

Smithfield Foods to pay \$42M to settle price-fixing lawsuit

By Stephen Faleski
Staff Writer

Smithfield Foods has agreed to pay \$42 million to settle a federal lawsuit that accused the company of colluding with its competitors over the past 13 years to inflate U.S. pork prices.

Eleven restaurateurs and caterers across the United States had filed the 2018 class action in Minnesota — home to the corporate headquarters of Hormel Foods Corp. — alleging in their complaint that

Hormel, Smithfield and other meatpackers that “collectively control over 80 percent” of the wholesale pork market “entered into a conspiracy from at least 2009 to the present” by “coordinating their output and limiting production with the intent and expected result of increasing pork prices in the United States.”

According to the complaint, Smithfield, Hormel, JBS USA, Tyson Foods Inc., Seaboard Foods LLC, Clemens Food

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Group LLC, Triumph Foods LLC and Indiana Packers Corp. allegedly “exchanged detailed, competitively sensitive, and closely guarded non-public information about prices, capacity, sales volume and demand through their co-conspirator Agri Stats.”

Agri Stats, according to the complaint, has provided “benchmarking” reports to the majority of pork processors since 2009 that, unlike other industry reports, include “detailed financial and production data” beyond “the type of information that competitors would provide each other in a normal, competitive market.” The suit contends that as a subscription service, Agri Stats required the participating meatpackers to “pay millions of dollars over the class period — far in excess of any other pricing and production indices.”

U.S. District Court Chief

Judge John Tunheim granted preliminary approval of the \$42 million settlement on April 19. According to Tunheim’s order, the settlement is not to be “deemed or construed to be an admission or evidence of a violation of any statute, law, rule or regulation or of any liability or wrongdoing by Smithfield.”

The court issued a July 5 press release informing residents of Arkansas, Arizona, Florida, Iowa, Kansas, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, West Virginia, Wisconsin and Washington, D.C., of their eligibility to recover money through the settlement if they had indirectly purchased pork

from Smithfield, the other named meatpackers, or their respective subsidiaries or affiliates in the United States from Jan. 1, 2009, through April 19, 2022, for their own business use in commercial food preparation. Those included in the class, or who aren’t sure if they’re included, can obtain more information at www.porkcommercialcase.com or by calling toll-free 1-855-867-0738.

Plaintiffs’ attorneys with the Washington, D.C.-based firm Cuneo Gilbert & LaDuca LLP were unwilling to speak on the record as to why Virginia restaurants are excluded from eligibility, citing a “non-disparagement” clause in the settlement agreement that limits what both sides can state publicly regarding the case. According to court records, Tunheim dismissed claims in 2020 that Smithfield violated state-level

consumer protection laws in North Dakota, New York and Virginia — but allowed other claims in North Dakota and New York to move forward.

The plaintiffs had previously settled with JBS for \$12.75 million in 2021. The court will hold a hearing on Oct. 17 at 10 a.m. to consider whether to give Smithfield’s settlement agreement final approval.

Jim Monroe, Smithfield’s vice president of corporate affairs, declined to comment on the lawsuit’s outcome beyond what the court shared in its press release. According to the settlement agreement, Smithfield “believes that it has valid defenses” to the lawsuit’s claims but “has decided to settle these claims to avoid the uncertainty, risk, expense, and distraction of continued litigation.”



Farm brewery planned for Zuni

By Stephen Faleski
Staff Writer

Beer enthusiasts who frequented Smithfield's Wharf Hill Brewing Co. during its early days may have already encountered some of Greg Bullis' creations.

The former Marine designed and built Wharf Hill's brewing equipment when the brewpub opened in 2014, and served as the pub's brewer for its first year and a half in business.

Now, he's on to his latest venture in the village of Zuni, where he hopes to soon open his own farm brewery on a 5-acre parcel he and his wife, Christine Kampe Bullis, purchased along Route 460. Farm

breweries must grow at least one ingredient – wheat or hops – used in their products.

The couple has already established an ostrich farm on the site and dug footers for a planned 3,600-square-foot brewery that will offer 16 beers on tap. They also plan to purchase and outfit a food truck that will sell ostrich burgers and jerky.

"I was looking for something that would eat the spent grain out of the brewery," Greg Bullis said.

In South Africa, he noted, farmers have been raising ostriches for hundreds of years.

"It's a really high-quality red meat," said Bullis, noting ostrich meat typically retails for at least \$30 per pound in

the United States.

