

Smithfield Plans Packaged-Meats Joint Venture

SMITHFIELD, Va. (AP) — Smithfield Foods Inc. plans to form a joint venture to help grow its packaged meats business.

The pork producer said Friday that it signed a letter of intent with Kansas City Sausage Co. and its sister company Pine Ridge Farms.

Terms were not disclosed but Smithfield said the transaction will be funded with cash on hand. It is expected to close in the fourth quarter of fiscal 2013.

Smithfield CEO C. Larry Pope says the move will provide a growth platform in the breakfast and dinner sausage categories and expand its product offerings. The categories represent more than \$4 billion in retail and foodservice sales annually.

The company says it will merge Kansas City Sausage's efficient operations with Smithfield's strong brands and sales and marketing team.

Smithfield shares closed down 31 cents at \$23.16.

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