

Smithfield Foods to purchase dry sausage facility from Cargill

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Smithfield Foods, an American food company with a leading position in packaged meats and fresh pork products, has entered into a definitive agreement to purchase a premier dry sausage production facility in Nashville, Tennessee, from Cargill. The transaction will fuel Smithfield's continued growth strategy in the value-added packaged meats segment, enhancing its ability to serve the growing demand for high-quality pepperoni, deli, charcuterie and other dry sausage products.

The terms of the agreement were not disclosed. The transaction is expected to close by the end of July 2024 and is subject to customary closing conditions.

"This transaction is a testament to our continued focus on growing our packaged meats business by staying ahead of our customers and delivering on their preferences. Dry sausage is one of our fastest-growing categories, and acquiring this facility from Cargill will better position us to improve sales, drive volume and increase our capacity to bring high-quality dry sausage products to the food service, industrial and retail sectors," said Steve France, president of packaged meats for Smithfield Foods. "We look forward to serving this facility's existing customers and welcoming a new group of team members to Smithfield Foods," France added.

Production from the Nashville facility will support Smithfield's existing portfolio of dry sausage brands, including Margherita, Carando and Armour, adding a dry sausage production capacity of 50 million pounds per year. The U.S. retail/deli dry sausage segment is projected to grow from \$4.7 billion in 2023 to \$6.9 by 2030. In the food service segment, 65 per cent of pizzeria operators expect gross annual sales to be up over the next 12 months, with 44 per cent expecting sales to be up 5 per cent or more.