



NEWS RELEASE

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Shareholders Urge Smithfield Foods to Examine Environmental Impacts of Contract Farms

Washington, DC— Smithfield Foods Inc.'s investors will vote by proxy on an environmental performance related shareholder proposal at this Friday's annual meeting of shareholders. Concerns about the long-term sustainability of Smithfield Foods' business model, with regard to the environmental practices of the company's contract hog suppliers, have prompted the Nathan Cummings Foundation, Amalgamated Bank and the Sierra Club to submit a resolution to Smithfield Foods asking the meat company to examine the impact of both company-owned and contract farms. Smithfield is the largest hog producer and pork processor in the world and has operations throughout the United States, Canada and several other countries.

Lance Lindblom, the CEO of the Nathan Cummings Foundation explained, "Smithfield's refusal to extend the scope of their environmental monitoring and reporting to include contract farms raises concerns over potential liabilities. As long-term shareholders, we believe that both the company and its shareholders will benefit from the increased transparency and heightened understanding resulting from the requested report."

Hog confinement facilities are a major source of air and water pollution nationwide. According to the Environmental Protection Agency, hog, chicken and cattle waste has polluted 35,000 miles of rivers in 22 states and contaminated groundwater in 17 states. The resolution asks Smithfield Foods to prepare a report on the performance of suppliers relative to environmental guidelines and programs currently used by the company. In addition the report should include information relating to environmental fines, water usage, significant air emissions, water sources and other ecosystems affected by runoff and discharges.

Julie Gozan, Director of Corporate Governance for Amalgamated Bank, adds, "We believe that environmental stewardship is key to building a sustainable company and creating long-term shareholder value."

The information contained in Smithfield's '04 Stewardship Report, on solid waste, ammonia, nitrates and other chemicals, cover only processing operations. What farm-related data is included fails to cover contract farms which comprise over two thirds of the 2,250 farms producing Smithfield's hogs in 2004.

"Reporting on only one third of total farms that produce Smithfield hogs leaves the majority of farms unaccounted for. Investors need to see the other two thirds of the picture," said Glen Besa, Sierra Club Appalachian Regional Representative. "Smithfield needs to be more up-front with both its shareholders and its consumers."

Smithfield has faced criticism and heavy fines in the past for violating environmental safeguards. In 1997, a federal judge in Virginia fined Smithfield \$12.6 million for chronically dumping slaughterhouse wastes into the Pagan River, a tributary of the Chesapeake Bay. At the time, it was the largest civil penalty pollution fine in U.S. history. In July of 2000, Smithfield reached a landmark agreement with the state of North Carolina. Adopted in the wake of severe environmental damage caused by the flooding and rupture of waste lagoons associated with Hurricane Floyd, the agreement commits Smithfield to a total of nearly \$65 million in environmental initiative funding over the next 25 years.

Smithfield Foods Inc.'s annual meeting will be held at 2 pm, Friday, August 26th, at The Jefferson Hotel, 101 W. Franklin Street in Richmond, Virginia.

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