

PILGRIMS PRIDE CORP  
Form 10-Q  
July 30, 2010  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 27, 2010

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File number 1-9273

**PILGRIM S PRIDE CORPORATION**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**75-1285071**  
(I.R.S. Employer  
Identification No.)

**1770 Promontory Circle, Greeley, CO**  
(Address of principal executive offices)

**80634-9038**  
(Zip code)

**Registrant's telephone number, including area code: (970) 506-8000**

**4845 US Hwy 271 N, Pittsburg, TX 75686-0093**

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer  Accelerated Filer   
Non-accelerated Filer  (Do not check if a smaller reporting company) Smaller reporting company   
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes  No

Number of shares outstanding of the issuer's common stock, as of July 30, 2010, was 214,281,914.

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	June 27, 2010	September 26, 2009
	(In thousands)	
<b>Assets:</b>		
Cash and cash equivalents	\$ 36,483	\$ 220,029
Investment in available-for-sale securities	9,741	5,302
Trade accounts and other receivables, less allowance for doubtful accounts	330,103	316,953
Inventories	782,476	763,869
Income taxes receivable	54,144	15,028
Prepaid expenses and other current assets	55,530	44,540
Assets held for sale	27,179	473
<b>Total current assets</b>	<b>1,295,656</b>	<b>1,366,194</b>
Investment in available-for-sale securities	56,394	57,314
Deferred tax assets	11,665	16,732
Other long-lived assets	117,938	63,609
Identified intangible assets, net	51,792	57,179
Property, plant and equipment, net	1,393,795	1,499,476
	<b>\$ 2,927,240</b>	<b>\$ 3,060,504</b>
<b>Liabilities and stockholders equity:</b>		
Accounts payable	\$ 263,541	\$ 182,173
Accrued expenses	287,770	309,259
Pre-petition obligations	3,663	
Income taxes payable	8,490	
Current deferred tax liabilities	15,277	16,732
Current maturities of long-term debt	62,853	
<b>Total current liabilities</b>	<b>641,594</b>	<b>508,164</b>
Long-term debt, less current maturities	1,167,930	41,062
Deferred tax liabilities	42,384	22,213
Other long-term liabilities	90,175	98,783
<b>Total liabilities not subject to compromise</b>	<b>1,942,083</b>	<b>670,222</b>
Liabilities subject to compromise		2,233,161
Common stock	2,143	771
Additional paid-in capital	1,447,211	646,793
Accumulated deficit	(448,421)	(469,407)
Accumulated other comprehensive loss	(23,883)	(27,237)
<b>Total Pilgrim s Pride Corporation stockholders equity</b>	<b>977,050</b>	<b>150,920</b>

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Noncontrolling interest	8,107	6,201
Total stockholders' equity	985,157	157,121
	\$ 2,927,240	\$ 3,060,504

The accompanying notes are an integral part of these Consolidated Financial Statements.

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	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 27, 2010</b>	<b>June 27, 2009</b>	<b>June 27, 2010</b>	<b>June 27, 2009</b>
	<b>(In thousands, except per share data)</b>			
Net sales	\$ 1,707,568	\$ 1,776,813	\$ 3,350,486	\$ 3,474,915
Costs and expenses:				
Cost of sales	1,575,077	1,611,337	3,165,976	3,230,696
Gross profit	132,491	165,476	184,510	244,219
Selling, general and administrative expense	63,718	56,880	112,319	115,778
Administrative restructuring charges, net	16,882		52,701	(435)
Total costs and expenses	1,655,677	1,668,217	3,330,996	3,346,039
Operating income	51,891	108,596	19,490	128,876
Other expenses (income):				
Interest expense	26,115	38,843	54,535	85,287
Interest income	(627)	(488)	(1,174)	(3,312)
Miscellaneous, net	(4,504)	(312)	(6,829)	(2,940)
Total other expenses	20,984	38,043	46,532	79,035
Income (loss) from continuing operations before reorganization items and income taxes	30,907	70,553	(27,042)	49,841
Reorganization items, net	(2,178)	16,779	18,541	52,134
Income (loss) from continuing operations before income taxes	33,085	53,774	(45,583)	(2,293)
Income tax expense (benefit)	(1,503)	555	(34,807)	2,902
Income (loss) from continuing operations	34,588	53,219	(10,776)	(5,195)
Income from discontinued business, net of tax				25
Net income (loss)	34,588	53,219	(10,776)	(5,170)
Less: Net income (loss) attributable to noncontrolling interest	1,670	(20)	1,853	356
Net income (loss) attributable to Pilgrim s Pride Corporation	\$ 32,918	\$ 53,239	\$ (12,629)	\$ (5,526)
<b>Net loss per common share basic and diluted:</b>				
Income (loss) from continuing operations attributable to Pilgrim s Pride Corporation common stockholders	\$ 0.15	\$ 0.72	\$ (0.06)	\$ (0.07)
Income from discontinued business attributable to Pilgrim s Pride Corporation common stockholders				
Net income (loss) attributable to Pilgrim s Pride Corporation common stockholders	\$ 0.15	\$ 0.72	\$ (0.06)	\$ (0.07)

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Weighted average shares outstanding - basic and diluted	214,282	74,056	214,282	74,056
<b>Amounts attributable to Pilgrim s Pride Corporation common stockholders:</b>				
Income (loss) from continuing operations, net of tax	\$ 32,918	\$ 53,239	\$ (12,629)	\$ (5,551)
Income from discontinued business, net of tax				25
Net income (loss)	\$ 32,918	\$ 53,239	\$ (12,629)	\$ (5,526)

The accompanying notes are an integral part of these Consolidated Financial Statements.

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**PILGRIMS PRIDE CORPORATION**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

**(Unaudited)**

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 27, 2010</b>	<b>June 27, 2009</b>	<b>June 27, 2010</b>	<b>June 27, 2009</b>
	<b>(In thousands, except per share data)</b>			
Net income (loss)	\$ 34,588	\$ 53,219	\$ (10,776)	\$ (5,170)
Other comprehensive income:				
Unrealized holding gains (losses) on available-for-sale securities, net of tax	41	(826)	105	