium Standard Farms, Inc., a Delaware corporation, and its subsidiaries, and the term Smithfield refers to Smithfield Foods, Inc., a Virginia corporation, and its subsidiaries, unless otherwise stated or indicated by the context. Each item in this summary includes a page reference directing you to a more complete description of that item.

The merger. (Page 23)

On September 17, 2006, Smithfield, PSF and KC2 Merger Sub, Inc., a wholly owned subsidiary of Smithfield, entered into the merger agreement, which is the legal document governing the proposed merger. Subject to the terms and conditions of the merger agreement, KC2 Merger Sub, Inc. will be merged with and into PSF, with PSF continuing as the surviving corporation. Upon the completion of the merger, PSF will be a wholly owned subsidiary of Smithfield and PSF common stock will no longer be publicly traded.

What PSF stockholders will receive in the merger. (Page 54)

PSF Common Stock

Pursuant to the merger, each share of PSF common stock will be exchanged for (i) 0.6780 (the exchange ratio) of a share of Smithfield common stock and (ii) $1.25 in cash, without interest. Smithfield will increase, by up to $1.00 per share, the amount of cash to be included in the merger consideration and decrease the fraction of a share of Smithfield common stock by an amount having an equivalent value (based on the average price of Smithfield common stock during a specified period prior to closing) as the amount of the increase in cash, if Smithfield reasonably determines that those actions are necessary in order to list on the New York Stock Exchange the shares of Smithfield common stock to be issued in the merger (including shares to be reserved for issuance upon exercise of Smithfield stock options) without the requirement of a vote of Smithfield shareholders. Holders of PSF common stock will receive cash for any fractional shares of Smithfield common stock they otherwise would have received in the merger. Smithfield expects to use financing available under its existing U.S. bank revolving credit facility to fund the cash payment to PSF stockholders.

For example, a PSF stockholder owning 1,000 shares of PSF common stock would receive total consideration of 678 shares of Smithfield common stock and $1,250 in cash, assuming that Smithfield does not substitute up to $1.00 per share in cash for a portion of the stock consideration having an equivalent value (based on the average price of Smithfield common stock during a specified period prior to closing) as described above. In this example, there is no fractional share interest in Smithfield common stock and thus no payment to be made in lieu of such fractional share interest under the terms of the merger agreement.

The exchange ratio relating to the shares of Smithfield common stock to be issued in the merger is a fixed ratio, which means that it will not change because of a change in the trading price of Smithfield common stock between now and the time the merger is completed. Therefore, the market value of the Smithfield common stock received by PSF stockholders in the merger will depend on the market price of Smithfield common stock at the time the merger is completed. The exchange ratio will be reduced if Smithfield substitutes up to $1.00 per share in cash for a portion of the stock consideration having an equivalent value (based on the average price of Smithfield common stock during a specified period prior to closing) under the circumstances described above. A vote by PSF stockholders for the adoption of the merger agreement constitutes approval of the merger whether or not Smithfield substitutes up to $1.00 per share in cash for a portion of the stock consideration having an equivalent value as described above.

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At the time of the execution of the merger agreement, the shares of Smithfield common stock expected to be issued in the merger constituted less than 20% of Smithfield s outstanding shares of common stock. New York Stock Exchange rules generally require that a listed company like Smithfield obtain approval of its stockholders if the number of shares of the company s stock to be issued in connection with a business acquisition represents 20% or more of its outstanding stock. In response to PSF s desire to avoid an additional condition to closing and to increase the likelihood of closing for PSF stockholders, Smithfield and PSF agreed that the merger would not be subject to a vote of Smithfield shareholders and, accordingly, agreed to Smithfield substituting a small amount of cash for a portion of the stock consideration having an equivalent value, if necessary, in order to complete the merger without a vote of Smithfield shareholders in the event the shares of Smithfield common stock to be issued in the merger constituted more than 20% of Smithfield s outstanding common stock at closing.

If Smithfield substitutes cash for a portion of the stock consideration having an equivalent value (based on the average price of Smithfield common stock during a specified period prior to closing), Smithfield will issue a press release announcing the precise amount of stock consideration to be substituted and will provide for a toll-free number, which will be announced in that press release, where PSF stockholders can call to learn the final exchange ratio as adjusted for the substitution. Smithfield will make its determination as to whether such a substitution will be made prior to the fifth trading day before completion of the merger. Smithfield will only substitute cash for a portion of the stock consideration having an equivalent value (based on the average price of Smithfield common stock during a specified period prior to closing) if the number of shares of Smithfield common stock to be issued in the merger (including shares to be reserved for issuance upon exercise of PSF stock options that are converted into Smithfield stock options) would exceed 20% of the shares of Smithfield common stock outstanding immediately prior to the completion of the merger and, therefore, would require a vote of Smithfield shareholders under the rules of the New York Stock Exchange.

Treatment of PSF Stock Options

Outstanding PSF stock options at the closing date of the merger will be converted into options to purchase Smithfield common stock, with appropriate adjustments made to the number of shares and the exercise price under those options based on the value of the merger consideration. The impact of such options on the total purchase consideration is not expected to be significant.

Total Smithfield shares to be issued

Based on the number of shares of PSF common stock outstanding as of the record date, the total number of shares of Smithfield common stock to be issued pursuant to the merger to PSF stockholders (assuming no option exercises and no substitution of cash for stock merger consideration) would be approximately 21,677,563.

In connection with the merger, PSF will hold a special meeting of its stockholders. (Page 20)

When and Where. The special meeting will be held on [•], 2007, at [•] a.m., local time, in Conference Room 1A of the First Floor of the South Tower of State Street s offices at 805 Pennsylvania Avenue, Kansas City, Missouri 64105.

Purposes of the Special Meeting. At the special meeting, you will be asked to consider and vote upon a proposal to adopt the merger agreement. You will also be asked to consider and vote upon any procedural matters incident to the conduct of the special meeting, such as adjournment of the special meeting, including an adjournment for the purposes of soliciting additional proxies.

Record Date; Voting Power. Holders of PSF common stock as of the close of business on December 22, 2006, the record date, are entitled to vote at the special meeting or any adjournment or postponement thereof. Each share of PSF common stock is entitled to one vote. As of the record date, 31,972,806 shares of PSF common stock were outstanding.

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Vote Required. The affirmative vote of a majority of the shares of PSF common stock outstanding as of the record date is required to adopt the merger agreement. Acting upon any procedural matters incident to the

conduct of the special meeting (other than adjournment) will require the affirmative vote of a majority of all votes cast with respect to such matter by the holders of shares of PSF common stock present or represented by proxy and entitled to vote on such matter at the special meeting. An adjournment of the special meeting will require the affirmative vote of shares of PSF common stock representing a majority of the shares of PSF common stock present in person or represented by proxy at the special meeting.

ContiGroup Companies, Inc., which we refer to as ContiGroup, in its capacity as a stockholder of PSF, entered into a voting agreement, dated September 17, 2006, with Smithfield and PSF with respect to the shares of PSF common stock owned by ContiGroup. Under the voting agreement, ContiGroup has agreed, subject to the terms of that agreement, to vote all shares of PSF common stock beneficially owned by it at the special meeting in favor of the adoption of the merger agreement. As of the record date, ContiGroup beneficially owned 12,428,592 shares of PSF common stock, representing approximately 38.9% of the shares of PSF common stock entitled to vote at the special meeting. See The Merger Voting Agreement beginning on page 45.

