

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 26, 2008

PILGRIM'S PRIDE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-9273

(Commission
File Number)

75-1285071

(IRS Employer
Identification No.)

4843 US Hwy. 271 N., Pittsburg, Texas

(Address of principal executive offices)

75686-0093

(Zip Code)

Registrant's telephone number, including area code: **(903) 434-1000**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

As previously disclosed, Pilgrim's Pride Corporation (the "Company") obtained temporary waivers of its non-compliance with the fixed charge coverage ratio covenants under its principal credit facilities as of the fiscal year ending September 27, 2008 ("fiscal year end"). These previously disclosed waivers are scheduled to expire in accordance with their terms on October 28, 2008.

On October 26, 2008, the Company entered into temporary waivers of the Company's non-compliance with its fixed charge coverage ratio covenants and potential non-compliance with its leverage ratio covenants under its principal credit facilities as of fiscal year end, which waivers will be effective from October 28, 2008 through November 26, 2008 (the "Waiver Period"). Specifically, on October 26, 2008, the Company entered into: (i) a Limited Duration Waiver of Potential Defaults and Events of Default under Credit Agreement (the "CoBank Waiver") by and among the Company, CoBank, ACB, as administrative agent ("CoBank"), and the other syndication parties signatory thereto (collectively with CoBank, the "CoBank Lending Group"), waiving certain potential defaults and events of default relating to non-compliance with the fixed charge coverage ratio and leverage ratio covenants under the 2006 Amended and Restated Credit Agreement dated as of September 21, 2006, as amended (the "CoBank Agreement"); (ii) a Limited Duration Waiver Agreement (the "BMO Waiver") by and among the Company, To-Ricos, Ltd., To-Ricos Distribution, Ltd., Bank of Montreal, as administrative agent, and certain other bank parties thereto (such bank parties, collectively with Bank of Montreal, the "BMO Lending Group"), waiving certain potential defaults and events of default relating to non-compliance with the fixed charge coverage ratio and leverage ratio covenants under the Fourth Amended and Restated Secured Credit Agreement dated as of February 8, 2007, as amended (the "BMO Agreement"); and (iii) a Limited Duration Waiver Agreement (the "RPA Waiver" and, collectively with the CoBank Waiver and the BMO Waiver, the "Waivers") by and among the Company, Pilgrim's Pride Funding Corporation, BMO Capital Markets Corp., as administrator ("BMO Capital Markets"), and Fairway Finance Company, LLC ("Fairway") waiving certain events of termination and termination events relating to non-compliance with the fixed charge coverage ratio and leverage ratio covenants under the Amended and Restated Receivables Purchase Agreement dated as of September 26, 2008, as amended (the "Amended and Restated Receivables Purchase Agreement"). The foregoing Waivers and agreements are collectively referred to herein as the "Credit Documents."

Below is a description of certain terms and conditions of the Waivers:

CoBank Waiver

Pursuant to the CoBank Waiver, the CoBank Lending Group has granted the Company a waiver for the Waiver Period of potential defaults and events of default of the Company's covenants to maintain a certain minimum fixed charge coverage ratio and leverage ratio under the CoBank Agreement. The CoBank Waiver further provides that, during the Waiver Period, (i) unless otherwise approved by the CoBank Lending Group, the Company will maintain aggregate undrawn commitments under the CoBank Agreement and the BMO Agreement of at least \$35 million; (ii) so long as aggregate undrawn commitments under the CoBank Agreement and the BMO Agreement are \$75 million or less, the Company will obtain and pay loans under the CoBank Agreement and the BMO Agreement only on a pro rata basis; and (iii) the Company will be unable to convert any portion of the outstanding Revolving Loan (as defined in the CoBank Agreement) into a term loan or add additional collateral to the available amount under the CoBank Agreement for borrowing availability purposes. In addition, the CoBank Waiver requires the Company to engage a chief restructuring officer within ten business days after the Company receives a list of candidates for such position from CoBank. The Company is not obligated to engage any of the candidates on such list but must engage a person or firm that is reasonably acceptable to the CoBank Lending Group. In connection with entering into the CoBank Waiver, the Company has agreed to pay a waiver fee equal to 0.10% of the total obligations outstanding under the CoBank Agreement. The above discussion is a summary of certain terms and conditions of the CoBank Waiver and is qualified in its entirety by the terms and conditions of the CoBank Waiver and the CoBank Agreement. For the complete terms and conditions of the CoBank Waiver summarized in this report, please refer to the CoBank Waiver attached hereto as Exhibit 10.1 and incorporated by reference herein.

BMO Waiver

Pursuant to the BMO Waiver, the BMO Lending Group has granted the Company a waiver for the Waiver Period of defaults and events of default relating to the Company's covenants to maintain a certain minimum fixed charge coverage ratio and leverage ratio under the BMO Agreement. The BMO Waiver further provides that, during the Waiver Period, so long as aggregate undrawn commitments under the CoBank Agreement and the BMO Agreement are \$75 million or less, the Company will be entitled to obtain loans under the BMO Agreement, and the Company will obtain and pay loans under the BMO Agreement and the CoBank Agreement only on a pro rata basis. In addition, the BMO Waiver requires the Company to engage a chief restructuring officer within ten business days after the Company receives a list of candidates for such position from Bank of Montreal. The Company is not obligated to engage any of the candidates on such list but must engage a person or firm that is reasonably acceptable to the BMO Lending Group. In connection with entering into the BMO Waiver, the Company has agreed to pay a waiver fee equal to 0.10% of the aggregate commitment under the BMO Agreement. The above discussion is a summary of certain terms and conditions of the BMO Waiver and is qualified in its entirety by the terms and conditions of the BMO Waiver and the BMO Agreement. For the complete terms and conditions of the BMO Waiver summarized in this report, please refer to the BMO Waiver attached hereto as Exhibit 10.2 and incorporated by reference herein.

RPA Waiver

Pursuant to the RPA Waiver, BMO Capital Markets and Fairway have granted the Company a waiver for the Waiver Period of any non-compliance with its covenants to maintain a minimum fixed charge coverage ratio and leverage ratio under the Amended and Restated Receivables Purchase Agreement. In connection with entering into the RPA Waiver, the Company has agreed to pay a waiver fee equal to 0.10% of the purchase limit under the Amended and Restated Receivables Purchase Agreement plus other specified fees and expenses. The above discussion is a summary of certain terms and conditions of the RPA Waiver and is qualified in its entirety by the terms and conditions of the RPA Waiver and the Amended and Restated Receivables Purchase Agreement. For the complete terms and conditions of the RPA Waiver summarized in this report, please refer to the RPA Waiver attached hereto as Exhibit 10.3 and incorporated by reference herein.

The effectiveness of the waivers contained in the Waivers is conditioned upon, among other things, the Company's continued compliance with the Company's obligations under the Credit Documents and forbearance from paying any interest on the Company's 8-3/8% Senior Subordinated Notes due 2017 or its 7-5/8% Senior Notes due May 1, 2015. Upon expiration or any termination of the Waiver Period, unless extended or the Credit Documents are amended, the waivers contained in the Waivers will no longer be effective and an event of default or event of termination will exist under the Credit Documents permitting the CoBank Lending Group, the BMO Lending Group and BMO Capital Markets to exercise their remedies and preclude the Company from drawing funds or selling additional receivables under the Credit Documents.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On October 21, 2008, the Company entered into Change in Control Agreements (collectively, the "Change in Control Agreements") with each of Lonnie Ken Pilgrim, Chairman, J. Clinton Rivers, President and Chief Executive Officer, Robert A. Wright, Chief Operating Officer, and Richard A. Cogdill, Chief Financial Officer (each, an "Executive"). The Change in Control Agreements have an initial term of three years. The term of the agreements automatically renew on their anniversary for a period of two years from the renewal date, unless, in each case, the Company gives the Executive notice at least 60 days prior to the renewal date that the term will not be extended.

Generally, the Change in Control Agreements provide that, if the Company terminates an Executive's employment within a specified time period (the "Employment Period") following a Change in Control (as defined in the Change in Control Agreement) other than for cause or the Executive's disability or if the Executive resigns during the Employment Period for good reason because the Company has not met its obligations under the Change in Control Agreement, then the Executive will be entitled to certain severance benefits. The Employment Period is 24 months in the case of Mr. Pilgrim and 18 months in the case of Messrs. Rivers, Wright and Cogdill. Upon the termination of an Executive's employment during the Employment Period under the circumstances discussed above, the Change in Control Agreements provide (1) for a lump sum severance payment that includes (a) the Executive's target annual bonus for the fiscal year in which the termination occurs, prorated through the date of termination, and (b) an amount based on the sum of the Executive's annual base salary and target annual bonus multiplied by 3.0 in the case of Mr. Pilgrim and 2.5 in the case of Messrs. Rivers, Wright and Cogdill; (2) that the Executives may be entitled to receive a tax gross-up payment to compensate them for specified excise taxes, if any, imposed on the severance payment; and (3) that any stock options and other equity awards held by the Executives will become fully vested and exercisable. In addition, the Change in Control Agreements provide that, for a period of 24 months in the case of Mr. Pilgrim and, 18 months in the case of Messrs. Rivers, Wright and Cogdill, from the date of any termination of the Executive's employment that results in a severance payment under the Executive's Change in Control Agreement, the Executive will not (a) divulge confidential information regarding the Company, (b) solicit or induce employees of the Company to terminate their employment with the Company, or (c) seek or obtain any employment or consulting relationship with any specified competitor of the Company.

The above discussion is a summary of certain terms and conditions of the Change in Control Agreements and is qualified in its entirety by the terms and conditions of the Change in Control Agreements. For the complete terms and conditions of the Change in Control Agreements summarized in this report, please refer to the form of Change in Control Agreement attached hereto as Exhibit 10.4 and incorporated by reference herein.

Item 7.01. Regulation FD Disclosure.

On October 27, 2008, the Company issued a press release announcing temporary waivers under its principal credit facilities as of fiscal year end. A copy of the press release is furnished pursuant to Regulation FD as Exhibit 99.1 to this report.

The information contained in Item 7.01 of this report and in Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- 10.1 Limited Duration Waiver of Potential Defaults and Events of Default under Credit Agreement dated October 26, 2008 by and among Pilgrim's Pride Corporation, as borrower, CoBank, ACB, as administrative agent, and the other syndication parties signatory thereto.
 - 10.2 Limited Duration Waiver Agreement dated as of October 26, 2008 by and among Pilgrim's Pride Corporation, as borrower, Bank of Montreal, as administrative agent, and certain other bank parties thereto.
 - 10.3 Limited Duration Waiver Agreement dated as of October 26, 2008 by and among Pilgrim's Pride Corporation, Pilgrim's Pride Funding Corporation, BMO Capital Markets Corp., as administrator, and Fairway Finance Company, LLC.
 - 10.4 Form of Change in Control Agreement dated as of October 21, 2008 between the Company and the Executives.
 - 99.1 Press Release dated October 27, 2008.
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PILGRIM'S PRIDE CORPORATION

Date: October 27, 2008

By: /s/ Richard a. Cogdill
Richard A. Cogdill
Chief Financial Officer, Secretary and Treasurer

EXHIBIT INDEX

Exhibit Number	Description
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99.1	Press Release dated October 27, 2008.

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LIMITED DURATION WAIVER OF POTENTIAL DEFAULTS AND EVENTS OF DEFAULT UNDER CREDIT AGREEMENT

This Limited Duration Waiver Of Potential Defaults And Events Of Default Under Credit Agreement (herein, the “**Agreement**”) is made as of October 26, 2008, by and among the Pilgrim’s Pride Corporation, a Delaware Corporation (“**Borrower**”), the Syndication Parties (whose signatures appear below), and CoBank ACB, as Administrative Agent for the Syndication Parties (“**CoBank**”).

Recitals:

A.CoBank (in its capacity as the Administrative Agent (sometimes also referred to herein as the “**Agent**”), the Syndication Parties signatory thereto, and Borrower have entered into that certain 2006 Amended and Restated Credit Agreement (Convertible Revolving Loan and Term Loan) dated as of September 21, 2006, that certain First Amendment to Credit Agreement dated as of December 13, 2006, that certain Second Amendment to Credit Agreement dated as of January 4, 2007, that certain Third Amendment to Credit Agreement dated as of February 7, 2007, that certain Fourth Amendment to Credit Agreement dated as of July 3, 2007, that certain Fifth Amendment to Credit Agreement dated as of August 7, 2007, that certain Sixth Amendment to Credit Agreement dated as of November 7, 2007, that certain Seventh Amendment to Credit Agreement dated as of March 10, 2008, and that certain Eighth Amendment to Credit Agreement dated as of May 1, 2008 (as so amended and as amended, modified, or supplemented from time to time in the future, the “**Credit Agreement**”) pursuant to which the Syndication Parties have extended certain credit facilities to Borrower under the terms and conditions set forth in the Credit Agreement.

B.Certain Potential Defaults and Events of Default either exist or will exist as a result of (a) the Borrower’s Fixed Charge Coverage Ratio at September 30, 2008 failing to meet the requirements of Section 10.12.5 of the Credit Agreement, an Event of Default described in Section 13.1(d) of the Credit Agreement, (b) the Borrower’s Leverage Ratio at of September 27, 2008 potentially failing to meet the requirements of Section 10.12.1 of the Credit Agreement, an Event of Default described in Section 13.1(d) of the Credit Agreement, and (c) Borrower failing to maintain compliance with the Fourth Amended and Restated Credit Agreement dated as of February 8, 2007 by and among Borrower, Bank of Montreal, as Agent, and the other lenders party thereto (the “**BMO Credit Agreement**”) as required by Section 10.4 of the Credit Agreement, Events of Default described in Section 13.1(d), and Section 13.1(g) of the Credit Agreement (collectively, the “**Subject Defaults**”).

C.Borrower has requested that the Agent and the Syndication Parties temporarily waive the Subject Defaults which the Agent and the Syndication Parties are willing to do subject to the terms and conditions as set forth in this Agreement.

D.Borrower and the Required Lenders executed a Limited Duration Waiver Of Potential Defaults And Events Of Default Under Credit Agreement dated September 26, 2008 (“**September Limited Duration Waiver**”). Under the September Limited Duration Waiver, the Syndication Parties consented to the granting by the Borrower to Bank of Montreal, as agent under the BMO Credit Agreement, of a security interest in all Collateral granted to the Agent pursuant to the Credit Agreement and other Loan Documents (“**BMO Collateral**”), *provided* that such security interest was and remained subject and subordinate to the Agent’s security interests therein pursuant to an intercreditor agreement (the “**BMO Intercreditor Agreement**”).

Now, Therefore, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1.*Incorporation of Recitals; Defined Terms.* The Borrower acknowledges that the Recitals set forth above are true and correct in all material respects. The defined terms in the Recitals set forth above are hereby incorporated into this Agreement by reference. All other capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement.

2.*Limited Duration Waiver.*

2.1Except as provided in this Subsection 2.1 of this Agreement, the Agent and the Syndication Parties reserve the right to exercise any and all of their rights, powers and remedies under the Credit Agreement and the other Loan Documents, including the right to cease making Loans, and the right to accelerate the maturity of all outstanding Bank Debt. Subject to satisfaction of the terms and conditions contained in this Agreement, the Agent and the Syndication Parties agree to waive the Subject Defaults and shall, with respect to the Subject Defaults (but not with respect to any other Potential Default or Event of Default that may be existing or that may occur), not exercise their rights, powers and remedies under the Credit Agreement or the other Loan Documents commencing on the date hereof and ending on November 26, 2008 (the “**Waiver Period**”).

