

ALERT

Senate Committee to Hold Unprecedented CFIUS Hearing on Smithfield Acquisition

June 28, 2013

On June 27, 2013, Sen. Debbie Stabenow (D-MI), Chairwoman of the U.S. Senate Committee on Agriculture, Nutrition and Forestry, announced that the Committee will convene a hearing on Wednesday, July 10, 2013, to examine the pending purchase of Smithfield Foods, the largest pork producer and processor in the world, by Chinese food company Shuanghui International. The hearing, titled "Smithfield and Beyond: Examining Foreign Purchases of American Food Companies," will not only examine the \$4.7 billion transaction, the largest Chinese purchase of an American company, but will also explore how the government's current review processes for foreign acquisitions address American food safety and supply and the protection of American technology and intellectual property.

The Smithfield acquisition has raised serious concern among lawmakers in Washington. While the deal is subject to review by the Committee on Foreign Investment in the United States (CFIUS), which examines foreign acquisitions of U.S. businesses for potential national security risks, a bipartisan group of senators has urged the U.S. Department of the Treasury, the Chair of CFIUS, to include the U.S. Food and Drug Administration and the U.S. Department of Agriculture in the review of the transaction.¹ "We believe that our food supply is critical infrastructure that should be included in any reasonable person's definition of national security."² Moreover, the senators also urged CFIUS to look beyond the direct impact of the acquisition on the operations of the government, to broader issues of "food security, food safety, and biosecurity."³

Authors

Nova J. Daly
Senior Public Policy Advisor
202.719.3282
ndaly@wiley.law

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¹A copy of the letter is available at <http://www.ag.senate.gov/newsroom/press/release/senators-urge-oversight-smithfield>.

² *Id.*

³ *Id.*