Recommendation of the PSF board of directors. (Page 27)

On September 17, 2006, by unanimous vote, the PSF board of directors:

- determined the merger agreement to be advisable and fair to, and in the best interests of, PSF and its stockholders;
- approved the merger agreement and the voting agreement; and
- resolved to recommend that PSF stockholders vote in favor of adoption of the merger agreement.

The PSF board of directors recommends a vote FOR adoption of the merger agreement.

Opinion of Centerview Partners LLC. (Page 30)

On September 17, 2006, Centerview Partners LLC, which we refer to as Centerview, delivered its opinion to the PSF board of directors that, as of September 17, 2006, and based upon and subject to various assumptions made, matters considered and limitations described in the opinion, the consideration of 0.6780 shares of Smithfield common stock together with $1.25 cash to be received pursuant to the merger for each share of PSF common stock held by holders of PSF common stock, was fair, from a financial point of view, to such holders.

The full text of Centerview s opinion describes, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Centerview. Centerview s opinion is attached as Annex C to this proxy statement/prospectus. Centerview s opinion does not constitute a recommendation to any holder of PSF common stock as to how such stockholder should vote or act with respect to the merger agreement, nor did it constitute a recommendation to the PSF board of directors to approve the merger agreement.

Under the terms of Centerview s engagement, PSF agreed to pay to Centerview certain fees for its services, some of which were payable in connection with rendering its opinion and a significant portion of which is contingent upon the mailing of this proxy statement/prospectus and completion of the merger.

Interests of certain persons in the merger. (Page 38)

When considering the recommendation by the PSF board of directors to vote FOR adoption of the merger agreement, you should be aware that certain directors and executive officers of PSF have, and ContiGroup, PSF s largest stockholder, has, interests in the merger agreement that are different from, and may conflict with, your

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interests. Following the merger, Paul J. Fribourg, a member of the PSF board of directors and ContiGroup s Chairman, President and Chief Executive Officer, will become a member of the Smithfield board of directors, and Michael J. Zimmerman, a member of the PSF board of directors and ContiGroup s Executive Vice President and Chief Financial Officer, will become an advisory director of Smithfield. The directors and executive officers of PSF will receive certain benefits upon completion of the merger, including accelerated vesting of stock options and restricted stock. Options for 245,225 shares of PSF common stock as of December 1, 2006 with an average exercise price of $13.10 per share, and 259,849 shares of restricted stock as of December 1, 2006 held by directors and executive officers of PSF, will vest upon completion of the merger. Based on an implied merger consideration of $21.07 per share (calculated using the closing trading price of Smithfield common stock on September 15, 2006, the last trading day prior to the announcement of the merger), the difference between the implied merger consideration and the weighted average exercise price of $13.10 per share of the options held by directors and executive officers of PSF would be $7.97 per share (or approximately $2.6 million in the aggregate), and the aggregate value of the restricted shares held by directors and executive officers of PSF would be approximately $5.6 million. Additionally, certain executive officers may be entitled to receive severance payments in connection with the merger in an aggregate amount of approximately $2.6 million. Smithfield has agreed to continue certain indemnification arrangements for directors and executive officers of PSF.

As of the record date, ContiGroup owned approximately 38.9% of PSF common stock. Three members of the PSF board of directors are not considered independent due to current or past relationships with ContiGroup. PSF and ContiGroup are parties to a market hog grower agreement and a services agreement. Smithfield and ContiGroup are parties to a 50/50 joint venture that engages in cattle feeding operations and have agreed in principle to form a 50/50 joint venture to build a beef processing plant. The PSF board of directors was aware of these interests and considered them in approving the merger agreement.

Certain governmental and regulatory approvals must be obtained. (Page 46)

Under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended, and the rules and regulations promulgated thereunder, which we refer to as the HSR Act, the merger may not be consummated unless certain waiting period requirements have expired or been terminated. Smithfield and PSF filed the required notification and report forms with the Antitrust Division of the Department of Justice and the Federal Trade Commission regarding the merger on October 6, 2006. On November 6, 2006, each of Smithfield, PSF and ContiGroup received a request for additional information, commonly referred to as a second request, from the Antitrust Division of the Department of Justice in connection with the merger. The effect of the second request is to extend the waiting period imposed by the HSR Act until 30 days after Smithfield, PSF and ContiGroup have substantially complied with the second request, unless that period is extended voluntarily by the parties or terminated sooner by the Antitrust Division of the Department of Justice.

The obligations of Smithfield and PSF to complete the merger are subject to a number of conditions. (Page 63)

Smithfield and PSF are obligated to complete the merger only if they satisfy, or in some cases, waive, several conditions, including the following:

- the merger agreement has been adopted by the affirmative vote of PSF stockholders representing a majority of the shares of PSF common stock outstanding and entitled to vote at the PSF special meeting;

- the shares of Smithfield common stock to be issued to PSF stockholders and the shares of Smithfield common stock to be reserved for issuance upon exercise of Smithfield stock options, have been approved for listing on the New York Stock Exchange, which we refer to as the NYSE, subject to official notice of issuance;

- the waiting period applicable to the merger under the HSR Act has expired or has been terminated;

- no temporary restraining order, preliminary or permanent injunction or other judgment or order or statute, law, rule, legal restraint or prohibition is in effect that prevents the completion of the merger;

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- the registration statement on Form S-4, of which this proxy statement/prospectus forms a part, has been declared effective by the SEC and is not the subject of any stop order or proceedings seeking a stop order; and

- other customary conditions set forth in the merger agreement including the receipt of tax opinions, accuracy of representations and warranties and the performance of obligations under the merger agreement.

In addition, Smithfield is obligated to complete the merger only if there is not pending any suit, action or proceeding by any United States governmental entity seeking to prohibit the completion of the merger or any other material transactions contemplated by the merger agreement that are reasonably likely to succeed.

PSF has agreed not to solicit third party acquisition proposals. (Page 59)

Subject to certain exceptions, the merger agreement provides that neither PSF nor any of its subsidiaries nor any of its and their respective directors or officers shall, and PSF shall use its reasonable best efforts to cause its and its subsidiaries employees, agents and representatives, including any investment banker, financial advisor, attorney, accountant or other advisor, agent, representative or controlled affiliate, not to, directly or indirectly through another person, solicit, initiate or knowingly encourage or knowingly facilitate any takeover proposal, as defined in the merger agreement, or the making or consummation of any takeover proposal, enter into, continue or otherwise participate in any discussions or negotiations regarding, or furnish to any person any information in connection with, or otherwise cooperate in any way with, any takeover proposal, or waive, terminate, modify or fail to enforce any provision of any standstill or similar obligation of any person other than Smithfield.

