

Testimony of

# Wesley M. Batista

May 7, 2008

Statement of Wesley M. Batista  
CEO, North America  
JBS Swift and Company  
Before the Senate Judiciary Committee,  
Subcommittee on Antitrust, Competition Policy and Consumer Rights

Mr. Chairman, Senator Hatch and members of the Committee, thank you for the opportunity to introduce JBS Swift to the Committee and to discuss our commitment to invest in America's meatpacking industry. I am the Chief Executive Officer of JBS Swift and want to share with you today JBS' vision.

Our goal through these transactions is to invest our skills, energy, expertise, and money to grow the U.S. meatpacking industry. We want to expand U.S. sales of beef and pork, domestically and around the world. In the process, we will keep and create U.S. jobs.

We are operators of beef, pork and lamb processing plants, not financial investors. My father started our business in 1955 when he slaughtered just one or two animals per day to supply restaurants in the new capital city of Brazil, Brazilia. We are still a family business. JBS now has global operations that we plan to use as a platform to expand the sale of U.S. beef and pork around the world.

Our history is clear. When we acquired Swift last year, we expanded operations, we added additional shifts, we hired more employees, we improved operations, and we bought more cattle. With respect to the Smithfield and National facilities, we will do the same - buy more animals, expand operations and hire more workers.

As we are doing right now, we will continue to compete aggressively for the purchase of cattle and the sale of beef by all available commercial means. And we will increase our demand and sales over time. This will benefit ranchers and feedlots. We will keep plants open, make them more efficient, and expand sales of U.S. beef.

We also look forward to hiring more workers consistent with new changes in U.S. immigration law. We view the U.S. labor force as a great resource and will, of course, comply with all U.S. laws.

A couple of questions have been raised that we would like to address. The first is our relationship with producers. We will continue to work with producers as we always have.

I have had meetings with employees, cattle producers and community leaders in Garden City, Kansas; Greeley, Colorado; and Amarillo, Texas, and feel we are being embraced. I will continue to do cattle producer, community and employee meetings.

There is one major region in the nation which contains the vast majority of all the major slaughtering plants for steer and heifers - that region is the beef belt. It includes northern Texas, Oklahoma, Iowa, Kansas, Nebraska, and Eastern Colorado. None of the Smithfield plants are in the beef belt. Most of the Smithfield plants handle primarily dairy steers and culled cows.

Regarding the crucial beef belt, after this merger, JBS, Cargill, Tyson, and regional and local plants will continue to compete intensely for the purchase of cattle. With cattle moving on trucks, there will be a variety of competing plants wanting to buy animals in the beef belt.

In terms of consumer prices, beef products are sold throughout the nation by numerous competitors of all sizes. JBS Swift sells primarily commodity beef and some case-ready beef and pork. In contrast, National Beef sells very

successful, branded beef products and we plan to expand those operations. Swift and National will continue to sell into different, and competitive, national markets.

In fact, when selling to large national retailers there will be intense competition among national, regional and local players.

I want to end with one final point. The JBS history in the U.S. is before you. Swift was floundering, had reduced its work force, shut down shifts, and sold plants before JBS purchased Swift. Then, after we bought Swift, we expanded operations, added shifts and hired more workers. We kept local managers.

We are investing billions of our company's money in the United States, with a goal to grow the industry, hire more U.S. workers, and increase demand for U.S. beef and pork around the world.

We are fully cooperating with the Department of Justice review and hope that review can conclude as swiftly as possible so that we can implement our growth strategy on beef and pork.

We appreciate this opportunity to tell our story before this Committee and look forward to the answering your questions.

On a personal note, my family and I greatly enjoy living in America in our home in Fort Collins. This is a great country.