2.2The waiver of the Subject Defaults shall become null and void on the expiration of the Waiver Period and from and after such expiration of the Waiver Period the Agent and the Syndication Parties shall have all rights and remedies available to them as a result of the occurrence of the Subject Defaults as though this waiver had never been granted.

3.*Additional Agreements.* The Borrower further agrees that:

(a)The Agent (or its counsel) shall have the right to engage on behalf of the Syndication Parties a financial advisor, selected by the Agent and acceptable to the Syndication Parties, to review, evaluate and advise the Agent and the Syndication Parties as to the reports, analyses and cash flow forecasts and other materials prepared by the Borrower’s financial consultants relating to the financial condition, operating performance, and business prospects of the Borrower and its Subsidiaries and to perform such other information gathering or evaluation acts as may be reasonably requested by the Agent, and the reasonable costs and expenses of such financial advisor shall be borne by the Borrower and constitute part of the Borrower’s obligations outstanding under the Credit Agreement. The Borrower shall take reasonable steps to make available to such financial advisor and its representatives such information respecting the financial condition, operating performance, and business prospects of the Borrower and its Subsidiaries as may be reasonably requested and shall make the Borrower’s financial consultants, officers, employees, and independent public accountants available with reasonable prior notice to discuss such information with such financial advisor and its representatives.

(b)The Borrower shall provide to the Agent and the Syndication Parties a 13-week cash flow forecast (the “*Forecast*”) showing projected cash receipts and cash disbursements of the Borrower and its Subsidiaries over the following 13-week period, together with a reconciliation of actual cash receipts and cash disbursements of the Borrower and its Subsidiaries from the prior week against the cash flow forecast previously furnished to the Agent and the Syndication Parties and showing any deviations on a cumulative basis), prepared by the Borrower and in form and substance, and

with such detail, as the Agent may request. Each Forecast shall be provided to the Agent and the Syndication Parties no later than 5:00 p.m., Central time, on Wednesday of each week (beginning October 29, 2008).

(c) During the Waiver Period, unless approved by the Required Lenders, the Borrower shall have at all times undrawn commitments under the Credit Agreement and the BMO Credit Agreement in an aggregate amount not less than \$35,000,000.

(d) No later than October 31, 2008, the Borrower shall deliver to the Syndication Parties a budget for the 90-day period ending January 31, 2009, in form and substance reasonably satisfactory to the Agent and its financial advisor.

(e) No later than the 5th Business Day after the date the BMO Intercreditor Agreement is executed and delivered by the parties thereto, the Borrower shall grant to the Agent for the benefit of the Syndication Parties valid, enforceable liens and security interests on all of the collateral securing the BMO Credit Agreement, subject to the liens and security interests granted to BMO in such property. This additional collateral shall be Collateral under the Credit Agreement and subject to the terms of the Credit Agreement applicable to Collateral generally. The Borrower shall pay all taxes, costs, and expenses incurred by the Agent in obtaining and perfecting such security interests and shall supply to the Agent at the Borrower's cost and expense such board resolutions and other instruments, documents, certificates, and opinions reasonably required by the Agent in connection therewith.

(f) During the Waiver Period the Borrower shall obtain loans under the Credit Agreement and the BMO Credit Agreement, and shall repay loans under the Credit Agreement and the BMO Credit Agreement, only on a pro rata basis, determined on the basis of the undrawn amount of the commitments under each of the two credit agreements at the close of business in Chicago, Illinois, on September 24, 2008, as stated in Section 8(f) hereof, until the aggregate undrawn commitments under the Credit Agreement and the BMO Credit Agreement are \$75,000,000. Thereafter (i) the lenders under the BMO Credit Agreement shall have no obligation to extend further credit to Borrower under the BMO Credit Agreement until such time as the aggregate undrawn commitments under the Credit Agreement and the BMO Credit Agreement exceed \$75,000,000 in which case the Borrower may obtain and repay loans under the Credit Agreement and the BMO Credit Agreement only on a pro rata basis as described above until the aggregate undrawn commitments under the Credit Agreement and the BMO Credit Agreement are \$75,000,000, and (ii) at any time that until the aggregate undrawn commitments under the Credit Agreement and the BMO Credit Agreement are \$75,000,000 or less, the Borrower may obtain loans under the Credit Agreement (such loans are referred to as "**Additional Loans**") and may repay Additional Loans without a concurrent repayment of loans under the BMO Credit Agreement until such time as the aggregate undrawn commitments under the Credit Agreement and the BMO Credit Agreement exceed \$75,000,000 in which case the Borrower may obtain and repay loans under the Credit Agreement and the BMO Credit Agreement only on a pro rata basis as described above until the aggregate undrawn commitments under the Credit Agreement and the BMO Credit Agreement are \$75,000,000.

(g) The Borrower shall engage a chief restructuring officer reasonably acceptable to the Required Lenders no later than the 10th Business Day after the date the Agent provides the Borrower with a list of potential candidates that would be acceptable to the Required Lenders, but the Borrower shall have no obligation to engage any of the potential candidates named on such list and may engage any other person or firm that is reasonably acceptable to the Required Lenders. The scope of the chief restructuring officer's engagement and the authority granted to such chief restructuring officer must be reasonably satisfactory to the Required Lenders.

(h) The Borrower agrees that the amounts on deposit in all of its operating accounts (including without limitation its accounts at Merrill Lynch) will not exceed at any time the amount needed by the Borrower and its Subsidiaries for their operating expenses and liquidity needs in the ordinary course of business.

(i) The Borrower shall promptly provide any financial information concerning the Borrower and its Subsidiaries and their respective businesses that the Agent or the Required Lenders may reasonably request.

4. Credit Agreement:

4.1 Notwithstanding the terms of Section 2.10 of the Credit Agreement and related terms in other Sections of the Credit Agreement, during the Waiver Period Borrower shall not have the right to convert any portion of the outstanding balance under the Revolving Loan into a non-revolving term loan (referred to in the Credit Agreement as a Voluntary Converted Loan).

4.2 Notwithstanding the terms of Section 10.18 of the Credit Agreement and related terms in other Sections of the Credit Agreement, during the Waiver Period no additional Collateral shall be included in the calculation of the Available Amount.

4.3 To the extent available, no later than November 10, 2008, the Borrower shall deliver all legal descriptions with respect to the Borrower's interest in each unencumbered property of the Borrower pursuant to section 10.18(f) of the Credit Agreement. As soon as practicable (with respect to such property) and in no event later than November 24, 2008, the Borrower shall execute and deliver a deed of trust or mortgage and assignment of leases and rents with respect to Borrower's interest in the property.

5. *Waiver Termination.* As used in this Agreement, "*Waiver Termination*" shall mean the occurrence of the expiration of the Waiver Period, or, if earlier, the occurrence of any one or more of the following events:

(a) any Potential Default or Event of Default under the Credit Agreement, in each case other than the Subject Defaults;

(b) any failure by the Borrower for any reason to comply with any term, condition, or provision contained in this Agreement, including without limitation the engagement of a chief restructuring officer as required by Section 3(g) hereof, or in any document signed in connection herewith;

(c) any representation made by the Borrower in this Agreement or pursuant to it proves to be incorrect or misleading in any material respect when made;

(d) the BMO Limited Duration Waiver (as defined in Section 13(b) hereof) shall for any reason not be or shall cease to be in full force and effect or is declared to be null and void, or BMO or any other party to the BMO Credit Agreement takes any action for the purpose of terminating, repudiating or rescinding the BMO Limited Duration Waiver or any of its obligations thereunder;

(e) the Fairway Limited Duration Waiver (as defined in Section 13(c) hereof) shall for any reason not be or shall cease to be in full force and effect or is declared to be null and void, or the Securitization Agent (as defined below) or any other party to the Amended and Restated Receivables Purchase Agreement dated as of September 26, 2008, among Pilgrim's Pride Funding Corporation, as Seller, the Borrower, as Servicer, Fairway Finance Company, LLC, as Purchaser, the various purchasers and purchaser agents from time to time party thereto and BMO Capital Markets Corp., as Administrator (the "**Securitization Agent**"), as amended, supplemented and otherwise modified (as so amended, supplemented and otherwise modified, the "**Receivables Purchase Agreement**"), takes any action for the purpose of terminating, repudiating or rescinding the Fairway Limited Duration Waiver or any of its obligations thereunder;

(f) the BMO Intercreditor Agreement, or any part thereof, shall for any reason not be or shall cease to be in full force and effect or is declared to be null and void, or BMO, as agent under the BMO Credit Agreement, or any other lender under the BMO Credit Agreement, takes any action for the purpose of terminating, repudiating or rescinding the BMO Credit Agreement or any of its obligations thereunder; or

(g) the Borrower shall pay any interest on its 8-3/8% Senior Subordinated Notes due 2017 or its 7-5/8% Senior Notes due May 1, 2015.

Upon the occurrence of a Waiver Termination, the Waiver Period is automatically terminated and the Syndication Parties are then permitted and entitled, with respect to the Subject Defaults and any other Event of Default then in existence under the Credit Agreement, among other things, to cease making Loans to the Borrower, to accelerate the Borrower's indebtedness, obligations and liabilities under the Loan Documents, and to exercise any other rights and remedies that may be available under the Loan Documents or applicable law.

6. Limited Waiver and Reservation of Rights. The Borrower acknowledges and agrees that immediately upon expiration or termination of the Waiver Period, the Agent and the Syndication Parties have all of their rights and remedies with respect to the Subject Defaults to the same extent, and with the same force and effect, as if the waiver contained herein had not been granted. The Borrower will not assert and hereby forever waives any right to assert that the Agent or the Syndication Parties are obligated in any way to continue to waive the Subject Defaults beyond the Waiver Period or to forbear from enforcing their rights or remedies with respect to the Subject Defaults after the Waiver Period or that the Agent and the Syndication Parties are not entitled to act on the Subject Defaults after the occurrence of a Waiver Termination as if such default had just occurred and the Waiver Period had never existed. The Borrower acknowledges that the Syndication Parties have made no representations as to what actions, if any, the Syndication Parties will take after the Waiver Period or upon the occurrence of any Waiver Termination, Potential Default or Event of Default, and the Syndication Parties and the Agent must and do hereby specifically reserve any and all rights, remedies, and claims they have (after giving effect hereto) with respect to the Subject Defaults and each other Potential Default or Event of Default that may occur.

7. Acknowledgement of Liens. The Borrower hereby acknowledges and agrees that all indebtedness, obligations and liabilities of the Borrower, owing to the Agent and the Syndication Parties arising out of or in any manner relating to the Loan Documents, shall continue to be secured by liens and security interests on all of the Collateral pursuant to the Loan Documents heretofore or hereafter executed and delivered by the Borrower, and nothing herein contained shall in any manner affect or impair the priority of the liens and security interests created and provided for thereby as to the indebtedness, obligations, and liabilities which would be secured thereby prior to giving effect to this Agreement.

8. Representations and Warranties. The Borrowers represent and warrant to the Agent and the Syndication Parties that:

(a) the Borrower has full right and authority to enter into this Agreement and to perform all of its obligations hereunder, and the Borrower has full right and authority to grant to the Agent the liens and security interests contemplated hereby;

(b) this Agreement and the performance or observance by the Borrower of any of the matters and things herein or therein provided for do not (i) contravene or constitute a default under any provision of law or any judgment, injunction, order or decree binding upon the Borrower or any provision of the organizational documents (e.g., certificate or articles of incorporation and by-laws) of the Borrower, or (ii) contravene or constitute a default under any covenant, indenture or agreement of or affecting the Borrower or any of its Property;

(c) the obligations of the Borrower under this Agreement and each of the Loan Documents executed and delivered by it are legal, valid, enforceable (except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally) and subsisting and not subject to set-off, defense (other than payment) or counterclaim;

(d) other than the Subject Defaults, no Potential Default or Event of Default has occurred and is continuing;

(e) the Borrower's indebtedness, obligations and liabilities to the Agent and the Syndication Parties under the Loan Documents constitute "Designated Senior indebtedness" as defined in the First Supplemental Indenture dated as of January 24, 2007, between the Borrower and Wells Fargo Bank, National Association, as Trustee, relating to the Borrower's 8-3/8% Senior Subordinated Notes due 2017;

(f) as of the close of business in Chicago, Illinois on September 24, 2008, the undrawn amount of all commitments under the CoBank Credit Agreement was \$143,000,000 and the undrawn amount of all Revolving Credit Commitments under the Credit Agreement was \$35,500,000; and

(g) the Borrower has decided that during the Waiver Period it will not pay any interest on its 8-3/8% Senior Subordinated Notes due 2017 or its 7-5/8% Senior Notes due May-1, 2015.

9. Amendment. Borrower, Agent and the Required Lenders agree to negotiate in good faith to amend the Credit Agreement specifically in respect of the Mandatory Prepayment, Appraisals, Borrowing, Liens and any other similar provisions to permit the grant of the second liens to BMO as agent in the BMO Collateral and to permit the grant of a security interest to CoBank as agent for the Syndication Parties in the assets and properties in addition to the existing Collateral on or prior to the execution of the BMO Intercreditor Agreement.

10. RELEASE. FOR VALUE RECEIVED, INCLUDING WITHOUT LIMITATION, THE AGREEMENTS OF THE SYNDICATION PARTIES IN THIS AGREEMENT, THE BORROWER HEREBY RELEASES THE AGENT AND EACH SYNDICATION PARTY, ITS CURRENT AND FORMER SHAREHOLDERS, DIRECTORS, OFFICERS, AGENTS, EMPLOYEES, ATTORNEYS, CONSULTANTS, AND PROFESSIONAL ADVISORS (COLLECTIVELY, THE "**RELEASED PARTIES**") OF AND FROM ANY AND ALL DEMANDS, ACTIONS, CAUSES OF ACTION, SUITS, CONTROVERSIES, ACTS AND OMISSIONS, LIABILITIES, AND OTHER CLAIMS OF EVERY KIND OR NATURE WHATSOEVER, BOTH IN LAW AND IN EQUITY, KNOWN OR UNKNOWN, WHICH SUCH BORROWER HAS OR EVER HAD AGAINST THE RELEASED PARTIES FROM THE BEGINNING OF THE WORLD TO THIS DATE ARISING IN ANY WAY OUT OF THE EXISTING FINANCING ARRANGEMENTS BETWEEN THE BORROWERS AND THE SYNDICATION PARTIES, AND THE BORROWER FURTHER ACKNOWLEDGES THAT, AS OF THE DATE HEREOF, IT DOES NOT HAVE ANY COUNTERCLAIM, SET-OFF, OR DEFENSE AGAINST THE RELEASED PARTIES, EACH OF WHICH THE BORROWER HEREBY EXPRESSLY WAIVES.

11. *Loan Documents Remain Effective.* Except as expressly set forth in this Agreement, the Loan Documents and all of the obligations of the Borrower thereunder, the rights and benefits of the Agent and Syndication Parties thereunder, and the liens and security interests created thereby remain in full force and effect. Without limiting the foregoing, the Borrower agrees to comply with all of the terms, conditions, and provisions of the Loan Documents except to the extent such compliance is irreconcilably inconsistent with the express provisions of this Agreement. This Agreement and the Loan Documents are intended by the Syndication Parties as a final expression of their agreement and are intended as a complete and exclusive statement of the terms and conditions of that agreement.

