Ractopamine ban aided Smithfield acquisition

The takeover by Chinese meat processing company Shuanghui International of major US pork producer SmithField Foods could have been aided by Smithfield's decision to ban ractopamine in their pork production.

Smithfield weaned the first of its pigs off the controversial feed additive ractopamine last year, and according to Tim Ramey, an analyst with DA Davidson & Co, this was "an enabling factor" for the takeover.

In March, China began requiring third-party verification that US pork products were ractopamine-free.

Ractopamine is a beta-agonist. Initially developed to treat asthma in humans, ractopamine was found to be extremely effective at changing the metabolism of an animal, so that the animal would quickly and cost-effectively add sought-after muscle. The FDA approved the use of beta-agonists in pigs in 1999, for cattle in 2003 and for turkeys in 2008.

The US$4.7 billion deal is the biggest Chinese takeover of a US firm

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