

SMITHFIELD FOODS INC
Form 4
October 23, 2007

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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)
10/19/2007

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 Ownership Indirect Beneficial Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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	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)	6. Date Exercisable and Expiration Date (Month/Day/Year)
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Derivative Security	(Instr. 3, 4, and 5)				Date Exercisable	Expiration Date
	Code	V	(A)	(D)		
Variable prepaid forward contract (put equivalent position)	(1) (2) (3) (4)	10/19/2007	J(1)(2)(3)(4)	243,154	(1)(2)(3)(4)	07/15/2008(1)(2)(3)(4)
Variable prepaid forward contract (put equivalent position)	(5) (6) (7)	10/19/2007	J(5)(6)(7)	411,364	(5)(6)(7)	06/25/2010

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

Mark Roberts, as
Attorney-in-Fact

10/23/2007

__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).

On October 19, 2007, the reporting person settled his obligation to deliver shares of the issuer's common stock ("Common Stock") or an equivalent amount of cash (if elected by him) pursuant to a prepaid variable forward contract ("Contract") entered into on July 15, 2003 with an unaffiliated third party buyer ("Buyer"). The Contract obligated the reporting person to deliver to buyer up to 243,154 shares of

(1) Common Stock (or an equivalent amount of cash, if elected by him) on the Maturity Date of the Contract (July 15, 2008, or an earlier date if the parties agreed to terminate the Contract early). In exchange for assuming this obligation, the reporting person received a cash payment of \$4,783,951.85 as of the date of entering into the Contract. The reporting person pledged 243,154 shares of Common Stock (the "Pledged Shares") to secure his obligations under the Contract.

(2) (continuation of prior footnote) The reporting person retained voting and dividend rights in the Pledged Shares during the period of the pledge. The Contract provided that the number of shares (or an 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 the share price of the Common Stock.

(3) (continuation of prior footnote) (a) If the price per share of Common Stock on the Maturity Date were less than or equal to \$23.01 (the "Floor Price"), the reporting person would deliver to the Buyer the entire amount of Pledged Shares; (b) If the price per share of Common Stock on the Maturity Date were between the Floor Price and \$29.91 (the "Cap Price"), the reporting person would deliver to Buyer a

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number of shares determined by reference to a formula specified in the Contract; and (c) If the price per share of Common Stock on the Maturity Date were greater than the Cap Price, the reporting person would deliver to Buyer a number of shares determined by reference to a formula specified in the Contract.

- (4) (continuation of prior footnote) On the Maturity Date, the price per share of the Common Stock was \$31.53. The reporting person delivered to Buyer \$6,506,758, the value of 206,358 shares of Common Stock, pursuant to the reporting person's election to settle his delivery obligation under the Contract in cash.

- (5) On October 19 2007, the reporting person entered into a prepaid variable forward contract ("Contract") with an unaffiliated third party buyer ("Buyer"). The Contract obligated the reporting person to deliver to the Buyer up to 411,364 shares of the issuer's common stock ("Common Stock") (or an equivalent amount of cash, if elected by him) upon settlement of the Contract (i.e., June 21-25, 2010, or an earlier date if the parties agree to terminate the Contract early). In exchange for assuming this obligation, the reporting person received a cash payment of \$5,030,842 as of the date of entering into the Contract. The reporting person pledged 411,364 shares of Common Stock (the "Pledged Shares") to secure his obligations under the Contract, and retained voting and dividend rights in the Pledged Shares during the period of the pledge.

- (6) (continuation of prior footnote) The number of shares to be delivered to the Buyer upon settlement of the Contract is to be determined as set forth in footnote (7) below, on the basis of the share price of the Common Stock.

- (7) (continuation of prior footnote) (a) if the price per share of Common Stock upon settlement is less than or equal to \$31.53 (the "Floor Price"), the reporting person would deliver to Buyer the entire amount of Pledged Shares; (b) if the price per share of Common Stock upon settlement is between the Floor Price and \$37.83 (the "Cap Price"), the reporting person would deliver to the Buyer a number of shares determined by reference to a formula specified in the Contract; and (c) if the price per share of Common Stock upon settlement were greater than the Cap Price, the reporting person would deliver to Buyer a number of shares determined by reference to a formula specified in the Contract.

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.