12. *Fees and Expenses.*

12.1 The Borrower shall have paid the Administrative Agent, by wire transfer of immediately available federal funds (a) all fees presently due under the Credit Agreement; (b) all expenses owing pursuant to Section 15.1 of the Credit Agreement.

12.2 The Borrower shall pay on demand all fees and expenses (including attorneys' fees) incurred by the Agent and its counsel in connection with this Agreement and the other instruments and documents being executed and delivered in connection herewith, and all fees and expenses of counsel to the Agent with respect to the credit facilities subject to the Credit Agreement.

12.3 The Borrower shall pay a fee in consideration of this Agreement, in an amount equal to the total obligations outstanding under the Credit Agreement multiplied by 10 basis points.

13. *Conditions Precedent.* The effectiveness of this Agreement is subject to the satisfaction of the following conditions precedent:

(a) the Borrower, the Agent, and the Required Lenders shall have executed and delivered this Agreement, on or before October 27, 2008;

(b) the Agent shall have received a copy of a fully executed limited duration waiver from the lenders party to the BMO Credit Agreement and Bank of Montreal, as agent for such lenders, waiving any default under the BMO Credit Agreement that is analogous to the Subject Defaults for a period ending no earlier than November 26, 2008, which limited duration waiver shall not contain any other terms or provisions that are not contained in this Agreement or that are inconsistent with the terms of this Agreement or that are more favorable to the lenders under the BMO Credit Agreement than the terms of this Agreement are favorable to the Syndication Parties, and which otherwise shall be in form and substance reasonably satisfactory to the Agent (the "**BMO Limited Duration Waiver**"), and such limited duration waiver shall be effective;

(c) the Agent shall have received a copy of a fully executed limited duration waiver from the lenders party to the Receivables Purchase Agreement and the Securitization Agent, waiving any default under the Receivables Purchase Agreement that is analogous to the Subject Defaults for a period ending no earlier than November 26, 2008, agreeing to extend any amendments to the Amended and Restated Receivables Purchase Agreement dated as of October 10, 2008 and agreeing to continue to provide credit thereunder during the Waiver Period, which limited duration waiver shall not contain any other terms or provisions that are not contained in this Agreement or more favorable to the purchasers under the Receivables Purchase Agreement than the terms of this Agreement are favorable to the Syndication Parties, and which otherwise shall be in form and substance reasonably satisfactory to the Agent (the "**Fairway Limited Duration Waiver**") and such Fairway Limited Duration Waiver shall be effective;

(d) the payment of the legal fees and expenses referred to in Section 12 above; and

(e) the payment of the fee pursuant to Section 12.3 of this Agreement.

14. *Authorization to Enter into Collateral Documents and Intercreditor Agreement.* The Required Lenders hereby irrevocably authorize the Agent to execute and deliver (a) such amendments (including an amendment and restatement) to the Security Agreement or such security agreements, mortgages, deeds of trust and other instruments as the Agent may deem appropriate to obtain the liens and security interests contemplated by this Agreement (collectively, the "**Additional Security Documents**"), and (b) the BMO Intercreditor Agreement on behalf of each of the Syndication Parties and to take such action and exercise such powers under the Additional Security Documents and the BMO Intercreditor Agreement as the Agent considers appropriate. Each Syndication Party acknowledges and agrees that it will be bound by the terms and conditions of the BMO Intercreditor Agreement upon the execution and delivery thereof by the Agent. Except as otherwise specifically provided for herein, no Syndication Party, other than the Agent, shall have the right to institute any suit, action or proceeding in equity or at law for the enforcement of any remedy under the Additional Security Documents or the BMO Intercreditor Agreement; it being understood and intended that no one or more of the Syndication Parties shall have any right in any manner whatsoever to enforce any right thereunder, and that all proceedings at law or in equity shall be instituted, had, and maintained by the Agent for the benefit of the Syndication Parties. The parties hereto hereby acknowledge and agree that each of the Additional Security Documents and the BMO Intercreditor Agreement shall constitute a Loan Document for all purposes of the Credit Agreement and the other Loan Documents.

15. *General Provisions.*

15.1 *Authority of Borrower.* By its acceptance hereof, the Borrower hereby represents that it has the necessary power and authority to execute, deliver, and perform the undertakings contained herein, and that this Agreement constitutes the valid and binding obligation of the Borrower enforceable against it in accordance with its terms.

15.2 *Severability.* Any provision of this Agreement held invalid, illegal, or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality, or unenforceability without affecting the validity, legality, and enforceability of the remaining provision hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

15.3 *Loan Document.* The parties hereto hereby acknowledge and agree that this Agreement shall constitute a Loan Document for all purposes of the Credit Agreement and the other Loan Documents.

15.4 *Survivability.* Unless otherwise expressly stated herein, the provisions of this Agreement shall survive the termination of the Waiver Period.

15.5 *Counterparts.* This Agreement may be executed in counterparts and by different parties on separate counterpart signature pages, each of which constitutes an original and all of which taken together constitute one and the same instrument. Delivery of executed counterparts of this Agreement by

teletype shall be effective as an original. This Agreement may be executed by the parties hereto in separate counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto. Copies of documents or signature pages bearing original signatures, and executed documents or signature pages delivered by a party by telefax, facsimile, or e-mail transmission of an Adobe® file format document (also known as a PDF file) shall, in each such instance, be deemed to be, and shall constitute and be treated as, an original signed document or counterpart, as applicable. Any party delivering an executed counterpart of this Agreement by telefax, facsimile, or e-mail transmission of an Adobe® file format document also shall deliver an original executed counterpart of this Agreement, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

15.6Governing Law. This Agreement shall be governed by Colorado law and shall be governed and interpreted on the same basis as the Credit Agreement.

15.7Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Borrower, Agent, and the Syndication Parties, and their respective successors and assigns, except that Borrower may not assign or transfer its rights or obligations hereunder without the prior written consent of all the Syndication Parties.

15.8Headings. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Agreement.

15.9No Other Modifications. The Credit Agreement, except as expressly modified herein, shall continue in full force and effect and be binding upon the parties thereto.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

ADMINISTRATIVE AGENT:CoBank, ACB

By:
Name:James Matzat
Title:Vice President

BORROWER:Pilgrim's Pride Corporation

By:
Name:Richard A. Cogdill
Title:Exe. VP, CFO, Sec & Treas.

SYNDICATION PARTIES:CoBank, ACB

By:
Name:James Matzat
Title:Vice President

Agriland, FCS

By:
Name:Dwayne Young
Title:Chief Executive Officer

Deere Credit, Inc.

By:
Name:Michael P. Kuehn
Title:Manager, AFS Johnson Credit Operations

{Signature Page to Agreement}

Bank of the West

By:
Name:
Title:

John Hancock Life Insurance Company

By:
Name:
Title:

**The Variable Annuity Life Insurance Company
AIG Global Investment Corp., investment advisor**

By:
Name:
Title:

The United States Life Insurance Company in the City of New York

AIG Global Investment Corp., investment advisor

By:
Name:
Title:

**Merit Life Insurance Co.
AIG Global Investment Corp., investment advisor**

By:
Name:
Title:

{Signature Page to Agreement}

**American General Assurance Company
AIG Global Investment Corp., investment advisor**

By:
Name:
Title:

**AIG International Group, Inc.
AIG Global Investment Corp., investment advisor**

By:
Name:
Title:

**AIG Annuity Insurance Company
AIG Global Investment Corp., investment advisor**

By:
Name:
Title:

Transamerica Life Insurance Company

By:
Name:
Title:

The CIT Group/Business Credit, Inc.

By:
Name:
Title:

Metropolitan Life Insurance Company

By:
Name:
Title:

{Signature Page to Agreement }

Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., “Rabobank-Nederland” New York Branch

By:
Name:
Title:

By:
Name:
Title:

Farm Credit Services of America, PCA

By:
Name:
Title:

The Prudential Insurance Company of America

By:
Name:
Title:

{Signature Page to Agreement}



**PILGRIM'S PRIDE CORPORATION
LIMITED DURATION WAIVER AGREEMENT**

This Limited Duration Waiver Agreement (herein, the "*Agreement*") is made as of October 26, 2008, by and among Pilgrim's Pride Corporation, a Delaware corporation (the "*Company*"), To-Ricos, Ltd., a Bermuda company ("*To-Ricos*"), To-Ricos Distribution, Ltd., a Bermuda company ("*To-Ricos Distribution*"; and together with To-Ricos, the "*Foreign Borrowers*"; the Company and the Foreign Borrowers collectively, the "*Borrowers*" and individually, a "*Borrower*"), the Banks party hereto, and Bank of Montreal, a Canadian chartered bank acting through its Chicago branch, as administrative agent for the Banks (the "*Agent*").

Recitals:

A. The Banks currently extend credit to the Borrowers on the terms and conditions set forth in that certain Fourth Amended and Restated Secured Credit Agreement dated as of February 8, 2007, as amended, by and among the Borrowers, the Banks, and the Agent (the "*Credit Agreement*").

B. The Company has informed the Banks that the Company was not in compliance with Section 7.12 (Fixed Charge Coverage Ratio) of the Credit Agreement as of September 27, 2008 and may not be in compliance with Section 7.8 (Leverage Ratio) of the Credit Agreement as of September 27, 2008 (such instances of noncompliance being hereinafter collectively referred to as the "*Subject Default*").

C. The Company has requested that the Required Banks waive the Subject Default during the period ending November 26, 2008, and the Required Banks are willing to do so subject to the terms and conditions contained in this Agreement.

Now, Therefore, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. *Incorporation of Recitals; Defined Terms.* The Borrowers acknowledge that the Recitals set forth above are true and correct in all material respects. The defined terms in the Recitals set forth above are hereby incorporated into this Agreement by reference. All other capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement.

2. *Amounts Owed.* The Borrowers acknowledge and agree that the principal amount of Loans, Reimbursement Obligations and L/Cs as of October 24, 2008, is \$284,289,540 (\$0 in Bid Loans, \$203,245,000 in Revolving Credit Loans, \$0 in Swing Loans, \$0 in Bond Reimbursement Obligations, \$25,239,727 in the Bond L/C, \$0 in Reimbursement Obligations, and \$81,044,540 in issued and currently undrawn L/Cs), and such amount (together with interest and fees thereon) is justly and truly owing by the Borrowers without defense, offset or counterclaim.

3. *Limited Duration Waiver.* Subject to the terms and conditions contained in this Agreement, the Required Banks waive the Subject Default but only for the period (the "*Waiver Period*") beginning October 28, 2008, and ending on November 26, 2008 (the "*Scheduled Waiver Expiration Date*"). The foregoing waiver shall become null and void on the Scheduled Waiver Expiration Date and from and after the Scheduled Waiver Expiration Date the Agent and the Banks shall have all rights and remedies available to them as a result of the occurrence of the Subject Default as though this waiver had never been granted.

4. *Additional Agreements.* The Borrower further agrees that:

(a) The Agent (or its counsel) and the Banks (or their special counsel) shall have the right to engage jointly on behalf of the Banks a financial advisor, selected by the Agent and acceptable to the Required Banks, to review, evaluate and advise the Agent and the Banks as to the reports, analyses and cash flow forecasts and other materials prepared by the Company's financial consultants relating to the financial condition, operating performance, and business prospects of the Company and its Subsidiaries and to perform such other information gathering or evaluation acts as may be reasonably requested by the Agent or the Required Banks, and the reasonable costs and expenses of such financial advisor shall be borne by the Company and constitute part of the Company's obligations outstanding under the Credit Agreement. The Company shall take reasonable steps to make available to such financial advisor and its representatives such information respecting the financial condition, operating performance, and business prospects of the Company and its Subsidiaries as may be reasonably requested and shall make the Company's financial consultants, officers, employees, and independent public accountants available with reasonable prior notice to discuss such information with such financial advisor and its representatives.

(b) The Company shall provide to the Agent and the Banks a 13-week cash flow forecast (the "*Forecast*") showing projected cash receipts and cash disbursements of the Company and its Subsidiaries over the following 13-week period, together with a reconciliation of actual cash receipts and cash disbursements of the Company and its Subsidiaries from the prior week against the cash flow forecast previously furnished to the Agent and the Banks and showing any deviations on a cumulative basis), prepared by the Company and in form and substance, and with such detail, as the Agent may request. Each Forecast shall be provided to the Agent and the Banks no later than 5:00 p.m., Central time, on Wednesday of each week (beginning October 29, 2008).

(c) The Company shall engage a chief restructuring officer reasonably acceptable to the Required Banks no later than the 10th Business Day after the date the Agent provides the Company with a list of potential candidates that would be acceptable to the Required Banks, but the Company shall have no obligation to engage any of the potential candidates named on such list and may engage any other person or firm that is reasonably acceptable to the Required Banks. The scope of the chief restructuring officer's engagement and the authority granted to such chief restructuring officer must be reasonably satisfactory to the Required Banks.

(d) No later than October 31, 2008, the Company shall deliver to the Banks a budget for the 90-day period ending January 31, 2009, in form and substance satisfactory to the Agent and its financial advisor.

(e) No later than the 5th Business Day after the date the CoBank Intercreditor Agreement (as defined below) is executed and delivered by the parties thereto, the Company shall grant to the Agent for the benefit of the Banks valid, enforceable liens and security interests on all of the collateral securing the CoBank Credit Agreement (the "*CoBank Collateral*"), including without limitation mortgages or deeds of trust on all real property, buildings and improvements on which CoBank presently has or hereafter obtains a mortgage or deed of trust (other than IRB Collateral (as

defined below)), subject to the liens and security interests granted to CoBank in such property or permitted under the CoBank Credit Agreement and the Loan Documents (as defined in the CoBank Credit Agreement). In the case of any CoBank Collateral that is subject or requires a consent or an approval by any person in respect of any industrial revenue bonds, notes, debentures or similar instruments issued by a governmental entity (the "IRB Collateral"), the Company shall use its reasonable best efforts to, as soon as reasonably practical, grant to the Agent for the benefit of the Banks valid, enforceable liens and security interests on all of such IRB Collateral securing the CoBank Credit Agreement, including without limitation mortgages or deeds of trust on all real property, buildings and improvements on which CoBank presently has or hereafter obtains a mortgage or deed of trust on such IRB Collateral, subject to the liens and security interests granted to CoBank in such property or permitted under the CoBank Credit Agreement and the Loan Documents (as defined in the CoBank Credit Agreement). The Company shall pay all taxes, costs, and expenses incurred by the Agent in obtaining and perfecting such security interests and shall supply to the Agent at the Company's cost and expense such board resolutions and other instruments, documents, certificates, and opinions reasonably required by the Agent in connection therewith.