The birds, he added, produce roughly one-third the amount of greenhouse gases as cattle. One of his core objectives, Bullis said, is to have the lowest environmental impact as possible. He plans to build a grain dryer that will run entirely on solar power.

"With everybody looking to try to be as green as possible ... some of it just makes sense," Bullis said. "It will cost more up front to do it, but over the long run you'll make your money back."

Bullis entered the world of brewing roughly 20 years ago while attending Smithfield's Bon Vivant Wine & Brew beer club.

"I started on my stove like

everyone else does, doing a 2-gallon boil," Bullis said.

Earlier this year, Kampe Bullis Farm Brewery LLC applied for a Virginia Alcoholic Beverage Control Authority license to manufacture and sell beer at the site. Most of the beers the couple intends to offer will be at least 7% alcohol by volume.

That's the only remaining approval they'll need to start construction. According to Isle of Wight County's director of community development, Amy Ring, the couple has already received a simplified site plan approval from the county, having qualified their proposal as an agritourism use.



Top, Christine Kampe Bullis, a software engineer, and former Marine Greg Bullis stand outside the ostrich pen at their newest venture, Kampe Bullis Farm Brewery LLC. At left, The couple erected this barn outside the ostrich pen. Bottom left, The Kampe Bullis Farm Brewery is also an ostrich farm. Bottom Right, The Bullises have already dug the footings for the planned 3,600-square-foot brewery.



Surry grocery store now slated for '23

By **Stephen Faleski**
Staff Writer

A long-awaited grocery store partially funded with tax dollars is slated to open by spring, according to Surry Assistant County Administrator David Harrison.

Surry residents Andrew and Sheryl White purchased the former Surry Furniture & Hardware Co. building roughly three years ago, proposing to turn the vacant storefront at Routes 31 and 10 into the “Surry Marketplace.” In 2021, the project secured a \$50,000 state grant aimed at combating “food deserts.”

According to Harrison, Surry County has since contributed an additional \$300,000 in local funds toward the project via an agreement executed by the county’s Economic Development Authority to purchase refrigeration equipment.

The equipment is slated to arrive “no later than November 2022,” Harrison said at the Surry Board of Supervisors’ Oct. 6 meeting.

Contractors have obtained a demolition permit

for the store’s interior and submitted a proposed layout for the store, Harrison said. Once the county issues a building permit, construction of the store’s interior will begin.

The county has held “food desert” status for more than two decades, according to County Administrator Melissa Rollins. The term, according to the U.S. Department of Agriculture, refers to low-income or rural communities where at least 33% of the population lives 10 miles or more from a supermarket or large grocery store.

Former Gov. Ralph Northam announced \$620,000 in Virginia Food Access Investment Fund grants to 15 projects in 2021, including the \$50,000 award to the Surry Marketplace. Virginia’s General Assembly established the fund in 2020.

Sheryl White had told *The Smithfield Times* in 2021 that she’d anticipated the store opening by September or early October of that year. *The Times* was unable to reach the Whites by press

deadline as to the reason opening is now delayed to 2023. Harrison, speaking to *The Times* following the Oct. 6 meeting, didn’t share specifics but suggested the delay was at least partially due to the COVID-19 pandemic and its continuing impact on construction costs and timelines.

The \$300,000 represents the entirety of the county’s contribution, Harrison said. The county, he explained, will lease the refrigeration equipment to the Surry Marketplace for five years at no cost, after which time the store will take over ownership.

This isn’t the first time the county has attempted a public-private partnership with the goal of bringing a grocery store to Surry.

According to county records, the Rhode Island-based Supervalu grocery store chain, now known as United Natural Foods Inc., had proposed building a 13,500-square-foot grocery store and shopping center on county-owned land across the street from the former Edwards Ham Shoppe, now

known as Meats of Virginia. The proposed \$6 million shopping center was to have opened in 2020.

The Board of Supervisors had given county staff approval in June 2018 to create draft agreements with a contractor and an operator to build and run the proposed grocery store, which ended up receiving “zero response” from any prospects, according to reporting that year by *The Times*.

Surry Marketplace, as of April 2022, had signed an agreement with United Natural Foods for the “design and management of the interior buildout,” according to a county press release, with Surry’s EDA having “paid the retainer” for UNFI’s services with a Charlottesville-based GENAN Foundation grant.

According to the *Times’* archives, access to fresh, perishable foods has been an ongoing issue for county residents since Surry’s only major grocery store shuttered in 1999, leaving them with at least a 30-minute drive to alternatives in Smithfield, Suffolk or Petersburg.