

SMITHFIELD FOODS INC
Form 4
April 03, 2007

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
MURPHY WENDELL H

(Last) (First) (Middle)
P.O. BOX 1087
(Street)
ROSE HILL, NC 28458
(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
SMITHFIELD FOODS INC [SFD]

3. Date of Earliest Transaction
(Month/Day/Year)
03/30/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Price (1) (2) (3) (4)		
				Code	V	Amount	
Common Stock	03/30/2007		J(1)(2)(3)(4)		276,262	D	
Common Stock					15,000	I	By limited liability company
Common Stock					15,000	I	By limited liability company
Common Stock					4,000	I	By spouse

Common Stock 3 I By corporation

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount
Put equivalent position (obligation to sell)	(1) (2) (3) (4)	03/30/2007		J(1)(2)(3)(4)	287,860	(1)(2)(3)(4)	(1)(2)(3)(4)	Common Stock	2

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MURPHY WENDELL H P.O. BOX 1087 ROSE HILL, NC 28458		X		

Signatures

/s/ Mark Roberts, as Attorney-in-Fact 04/03/2007

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) On March 30, 2007, the Reporting Person settled his obligation to deliver common stock of the issuer ("Common Stock") or an equivalent amount of cash (if elected by him) pursuant to a prepaid variable forward contract entered into on June 30, 2004 (the "Contract") with an unaffiliated third party buyer ("Buyer"). The Contract obligated the Reporting Person to deliver to Buyer up to 287,860 shares of Common Stock (or an equivalent amount of cash) on the maturity date of the Contract (June 30, 2007 or such earlier date as the parties determined). In exchange for assuming this obligation, the Reporting Person received a cash payment of \$7,588,259 as of the date of

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entering into the Contract. The Reporting Person pledged 287,860 shares of Common Stock (the "Pledge Shares") to secure his obligations under the Contract, and retained voting rights in the Pledged Shares during the period of the pledge.

- (2) (continuation of prior footnote) The Reporting Person paid to Buyer all dividends received on the Pledge Shares during the period of the pledge. The Contract provided that the number of shares (or equivalent amount of cash) deliverable by the Reporting Person on the maturity date would be determined as set forth in footnote (3) below, on the basis of share prices of the Common Stock.

- (3) (continuation of prior footnote) (a) If the Closing Price, as determined in the Contract, were less than or equal to \$29.6189 (the "Floor Price"), the Reporting Person would deliver to Buyer the entire amount of Pledge Shares; (b) if the Closing Price were between the Floor Price and \$35.5427 (the "Cap Price"), the Reporting Person would deliver to Buyer a number of shares determined by reference to a formula specified in the Contract; and (c) if the Closing Price were greater than the Cap Price, the Reporting Person would deliver to Buyer a number of shares determined by reference to a formula in the Contract.

- (4) (continuation of prior footnote) The parties agreed to a maturity date of March 30, 2007. The Closing Price of the shares of Common Stock was \$29.6736. Accordingly, on March 30, 2007, the Reporting Person settled his obligation by delivering to Buyer 276,262 shares of Common Stock, having a value of \$8,197,698.08, and retaining ownership of the remaining 11,598 Pledged Shares.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.