(f) During the Waiver Period the Company shall obtain loans under the Credit Agreement and the Amended and Restated Credit Agreement dated as of September 21, 2006, among the Company, CoBank, ACB, as Administrative, Documentation and Collateral Agent for the benefit of the present and future Syndication Parties and as a Syndication Party, Lead Arranger and Book Manager thereunder ("CoBank"), Farm Credit Services of America, FLCA, as Co-Arranger and as a Syndication Party, and the other Syndication Parties party thereto, as amended, supplemented, restated and otherwise modified from time to time (as so amended, supplemented, restated and otherwise modified from time to time, the "CoBank Credit Agreement"), and shall repay loans under the Credit Agreement and the CoBank Credit Agreement, only on a pro rata basis, determined on the basis of the undrawn amount of the commitments under each of the two credit agreements at the close of business in Chicago, Illinois, on September 24, 2008, as stated in Section 8(f) hereof, until the aggregate undrawn commitments under the Credit Agreement and the CoBank Credit Agreement are \$75,000,000. Thereafter (i) the Banks shall have no obligation to extend further credit to the Company under the Credit Agreement until such time as the aggregate undrawn commitments under the Credit Agreement and the CoBank Credit Agreement exceed \$75,000,000 in which case the Company may obtain and repay loans under the Credit Agreement and the CoBank Credit Agreement only on a pro rata basis as described above until the aggregate undrawn commitments under the Credit Agreement and the CoBank Credit Agreement are \$75,000,000, and (ii) at any time that until the aggregate undrawn commitments under the Credit Agreement and the CoBank Credit Agreement are \$75,000,000 or less, the Company may obtain loans under the CoBank Credit Agreement (such loans are referred to as "Additional Loans") and may repay Additional Loans without a concurrent repayment of loans under the Credit Agreement until such time as the aggregate undrawn commitments under the Credit Agreement and the CoBank Credit Agreement exceed \$75,000,000 in which case the Company may obtain and repay loans under the Credit Agreement and the CoBank Credit Agreement only on a pro rata basis as described above until the aggregate undrawn commitments under the Credit Agreement and the CoBank Credit Agreement are \$75,000,000.

(g) The Required Banks hereby consent to the granting by the Company to CoBank, as agent under the CoBank Credit Agreement, of a security interest in all Collateral granted to the Agent pursuant to the Third Amended and Restated Security Agreement Re: Inventory and Farm Products dated as of October 13, 2008, provided that such security interest shall be subject and subordinate to the Agent's security interests therein pursuant to an intercreditor agreement that provides, among other things, that all of the subordinated liens and security interests granted by the Company to the parties thereto may not be enforced without the approval of the holder of the senior liens and security interests in the same property and that shall otherwise be acceptable in form and substance to the Agent, between the Agent and CoBank, as agent under the CoBank Credit Agreement (the "CoBank Intercreditor Agreement").

(h) The Company agrees that the amounts on deposit in all of its operating accounts (including without limitation its accounts at Merrill Lynch) will not exceed at any time the amount needed by the Company and its Subsidiaries for their operating expenses and liquidity needs in the ordinary course of business.

(i) The Company shall promptly provide any financial information concerning the Company and its Subsidiaries and their respective businesses that the Agent or the Required Banks may reasonably request.

5. *Waiver Termination.* As used in this Agreement, "Waiver Termination" shall mean the occurrence of the Scheduled Waiver Expiration Date, or, if earlier, the occurrence of any one or more of the following events: (a) any Potential Default or Event of Default under the Credit Agreement, in each case other than the Subject Default; (b) any failure by the Company for any reason to comply with any term, condition, or provision contained in this Agreement, including without limitation the engagement of a chief restructuring officer as required by Section 4(c) hereof, or in any document signed in connection herewith; (c) any representation made by the Company in this Agreement or pursuant to it proves to be incorrect or misleading in any material respect when made; (d) the CoBank Limited Duration Waiver (as defined in Section 13(b) hereof) shall for any reason not be or shall cease to be in full force and effect or is declared to be null and void, or CoBank or any other party to the CoBank Credit Agreement takes any action for the purpose of terminating, repudiating or rescinding the CoBank Limited Duration Waiver or any of its obligations thereunder; (e) the Fairway Limited Duration Waiver (as defined in Section 13(c) hereof) shall for any reason not be or shall cease to be in full force and effect or is declared to be null and void, or the Securitization Agent (as defined below) or any other party to the Amended and Restated Receivables Purchase Agreement dated as of September 26, 1998, among Pilgrim's Pride Funding Corporation, as Seller, the Company, as Servicer, Fairway Finance Company, LLC, as Purchaser, the various purchasers and purchaser agents from time to time party thereto and BMO Capital Markets Corp., as Administrator (the "Securitization Agent"), as amended, supplemented and otherwise modified (as so amended, supplemented and otherwise modified, the "Receivables Purchase Agreement"), takes any action for the purpose of terminating, repudiating or rescinding the Fairway Limited Duration Waiver or any of its obligations thereunder; (f) the CoBank Intercreditor Agreement, or any part thereof, shall for any reason not be or shall cease to be in full force and effect or is declared to be null and void, or CoBank, as agent under the CoBank Credit Agreement, or any other lender under the CoBank Credit Agreement, takes any action for the purpose of terminating, repudiating or rescinding the CoBank Credit Agreement or any of its obligations thereunder; or (g) the Company shall pay any interest on its 8-3/8% Senior Subordinated Notes due 2017 or its 7-5/8% Senior Notes due May 1, 2015. Upon the occurrence of a Waiver Termination, the Waiver Period is automatically terminated and the Banks are then permitted and entitled, with respect to the Subject Default and any other Event of Default then in existence, under Sections 6.2, 8.2, 8.3, 8.4 and 8.5 of the Credit Agreement, among other things, to decline to provide additional credit to the Borrowers, to permanently terminate the Revolving Credit Commitments, to accelerate the Borrowers' indebtedness, obligations and liabilities under the Loan Documents, to require cash collateral for outstanding L/Cs, and to exercise any other rights and remedies that may be available under the Loan Documents or applicable law.

6. *Limited Waiver and Reservation of Rights.* The Borrowers acknowledge and agree that immediately upon expiration or termination of the Waiver Period, the Agent and the Banks have all of their rights and remedies with respect to the Subject Default to the same extent, and with the same force and effect, as if the waiver contained herein had not been granted. The Borrowers will not assert and hereby forever waives any right to assert that the Agent or the Banks are obligated in any way to continue to waive the Subject Default beyond the Waiver Period or to forbear from enforcing their rights or remedies with respect to the Subject Default after the Waiver Period or that the Agent and the Banks are not entitled to act on the Subject Default after the occurrence of a Waiver Termination as if such default had just occurred and the Waiver Period had never existed. The Borrowers acknowledge that the Banks have made no representations as to what actions, if any, the Banks will take after the Waiver Period or upon the occurrence of any Waiver Termination, Potential Default

or Event of Default, and the Banks and the Agent must and do hereby specifically reserve any and all rights, remedies, and claims they have (after giving effect hereto) with respect to the Subject Default and each other Potential Default or Event of Default that may occur.

7. *Acknowledgement of Liens.* The Company hereby acknowledges and agrees that all indebtedness, obligations and liabilities of the Borrowers, or any of them, owing to the Agent and the Banks arising out of or in any manner relating to the Loan Documents, as well as all Hedging Liability and Funds Transfer and Deposit Account Liability, shall continue to be secured by liens and security interests on all of the Collateral pursuant to the Loan Documents heretofore or hereafter executed and delivered by the Company, and nothing herein contained shall in any manner affect or impair the priority of the liens and security interests created and provided for thereby as to the indebtedness, obligations, and liabilities which would be secured thereby prior to giving effect to this Agreement.

8. *Representations and Warranties.* The Borrowers represent and warrant to the Agent and the Banks that:

(a) each Borrower has full right and authority to enter into this Agreement and to perform all of its obligations hereunder, and the Company has full right and authority to grant to the Agent the liens and security interests contemplated hereby;

(b) this Agreement and the performance or observance by the Borrowers of any of the matters and things herein or therein provided for do not (i) contravene or constitute a default under any provision of law or any judgment, injunction, order or decree binding upon any Borrower or any provision of the organizational documents (e.g., certificate or articles of incorporation and by-laws) of any Borrower, or (ii) contravene or constitute a default under any covenant, indenture or agreement of or affecting any Borrower or any of its Property;

(c) the obligations of each Borrower and the Guarantor under this Agreement and each of the Loan Documents executed and delivered by it are legal, valid, enforceable (except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally) and subsisting and not subject to set-off, defense (other than payment) or counterclaim;

(d) no Potential Default or Event of Default has occurred and is continuing, other than the Subject Default;

(e) the Company's indebtedness, obligations and liabilities to the Agent and the Banks under the Loan Documents constitute "Designated Senior indebtedness" as defined in the First Supplemental Indenture dated as of January 24, 2007, between the Company and Wells Fargo Bank, National Association, as Trustee, relating to the Company's 8-3/8% Senior Subordinated Notes due 2017;

(f) as of the close of business in Chicago, Illinois on September 24, 2008, the undrawn amount of all commitments under the CoBank Credit Agreement was \$143,000,000 and the undrawn amount of all Revolving Credit Commitments under the Credit Agreement was \$35,500,000; and

(g) the Company has decided that during the Waiver Period it will not pay any interest on its 8-3/8% Senior Subordinated Notes due 2017 or its 7-5/8% Senior Notes due May-1, 2015.

9. *Second Liens.* The Required Banks hereby agree that (a) neither the Security Agreement nor clauses (n) and (q) of Section 7.15 of the Credit Agreement shall prohibit the liens on the Company's assets described in Sections 4(e) and (g) of this Agreement, so long as such liens are granted in compliance with the requirements of said Sections 4(e) and (g), and (b) for purposes of Section 7.16(i) of the Credit Agreement, the word "Collateral" shall be replaced by the phrase "Collateral consisting of Inventory".

10. *Release.* For value received, including without limitation, the agreements of the Banks in this Agreement, each Borrower hereby releases the Agent and each Bank, its current and former shareholders, directors, officers, agents, employees, attorneys, consultants, and professional advisors (collectively, the "Released Parties") of and from any and all demands, actions, causes of action, suits, controversies, acts and omissions, liabilities, and other claims of every kind or nature whatsoever, both in law and in equity, known or unknown, which such Borrower has or ever had against the Released Parties from the beginning of the world to this date arising in any way out of the existing financing arrangements between the Borrowers and the Banks, and each Borrower further acknowledges that, as of the date hereof, it does not have any counterclaim, set-off, or defense against the Released Parties, each of which each Borrower hereby expressly waives.

11. *Loan Documents Remain Effective.* Except as expressly set forth in this Agreement, the Loan Documents and all of the obligations of the Borrowers thereunder, the rights and benefits of the Agent and Banks thereunder, and the liens and security interests created thereby remain in full force and effect. Without limiting the foregoing, each Borrower agrees to comply with all of the terms, conditions, and provisions of the Loan Documents except to the extent such compliance is irreconcilably inconsistent with the express provisions of this Agreement. This Agreement and the Loan Documents are intended by the Banks as a final expression of their agreement and are intended as a complete and exclusive statement of the terms and conditions of that agreement.

12. *Fees and Expenses.* The Company shall pay on demand all fees and expenses (including attorneys' fees) incurred by the Agent and its counsel, special counsel to the Banks and counsel to each Bank in connection with this Agreement and the other instruments and documents being executed and delivered in connection herewith, and all fees and expenses of counsel to the Agent and special counsel to the Banks with respect to the credit facilities subject to the Credit Agreement.

13. *Conditions Precedent.* The effectiveness of this Agreement is subject to the satisfaction of the following conditions precedent:

(a) the Borrowers, the Agent, and the Required Banks shall have executed and delivered this Agreement, and the Guarantor shall have executed and delivered its reaffirmation, acknowledgment, and consent in the space provided for that purpose below, on or before October 28, 2008;

(b) the Agent shall have received a copy of a fully executed limited duration waiver from the lenders party to the CoBank Credit Agreement and CoBank, as agent for such lenders, waiving any default under the CoBank Credit Agreement that is analogous to the Subject Default for a period ending no earlier than the Scheduled Waiver Expiration Date, which limited duration waiver shall not contain any other terms or provisions that are not contained in this Agreement or that are inconsistent with the terms of this Agreement or that are more favorable to the lenders under the CoBank Credit Agreement than the terms of this Agreement are favorable to the Banks, and which otherwise shall be in form and substance reasonably satisfactory to the Agent (the "CoBank Limited Duration Waiver"), provided that the CoBank Limited Duration Waiver may (x) require the Company to grant mortgages and deeds of trust to CoBank, as agent under the CoBank Credit Agreement, on real property and buildings and improvements thereon that are currently unencumbered so long as not later than the latter of: (i) the date the CoBank Intercreditor Agreement is

executed and delivered by the parties thereto or (ii) the date the Company grants such mortgages and deeds of trust, the Company concurrently grants to the Agent a second priority mortgage or deed of trust thereon, and such limited duration waiver shall be effective, and (y) allow the Company to obtain Additional Loans and require the Company to repay Additional Loans as described in Section 4(f) above;

(c) the Agent shall have received a copy of a fully executed limited duration waiver from the lenders party to the Receivables Purchase Agreement and the Securitization Agent, waiving any default under the Receivables Purchase Agreement that is analogous to the Subject Default for a period ending no earlier than the Scheduled Waiver Expiration Date, agreeing to extend the existing amendments to the Amended and Restated Receivables Purchase Agreement during the Waiver Period and agreeing to continue to provide credit thereunder during the Waiver Period, which limited duration waiver shall not contain any other terms or provisions that are not contained in this Agreement or that are inconsistent with the terms of this Agreement or that are more favorable to the lenders under the Receivables Purchase Agreement than the terms of this Agreement are favorable to the Banks, and which otherwise shall be in form and substance reasonably satisfactory to the Agent (the “*Fairway Limited Duration Waiver*”) and such Fairway Limited Duration Waiver shall be effective;

(d) the payment of the current legal fees and expenses referred to in Section 12 above; and

(e) payment for the account of the Banks on a pro rata basis of a non-refundable waiver fee in an amount equal to 0.10% of the Revolving Credit Commitments and the Bond Letter of Credit.

14. *Authorization to Enter into Collateral Documents and Intercreditor Agreement.* The Required Banks hereby irrevocably authorize the Agent to execute and deliver (a) such amendments (including an amendment and restatement) to the Security Agreement or such security agreements, mortgages, deeds of trust and other instruments as the Agent may deem appropriate to obtain the liens and security interests contemplated by Section 4(f) of this Agreement (collectively, the “*Additional Security Documents*”), and (b) the CoBank Intercreditor Agreement on behalf of each of the Banks and their Affiliates and the L/C Issuers and to take such action and exercise such powers under the Additional Security Documents and the CoBank Intercreditor Agreement as the Agent considers appropriate, *provided* the Agent shall not amend Additional Security Documents or the CoBank Intercreditor Agreement unless such amendment is agreed to in writing by the Required Lenders. Each Bank and L/C Issuer acknowledges and agrees that it will be bound by the terms and conditions of the CoBank Intercreditor Agreement upon the execution and delivery thereof by the Agent. Except as otherwise specifically provided for herein, no Bank (or its Affiliates) or L/C Issuer, other than the Agent, shall have the right to institute any suit, action or proceeding in equity or at law for the enforcement of any remedy under the Additional Security Documents or the CoBank Intercreditor Agreement; it being understood and intended that no one or more of the Banks (or their Affiliates) or L/C Issuer shall have any right in any manner whatsoever to enforce any right thereunder, and that all proceedings at law or in equity shall be instituted, had, and maintained by the Agent for the benefit of the Banks, the L/C Issuers, and their Affiliates. The parties hereto hereby acknowledge and agree that each of the Additional Security Documents and the CoBank Intercreditor Agreement shall constitute a Loan Document for all purposes of the Credit Agreement and the other Loan Documents.

