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Pilgrim's Pride Plans to Idle Three Chicken Processing Plants as Part of Organizational Restructuring

Rationalization of Production Footprint Will Improve Product Mix and Generate Estimated Annualized Savings of \$110 Million as Pilgrim's Pride Continues Shift to Becoming Market-Driven Company

PITTSBURG, Texas, Feb. 27 /PRNewswire-FirstCall/ -- Pilgrim's Pride Corporation (Pink Sheets: PGPDQ) today announced plans to idle three of its 32 U.S. chicken processing plants by mid-May as part of its reorganization. The idling of these three underperforming plants is intended to improve the company's product mix by reducing commodity production and to significantly reduce its costs in the midst of an industry-wide oversupply of chicken and weak consumer demand resulting from a national recession.

The plants that the company plans to idle within 60 to 75 days are located in Douglas, Ga.; El Dorado, Ark.; and Farmerville, La. These plants employ a total of approximately 3,000 people - or roughly 7 percent of the company's total U.S. workforce. Pilgrim's Pride will provide transition programs to employees whose positions are eliminated to assist them in securing new employment, filing for unemployment and obtaining other applicable benefits. Approximately 430 independent contract growers who supply birds to these three plants also will be affected.

There will not be any disruption in the supply of product to retail, foodservice and industrial customers as a result of the idling of these plants, since these changes will only eliminate production of excess commodity chicken. The company plans to keep the plants idle until it believes that additional production capacity is needed.

Pilgrim's Pride expects to generate annualized net savings of approximately \$110 million from idling these three plants and to incur one-time, pre-tax restructuring charges of approximately \$35 million, before any potential asset impairment charges, primarily in the second quarter of fiscal 2009. This includes approximately \$8 million of estimated non-cash restructuring costs.

"The idling of these three plants is a painful reflection of the unprecedented challenges facing our company and our industry from an excess supply of chicken and weakening consumer demand resulting from a crippled economy," said Don Jackson, president and chief executive officer. "Simply put, we are producing too much commodity chicken in what is a very weak market. The actions announced today will reduce our production of low-value, commodity meat that is a financial drain on the company without affecting any of our core business lines or customers."

The idling of these three plants, when completed, will result in a reduction of 9-to-10 percent in total pounds of chicken produced by the company.

In addition, the company announced it will be consolidating its protein salad production from Franconia, Pa. to its further-processing facility in Moorefield, W. Va.

"We recognize the pain and uncertainty that the idling of these plants will have on our employees and growers at these locations, as well as on the surrounding communities. It is a devastating situation, and we sincerely wish that such actions were not necessary," Dr. Jackson said. "But the reality is that our country is arguably facing the most significant financial crisis since the Great Depression, with consumer spending on food dropping at its steepest rate in more than 60 years. We are taking decisive steps now to protect the greatest number of jobs and growers in order to restructure our business and ultimately emerge from Chapter 11 as a stronger, more efficient competitor."

As previously announced, the Company filed voluntary Chapter 11 petitions on December 1, 2008. The Chapter 11 cases are being jointly administered under case number 08-45664. The Company's operations in Mexico and certain operations in the United States were not included in the filing and continue to operate as usual outside of the Chapter 11 process.

Additional information about the restructuring is available at the Company's website www.pilgrimspride.com or via the Company's restructuring information line at (888) 830-4659.

About Pilgrim's Pride

Pilgrim's Pride Corporation employs approximately 47,000 people and operates chicken processing plants and prepared-foods facilities in 14 states, Puerto Rico and Mexico. The Company's primary distribution is through retailers and foodservice distributors. 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 expectations as to the reorganization of the Company's business and finances to resolve its operational and liquidity issues, expectations to emerge from Chapter 11 proceedings stronger and more competitive, the sufficiency of liquidity to be provided by the debtor-in-possession financing facility, anticipated authorizations being requested of the Bankruptcy Court and expectations as to the ability to make post-petition payments, 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: the Company's ability to obtain court approval with respect to its motions in the Chapter 11 proceedings; the ability of the Company and its subsidiaries to prosecute, develop and consummate one or more plans of reorganization with respect to the Chapter 11 proceedings; risks associated with third party motions in the Chapter 11 proceedings, which may interfere with the Company's ability to develop and consummate one or more plans of reorganization; the potential adverse effects of the Chapter 11 proceedings on the Company's liquidity or results of operations; matters affecting the poultry industry generally; continued compliance with conditions for funding under the debtor-in-possession financing facility; the ability to execute the Company's business and restructuring plan to achieve desired cost savings and additional capital to improve liquidity; future pricing for feed ingredients and the Company's products; additional outbreaks of avian influenza or other diseases, either in the Company's flocks or elsewhere, affecting the Company's ability to conduct its operations and/or demand for its poultry products; contamination of the Company's 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 cash resources, particularly in light of the Company's substantial leverage; restrictions imposed by, and as a result of, the Company's substantial leverage; changes in laws or regulations affecting the Company's operations or the application thereof; new immigration legislation or increased enforcement efforts in connection with existing immigration legislation that cause the costs of doing business to increase, cause the Company to change the way in which it does business, or otherwise disrupt its operations; competitive factors and pricing pressures or the loss of one or more of the Company's largest customers; 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 the Company's 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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