



Department of Justice

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JUSTICE DEPARTMENT REQUIRES DIVESTITURE IN TYSON FOODS INC. ACQUISITION OF THE HILLSHIRE BRANDS COMPANY

Divestiture Will Preserve Competition in the Market for the Purchase of Sows from Farmers

WASHINGTON — The Department of Justice announced today that it will require Tyson Foods Inc. to divest Heinold Hog Markets, its sow purchasing business, in order to proceed with its \$8.5 billion acquisition of The Hillshire Brands Company. The department said that, without the required divestiture, the transaction would have combined companies that account for more than a third of sow purchases from U.S. farmers, thereby likely reducing competition for purchases of sows from farmers.

Three state attorneys general – of Illinois Iowa, and Missouri – joined the department in the civil lawsuit filed today in the U.S. District Court for the District of Columbia to block the proposed transaction. At the same time, the department filed a proposed settlement that, if approved by the court, would resolve the competitive concerns alleged in the department's lawsuit.

“Farmers are entitled to competitive markets for their products. Today’s proposed settlement will help ensure that hog breeders in the United States will continue to receive the benefits of vigorous competition when selling sows,” said Bill Baer, Assistant Attorney General in charge of the Antitrust Division. “Without the divestiture, the proposed acquisition would have eliminated a significant customer for farmers’ sows and likely would have resulted in less competition in this important agricultural market.”

Sows are sold by farmers for processing into sausage. Both Tyson’s Heinold Hog Markets and Hillshire buy sows from U.S. farmers. Heinold Hog Markets buys sows from farmers, sorts the sows at buying stations and resells and trucks the sows to sausage producers. Hillshire buys sows directly from farmers, which it then makes into sausage sold under the Jimmy Dean and Hillshire Farm brands. The acquisition of Hillshire by Tyson Foods Inc. would combine two major purchasers of sows from farmers in the United States and eliminate the benefit farmers have received from the competition between Hillshire and Tyson’s Heinold Hog Markets.

Under the terms of the proposed settlement, Tyson must divest Heinold Hog Markets in its entirety to a buyer approved by the Antitrust Division.

Tyson Foods Inc. is a Delaware corporation with its principal place of business in Springdale, Arkansas. Tyson is one of the world's largest meat companies. It produces, distributes and markets chicken, beef, pork and prepared food products. Tyson Hog Markets Inc., a subsidiary of Tyson and Tyson Fresh Meats Inc., buys and resells hogs through its Heinold Hog Markets division. In 2013, Tyson had total revenues of approximately \$34.4 billion; Heinold Hog Markets had overall revenues of approximately \$270 million.

The Hillshire Brands Company is a Maryland corporation with its principal place of business in Chicago, Illinois. Hillshire is a manufacturer and marketer of brand name food products for the retail and foodservice markets, including sausage, hot dogs and luncheon meats. Its brand names include Jimmy Dean, Ball Park and Hillshire Farm. Hillshire's total revenues were approximately \$3.9 billion for the year ended June 29, 2013.

As required by the Tunney Act, the proposed settlement, along with the department's competitive impact statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to William H. Stallings, Chief, Transportation, Energy, and Agriculture Section, Antitrust Division, U.S. Department of Justice, 450 5th Street, N.W., Suite 8000, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may enter the proposed final judgment upon finding that it is in the public interest.

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