15. *Miscellaneous.* By its acceptance hereof, each Borrower hereby represents that it has the necessary power and authority to execute, deliver, and perform the undertakings contained herein, and that this Agreement constitutes the valid and binding obligation of each Borrower enforceable against it in accordance with its terms. Any provision of this Agreement held invalid, illegal, or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality, or unenforceability without affecting the validity, legality, and enforceability of the remaining provision hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties hereto hereby acknowledge and agree that this Agreement shall constitute a Loan Document for all purposes of the Credit Agreement and the other Loan Documents. Unless otherwise expressly stated herein, the provisions of this Agreement shall survive the termination of the Waiver Period. This Agreement may be executed in counterparts and by different parties on separate counterpart signature pages, each of which constitutes an original and all of which taken together constitute one and the same instrument. Delivery of executed counterparts of this Agreement by telecopy shall be effective as an original. This Agreement shall be governed by Illinois law and shall be governed and interpreted on the same basis as the Credit Agreement.

[SIGNATURE PAGES TO FOLLOW]

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This Limited Duration Waiver Agreement is entered into as of the date and year first above written.

“BORROWERS”

PILGRIM’S PRIDE CORPORATION

By
Its Chief Financial Officer

To-RICOS, LTD.

By
Its Executive Vice President, Treasurer and Assistant Secretary

To-RICOS DISTRIBUTION, LTD.

By
Its Executive Vice President, Treasurer and Assistant Secretary

Accepted and agreed to.

Bank of Montreal, as Agent

By
Its Vice President

BMO Capital Markets Financing, Inc., individually and as Swing Bank

By
Its Vice President

SUNTRUST BANK

By
Its Vice President

U.S. BANK NATIONAL ASSOCIATION

By
Its Vice President

WELLS FARGO BANK NATIONAL ASSOCIATION

By
Its Vice President

ING CAPITAL LLC

By
Its

By
Its

Credit Suisse, Cayman Islands Branch

By
Its

By
Its

BANK OF AMERICA N.A.

By
Its

CALYON NEW YORK BRANCH

By

Its

By
Its

NATIXIS NEW YORK BRANCH

By
Its

JP MORGAN CHASE BANK, N.A.

By
Its

DEUTSCHE BANK TRUST COMPANY AMERICAS

By
Its

By
Its

FIRST NATIONAL BANK OF OMAHA

By
Its

--

REAFFIRMATION, ACKNOWLEDGEMENT, AND CONSENT OF GUARANTOR

The undersigned, Pilgrim Interests, Ltd., a Texas limited partnership (the "*Guarantor*"), has executed and delivered a Second Amended and Restated Guaranty Agreement dated as of February 8, 2007 (the "*Guaranty*") to the Banks. As an additional inducement to and in consideration of the Banks' acceptance of the Limited Duration Waiver Agreement dated as of October 26, 2008 (the "*Limited Duration Waiver*"), the Guarantor hereby agrees with the Banks as follows:

- 1.The Guarantor consents to the execution of the Limited Duration Waiver by the Borrowers and acknowledges that this consent is not required under the terms of the Guaranty and that the execution hereof by the Guarantor shall not be construed to require the Banks to obtain the Guarantor's consent to any future amendment, modification or waiver of any term of the Credit Agreement except as otherwise provided in said Guaranty. The Guarantor hereby agrees that the Guaranty shall apply to all indebtedness, obligations and liabilities of the Borrowers to the Banks, the Agent and the L/C Issuers under the Credit Agreement. The Guarantor further agrees that the Guaranty shall be and remain in full force and effect.
- 2.All terms used herein shall have the same meaning as in the Limited Duration Waiver, unless otherwise expressly defined herein.

Dated as of October 26, 2008.

PILGRIM INTERESTS, LTD.

By

Lonnie A. Pilgrim, as trustee of the Lonnie A. Pilgrim 1998 Revocable Trust created by agreement dated September 9, 1998, as amended
Its General Partner

By

Lonnie Ken Pilgrim
Its General Partner

WHO REPRESENT AND WARRANT THAT THEY HAVE AUTHORITY TO BIND THE PARTNERSHIP

--

Pilgrim's Pride Corporation

Limited Duration Waiver Agreement

This Limited Duration Waiver Agreement (herein, the "Agreement") is made as of October 26, 2008, by and among PILGRIM'S PRIDE CORPORATION, a Delaware corporation (the "Servicer"), PILGRIM'S PRIDE FUNDING CORPORATION, a Delaware limited liability company (the "Seller" and, together with the Servicer, the "Seller Parties"), the PURCHASERS AND PURCHASER AGENTS ON THE SIGNATURE PAGES HERETO (collectively, the "Purchasers") and BMO CAPITAL MARKETS CORP., as administrator (in such capacity, together with its successors and assigns, the "Administrator").

Recitals:

A. Fairway and each other purchaser from time to time party to the Receivables Purchase Agreement (as defined below) (collectively, the "Purchasers" and, together with the Administrator, the "Waiving Parties") currently purchase and make reinvestments of undivided percentage ownership interests with regard to the Participation from the Seller on the terms and conditions set forth in that certain Amended and Restated Receivables Purchase Agreement dated as of September 26, 2008, by and among the Servicer, the Seller, the Purchasers and the Administrator (as amended, restated, supplemented or otherwise modified from time to time, the "Receivables Purchase Agreement").

B. The Servicer has informed the Waiving Parties that the Servicer was not in compliance with clause (v) of Exhibit IV to the Receivables Purchase Agreement (Fixed Charge Coverage Ratio) as of September 27, 2008 and expects that it will not be in compliance with clause (t) of Exhibit IV to the Receivables Purchase Agreement (Leverage Ratio) (each such instance of noncompliance being hereinafter referred to collectively as the "Subject Default").

C. The Seller Parties have requested that the Waiving Parties waive the Subject Default during the period ending November 26, 2008, and the Waiving Parties are willing to do so subject to the terms and conditions contained in this Agreement.

Now, Therefore, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. *Incorporation of Recitals; Defined Terms.* The Seller Parties acknowledge that the Recitals set forth above are true and correct in all material respects. The defined terms in the Recitals set forth above are hereby incorporated into this Agreement by reference. All other capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Receivables Purchase Agreement.

2. *Amounts Owed.* The Seller Parties acknowledge and agree that there are amounts outstanding, including Investment and Discount in respect of the Participation and other amounts, that are payable by the Originator, the Seller or the Servicer, as applicable, to the Purchasers and the Administrator (and any other Indemnified Party and Affected Person under the Transaction Documents, as applicable), and such amounts (together with interest and fees thereon) are justly and truly owing by the Seller without defense, offset or counterclaim.

3. *Limited Duration Waiver.* Subject to the terms and conditions contained in this Agreement, the Waiving Parties waive the Subject Default but only for the period (the "Waiver Period") beginning October 28, 2008, and ending on November 26, 2008 (the "Scheduled Waiver Expiration Date"). The foregoing waiver shall become null and void on the Scheduled Waiver Expiration Date and from and after the Scheduled Waiver Expiration Date the Administrator and the Purchasers shall have all rights and remedies available to them as a result of the occurrence of the Subject Default as though this waiver had never been granted.

4. *Additional Agreements.* The Seller Parties further agree that:

(a) The Administrator (or its counsel) shall have the right to engage on behalf of the Purchasers a financial advisor, selected by the Administrator and acceptable to the Purchasers, to review, evaluate and advise the Administrator and the Purchasers as to the reports, analyses and cash flow forecasts and other materials prepared by the Seller's and the Servicer's financial consultants relating to the financial condition, operating performance, and business prospects of the Seller and the Servicer and their Subsidiaries and to perform such other information gathering or evaluation acts as may be reasonably requested by the Administrator, and the reasonable costs and expenses of such financial advisor shall be borne by the Seller and constitute part of the Seller's obligations outstanding under the Receivables Purchase Agreement. Each of the Seller and the Servicer shall take reasonable steps to make available to such financial advisor and its representatives such information respecting the financial condition, operating performance, and business prospects of the Seller and the Servicer and their Subsidiaries as may be reasonably requested and shall make the Seller's and the Servicer's financial consultants, officers, employees, and independent public accountants available with reasonable prior notice to discuss such information with such financial advisor and its representatives.

(b) The Seller (or the Servicer on its behalf) shall provide to the Administrator and the Purchasers a 13-week cash flow forecast (the "Forecast") showing projected cash receipts and cash disbursements of the Seller and the Servicer and their Subsidiaries over the following 13-week period, together with a reconciliation of actual cash receipts and cash disbursements of the Seller and the Servicer and their Subsidiaries from the prior week against the cash flow forecast previously furnished to the Administrator and the Purchasers and showing any deviations on a cumulative basis), prepared by the Servicer and in form and substance, and with such detail, as the Administrator may request. Each Forecast shall be provided to the Administrator and the Purchasers no later than 5:00 p.m. Central time, on Wednesday of each week (beginning October 29, 2008).

(c) [Intentionally Omitted].

(d) No later than October 31, 2008, the Seller shall deliver to the Administrator and the Purchasers a budget for the 90-day period ending January 31, 2009, in form and substance satisfactory to the Administrator and the Purchasers and their financial advisors.

(e) No later than October 28, 2008, the Seller and the Servicer shall permit the Administrator or its administrators or representatives to begin to conduct an on-site audit in accordance with clause (h) of Exhibit IV to the Receivables Purchase Agreement, and each of the Seller Parties hereby agrees (i) that this clause (k) constitutes reasonable notice of such audit as contemplated by the Receivables Purchase Agreement and (ii) to pay on demand in immediately available funds all fees and expenses in connection therewith.

(f) No later than November 26, 2008, with respect to any accounts or lock-boxes that are or were in the name of the Seller but are not listed on Schedule I hereto (such accounts and lock-boxes, collectively, the "Unscheduled Accounts"), the Seller shall (i) (A) enter into lock-box agreements in form and substance reasonably satisfactory to the Administrator and covering such Unscheduled Accounts with the applicable lock-box banks, and deliver original counterparts thereof to the Administrator and/or (B) instruct each Obligor to make payments of all Receivables to a Lock-Box Account or lock-box listed on Schedule I hereto instead of to such Unscheduled Account or (ii) enter into other arrangements covering such Unscheduled Accounts reasonably acceptable to the Administrator; for the avoidance of doubt, the term "Lock-Box Account" includes, without limitation, the Collection Account and the Liquidation Account. A breach of this clause (e) shall constitute a Termination Event under the Receivables Purchase Agreement.

5. *Waiver Termination.* As used in this Agreement, "*Waiver Termination*" shall mean the occurrence of the Scheduled Waiver Expiration Date, or, if earlier, the occurrence of any one or more of the following events: (a) any Unmatured Termination Event or Termination Event, in each case other than the Subject Default; (b) any failure by the Seller or the Servicer for any reason to comply with any term, condition, or provision contained in this Agreement; (c) any representation made by the Seller or the Servicer in this Agreement or pursuant to it proves to be incorrect or misleading in any material respect when made; (d) the CoBank Limited Duration Waiver (as defined in Section 13(b) hereof) shall for any reason not be or shall cease to be in full force and effect or is declared to be null and void, or CoBank or any other party to the Amended and Restated Credit Agreement dated as of September 21, 2006, among the Servicer, CoBank, ACB, as Administrative, Documentation and Collateral Agent for the benefit of the present and future Syndication Parties and as a Syndication Party, Lead Arranger and Book Manager thereunder ("Co-Bank"), Farm Credit Services of America, FLCA, as Co-Arranger and as a Syndication Party, and the other Syndication Parties party thereto, as amended, supplemented, restated and otherwise modified from time to time (as so amended, supplemented, restated and otherwise modified from time to time, the "CoBank Credit Agreement") takes any action for the purpose of terminating, repudiating or rescinding the CoBank Limited Duration Waiver or any of its obligations thereunder; (e) the Credit Agreement Limited Duration Waiver (as defined in Section 13(c) hereof) shall for any reason not be or shall cease to be in full force and effect or is declared to be null and void, or the Credit Agent (as defined below) or any other party to the Fourth Amended and Restated Secured Credit Agreement dated as of February 8, 2007, among Seller, as a borrower, To-Ricos, Ltd., To-Ricos Distribution, Ltd., the various banks party thereto and Bank of Montreal, as agent (the "Credit Agent"), as amended, supplemented and otherwise modified (as so amended, supplemented and otherwise modified, the "Credit Agreement"), takes any action for the purpose of terminating, repudiating or rescinding the Credit Agreement Limited Duration Waiver or any of its obligations thereunder or (f) the Servicer shall pay any interest on its 8-3/8% Senior Subordinated Notes due 2017 (as defined in the 2007 Senior Subordinated Indenture (as defined in the Credit Agreement)) or its 7-5/8% Senior Notes due May 1, 2015 (as defined in the 2007 Senior Indenture (as defined in the Credit Agreement)) (such interest payments under this clause (f), collectively, the "Indenture Interest Payments"). Upon the occurrence of a Waiver Termination, the Waiver Period is automatically terminated and the Administrator and the Purchasers are then permitted and entitled, with respect to the Subject Default and any other Termination Event then in existence, under the Receivables Purchase Agreement, including without limitation Section 4.4 thereof, among other things, to do all things necessary or desirable, in the determination of the Administrator, to collect any and all amounts or portions thereof due under any and all Pool Receivables or Related Security, including, without limitation, endorsing the name of the Seller on checks and other instruments representing Collections and enforcing such Pool Receivables, Related Security and the related Contracts, to cease making purchases and reinvestments, to permanently terminate the commitments thereunder, to accelerate the Seller's indebtedness, obligations and liabilities under the Transaction Documents, and to exercise any other rights and remedies that may be available under the Transaction Documents or applicable law.

6. *Limited Waiver and Reservation of Rights.* The Seller Parties acknowledge and agree that immediately upon expiration or termination of the Waiver Period, the Administrator and the Purchasers have all of their rights and remedies with respect to the Subject Default to the same extent, and with the same force and effect, as if the waiver contained herein had not been granted. The Seller Parties will not assert and hereby forever waives any right to assert that the Administrator or the Purchasers are obligated in any way to continue to waive the Subject Default beyond the Waiver Period or to forbear from enforcing their rights or remedies with respect to the Subject Default after the Waiver Period or that the Administrator and the Purchasers are not entitled to act on the Subject Default after the occurrence of a Waiver Termination as if such default had just occurred and the Waiver Period had never existed. The Seller Parties acknowledge that none of the Administrator or the Purchasers have made any representations as to what actions, if any, such party will take after the Waiver Period or upon the occurrence of any Waiver Termination, Unmatured Termination Event or Termination Event, and the Purchasers and the Administrator must and do hereby specifically reserve any and all rights, remedies, and claims they have (after giving effect hereto) with respect to the Subject Default and each other default or Termination Event that may occur.

7. *Acknowledgement of Liens.* The Seller Parties hereby acknowledge and agree that all indebtedness, obligations and liabilities of the Seller owing to the Administrator and the Purchasers arising out of or in any manner relating to the Transaction Documents shall continue to be secured by liens and security interests on all of the Receivables, Contracts and Related Security and all other collateral pursuant to the Transaction Documents heretofore or hereafter executed and delivered by the Seller or the Servicer, and nothing herein contained shall in any manner affect or impair the priority of the liens and security interests created and provided for thereby as to the indebtedness, obligations, and liabilities which would be secured thereby prior to giving effect to this Agreement.

