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## **Pilgrim's Pride Corporation to Idle Chicken Processing Plant in Clinton, Arkansas and Further-Processing Facility in Bossier City, Louisiana**

Industry Leader Continues Taking Proactive Steps to Strengthen Competitive Position Amid Difficult Operating Environment

PITTSBURG, Texas, Aug. 11 /PRNewswire-FirstCall/ -- Pilgrim's Pride Corporation (NYSE: PPC) today announced plans to idle a chicken processing plant in Clinton, Ark., and a further-processing facility in Bossier City, La. Both moves, which are expected to be completed within 60 days, are part of the company's ongoing effort to operate more efficiently and return to profitability amid high feed costs and an oversupply of chicken on the market.

When completed, the idling of the Clinton processing plant will result in an approximate 1.25 percent incremental increase in the company's previously announced production cutback heading into the fall. Meanwhile, value-added items currently produced in Bossier City will be shifted to other Pilgrim's Pride further-processing facilities. Pilgrim's Pride plans to keep both plants idle until it believes that industry margins can be sustained at more normalized levels of profitability should these or our other production cutbacks be reversed.

The idling of the two plants will eliminate a total of approximately 600 positions. 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.

The company attributed today's announcement to the continued imbalance in supply and demand in the U.S. chicken industry, which has led to market prices for breast meat that are unusually weak for the peak summer grilling season. Market pricing for breast meat is currently at \$1.33 per pound, well below the prior five-year average for August of approximately \$1.63 per pound, and significantly below the average price of more than \$1.80 just four years ago.

"Over the past six months, Pilgrim's Pride has taken a number of proactive steps to strengthen our competitive position amid a very difficult operating environment," said Clint Rivers, president and chief executive officer. "These steps include the production cutbacks for the second half of fiscal 2008, the closure of a plant in North Carolina and seven distribution centers, and the consolidation of our tray-pack operations in El Dorado, Ark., to six other case-ready sites. Those changes, when combined with today's announcement, will result in the elimination of nearly 2,300 positions.

"With Labor Day approaching and no indication that the actions taken to date by Pilgrim's Pride or other industry members are having a positive effect on selling prices for our products, it is now clear that more significant, decisive action is necessary. In addition, EPA's disappointing decision to reject the request for a partial waiver of the 2008 Renewable Fuel Standard for corn-based ethanol assures that high grain prices are here to stay for the foreseeable future. While we had sincerely hoped to avoid further facility closures or consolidations, we recognize that we must do everything in our control to pass along higher input costs. We believe the actions announced today, while painful, are needed to position Pilgrim's Pride to emerge from this down cycle as a much stronger, more efficient competitor," he explained.

The company does not expect to incur any material financial charges related to the announcements today.

### 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 53,500 people and operates 36 chicken processing plants and 12 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 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, chicken and turkey; 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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