Under certain circumstances, Smithfield and PSF may terminate the merger agreement. (Page 64)

Smithfield and PSF may agree in writing to terminate the merger agreement at any time without completing the merger, even after the PSF stockholders have voted to adopt the merger agreement. The merger agreement may also be terminated at any time prior to the effective time of the merger in other specified circumstances, including:

- by either Smithfield or PSF if:

  - the merger has not been completed on or before September 17, 2007, unless the principal cause of the failure of the effective time of merger to occur by that date is a material breach of the merger agreement by the party seeking to terminate the merger agreement, provided that if the conditions set forth in the merger agreement relating to antitrust or other governmental approvals are the only conditions which have not been satisfied on September 17, 2007, either party may extend that date until December 17, 2007;

  - a governmental entity issues a final non-appealable order enjoining or prohibiting the merger, unless the principal cause of that action or ruling is a material breach of the merger agreement by the party seeking termination;

  - the PSF stockholders fail to adopt the merger agreement at the special meeting or any postponement or adjournment of the special meeting; or

  - the other party breaches or fails to perform any representation, warranty, covenant or agreement in the merger agreement which breach or failure to perform would give rise to the failure of a closing condition and cannot be cured by the breaching party by September 17, 2007 (or December 17, 2007, if the outside date is extended as described above); or

- by Smithfield if prior to the adoption of the merger agreement by PSF stockholders, the PSF board of directors has withdrawn, modified or qualified in a manner adverse to Smithfield its recommendation of

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the merger, failed to publicly reaffirm its recommendation of the merger agreement within 10 business days following the written request to do so by Smithfield, or has materially breached its obligation regarding the delivery of this proxy statement/prospectus or the calling and holding of the meeting of PSF stockholders to adopt the merger agreement.

Termination Fees. (Page 65)

In connection with the termination of the merger agreement in certain circumstances involving a competitive takeover proposal by a third party or a change in the PSF board of director s recommendation of the merger to PSF s stockholders, PSF may be required to pay Smithfield a termination fee of up to $27,381,000. In addition, Smithfield has agreed to pay PSF a $100 million termination fee if the Merger Agreement is terminated under specified circumstances due to a failure to obtain the requisite antitrust clearance.

Material United States Federal Income Tax Consequences. (Page 48)

The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, so that you will recognize gain (but not loss) for United States federal income tax purposes as a result of the merger to the extent of any cash received as part of the merger consideration. Accordingly, a holder of PSF common stock generally will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of the holder s shares of PSF common stock for shares of Smithfield common stock pursuant to the merger. A holder of PSF common stock may, however, recognize gain with respect to the cash such holder receives pursuant to the merger. No gain or loss will be recognized by Smithfield, KC2 Merger Sub, Inc. or PSF by reason of the merger. The merger is conditioned on the receipt of legal opinions that the merger will qualify as a reorganization for United States federal income tax purposes.

You should be aware that the tax consequences to you of the merger depend upon your own situation. In addition, you may be subject to non-income tax or state, local or foreign tax laws that are not discussed in this proxy statement/prospectus. You should therefore consult your own tax advisor for a full understanding of the tax consequences to you of the merger.

Differences between the rights of Smithfield and PSF stockholders. (Page 79)

As a result of the merger, the holders of PSF common stock will become holders of Smithfield common stock. Following the merger, PSF stockholders will have different rights as shareholders of Smithfield than as stockholders of PSF due to differences between the laws of the states of incorporation and the different provisions of the governing documents of Smithfield and PSF.

Comparative market prices and dividend information. (Page 15)

Shares of Smithfield common stock are listed on the NYSE. Shares of PSF common stock are listed on NASDAQ. The following table presents the last reported sale prices of Smithfield common stock and PSF common stock, as reported in Bloomberg Financial Markets on:

September 14, 2006, the last full trading before an analyst report was published which speculated on a potential business combination involving PSF;

September 15, 2006, the last full trading day prior to the public announcement of the merger agreement; and

[•], 2007, the last full trading day prior to the date of this proxy statement/prospectus.

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The table also presents the equivalent value of the merger consideration per share of PSF common stock on those dates.

	Smithfield Common Stock	PSF Common Stock	Equivalent Price Per Share of PSF Common Stock(1)
September 14, 2006	$ 29.30	$ 16.60	$ 21.11
September 15, 2006	29.24	17.73	21.07
[•], 2007	[•]	[•]	[•]

(1) Calculated by adding (a) the cash portion of the merger consideration, or $1.25, and (b) the Smithfield closing per share stock price multiplied by 0.6780.

These prices will fluctuate prior to the closing date of the merger, and PSF stockholders are urged to obtain current market quotations prior to making any decision with respect to the merger.

Smithfield has never paid a cash dividend on its common stock and has no current plan to pay cash dividends. In addition, the terms of certain of Smithfield s debt agreements prohibit the payment of any cash dividends on its common stock. The payment of cash dividends, if any, would be made only from assets legally available for that purpose and would depend on Smithfield s financial condition, results of operations, current and anticipated capital requirements, restrictions under then existing debt instruments and other factors then deemed relevant by the Smithfield board of directors. PSF declares and pays regular quarterly dividends of $0.06 per share on its common stock; however, after completion of the merger, PSF stockholders will not continue to receive dividends.

PSF stockholders will be entitled to demand appraisal rights. (Page 50)

Under Delaware law, PSF stockholders of record who do not vote in favor of the merger will be entitled to exercise appraisal rights and obtain payment in cash for the judicially-determined fair value of their shares of PSF common stock in connection with the merger if the merger is completed. The relevant provisions of the General Corporation Law of the State of Delaware, which we refer to as the DGCL, are included as Annex D to this proxy statement/prospectus.

Smithfield common stock is listed on the NYSE. (Page 53)

Shares of Smithfield common stock received by PSF stockholders in the merger will be listed on the NYSE under the symbol SFD. After completion of the merger, shares of Smithfield common stock will continue to be traded on the NYSE, but shares of PSF common stock will no longer be listed or traded on NASDAQ.

Information about the Companies.

Smithfield Foods, Inc.

200 Commerce Street

Smithfield, Virginia 23430

(757) 365-3000

Smithfield is a Virginia corporation and is the largest hog producer and pork processor in the world and the fifth largest beef processor in the United States. Smithfield conducts its business through six reporting segments, Pork, Beef, International, Hog Production, Other and Corporate, each of which is comprised of a number of subsidiaries.

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The Pork segment consists mainly of U.S. fresh pork and processed meats operations. The Pork segment produces a wide variety of fresh pork and processed meat products in the U.S. and markets them nationwide and to numerous foreign markets, including Japan, Mexico, Canada and Australia. The Pork segment currently operates over 40 processing plants.

The Beef segment is composed mainly of U.S. beef processing operations and Smithfield s cattle feeding operations and interests in cattle feeding operations. The Beef segment primarily produces boxed beef and ground beef (both chub and case ready) and markets these products in large portions of the U.S. Smithfield processes cattle at four plants (two in the Midwest, one in the Northeast and one in the Southwest), with a current aggregate processing capacity of 7,600 cattle per day.

The International segment is comprised of international meat processing operations, mainly in Poland, Romania and the United Kingdom, and Smithfield s interests in international meat processing operations, mainly in Western Europe, Mexico, Romania and China.