8. *Representations and Warranties.* Each of the Seller Parties represents and warrants to the Administrator and the Purchasers that:

(a) each Seller Party has full right and authority to enter into this Agreement and to perform all of its obligations hereunder;

(b) this Agreement and the performance or observance by the Seller Parties of any of the matters and things herein or therein provided for do not (i) contravene or constitute a default under any provision of law or any judgment, injunction, order or decree binding upon any Seller Party or any provision of the organizational documents (e.g., certificate or articles of incorporation and by-laws) of any Seller Party, or (ii) contravene or constitute a default under any covenant, indenture or agreement of or affecting any Seller Party or any of its Property;

(c) the obligations of each Seller Party under this Agreement and each of the Transaction Documents executed and delivered by it are legal, valid, enforceable (except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally) and subsisting and not subject to set-off, defense (other than payment) or counterclaim;

(d) no Unmatured Termination Event or Termination Event (other than the Subject Default) has occurred and is continuing;

(e) as of the close of business in Chicago, Illinois on September 24, 2008, the undrawn amount of all commitments under the CoBank Credit Agreement was \$143,000,000 and the undrawn amount of all revolving credit commitments under the Credit Agreement was \$35,500,000;

(f) the Servicer has decided that during the Waiver Period it will not make the Indenture Interest Payments; and

(g) Each Seller Party represents and warrants that (i) each of the Lock-Box Accounts and lock-boxes set forth on Schedule I hereto is subject to a Lock-Box Agreement, (ii) the Lock-Box Accounts and lock-boxes set forth on Schedule I hereto cover all of the accounts and lock-boxes into which Obligor are instructed to deposit Collections and any other amounts related to Receivables and (iii) all Obligor have been instructed to make payments of all Receivables (A) only to one or more of the Lock-Box Accounts or lock-boxes set forth on Schedule I hereto or (B) solely with respect to any Unscheduled Accounts, as otherwise reasonably acceptable to the Administrator.

9. Amendments and agreements.

(a) Exhibit I to the Receivables Purchase Agreement is hereby amended by adding the following new definition thereto in the appropriate alphabetical order:

" October PPC Limited Duration Waiver Agreement " means the Pilgrim's Pride Corporation Limited Duration Waiver Agreement, dated as of October 26, 2008, among Pilgrim's Pride Corporation, Pilgrim's Pride Funding Corporation, the various purchasers and purchaser agents party thereto and BMO Capital Markets Corp.

(b) The definition of "Waiver Period" set forth in Exhibit I to the Receivables Purchase Agreement is hereby amended and restated in its entirety as follow:

" Waiver Period " means the period beginning on September 26, 2008 and ending on the earliest of (a) the date of the Waiver Termination (as defined in the PPC Limited Duration Waiver Agreement) if such Waiver Termination is not the result of the Scheduled Waiver Expiration Date (as defined in the PPC Limited Duration Waiver Agreement), (b) the Scheduled Waiver Expiration Date (as defined in the October PPC Limited Duration Waiver Agreement) and (c) the date of the Waiver Termination (as defined in the October PPC Limited Duration Waiver Agreement).

(c) Based solely on the Seller Parties' representations and warranties set forth in Section 8(g), and solely so long as such representations and warranties continue to be true and correct, the Administrator and the Purchasers acknowledge and agree that they do not presently intend to direct Obligor to redirect funds during the Waiver Period; provided, that such acknowledgment is not in limitation of, and the Administrator and the Purchasers specifically reserve, the right to exercise any and all enforcement rights and remedies under the Transaction Documents, including, without limitation, Section 4.4 of the Receivables Purchase Agreement.

(d) The Administrator and the Purchasers acknowledge and agree that the Seller Parties' election not to make the Indenture Interest Payments during the Waiver Period shall not, during the Waiver Period, constitute a Termination Event under clause (e) of the Exhibit V to the Receivables Purchase Agreement.

(e) On or before 5:00 pm Chicago time on October 27, 2008, the Seller shall:

(i) pay to the Administrator in immediately available funds of (x) an upfront fee equal to the product of (i) 0.10% multiplied by (ii) the Purchase Limit and (y) out-of-pocket expenses in an amount equal to \$20,000; and

(ii) pay to Mayer Brown LLP, counsel to the Administrator and the Purchasers, in immediately available funds (x) \$174,293.79 in outstanding legal fees and (y) any other current legal fees and expenses referred to in Section 12 below.

10. *Release.* For value received, including without limitation, the agreements of the Administrator and the Purchasers in this Agreement, each Seller Party hereby releases the Administrator, each Purchaser, each Indemnified Party and their respective current and former shareholders, directors, officers, agents, employees, attorneys, consultants, and professional advisors (collectively, the "*Released Parties*") of and from any and all demands, actions, causes of action, suits, controversies, acts and omissions, liabilities, and other claims of every kind or nature whatsoever, both in law and in equity, known or unknown, which such Seller Party has or ever had against the Released Parties from the beginning of the world to this date arising in any way out of the existing financing arrangements between the Seller Parties, the Administrator and the Purchasers, and each Seller Party further acknowledges that, as of the date hereof, it does not have any counterclaim, set-off, or defense against the Released Parties, each of which each Seller Party hereby expressly waives.

11. *Transaction Documents Remain Effective.* Except as expressly set forth in this Agreement, the Transaction Documents and all of the obligations of the Seller Parties thereunder, the rights and benefits of the Administrator and Purchasers thereunder, and the liens and

security interests created thereby remain in full force and effect. Without limiting the foregoing, each Seller Party agrees to comply with all of the terms, conditions, and provisions of the Transaction Documents except to the extent such compliance is irreconcilably inconsistent with the express provisions of this Agreement. This Agreement and the Transaction Documents are intended by the Administrator and the Purchasers as a final expression of their agreement and are intended as a complete and exclusive statement of the terms and conditions of that agreement.

12. *Fees and Expenses.* The Seller and the Servicer shall pay on demand all fees and expenses (including attorneys' fees) incurred by the Administrator and its counsel in connection with this Agreement and the other instruments and documents being executed and delivered in connection herewith, and all fees and expenses of counsel to the Administrator with respect to the securitization facility subject to the Receivables Purchase Agreement.

13. *Conditions Precedent.* The effectiveness of this Agreement is subject to the satisfaction of the following conditions precedent:

(a) the Seller Parties, the Administrator, and the Purchasers shall have executed and delivered this Agreement on or before October 28, 2008;

(b) the Administrator shall have received a copy of a fully executed limited duration waiver from the lenders party to the CoBank Credit Agreement and CoBank, as agent for such lenders, waiving any default under the CoBank Credit Agreement that is analogous to the Subject Default for a period ending no earlier than the Scheduled Waiver Expiration Date, which limited duration waiver shall not contain any terms or provisions that are not contained in this Agreement materially adverse to the Administrator and the Purchasers or that are, in any material respect, more favorable to the lenders under the CoBank Credit Agreement than the terms of this Agreement are favorable to the Administrator and the Purchasers, and which otherwise shall be in form and substance reasonably satisfactory to the Administrator (the "CoBank Limited Duration Waiver"), provided that the CoBank Limited Duration Waiver may require the Servicer to grant mortgages and deeds of trust to CoBank, as agent under the CoBank Credit Agreement, on real property and buildings and improvements thereon that are currently unencumbered, and such limited duration waiver shall be effective; and

(c) the Administrator shall have received a copy of a fully executed limited duration waiver from the lenders party to the Credit Agreement and the Credit Agent, waiving any default under the Credit Agreement that is analogous to the Subject Default for a period ending no earlier than the Scheduled Waiver Expiration Date, which limited duration waiver shall not contain any terms or provisions that are not contained in this Agreement materially adverse to the Administrator and the Purchasers or that are, in any material respect, more favorable to the lenders under the Credit Agreement than the terms of this Agreement are favorable to the Administrator and the Purchasers, and which otherwise shall be in form and substance reasonably satisfactory to the Administrator (the "Credit Agreement Limited Duration Waiver"), and such limited duration waiver shall be effective.

14. *Miscellaneous.* By its acceptance hereof, each Seller Party hereby represents that it has the necessary power and authority to execute, deliver, and perform the undertakings contained herein, and that this Agreement constitutes the valid and binding obligation of such Seller Party enforceable against it in accordance with its terms. Any provision of this Agreement held invalid, illegal, or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality, or unenforceability without affecting the validity, legality, and enforceability of the remaining provision hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties hereto hereby acknowledge and agree that this Agreement shall constitute a Transaction Document for all purposes of the Receivables Purchase Agreement and the other Transaction Documents. Unless otherwise expressly stated herein, the provisions of this Agreement shall survive the termination of the Waiver Period. This Agreement may be executed in counterparts and by different parties on separate counterpart signature pages, each of which constitutes an original and all of which taken together constitute one and the same instrument. Delivery of executed counterparts of this Agreement by telecopy shall be effective as an original. This Agreement shall be governed by Texas law and shall be governed and interpreted on the same basis as the Receivables Purchase Agreement.

[Signature Pages to Follow]

This Limited Duration Waiver Agreement is entered into as of the date and year first above written.

Pilgrim's Pride Corporation, as Servicer

By

Name:

Title:

Pilgrim's Pride Funding Corporation, as Seller

By

Name:

Title:

Accepted and agreed to:

BMO Capital Markets Corp., as Administrator

By

Name:

Title:

BMO Capital Markets Corp., as Purchaser Agent

By

Name:

Title:

Fairway Finance Company, LLC, as Uncommitted Purchaser and as Related Committed Purchaser

By

Name:

Title:

CHANGE IN CONTROL AGREEMENT

BETWEEN

«Name»

AND

PILGRIM'S PRIDE CORPORATION

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CHANGE IN CONTROL AGREEMENT

AGREEMENT by and between Pilgrim's Pride Corporation, a Delaware corporation (the "Company") and «Name» ("Executive"), dated as of «DateSigned» (the "Agreement").

The Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of Executive, notwithstanding the possibility, threat or occurrence of a Change in Control (as defined below) of the Company. The Board believes it is imperative to diminish the inevitable distraction of Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change in Control and to encourage Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change in Control, and to provide Executive with compensation and benefits arrangements upon a Change in Control which ensure that the compensation and benefits expectations of Executive will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1.

2. Certain Definitions .

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b. "Effective Date" shall mean the first date during the Change in Control Period (as defined in Section 1(c) hereof) on which a Change in Control (as defined in Section 1(b) hereof) occurs. Anything in this Agreement to the contrary notwithstanding, if Executive's employment with the Company is terminated within three months prior to the date on which a Change in Control occurs, and if it is reasonably demonstrated by Executive that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control or (ii) otherwise arose in connection with or anticipation of a Change in Control and if the Change in Control is consummated, then for all purposes of this Agreement, the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

c.

d. "Change in Control" shall mean the occurrence of any of the following events: (i) a direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation) of all or substantially all the assets of the Company and its subsidiaries taken as a whole to any "Person" or "group" (as such terms are used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) (other than the Pilgrim Family or a direct or an indirect subsidiary of the Company) as an entirety or substantially as an entirety in one transaction or series of transactions; (ii) the consummation of any transaction (including, without limitation, any merger, consolidation or recapitalization) to which the Company is a party the result of which is that immediately after such transaction the stockholders of the Company immediately prior to such transaction hold less than 50.1% of the total voting power generally entitled to vote in the election of directors, managers or trustees of the Person surviving such transaction; (iii) any "Person" or "group" (as such terms are used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended), other than the Pilgrim Family, becomes the ultimate "beneficial owner," as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended, of more than 50% of the total voting power generally entitled to vote in the election of directors, managers or trustees of the Company on a fully-diluted basis; (iv) during any period of two consecutive years, individuals who at the beginning of such period constituted the members of the Board (together with any new directors whose election by such Board or whose nomination for election by the stockholders of the Company was approved by a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the members of the Board then in office; or (v) the adoption of a plan for the liquidation or dissolution of the Company. For purposes hereof, the Pilgrim Family shall be deemed to be a "beneficial owner" of the voting power generally entitled to vote in the election of directors,

managers or trustees of the Company if the Pilgrim Family either directly or indirectly legally or beneficially own such voting power.

e.

f. "Change in Control Period" shall mean the period commencing on the date hereof and ending on the third anniversary of the date hereof; *provided, however*, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change in Control Period shall be automatically extended so as to terminate two years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Company shall give notice to Executive that the Change in Control Period shall not be so extended.

g.

h. "Code" shall mean the Internal Revenue Code of 1986, as amended.

i.

j. "Employment Period" means «EmploymentPeriod», provided, however, that the Employment Period shall terminate upon Executive's termination of employment for any reason.

k.

l. "Person" shall mean and include any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party or government (whether national, federal, state, county, city, municipal, or otherwise, including, without limitation, any instrumentality, division, agency, body or department thereof).

m.

n. "Pilgrim Family" means Lonnie A. "Bo" Pilgrim, his spouse, his issue, his estate, and any trust, partnership (including, without limitation, Pilgrim Interests Ltd.) or other entity primarily for the benefit of him, his spouse and/or issue, including any direct or indirect trustee, managing partner or such other Person serving a similar function.

o.

1.

2. Employment Period . The Company hereby agrees to continue Executive in its employ, and Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the last day of the Employment Period.

3.

4. Terms of Employment .

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b. Position and Duties .

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ii. During the Employment Period, (A) Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) Executive's services shall be performed at the location (or locations) where Executive was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location (or locations).

iii.

iv. During the Employment Period, and excluding any periods of vacation and sick leave to which Executive is entitled, Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to Executive hereunder, to use Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of Executive's responsibilities to the Company.

v.

d. Compensation .

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ii. Base Salary. During the Employment Period, Executive shall receive an annual base salary ("Annual Base Salary") at a rate at least equal to the rate of base salary in effect on the date of this Agreement or, if greater, on the Effective Date, paid or payable (including any base salary which has been earned but deferred) to Executive by the Company and its affiliated companies. During the Employment Period, the Annual Base Salary shall be reviewed no more than twelve months after the last salary increase awarded to Executive prior to the Effective Date and thereafter at least annually (the date of such review being referred to herein as the "Annual Review Date"). Within 30 days after each Annual Review Date,

Executive's Annual Base Salary immediately prior to such Annual Review Date shall be increased, effective as of such Annual Review Date, by an amount not less than a percentage increase equal to at least 75% of the annual percentage increase, if any, in the cost of living for the preceding year based upon the U.S. Consumer Price Index-All Items-U.S. Cities Average, All Urban Consumers (2008=100) published by the Bureau of Labor Statistics of the U.S. Department of Labor (the "CPI"). In the event the CPI ceases to be published, the most comparable substitute will be used thereafter as selected by the mutual agreement of the parties. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as used in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

iii.

iv. Annual Bonus. In addition to Annual Base Salary, Executive shall be provided, for each fiscal year ending during the Employment Period, an annual bonus opportunity at least equal to Executive's highest bonus opportunity under the Pilgrim's Pride Corporation Performance Bonus Plan, or any comparable bonus opportunity under any predecessor or successor plans, for the last full fiscal year prior to the Effective Date (annualized in the event that Executive was not employed by the Company for the whole of such fiscal year). Each annual bonus payable under this Section 3(b)(ii) shall be paid no later than two and one-half months into the fiscal year next following the fiscal year for which the annual bonus is awarded, unless Executive shall elect to defer the receipt of such Annual Bonus pursuant to an arrangement that satisfies the requirements of Section 409A of the Code.

v.

vi. Incentive, Savings and Retirement Plans. During the Employment Period, Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

vii.

viii. Acceleration of Vesting of Equity Awards. Notwithstanding anything to the contrary in any applicable award agreement, upon the Effective Date, (A) all of Executive's outstanding stock options and other equity awards in the nature of rights that may be exercised shall become fully vested and exercisable, (B) all time-based vesting restrictions on Executive's outstanding equity awards shall lapse, and (C) the target payout opportunities attainable under all of Executive's outstanding performance-based equity awards shall be deemed to have been fully earned as of the Effective Date based upon an assumed achievement of all relevant performance goals at the "target" level and there shall be a prorata payout to Executive or his or her estate within 30 days following the Effective Date based upon the length of time within the performance period that has elapsed prior to the Effective Date. To the extent necessary, this Agreement is hereby deemed an amendment of any such outstanding equity award.

ix.

x. Welfare Benefit Plans. During the Employment Period, Executive and/or Executive's eligible dependents, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

xi.

xii. Expenses. During the Employment Period, Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

xiii.

xiv. Fringe Benefits. During the Employment Period, Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for Executive at any time

during the 120-day period immediately preceding the Effective Date or, if more favorable to Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

xv.

xvi. Vacation. During the Employment Period, Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

xvii.

