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United States Senate

COMMITTEE ON
AGRICULTURE, NUTRITION AND FORESTRY
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June 20, 2013

The Honorable Jacob J. Lew
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Lew:

We are writing with regard to the proposed purchase of Smithfield Foods, the world's largest producer and processor of pork, by the Shuanghui Group. Although the Committee has not reached any conclusions with respect to this particular acquisition, it has raised a number of questions about how the foreign purchase of a major agriculture or food company is reviewed by the United States Government.

It has been publicly reported that the parties to this transaction are submitting it to the Committee on Foreign Investment in the United States (CFIUS) for review. The President has delegated to you the authority to add "the heads of any other executive department, agency, or office" that you deem appropriate to CFIUS on a case by case basis, and to designate a "lead agency or agencies" to "have primary responsibility" for that review.

We believe that our food supply is critical infrastructure that should be included in any reasonable person's definition of national security. As such, we strongly encourage you to include the Department of Agriculture and the Food and Drug Administration in any CFIUS review of this transaction, and consider designating the Department of Agriculture as one of its lead agencies. Further, any CFIUS review of this transaction should look beyond any direct impact on government agencies and operations to the broader issues of food security, food safety, and biosecurity.

Considering the potential for other foreign acquisitions of American food and agriculture companies, we also have a number of broader questions about how these transactions are reviewed and whether the appropriate authorities are evaluating potential risks and proposing sufficient mitigation measures to protect American interests. For instance, what measures should be considered to ensure that a company will maintain operations that comply with stringent American food safety and biosecurity standards? What measures should be considered to ensure that taxpayer supported research and development and any resulting intellectual property are

properly safeguarded? Should trends in foreign acquisitions also be monitored to ensure the ongoing integrity of key components of the American food supply?

The United States has the safest, most efficient and reliable food supply in the world. It is one of our nation's great strengths, and we must ensure that it is preserved and protected. The Committee on Agriculture, Nutrition, and Forestry will further examine how this transaction is reviewed and how these transactions should be reviewed in the future. We look forward to your cooperation in that important effort.

Sincerely,

Rebekah Starnow

Paul Cohen

Shirley Brown

Chuck Grassley

Will Miller

Kirsten E. Gillibrand

Pat Roberts

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