As a complement to the Pork and International segments, Smithfield has vertically integrated into hog production. The Hog Production segment consists mainly of hog production operations located in the U.S., Poland and Romania and Smithfield s interests in hog production operations, mainly in Mexico and Brazil. The Hog Production segment operates numerous hog production facilities producing about 14 million market hogs annually. Additional hogs are produced through joint ventures. The Hog Production segment produces approximately 53% of the Pork segment s live hog requirements and approximately 66% of the International segment s live hog requirements. The Other segment is mainly comprised of Smithfield s turkey production operations, its interests in turkey processing operations and Smithfield s alternative fuels subsidiary. Each of the segments has certain joint ventures and other investments in addition to their main operations.

KC2 Merger Sub, Inc.

200 Commerce Street

Smithfield, Virginia 23430

(757) 365-3000

KC2 Merger Sub, Inc. is a Delaware corporation and a wholly owned subsidiary of Smithfield. KC2 Merger Sub, Inc. was organized on September 14, 2006 solely for the purpose of effecting the merger with PSF. It has not carried on any activities other than in connection with the merger agreement.

Premium Standard Farms, Inc.

805 Pennsylvania Avenue, Suite 200

Kansas City, Missouri 64105

(816) 472-7675

PSF is a Delaware corporation and is one of the largest vertically integrated providers of pork products in the United States, producing consistent, high-quality pork products for the retail, wholesale, foodservice, further processor and export markets. PSF has become a recognized leader in the pork industry through its vertically integrated business model that combines modern, efficient production and processing facilities, sophisticated genetics, and strict control over the variables of health, diet and environment. PSF is the sixth largest pork processor in the United States, with processing facilities in Missouri and North Carolina that have the capacity to process approximately 4.6 million hogs per year. Operating in concert with its processing facilities, PSF is the second largest owner of sows in the United States, currently producing approximately 4.5 million hogs per year in operations located on approximately 100,000 acres in Missouri, North Carolina and Texas. As of October 13, 2006, PSF had approximately 4,300 employees working at its farms and processing facilities.

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SELECTED HISTORICAL FINANCIAL AND OTHER DATA OF SMITHFIELD

The following table sets forth selected historical consolidated financial information and other data of Smithfield for the periods presented. The selected financial information, exclusive of Other Operational Data, as of April 28, 2002, April 27, 2003, May 2, 2004, May 1, 2005 and April 30, 2006, and for each of the five fiscal years then ended, has been derived from Smithfield s consolidated financial statements, which have been audited by Ernst & Young LLP, independent registered public accountants. The selected financial data, exclusive of Other Operational Data, as of October 30, 2005 and October 29, 2006, and for each of the 26-week periods then ended, has been derived from Smithfield s unaudited condensed consolidated financial statements which include, in the opinion of Smithfield s management, all adjustments, consisting of normal recurring adjustments, necessary to present fairly the results of operations and financial position of Smithfield for the periods and dates presented. The results of operations for an interim period are not necessarily indicative of results for the full year or any other interim period. This financial information and other data should be read in conjunction with the respective audited and unaudited consolidated financial statements of Smithfield, including the notes thereto, incorporated in this proxy statement/prospectus by reference. See Where You Can Find More Information beginning on page 99.

	Fiscal Year Ended (1)					26 Weeks Ended	
	April 28, 2002	April 27, 2003	May 2, 2004	May 1, 2005	April 30, 2006	October 30, 2005	October 29, 2006
	(in millions, except per share data)						
Statement of Income Data:							
Sales	$ 6,554.4	$ 7,075.3	$ 9,178.2	$ 11,248.4	$ 11,403.6	$ 5,801.5	$ 5,580.6
Cost of sales	5,681.0	6,471.4	8,244.5	10,038.1	10,316.8	5,245.7	5,040.8
Gross profit	873.4	603.9	933.7	1,210.3	1,086.8	555.8	539.8
Selling, general and administrative expenses	491.5	487.9	560.2	644.6	675.2	343.2	347.4
Interest expense, net	87.1	85.5	118.7	132.0	149.5	74.2	84.7
Equity in (income) loss of affiliates	(10.0)	9.6	0.9	(17.5)	(9.2)	(12.2)	(13.5)
Gain on sale of IBP, inc. common stock (2)	(7.0)						
Income from continuing operations before income taxes	311.8	20.9	253.9	451.2	271.3	150.6	121.2
Income taxes	118.8	6.1	86.6	152.3	91.0	50.0	37.6
Income from continuing operations	193.0	14.8	167.3	298.9	180.3	100.6	83.6
Income (loss) from discontinued operations, net of tax (3)	3.9	11.5	59.8	(2.7)	(7.6)		(14.3)
Net income	$ 196.9	$ 26.3	$ 227.1	$ 296.2	$ 172.7	$ 100.6	$ 69.3
Earnings per share (4):							
Basic	$ 1.82	$ .24	$ 2.06	$ 2.66	$ 1.55	$ .91	$ .62
Diluted	1.78	.24	2.03	2.64	1.54	.90	.62
Shares used to calculate earnings per share:							
Basic	108.1	109.6	110.3	111.2	111.1	111.2	111.1
Diluted	110.4	109.8	111.7	112.3	112.0	112.0	112.1
Cash dividends declared per share	$	$	$	$	$	$	$
Statement of Cash Flows Data:							
Net cash flows from operating activities	$ 256.5	$ 60.3	$ 319.7	$ 94.6	$ 502.6	$ 66.0	$ (104.7)
Net cash flows from investing activities	(227.2)	(264.8)	(454.2)	(504.3)	(797.3)	262.9	(499.8)
Net cash flows from financing activities	(24.3)	206.1	144.2	414.6	297.6	189.8	598.4
Other Data:							
Capital expenditures, net of proceeds	$ 136.5	$ 166.0	$ 133.5	$ 199.3	$ 391.3	$ 152.8	$ 222.9
Depreciation and amortization expense	132.4	155.1	172.7	196.5	207.9	108.1	112.5
Balance Sheet Data (end of period):							
Working capital	$ 917.1	$ 935.6	$ 1,056.6	$ 1,445.6	$ 1,177.8	$ 1,306.6	$ 1,419.2
Total assets	3,907.1	4,244.4	4,828.6	5,773.6	6,176.5	5,987.5	6,876.5
Long-term debt and capital lease obligations	1,304.6	1,523.1	1,696.8	2,151.7	2,313.9	2,146.8	2,814.0
Shareholders equity	1,362.8	1,299.2	1,598.9	1,901.4	2,028.2	1,929.5	2,104.6
Other Operational Data:							
Total hogs processed	19.3	20.1	24.7	28.6	28.5	14.2	13.2

Processed meat sales (pounds)	1,891.0	1,916.8	2,289.3	2,624.4	2,703.8	1,271.6	1,300.4
Fresh beef sales (pounds)	880.2	1,489.7	1,457.9	1,307.3	1,401.6	692.8	757.5
Total hogs sold	12.2	12.9	14.5	15.4	15.0	7.0	6.8

(1) Smithfield s fiscal year consists of 52 or 53 weeks, ending on the Sunday nearest April 30. Fiscal years 2002, 2003, 2005 and 2006 were 52 weeks. Fiscal year 2004 was 53 weeks.