6. Termination of Employment .

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b. Death or Disability . Executive's employment shall terminate automatically upon Executive's death during the Employment Period. If the Company determines in good faith that the Disability of Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to Executive written notice of its intention to terminate Executive's employment. In such event, Executive's employment with the Company shall terminate effective on the 30th day after receipt of such written notice by Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, Executive shall not have returned to full-time performance of Executive's duties. For purposes of this Agreement, "Disability" shall mean the inability of Executive, as determined by the Board, to perform the responsibilities and functions of the position held by Executive, with or without reasonable accommodation, by reason of any medically determined physical or mental impairment which has lasted (or can reasonably be expected to last) for a period of not less than one hundred eighty (180) consecutive days. At the request of Executive or his or her personal representative, the Board's determination that the Disability of Executive has occurred shall be certified by two physicians mutually agreed upon by Executive, or his or her personal representative, and the Company. Failing such independent certification (if so requested by Executive), Executive's termination shall be deemed a termination by the Company without Cause and not a termination by reason of his or her Disability.

c.

d. Cause . The Company may terminate Executive's employment during the Employment Period for Cause. For purposes of this Agreement, a termination shall be considered to be for "Cause" if Executive is terminated upon the occurrence after the Effective Date, as determined by the Board, of any one of the following specific material acts or failure to act by Executive:

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ii. Executive's conviction in a court of law of, or entry of a guilty plea or plea of no contest, to a felony charge (regardless of whether subject to appeal);

iii.

iv. the willful and continued failure of Executive to perform substantially Executive's duties (as contemplated by Section 3(a) hereof) with the Company or any of its affiliated companies (other than any such failure resulting from incapacity due to physical or mental illness or following Executive's delivery of a Notice of Termination for Good Reason);

v.

vi. any willful act that constitutes, on the part of Executive, fraud, dishonesty in any material respect, breach of fiduciary duty, misappropriation, embezzlement or gross misfeasance of duty;

vii.

viii. willful disregard or continued breach in any material respect of published Company (or of any of its affiliated companies) policies and procedures, codes of ethics or business conduct or any material duty or obligation under Section 10(c) hereof;

ix.

provided, *however*, that in the case of (ii) and (iv) above, such conduct or omission shall not constitute "Cause" unless the Board, the Chief Executive Officer or the Company shall have delivered to Executive notice identifying with specificity (A) the conduct or omission the Board, Chief Executive Officer or the Company believes constitutes "Cause," (B) reasonable action that would remedy such objection, and (C) a reasonable time (not less than 30 days) within which Executive may take such remedial action, and Executive shall not have taken such specified remedial action within the specified time.

For purposes of this Section 4(b), no act, or failure to act, on the part of Executive shall be considered "willful" unless it is done, or omitted to be done, by Executive in bad faith or without reasonable belief that Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by Executive in good faith and in the best interests of the Company. The cessation of employment of Executive shall not be deemed to be for Cause unless and until there shall have been delivered to Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board (excluding Executive, if Executive is a member of the Board) at a

meeting of the Board called and held for such purpose (after reasonable notice is provided to Executive and Executive is given an opportunity, together with counsel for Executive, to be heard before the Board), finding that, in the good faith opinion of the Board, Executive is guilty of any of the conduct described in Section 4(b)(i) through (iv), and specifying the particulars thereof in detail (references in this Section 4(b) to the Board shall refer to any successor board of directors if the Board is no longer constituted).

f. Good Reason . Executive's employment may be terminated by Executive for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

g.

- i.
- ii. the assignment to Executive of any duties inconsistent in any material respect with Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 3(a) of this Agreement or any other action by the Company which results in a material diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice;
- iii.
- iv. any failure in any material respect by the Company to comply with any of the provisions of Section 3(b) hereof, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by Executive;
- v.
- vi. the Company's requiring Executive to be based at any office or location other than as provided in Section 3(a)(i)(B) hereof, (ii) to be based at a location other than the principal executive offices of the Company if Executive was employed at such location immediately preceding the Effective Date, or (iii) to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date;
- vii.
- viii. any purported termination by the Company of Executive's employment otherwise than as expressly permitted by this Agreement;
- ix.
- x. any failure by the Company to comply with and satisfy Section 12(c) hereof; or
- xi.
- xii. any other material breach by the Company of any provision of this Agreement.
- xiii.

A termination by Executive shall not constitute termination for Good Reason unless Executive shall first have delivered to the Company written notice identifying with specificity the occurrence claimed to give rise to a right to terminate for Good Reason, and there shall have passed a reasonable time (not less than 30 days) within which the Company may take action to correct, rescind or otherwise substantially reverse the event supporting the basis for a termination for Good Reason as identified by Executive. Executive's mental or physical incapacity following the occurrence of an event described in Sections 4(c)(i) through (vi) hereof shall not affect Executive's ability to terminate employment for Good Reason.

h. Notice of Termination . Any termination by the Company or Executive shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 13(d) hereof. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date. The failure by Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of Executive or the Company, respectively, hereunder or preclude Executive or the Company, respectively, from asserting such fact or circumstance in enforcing Executive's or the Company's rights hereunder.

i.

j. Date of Termination . "Date of Termination" means (i) if Executive's employment is terminated by the Company for Cause, or by Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein within 60 days after receipt of the Notice of Termination, as the case may be, (ii) if Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies Executive of such termination, and (iii) if Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of Executive or the Disability Effective Date, as the case may be. The Company and Executive shall take all steps necessary (including with regard to any post-termination services by Executive) to ensure that any termination described in this Section 4 constitutes a "separation from service" within the meaning of Section 409A of the Code, and notwithstanding anything contained herein to the contrary, the date on which such separation from service takes place shall be the "Date of Termination."

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b. Termination by Executive for Good Reason; Termination by the Company Other than for Cause or Disability . If, during the Employment Period, the Company terminates Executive's employment other than for Cause or Disability, or Executive terminates his or her employment for Good Reason during the 270-day period following the occurrence of an event giving rise to Good Reason:

c.

i.

ii. the Company shall pay to Executive in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

iii.

A.

B. the sum of (1) Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) Executive's annual bonus for the fiscal year immediately preceding the fiscal year in which the Date of Termination occurs, if such bonus has not been paid as of the Date of Termination, (3) any accrued vacation pay to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2) and (3) shall be hereinafter referred to as the "Accrued Obligations") and (4) the product of (x) Executive's target annual incentive bonus for the fiscal year in which the Date of Termination occurs or if none, the target annual incentive bonus for the year in which the Change in Control occurred ("Target Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 (the "Pro Rata Bonus"); *provided, however*, that, notwithstanding the foregoing, if Executive has made an irrevocable election under any deferred compensation arrangement subject to Section 409A of the Code to defer any portion of the annual bonus described in clause (2) above, then for all purposes of this Section 5, such deferral election, and the terms of the applicable arrangement shall apply to the same portion of the amount described in such clause (2), and such portion shall not be considered as part of the "Accrued Obligations" but shall instead be an "Other Accrued Benefit" (as defined below); and

C.

D. an amount equal to «CIC Factor», times the sum of Executive's Annual Base Salary and Target Annual Bonus; and

E.

iv. Provided Executive timely elects coverage, the Company shall pay for the premiums to maintain group coverage for Executive and his or her dependents under the continuation coverage provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for eighteen (18) months after the Date of Termination, or until Executive becomes eligible for group insurance benefits from another employer (including self-employment), whichever occurs first. Executive understands that Executive has an obligation to inform the Company if Executive receives group coverage from another employer and that Executive may not increase the number of designated dependants if any, during this period of Company-paid coverage unless Executive does so at Executive's own expense. The period of such Company-paid COBRA coverage shall be considered part of Executive's COBRA coverage entitlement period, and may, for tax purposes, be considered income to Executive; and

v.

vi. to the extent not theretofore paid or provided, the Company shall timely pay or provide to Executive any Other Accrued Benefits (as defined in Section 6 hereof).

vii.

Notwithstanding the foregoing provisions of this Section 5(a), in the event that as of the Date of Termination Executive is a "specified employee" within the meaning of Section 409A of the Code (as determined in accordance with the methodology established by the Company as in effect on the Date of Termination) (a "Specified Employee"), amounts or benefits that are deferred compensation subject to Section 409A, as determined in the sole discretion of the Company, that would otherwise be payable or provided under Sections 5(a)(i) during the six-month period immediately following the Date of Termination (other than the Accrued Obligations and Other Accrued Benefits) shall instead be paid or provided, with interest on any delayed payment at the prime lending rate prevailing at such time, as published in the Wall Street Journal, on the first business day after the date that is six months following Executive's "separation from service" within the meaning of Section 409A of the Code.

d. Death or Disability . If Executive's employment is terminated by reason of Executive's death or Disability during the Employment Period, this Agreement shall terminate without further obligations to Executive or Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Accrued Benefits. Accrued Obligations shall be paid to Executive or Executive's estate or beneficiaries, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Accrued Benefits, the term Other Accrued Benefits as used in this Section 5(b) shall include, without limitation, and Executive or Executive's estate and/or beneficiaries shall be entitled to

receive, benefits under such plans, programs, practices and policies relating to death or disability benefits, if any, as are applicable to Executive on the Date of Termination.

e.

f. Cause; Other than for Good Reason . If Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to Executive other than the obligation to pay to Executive the Accrued Obligations and any Other Accrued Benefits, in each case to the extent theretofore unpaid. If Executive voluntarily terminates employment during the Employment Period, excluding a resignation for Good Reason, this Agreement shall terminate without further obligations to Executive, other than the obligation to pay to Executive the Accrued Obligations and any Other Accrued Benefits, in each case to the extent theretofore unpaid.

g.

h. Expiration of Employment Period . If Executive's employment shall be terminated due to the normal expiration of the Employment Period, this Agreement shall terminate without further obligations to Executive, other than for payment of Accrued Obligations and the timely payment or provision of Other Accrued Benefits.

i.

10. Non-Exclusivity of Rights . Nothing in this Agreement shall prevent or limit Executive's continuing or future participation in any employee benefit plan, program, policy or practice provided by the Company or its affiliated companies and for which Executive may qualify, except as specifically provided herein. Amounts that are vested benefits or which Executive is otherwise entitled to receive under any plan, policy, practice or program of the Company or any of its affiliated companies at or subsequent to the Date of Termination ("Other Accrued Benefits") shall be payable in accordance with such plan, policy, practice or program except as explicitly modified by this Agreement. Anything to the contrary in the foregoing or in this Agreement, if Executive receives payments and benefits pursuant to Section 5(a)(i) hereof, Executive shall not be entitled to any severance pay or benefits under any severance plan, program or policy of the Company and its affiliated companies, unless otherwise specifically provided therein in a specific reference to this Agreement.

11.

12. Full Settlement; No Mitigation . The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not Executive obtains other employment.

13.

14. Costs of Enforcement . The Company shall reimburse Executive, on a current basis, for all reasonable legal fees and related expenses incurred by Executive in connection with this Agreement, including, without limitation, all such fees and expenses, if any, incurred (i) by Executive in contesting or disputing any termination of Executive's employment, or (ii) Executive's seeking to obtain or enforce any right or benefit provided by this Agreement, in each case, regardless of whether or not Executive's claim is upheld by an arbitral panel or a court of competent jurisdiction; *provided, however*, Executive shall be required to repay to the Company any such amounts to the extent that an arbitral panel or a court issues a final and non-appealable order, judgment, decree or award setting forth the determination that the position taken by Executive was frivolous or advanced by Executive in bad faith. In addition, Executive shall be entitled to be paid all reasonable legal fees and expenses, if any, incurred in connection with any tax audit or proceeding to the extent attributable to the application of Section 4999 of the Code to any payment or benefit hereunder. All such payments shall be made within five business days after delivery of Executive's respective written requests for payment accompanied with such evidence of fees and expenses incurred as the Company reasonably may require.

15.

16. Certain Additional Payments by the Company .

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b. Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

c. Notwithstanding the foregoing provisions of this Section 9(a), with respect to each Executive (other than the Chairman, the CEO, the COO and the CFO), if the Parachute Value (as defined below) of all Payments does not exceed 110% of such Executive's Safe Harbor Amount (as defined below), then the Company shall, at its option, not pay Executive a Gross-Up Payment, and the Payments due under this Agreement shall be reduced so that the Parachute Value of all Payments, in the aggregate, equals the Safe Harbor Amount; provided, that if even after all Payments due under this Agreement are reduced to zero, the Parachute Value of all Payments would still exceed the Safe Harbor Amount, then no reduction of any Payments shall be made and the Gross-Up Payment shall be made. The reduction of

the Payments due hereunder, if applicable, shall be made by first reducing the Payments under Section 5(a)(i)(B), unless an alternative method of reduction is elected by Executive, and in any event shall be made in such a manner as to maximize the economic present value of all Payments actually made to Executive, determined by the Accounting Firm (as defined in Section 9(b) below) as of the date of the Change in Control for purposes of Section 280G of the Code using the discount rate required by Section 280G(d)(4) of the Code. For purposes of this Section 9, the "Parachute Value" of a Payment means the present value as of the date of the Change in Control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a "parachute payment" under Section 280G(b)(2) of the Code, as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment. For purposes of this Section 9, Executive's "Safe Harbor Amount" means one dollar less than three times Executive's "base amount" within the meaning of Section 280G(b)(3) of the Code.

- d. Subject to the provisions of Section 9(c) hereof, all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be used in arriving at such determination, shall be made in accordance with the principles of Section 280G of the Code by PricewaterhouseCoopers LLP or such other certified public accounting firm as may be designated by Executive (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and Executive within 15 business days of the receipt of notice from Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Company to Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 9(c) and Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of Executive.
- e.
- f. Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than thirty days after Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies Executive in writing prior to the expiration of such period that it desires to contest such claim, Executive shall:
 - g.
 - i.
 - i.
 - i.
 - ii. give the Company any information reasonably requested by the Company relating to such claim,
 - iii.
 - iv. take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,
 - v.
 - vi. cooperate with the Company in good faith in order effectively to contest such claim, and
 - vii.
 - viii. permit the Company to participate in any proceedings relating to such claim;
 - ix.

provided, *however*, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation of the foregoing provisions to this Section 9(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; *provided, however*, that if the Company directs Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to Executive, on an interest-free basis and shall indemnify and hold Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed

with respect to such advance or with respect to any imputed income with respect to such advance, and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

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b. If, after the receipt by Executive of an amount advanced by the Company pursuant to Section 9(c) hereof, Executive becomes entitled to receive any refund with respect to such claim, Executive shall (subject to the Company's complying with the requirements of Section 9(c) hereof) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by Executive of an amount advanced by the Company pursuant to Section 9(c) hereof, a determination is made that Executive shall not be entitled to any refund with respect to such claim and the Company does not notify Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

c.

