

Smithfield Foods to end grower contracts in Utah

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Smithfield Foods will end contracts with 26 hog farms in Utah to optimize its supply chain for more efficient operations in the face of an industry oversupply of pork, weaker consumer demand and high feed prices.

The contract terminations will result in the elimination of Smithfield positions that support contract farm relationships. The company will offer relocation opportunities for affected employees and provide transition assistance. While the exact number is to be determined, the number of Smithfield positions eliminated may be up to one-third of the 210 currently employed in its Utah hog production operations.

"Our industry and company are experiencing historically challenging hog production market conditions," said Shane Smith, president and CEO, of Smithfield Foods. "Smithfield continues to take steps to improve operational efficiency and optimize our hog supply chain. These actions have included rebalancing production with East Coast harvest capacity, reducing our sow herd in Missouri and closing finishing operations in Utah. These are difficult decisions, but they are necessary to help our company remain competitive in this operating environment."