(2) Fiscal 2002 income from continuing operations and net income include a gain of $7.0 million from the sale of IBP, inc. common stock, net of related expenses.

(3) Income (loss) from discontinued operations, net of tax, are related to the dispositions of Quik-to-Fix in August 2006 (fiscal 2007) and Schneider Corporation in April 2004 (fiscal 2004).

(4) Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed giving effect to all dilutive potential common shares that were outstanding during the period. The effect of stock options represents the only difference between the weighted average shares used for the basic earnings per share computations compared to the diluted earnings per share computations.

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SELECTED HISTORICAL FINANCIAL AND OTHER DATA OF PSF

The following table sets forth selected historical consolidated financial information and other data of PSF for the periods presented. The selected financial information, exclusive of Other Operational Data, as of March 30, 2002, March 29, 2003, March 27, 2004, March 26, 2005 and March 25, 2006, and for each of the five fiscal years then ended, has been derived from PSF s consolidated financial statements, which have been audited by Deloitte & Touche LLP, independent registered public accountants. The selected financial information, exclusive of Other Operational Data, as of September 24, 2005 and September 23, 2006, and for each of the 26-week periods then ended, has been derived from PSF s unaudited condensed consolidated financial statements which include, in the opinion of PSF s management, all adjustments, consisting of normal recurring adjustments, necessary to present fairly the results of operations and financial position of PSF for the periods and dates presented. The results of operations for an interim period are not necessarily indicative of results for the full year or any other interim period. This financial information and other data should be read in conjunction with the respective audited and unaudited consolidated financial statements of PSF, including the notes thereto, incorporated in this proxy statement/prospectus by reference. See Where You Can Find More Information beginning on page 99.

	Fiscal Year Ended (1)					26 Weeks Ended	
	March 30, 2002	March 29, 2003	March 27, 2004	March 26, 2005	March 25, 2006	September 24, 2005	September 23, 2006
	(in millions, except per share data)						
Statement of Operations Data:							
Sales	$ 674.9	$ 608.4	$ 730.7	$ 927.6	$ 919.5	$ 458.5	$ 426.5
Cost of goods sold	589.2	631.9	696.8	774.5	785.7	374.6	383.0
Gross profit	85.7	(23.5)	33.9	153.1	133.8	83.9	43.5
Selling, general and administrative expenses	20.9	16.0	16.7	25.2	25.8	12.8	21.6
Interest expense, net	20.4	23.7	24.7	20.2	8.9	5.1	3.0
Loss on early extinguishment of debt	2.2				21.7	21.7	0.1
Income (loss) before income taxes	42.2	(63.2)	(7.5)	107.7	77.4	44.3	18.8
Income tax expense (benefit)	16.8	(24.6)	(2.9)	40.0	24.3	16.7	6.9
Net income (loss)	$ 25.4	$ (38.6)	$ (4.6)	$ 67.7	$ 53.1	$ 27.6	$ 11.9
Earnings (loss) per share (2):							
Basic	$ .82	$ (1.25)	$ (.15)	$ 2.19	$ 1.71	$ .89	$ .38
Diluted	.82	(1.25)	(.15)	2.18	1.70	.88	.37
Shares used to calculate earnings (loss) per share (3):							
Basic	30.9	30.9	30.9	30.9	31.0	30.9	31.6
Diluted	31.0	30.9	30.9	31.1	31.3	31.2	31.8
Cash dividends declared per share(4)	$	$	$	$	$ .24	$ .12	$ .12
Statement of Cash Flows Data:							
Net cash flows from operating activities	$ 80.5	$ (17.4)	$ 41.7	$ 149.9	$ 118.0	$ 56.4	$ 22.7
Net cash flows from investing activities	(81.3)	(25.9)	(23.5)	(23.6)	(31.0)	(16.5)	(25.6)
Net cash flows from financing activities	(0.6)	36.1	(18.2)	(116.3)	(71.5)	(46.3)	(6.2)
Other Data:							
Capital expenditures	$ 96.2	$ 35.5	$ 41.9	$ 44.3	$ 47.6	$ 25.0	$ 35.3
Depreciation and amortization expense	56.1	61.5	61.3	60.6	60.9	30.3	28.8
Balance Sheet Data (end of period):							
Working capital	$ 120.1	$ 139.5	$ 164.8	$ 160.0	$ 175.2	$ 161.2	$ 176.5
Total assets	806.3	777.8	758.8	737.0	728.9	729.2	736.7
Long-term debt and capital lease obligations (including current portion)	271.4	303.9	285.9	176.1	128.3	140.6	125.9
Shareholders equity	383.6	344.3	340.0	407.7	460.7	433.9	469.1
Other Operational Data:							
Total hogs processed	3.7	4.0	4.3	4.5	4.6	2.2	2.2
Processed pork sales (pounds)	675.0	738.0	786.2	844.2	869.5	404.4	404.8

Total hogs sold	4.0	4.2	4.3	4.5	4.7	2.3	2.2

(1) PSF s fiscal year is the 52 or 53-week period ending on the last Saturday in March. Each of fiscal years 2002 through 2006 consisted of 52 weeks.

(2) Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed giving effect to all dilutive potential common shares that were outstanding during the period. The effect of stock options and warrants represents the only difference between the weighted average shares used for the basic earnings (loss) per share computation compared to the diluted earnings (loss) per share computations.

(3) On May 6, 2005, the PSF board of directors declared a 145-for-1 stock split in the form of a stock dividend on account of its common stock. This stock dividend has been retroactively applied to the shares outstanding for each year shown.

(4) On December 8, 2006, PSF declared a quarterly dividend of $0.06 per share, which will be paid on January 19, 2007 to all common stockholders of record as of December 22, 2006.

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SELECTED UNAUDITED PRO FORMA COMBINED CONDENSED

FINANCIAL DATA OF SMITHFIELD

The following table sets forth selected unaudited pro forma combined condensed financial data of Smithfield as of October 29, 2006 and for the 26 weeks ended October 29, 2006 and the fiscal year ended April 30, 2006. The pro forma amounts in the table below are based on the historical consolidated financial statements and the notes thereto of Smithfield and PSF and have been prepared to give effect to the merger as if the merger had occurred at the balance sheet date and at the beginning of the fiscal year ending April 30, 2006. Because the fiscal years of Smithfield and PSF are different, PSF s unaudited condensed balance sheet as of September 23, 2006 and the unaudited pro forma combined condensed income statement for the 26 weeks ended September 23, 2006 and the fiscal year ended March 25, 2006 have been used in preparing the unaudited pro forma combined condensed financial statements. The selected unaudited pro forma combined condensed financial data included in the table below does not give effect to several significant developments of Smithfield described under Other Recent Smithfield Transactions beginning on page 67.