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2. Restrictions on Conduct of Executive .

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b. General . Executive and the Company understand and agree that the purpose of the provisions of this Section 10 is to protect legitimate business interests of the Company, as more fully described below, and is not intended to impair or infringe upon Executive's right to work, earn a living, or acquire and possess property from the fruits of his or her labor. Executive hereby acknowledges that Executive has received good and valuable consideration for the employment and post-employment restrictions set forth in this Section 10 in the form of the compensation and benefits provided for herein. Executive hereby further acknowledges that the post-employment restrictions set forth in this Section 10 are reasonable and that they do not, and will not, unduly impair his or her ability to earn a living after the termination of this Agreement.

c. Therefore, Executive shall be subject to the restrictions set forth in this Section 10.

d. Definitions . The following capitalized terms used in this Section 10 shall have the meanings assigned to them below, which definitions shall apply to both the singular and the plural forms of such terms:

e. "Competitive Position" means any employment or consulting arrangement with a Competitor in which Executive will use or is likely to use any Confidential Information or Trade Secrets, or in which Executive has duties for such Competitor that are the same or similar to those services actually performed by Executive for the Company;

"Competitor" means the business units of the following entities engaged in poultry production (including without limitation broiler production, processing, sales and marketing): Tyson Foods, Inc.; Perdue Farms, Inc.; Wayne Farms LLC; Sanderson Farms, Inc. and each successor and assign of such business units that is engaged in such poultry production to the extent such successor or assign is among the five largest producers in the poultry industry measured by the volume of poultry production.

"Confidential Information" means all information regarding the Company, its activities, business or clients that is the subject of reasonable efforts by the Company to maintain its confidentiality and that is not generally disclosed by practice or authority to persons not employed by the Company, but that does not rise to the level of a Trade Secret. "Confidential Information" shall include, but is not limited to, financial plans and data concerning the Company or any of its affiliated companies; management planning information; business plans; operational methods; market studies; marketing plans or strategies; product development techniques or plans; customer lists; customer files, data and financial information, details of customer contracts; current and anticipated customer requirements; identifying and other information pertaining to business referral sources; past, current and planned research and development; business acquisition plans; and new personnel acquisition plans. "Confidential Information" shall not include information that has become generally available to the public by the act of one who has the right to disclose such information without violating any right or privilege of the Company. This definition shall not limit any definition of "confidential information" or any equivalent term under state or federal law.

"Determination Date" means the Date of Termination or any earlier date (during the Employment Period) of an alleged breach of the Restrictive Covenants by Executive.

"Person" means any individual or any corporation, partnership, joint venture, limited liability company, association or other entity or enterprise.

"Principal or Representative" means a principal, owner, partner; stockholder, joint venturer, investor, member, trustee, director, officer, manager, employee, agent, representative or consultant.

"Protected Employees" means employees of the Company who were employed by the Company or its affiliated companies at any time within six months prior to the Determination Date, other than those who were discharged by the Company or such affiliated employer without cause.

"Restricted Period" means «RestrictedPeriod», from the Date of Termination; provided, however, that the Restricted Period shall end with respect to the covenants in clauses (ii) and (iii) of Section 10(c) on the 60th day after the Date of Termination in the event the Company breaches its obligation, if any, to make any payment required under Section 5(a)(i).

"Restricted Territory" means the States of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, North Carolina, South Carolina, Tennessee, Texas, Virginia and West Virginia and Mexico.

"Restrictive Covenants" means the restrictive covenants contained in Section 10(c) hereof.

"Third Party Information" means confidential or proprietary information subject to a duty on the part of the Company or its affiliated companies to maintain the confidentiality of such information and to use it only for certain limited purposes.

"Trade Secret" means all information, without regard to form, including, but not limited to, technical or nontechnical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, distribution lists or a list of actual or potential customers, advertisers or suppliers which is not commonly known by or available to the public and which information: (A) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (B) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Without limiting the foregoing, Trade Secret means any item of confidential information that constitutes a "trade secret(s)" under the common law or statutory law of any of the States of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, North Carolina, South Carolina, Tennessee, Texas, Virginia and West Virginia and Mexico.

f. Restrictive Covenants .

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ii. Restriction on Disclosure and Use of Confidential Information and Trade Secrets. Executive understands and agrees that the Confidential Information and Trade Secrets constitute valuable assets of the Company and its affiliated companies, and may not be converted to Executive's own use. Accordingly, Executive hereby agrees that Executive shall not, directly or indirectly, at any time beginning on the date of this Agreement and continuing during the Restricted Period reveal, divulge, or disclose to any Person not expressly authorized by the Company any Confidential Information, and Executive shall not, directly or indirectly; at any time, during the Restricted Period use or make use of any Confidential Information in connection with any business activity other than that of the Company. Throughout the term of this Agreement and at all times after the date that this Agreement terminates for any reason, Executive shall not directly or indirectly transmit or disclose any Trade Secret of the Company to any Person, and shall not make use of any such Trade Secret, directly or indirectly, for himself or herself or for others, without the prior written consent of the Company. The parties acknowledge and agree that this Agreement is not intended to, and does not, alter either the Company's rights or Executive's obligations under any state or federal statutory or common law regarding trade secrets and unfair trade practices.

iii. Anything herein to the contrary notwithstanding, Executive shall not be restricted from disclosing or using Confidential Information or any Trade Secret that is required to be disclosed by law, court order or other legal process; *provided, however*, that in the event disclosure is required by law, Executive shall provide the Company with prompt notice of such requirement so that the Company may seek an appropriate protective order prior to any such required disclosure by Executive.

iv. Nonsolicitation of Protected Employees. Executive understands and agrees that the relationship between the Company and each of its Protected Employees constitutes a valuable asset of the Company and may not be converted to Executive's own use. Accordingly, Executive hereby agrees that beginning on the date of this Agreement and continuing during the Restricted Period, Executive shall not, directly or indirectly, on Executive's own behalf or as a Principal or Representative of any Person or otherwise solicit or induce any Protected Employee to terminate his or her employment relationship with the Company or any of its affiliated companies or to enter into employment with any other Person.

v.

vi. Noncompetition with the Company. In consideration of the compensation and benefits being paid and to be paid by the Company to Executive hereunder, Executive hereby agrees that, during the Restricted Period, Executive will not, without prior written consent of the Company, directly or indirectly, seek or obtain a

Competitive Position in the Restricted Territory. Executive acknowledges that in the performance of his or her duties for the Company he or she is charged with operating on the Company's behalf throughout the Restricted Territory and he or she hereby acknowledges, therefore, that the Restricted Territory is reasonable.

vii.

h. Enforcement of Restrictive Covenants .

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ii. Rights and Remedies Upon Breach. In the event Executive breaches, or threatens to commit a breach of any of the provisions of the Restrictive Covenants, the Company shall have the right and remedy to enjoin, preliminarily and permanently, Executive from violating or threatening to violate the Restrictive Covenants and to have the Restrictive Covenants specifically enforced by any court or tribunal of competent jurisdiction, it being agreed that any breach or threatened breach of the Restrictive Covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company. Such right and remedy shall be independent of any others and severally enforceable, and shall be in addition to and not in lieu of, any other rights and remedies available to the Company at law or in equity.

iii.

iv. Severability of Covenants. Executive acknowledges and agrees that the Restrictive Covenants are reasonable and valid in time and scope and in all other respects. The covenants set forth in this Agreement shall be considered and construed as separate and independent covenants. Should any part or provision of any covenant be held invalid, void or unenforceable, such invalidity, voidness or unenforceability shall not render invalid, void or unenforceable any other part or provision of this Agreement. If any portion of the foregoing provisions is found to be invalid or unenforceable because its duration, the territory, the definition of activities or the definition of information covered is considered to be invalid or unreasonable in scope, the invalid or unreasonable term shall be redefined, or a new enforceable term provided, such that the intent of the Company and Executive in agreeing to the provisions of this Agreement will not be impaired and the provision in question shall be enforceable to the fullest extent of the applicable laws.

v.

4. Arbitration Any claim or dispute arising under or relating to this Agreement or the breach, termination, or validity of any term of this Agreement shall be subject to arbitration, and prior to commencing any court action, the parties agree that they shall arbitrate all controversies; *provided, however*, that nothing in this Section 11 shall prohibit the Company from exercising its right under Section 10 hereof to pursue injunctive remedies with respect to a breach or threatened breach of the Restrictive Covenants. The arbitration shall be conducted in Dallas, Texas, in accordance with the Employment Dispute Rules of the American Arbitration Association and the Federal Arbitration Act, 9 U.S.C. §1, *et. seq.* Any award shall be binding and conclusive upon the parties hereto, subject to 9 U.S.C. §10. Each party shall have the right to have the award made the judgment of a court of competent jurisdiction. Any fees and related expenses associated with the cost of arbitration will be borne by the Company. Subject to the preceding provisions of this Section 11, the courts of Dallas County, Texas shall have exclusive jurisdiction and be the venue of all disputes between the Company and Employee whether such disputes arise from this Agreement or otherwise. In addition, Employee expressly waives any right to sue or be sued in the county of Employee's residence and consents to venue in Dallas County, Texas.

5.

6. Successors .

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b. This Agreement is personal to Executive and without the prior written consent of the Company shall not be assignable by Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's legal representatives.

c.

d. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

e.

f. The Company will require any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

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2. Miscellaneous .

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- b. Governing Law . This Agreement, and all disputes and controversies arising hereunder or related to this Agreement, shall be governed by and construed in accordance with the laws of the State of Texas, without reference to principles of conflict of laws that would apply any other law.
- c.
- d. Captions . The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.
- e.
- f. Amendments . This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.
- g.
- h. Notices . All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:
- i. If to Executive: «Name»
- «MailingAddress»
- «City», «State» «Zip»
- If to the Company: Pilgrim's Pride Corporation
- 4845 US Highway 271 North
- Pittsburg, TX 75686
- Attention: Executive Vice President Human Resources
- or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.
- j. Severability . The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.
- k.
- l. Withholding . The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.
- m.
- n. Waivers . Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Executive or the Company may have hereunder, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.
- o.
- p. Status Before and After Effective Date . Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between Executive and the Company, the employment of Executive by the Company is "at will" and, subject to Section 1(a) hereof, Executive's employment and/or this Agreement may be terminated by either Executive or the Company at any time prior to the Effective Date, in which case Executive shall have no further rights under this Agreement. From and after the Effective Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.
- q.

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

«Name»

PILGRIM'S PRIDE CORPORATION

By:

b
«SigningOfficerName»

«SigningOfficerTitle»

**PILGRIM'S PRIDE CORPORATION ANNOUNCES EXTENSION OF
TEMPORARY COVENANT WAIVER WITH LENDERS**

PITTSBURG, Texas, October 27, 2008 – Pilgrim's Pride Corporation (NYSE: PPC) today announced that it has reached an agreement with its lenders to extend the temporary waiver under its credit facilities through November 26, 2008. Lenders have also agreed to provide continued liquidity under credit facilities during this same period in accordance with the terms of the waiver agreements.

The company and its advisors have been working diligently on a comprehensive business plan that addresses the financial and operational challenges currently facing Pilgrim's Pride and the chicken industry. The extension announced today provides Pilgrim's Pride with flexibility while it continues to evaluate its opportunities to refinance and recapitalize its business. The company is working toward a solution to improve its long-term liquidity and position itself to capitalize on its strategic advantages.

The Company stated:

We have made significant progress in developing an appropriate and effective strategic response to the issues facing Pilgrim's Pride and we look forward to executing against that plan. Lenders have been constructive and supportive throughout this challenging period and we believe that like us, they are encouraged by recent industry egg set data and the continued decline in grain and other feed ingredient prices, which if sustained should bode well for our Company and the industry as a whole. In fact, the annualized benefit of the current feed ingredient prices relative to those that existed at the time of the Company's third fiscal quarter conference call held on July 29, 2008; is approximately \$1.1 billion. We look forward to working with all of our stakeholders throughout this process.

Pilgrim's Pride also announced that the company intends to exercise its 30-day grace period in making the \$25.7 million interest payment due November 3, 2008, on its 7 5/8% Senior Notes and 8 3/8% Senior Subordinated Notes. Additional details can be found in the Company's Form 8-K filed today with the Securities and Exchange Commission.

As previously announced, the Company has retained Lazard as its investment banker to provide strategic advice regarding refinancing and recapitalization opportunities and Bain Corporate Renewal Group to work with management on a range of strategic issues and operational improvements.

About Pilgrim's Pride

Pilgrim's Pride Corporation is the largest chicken company in the United States and Puerto Rico and the second-largest in Mexico. Pilgrim's Pride employs approximately 50,000 people and operates 35 chicken processing plants and 11 prepared-foods facilities. Pilgrim's Pride products are sold to foodservice, retail and frozen entree customers. The Company's primary distribution is through retailers, foodservice distributors and restaurants throughout the United States and Puerto Rico and in the Northern and Central regions of Mexico. For more information, please visit <http://www.pilgrimspride.com>.

Forward-Looking Statements

Statements contained in this press release that state the intentions, plans, hopes, beliefs, anticipations, expectations or predictions of the future of Pilgrim's Pride Corporation and its management, including as to anticipated hedging gains or losses and changes in pricing, demand and market conditions for chicken products and profitability, are forward-looking statements. It is important to note that the actual results could differ materially from those projected in such forward-looking statements. Factors that could cause actual results to differ materially from those projected in such forward-looking statements include: matters affecting the poultry industry generally, including fluctuations in the commodity prices of feed ingredients and chicken; compliance with covenants in credit facilities in a volatile and adverse market; additional outbreaks of avian influenza or other diseases, either in our own flocks or elsewhere, affecting our ability to conduct our operations and/or demand for our poultry products; contamination of our products, which has previously and can in the future lead to product liability claims and product recalls; exposure to risks related to product liability, product recalls, property damage and injuries to persons, for which insurance coverage is expensive, limited and potentially inadequate; management of our cash resources, particularly in light of our substantial leverage; restrictions imposed by, and as a result of, our substantial leverage; changes in laws or regulations affecting our operations or the application thereof; *new immigration legislation or increased enforcement efforts in connection with existing immigration legislation that cause our costs of doing business to increase, cause us to change the way in which we do business, or otherwise disrupt our operations; competitive factors and pricing pressures or the loss of one or more of our largest customers; inability to consummate, or effectively integrate, any acquisition or realize the associated cost savings and operating synergies currently anticipated; currency exchange rate fluctuations, trade barriers, exchange controls, expropriation and other risks associated with foreign operations; disruptions in international markets and distribution channels; and the impact of uncertainties of litigation as well as other risks described under "Risk Factors" in our Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission. Pilgrim's Pride Corporation undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.*

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