



Smithfield Foods Statement Regarding Appellate Court Decision November 19, 2020

The Fourth Circuit's split decision today rightly finds that the district court in this matter did not follow the law in North Carolina in regard to how punitive damages are decided and awarded. The lower court's actions in this case allowed plaintiffs' attorneys to unlawfully inflame the jury. This resulted in outrageous awards by an urban jury against a highly regulated rural farming operation.

We disagree with other conclusions of the appellate court, while noting that Judge Agee's dissent finds that cumulatively erroneous actions by the district court judge in this case are "so profound that a full new trial is necessary."

Our hog production division and network of independent family farmers operate with great care for animal wellbeing, the environment, our employees and our communities, while feeding tens of millions of people. We are grateful for the deep support that we in the field of agriculture have received as these unfair and misguided cases have persisted over a seven-year period.

In the midst of a global pandemic, where food shortages have been commonplace, it is now the time to keep our full attention on the important work of producing good food in a responsible and sustainable way – rather than returning to the court for what would be ongoing and distracting litigation involving this farm and dozens of other farming operations. Farmers, grain growers, truck drivers, food processors – and so many tens of thousands more in North Carolina who depend on the pork industry to support their families – have lived under a cloud of uncertainty for too long.

We have resolved these cases through a settlement that will take into account the divided decision of the court. Information about the terms of the settlement will not be disclosed.

These civil actions brought in North Carolina are part of a coordinated effort by plaintiffs' attorneys and their allies aimed at dismantling our safe, reliable and modern system of food production. From the outset of these cases, we committed to vigorously defend agriculture and protect North Carolina's farm families from this assault. Our support for America's farmers does not end with this decision.

—Statement by Keira Lombardo, Chief Administrative Officer, Smithfield Foods, Inc.