The unaudited pro forma financial data in the table below should be read in conjunction with the historical financial statements and accompanying disclosures of Smithfield and PSF, which are incorporated by reference in this proxy statement/prospectus, and the unaudited pro forma combined condensed financial statements and accompanying disclosures beginning on page 69. The unaudited pro forma combined condensed financial statements are provided for informational purposes only and do not purport to represent what Smithfield s financial position or results of operations would actually have been had the merger occurred on those dates or to project Smithfield s results of operations or financial position for any future period. See the Unaudited Pro Forma Combined Condensed Financial Data of Smithfield beginning on page 69 and Other Recent Smithfield Transactions beginning on page 67.

	Fiscal Year Ended April 30, 2006	26 Weeks Ended October 29, 2006
	(in millions)	
Statement of Income Data		
Sales	$ 12,323.1	$ 6,007.1
Cost of sales	11,109.1	5,427.1
Gross profit	1,214.0	580.0
Selling, general and administrative expenses	701.1	369.1
Interest expense, net	161.1	89.1
Equity in (income) loss of affiliates	(9.2)	(13.5)
Loss on early extinguishment of debt	21.7	0.1
Income from continuing operations before income tax	339.3	135.2
Income taxes	111.6	42.6
Income from continuing operations	$ 227.7	$ 92.6
Balance Sheet Data (end of period)		
Working capital		$ 1,598.8
Total assets		7,830.3
Long term debt and capital lease obligations		2,982.6
Shareholders equity		2,728.9

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COMPARATIVE PER SHARE DATA

The following table presents certain per share data of Smithfield and PSF on a historical basis and on an unaudited pro forma basis after giving effect to the merger as if the merger had occurred at the balance sheet date and at the beginning of the income statement period. The following information should be read in conjunction with the audited consolidated financial statements of Smithfield and PSF, which are incorporated by reference into this proxy statement/prospectus, and the unaudited pro forma combined condensed financial statements beginning on page 69. The pro forma information below is presented for informational purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the merger had been completed as of the beginning of the periods presented, nor is it necessarily indicative of the future operating results or financial position of the combined company. PSF equivalent per share amounts are calculated by multiplying the unaudited pro forma combined per share amounts by the exchange ratio of 0.6780.

	Fiscal Year Ended April 30, 2006	26 Weeks Ended October 29, 2006
Smithfield Historical		
Historical diluted per Common Share:		
Income from continuing operations per share	$ 1.61	$ .75
Dividends declared per common share		
Book value per share	18.11	18.79
PSF Historical (1)		
Historical diluted per Common Share:		
Net income per share	$ 1.70	$ .37
Dividends declared per common share	.24	.12
Book value per share	14.72	14.75
Unaudited Pro Forma Combined (2)		
Unaudited diluted pro forma per Smithfield common share		
Income from continuing operations per share	$ 1.70	$ .69
Dividends declared per common share		
Book value per share	20.37	20.39
Unaudited Pro Forma PSF Equivalent (1)(2)(3)		
Unaudited diluted pro forma per PSF common share		
Income from continuing operations per share	$ 1.15	$ .47
Dividends declared per common share		
Book value per share	13.81	13.82

(1) PSF information is presented as of and for the periods ended March 25, 2006 and September 23, 2006.

(2) Were Smithfield to increase the amount of cash paid per share by $1.00, based on a $28.60 price per share of Smithfield common stock, which is the average of the closing prices for the five days immediately prior and subsequent to the announcement of the merger agreement, the exchange ratio would be reduced to 0.6430, and the unaudited combined book value per share as of April 30, 2006 and October 29, 2006 would remain unchanged. The PSF equivalent per share amounts would be computed by multiplying amounts by 0.6430. The impact on pro forma earnings per share amounts would be less than 1%.

(3) PSF equivalent per share amounts are calculated by multiplying the unaudited pro forma combined per share amounts by the exchange ratio of 0.6780.

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COMPARATIVE STOCK PRICES AND DIVIDENDS

Comparison

Smithfield common stock is listed and traded on the NYSE under the symbol SFD. PSF common stock is listed and traded on NASDAQ under the symbol PORK. The following table sets forth, for the calendar quarters indicated, the high and low sales prices per share of Smithfield common stock and PSF common stock as reported in Bloomberg Financial Markets. The high and low sales prices per share of PSF common stock are listed beginning with the second calendar quarter of 2005, following the date of the initial public offering of its common stock, which we refer to as the IPO, on June 13, 2005. The table also sets forth the quarterly cash dividends per share declared by PSF with respect to its common stock. Smithfield has never paid a cash dividend on its common stock.

	Smithfield Common Stock		PSF Common Stock		
	High	Low	High	Low	Dividends
2004					
First Quarter	$ 27.41	$ 20.10	$	$	$
Second Quarter	31.15	25.90			
Third Quarter	29.80	23.40			
Fourth Quarter	29.98	23.27			
2005					
First Quarter	$ 34.64	$ 27.77	$	$	$
Second Quarter	32.07	27.20	14.25	12.50	.06
Third Quarter	29.70	25.69	15.96	12.66	.06
Fourth Quarter	31.47	28.50	18.54	14.30	.06
2006					
First Quarter	$ 31.10	$ 25.75	$ 19.47	$ 13.25	$ .06
Second Quarter	29.48	25.00	17.93	13.60	.06
Third Quarter	30.51	26.86	20.64	13.31	.06
Fourth Quarter	27.26	25.59	19.68	18.18	.06
2007					
First Quarter (through January 8, 2007)	$26.08	$24.49	$18.79	$17.81	$

On September 14, 2006, the last trading day before an analyst report was published which speculated on a potential business combination involving PSF, the last sales price of PSF common stock was $16.60 per share and the last sales price of Smithfield common stock was $29.30 per share. On September 15, 2006, the last trading day prior to the announcement of the execution of the merger agreement, the last sales price of PSF common stock was $17.73 per share and the last sales price of Smithfield common stock was $29.24 per share. On [•], 2007, the most recent practicable trading day prior to the printing of this proxy statement/prospectus, the last sales price of PSF common stock was $[•] per share and the last sales price of Smithfield common stock was $[•] per share. All stock price information is as reported in Bloomberg Financial Markets. The market prices of shares of PSF common stock and Smithfield common stock are subject to fluctuation. As a result, PSF stockholders are urged to obtain current market quotations. On December 22, 2006, the record date for the special meeting, there were approximately 31,972,806 shares of PSF common stock outstanding.

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RISK FACTORS

In addition to the other information included or incorporated by reference in this proxy statement/ prospectus, you should carefully consider the matters described below in evaluating whether to adopt the merger agreement.

Risk Factors Relating to Smithfield and PSF

Smithfield s and PSF s businesses are and will be subject to the risks described below relating to the merger. In addition, Smithfield and PSF are, and will continue to be, subject to the risks described in Part I, Item 1A in each of Smithfield s annual report on Form 10-K for the year ended April 30, 2006 and PSF s annual report on Form 10-K for the year ended March 25, 2006 and in Part II, Item 1A of Smithfield s quarterly reports on Form 10-Q for the quarters ended July 30, 2006 and October 29, 2006 and PSF s quarterly reports on Form 10-Q for the quarters ended June 24, 2006 and September 23, 2006, in each case as filed with the SEC and incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information beginning on page 99 for the location of information incorporated by reference into this proxy statement/prospectus.

Risk Factors Relating to the Merger

Because the market price of Smithfield common stock will fluctuate, you cannot be sure of the market value of the shares of Smithfield common stock that you will receive.

The number of shares of Smithfield common stock to be received by holders of PSF common stock in the merger as part of the merger consideration is fixed at 0.6780 of a share of Smithfield common stock for each share of PSF common stock. That number will not be adjusted in the event of any increase or decrease in the price of either Smithfield common stock or PSF common stock. That number would be reduced, however, if Smithfield substitutes up to $1.00 per share in cash for shares having an equivalent value (based on the average price of Smithfield common stock during a specified period prior to closing) under the circumstances described under The Merger General beginning on page 23. The price of Smithfield common stock may vary at the effective time of the merger from its price at the date of this proxy statement/prospectus and at the date of the special meeting. That variation may be the result of changes in the business, operations or prospects of Smithfield or PSF, market assessments of the likelihood that the merger will be completed and the timing of the merger, regulatory considerations, general market and economic conditions and other factors. In addition to the approval of PSF stockholders, completion of the merger is subject to the expiration or termination of the applicable waiting period, and any extension of the waiting period under the HSR Act and the satisfaction of other conditions that may not occur until some time after the special meeting. Therefore, at the time of the special meeting you will not know the precise dollar value of the merger consideration you will be entitled to receive upon completion of the merger or whether Smithfield will substitute up to $1.00 per share in cash for shares having an equivalent value (based on the average price of Smithfield common stock during a specified period prior to closing). A vote by PSF stockholders for the adoption of the merger agreement constitutes approval of the merger whether or not Smithfield substitutes up to $1.00 per share in cash for a portion of the stock consideration having an equivalent value (based on the average price of Smithfield common stock during a specified period prior to closing). PSF stockholders are urged to obtain current market quotations for Smithfield common stock and PSF common stock.

Obtaining required approvals may delay or prevent completion of the merger and may result in conditions on, or divestitures of certain assets of, Smithfield or PSF, which could adversely affect the combined company s business if the merger is completed.

Completion of the merger is conditioned upon, among other things, the receipt of certain governmental authorizations, consents, orders and other approvals, including the expiration or termination of the applicable waiting period under the HSR Act. These governmental approvals may impose conditions on, or require

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divestitures relating to, the divisions, operations or assets of Smithfield and/or PSF. These conditions or divestitures may jeopardize or delay completion of the merger or may reduce the anticipated benefits of the merger and negatively impact the pro forma financial information included in this proxy statement/prospectus. Even if all required governmental approvals are obtained and the other conditions to closing are satisfied, no assurance can be given as to the terms, conditions and timing of the governmental approvals.

Smithfield, PSF and ContiGroup have each received a request for additional information from the Antitrust Division of the Department of Justice. The request has the effect of extending the waiting period under the HSR Act until 30 days after Smithfield, PSF and ContiGroup have substantially complied with the request, unless that period is extended voluntarily by the parties or terminated sooner by the Department of Justice.

The failure to successfully integrate PSF s business and operations in the expected time frame may adversely affect Smithfield s future results.

The success of the merger will depend, in part, on the combined company s ability to realize the anticipated benefits from combining the businesses of Smithfield and PSF. However, to realize these anticipated benefits, the businesses of Smithfield and PSF must be successfully combined. If the combined company is not able to achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected. In addition, Smithfield needs to integrate the various acquisitions it has made in recent years, including the acquisition of the processed meats business of ConAgra in October 2006.

Smithfield and PSF have operated and, until the completion of the merger, will continue to operate independently. It is possible that the integration process could result in the loss of key employees, as well as the disruption of each company s ongoing businesses or inconsistencies in standards, controls, procedures and policies, any or all of which could adversely affect Smithfield s ability to maintain relationships with customers and employees after the merger or to achieve the anticipated benefits of the merger. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of Smithfield and PSF.

Smithfield s acquisition strategy may prove to be disruptive, divert management resources and present other risks to its business.

Smithfield has made numerous acquisitions in recent years and regularly reviews opportunities for strategic growth through acquisitions. Recent acquisitions include the acquisition of substantially all of the assets of the branded meats business of ConAgra Foods Packaged Foods Company, Inc. in October 2006 and substantially all of the assets of Cook s Hams, Inc. in April 2006. These and other acquisitions may present potential financial, managerial and operational challenges, including:

- diversion of management attention from existing businesses,
- difficulty with integrating personnel and financial and other systems,
- lack of experience in operating in the geographical market of the acquired business,
- increased levels of debt and associated reduction in ratings of Smithfield s debt securities,
- loss of key employees and customers of the acquired business,
- assumption of unknown liabilities, and
- disputes with the sellers.

Smithfield could also experience financial or other setbacks if any of the businesses that it has acquired or may acquire in the future have problems of which Smithfield is not aware.

In addition, acquisitions outside the U.S. may present unique difficulties and increase Smithfield s exposure to risks associated with international operations. Smithfield conducts foreign operations primarily in Poland,

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Romania and the United Kingdom and has interests in joint ventures operating mainly in Western Europe, Mexico, Romania and China. In August 2006, Smithfield acquired a 50% joint venture interest in the European meats business of Sara Lee Corporation. All of these foreign operations are subject to various risks related to economic or political uncertainties, including among others:

- general economic conditions,
- imposition of tariffs, quotas, trade barriers and other restrictions,
- enforcement of remedies in foreign jurisdictions and compliance with applicable foreign laws,
- fluctuations in currency values,
- translation of foreign currencies into U.S. dollars, and
- foreign currency exchange controls.

As of October 29, 2006, approximately 27% of Smithfield s long-lived assets were associated with its foreign operations.

The market price for Smithfield common stock may be affected by factors different from those affecting the shares of PSF.

Upon completion of the merger, holders of PSF common stock will become holders of Smithfield common stock. Smithfield s businesses differ from those of PSF, and accordingly the results of operations of the combined company will be affected by factors different from those currently affecting the results of operations of PSF. For a discussion of the businesses of Smithfield and PSF and of certain factors to consider in connection with those businesses, see the documents incorporated by reference in this proxy statement/prospectus and referred to under Where You Can Find More Information beginning on page 99.

Some directors and executive officers of PSF have interests in the merger that may differ from the interests of PSF stockholders.

When considering the recommendation by the PSF board of directors to vote FOR adoption of the merger agreement, you should be aware that certain directors and executive officers of PSF have, and ContiGroup, PSF s largest stockholder, has, interests in the merger agreement that are different from, and may conflict with, your interests. Following the merger, Paul J. Fribourg, a member of the PSF board of directors and ContiGroup s Chairman, President and Chief Executive Officer, will become a member of the Smithfield board of directors, and Michael J. Zimmerman, a member of the PSF board of directors and ContiGroup s Executive Vice President and Chief Financial Officer, will become an advisory director of Smithfield. The directors and executive officers of PSF will receive certain benefits upon completion of the merger, including accelerated vesting of stock options and restricted stock. Additionally, certain executive officers may be entitled to receive severance payments in connection with the merger in the aggregate amount of $2,569,123 and performance bonuses in the aggregate amount of $275,000. Smithfield has agreed to continue certain indemnification arrangements for directors and executive officers of PSF. The PSF board of directors was aware of these interests and considered them in approving the merger agreement.

The shares of Smithfield common stock to be received by PSF stockholders as a result of the merger will have different rights from the shares of PSF common stock.

Following completion of the merger, PSF stockholders will no longer be stockholders of PSF, a Delaware corporation, but will instead be shareholders of Smithfield, a Virginia corporation. There will be important differences between your current rights as a PSF stockholder and the rights to which you will be entitled as a shareholder of Smithfield. See Comparative Rights of Smithfield and PSF Stockholders beginning on page 79 for a discussion of the different rights associated with Smithfield common stock.

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SPECIAL NOTE CONCERNING FORWARD-LOOKING STATEMENTS

Some of the statements contained or incorporated by reference in this proxy statement/prospectus, including those relating to Smithfield s and PSF s strategies and other statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as will, should, may, expects, anticipates, intends, plans, believes, estimates and similar expressions, are forward-looking sta the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward looking statements include the information concerning possible or assumed future results of operations of Smithfield and PSF as set forth under The Merger Smithfield s Reasons for the Merger, The Merger Recommendation of the PSF Board of Directors; Reasons for the Merger and The Merger Opinion of Centerview Partners LLC. These statements are not historical facts but instead represent only Smithfield s and PSF s expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict, which may include the risk factors set forth above and other market, business, legal and operational uncertainties discussed elsewhere in this document and the documents which are incorporated herein by reference. Those uncertainties include, but are not limited to:

- the ability to obtain requisite governmental approvals for the merger on the proposed terms and schedule;
- the failure of the PSF stockholders to adopt the merger agreement;
- the risks that the businesses of Smithfield and PSF will not be successfully integrated;
- disruption from the merger, including lost business opportunities and difficulty maintaining relationships with employees, customers and suppliers;
- legal risks, including litigation and legislative and regulatory developments; and
- changes in general economic and market conditions.

Smithfield s and PSF s actual results and financial conditions may differ, perhaps materially, from the anticipated results and financial conditions in any forward-looking statements, and, accordingly, readers are cautioned not to place undue reliance on such statements.

For more information concerning factors that could affect Smithfield s and PSF s future results and financial conditions, see Management s Discussion and Analysis of Financial Condition and Results of Operations and Risk Factors in each of Smithfield s annual report on Form 10-K for the year ended April 30, 2006 and PSF s annual report on Form 10-K for the year ended March 25, 2006 and each of Smithfield s and PSF s most recent quarterly reports on Form 10-Q, which are incorporated by reference. Smithfield and PSF undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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THE SPECIAL MEETING

General

The special meeting will be held on [•], 2007, at [•] a.m., local time, in Conference Room 1A of the First Floor of the South Tower of State Street s offices at 805 Pennsylvania Avenue, Kansas City, Missouri 64105.

The purposes of the special meeting are to consider and vote upon the adoption of the Agreement and Plan of Merger, dated as of September 17, 2006, among Smithfield, KC2 Merger Sub, Inc., a direct wholly owned subsidiary of Smithfield, and PSF, and to consider and vote upon any procedural matters incident to the conduct of the special meeting, such as adjournment of the special meeting, including any adjournment for the purpose of soliciting additional proxies.

THE PSF BOARD OF DIRECTORS HAS UNANIMOUSLY DETERMINED THAT THE MERGER AGREEMENT IS ADVISABLE AND FAIR TO, AND IN THE BEST INTERESTS OF, PSF AND ITS STOCKHOLDERS AND RECOMMENDS THAT PSF STOCKHOLDERS VOTE FOR THE PROPOSAL TO ADOPT THE MERGER AGREEMENT.

Record Date; Voting Information; Required Vote

The PSF board of directors has fixed the close of business on December 22, 2006 as the record date for determining the holders of PSF common stock entitled to notice of, and to vote at, the special meeting. Only holders of record of PSF common stock at the close of business on the record date will be entitled to notice of, and to vote at, the special meeting or any adjournment or postponement of the special meeting.

As of the record date, 31,972,806 shares of PSF common stock were issued and outstanding and entitled to vote at the special meeting and there were approximately 130 holders of record of PSF common stock. Each share of PSF common stock entitles the holder to one vote on each matter to be considered at the special meeting. If you are a record holder of PSF common stock, you may vote your shares of PSF common stock in person at the special meeting or by proxy as described below under Voting by Proxy; Revocation of Proxies.

The presence in person or by proxy at the special meeting of the holders of at least a majority of the outstanding shares of PSF common stock entitled to vote at the meeting will constitute a quorum for the special meeting. Properly signed proxies that are marked abstain are known as abstentions. Properly signed proxies that are held by brokers in street name on behalf of customers who have not provided their broker with specific voting instructions on nonroutine matters such as the proposal to adopt the merger agreement are known as broker non-votes. Abstentions and broker non-votes will be counted for the purposes of determining whether a quorum exists at the special meeting but will have the same effect as a vote against the proposal to adopt the merger agreement.

The affirmative vote of a majority of the shares of PSF common stock outstanding as of the record date is required to adopt the merger agreement. Acting upon any procedural matters incident to the conduct of the special meeting (other than adjournment) will require the affirmative vote of a majority of all votes cast with respect to such matter by the holders of shares of PSF common stock present or represented by proxy and entitled to vote on such matter at the special meeting. An adjournment of the special meeting will require the affirmative vote of shares of PSF common stock representing a majority of the shares of PSF common stock present in person or represented by proxy at the special meeting.

PSF does not expect that any matter other than the proposals listed above will be brought before the special meeting. If, however, other matters are properly brought before the special meeting, or any adjournment of the special meeting, the persons named as proxies will vote in accordance with their judgment.

Voting by Proxy; Revocation of Proxies

Each copy of this proxy statement/prospectus mailed to PSF stockholders is accompanied by a form of proxy and a self-addressed postage pre-paid envelope.

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If you are a registered stockholder (that is, if you hold your PSF common stock in certificate form) you should either complete and return the proxy card accompanying this proxy statement/prospectus, or submit a proxy by telephone or through the Internet by following the instructions included with your proxy card, in each case, to ensure that your vote is counted at the special meeting, or at any adjournment or postponement of the special meeting, regardless of whether you plan to attend the special meeting.

If you hold your shares through a broker or other nominee, you should follow the separate voting instructions, if any, provided by the broker or other nominee with this proxy statement/prospectus. Your broker or nominee may permit proxy submission through the Internet or by telephone. Please contact your broker or nominee to determine how to vote your proxy.

You can revoke your proxy at any time before the vote is taken at the special meeting. If you have not voted through your broker or other nominee, you may revoke your proxy before the proxy is voted by:

delivering a written notice of revocation of proxy, which is dated a later date than the initial proxy, to PSF s Secretary;

submitting a duly executed proxy bearing a later date than the initial proxy;

submitting a new proxy by telephone or through the Internet at a later time, but not later than 11:59 p.m. (Eastern Time) on [•], 2007, or the day before the meeting date if the special meeting is adj