SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000

Commission File number 1-9273

PILGRIM'S PRIDE CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	75-1285071
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
110 SOUTH TEXAS, PITTSBURG, TX	75686-0093
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: (903) 855-1000

Securities registered pursuant to Section 12 (b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Common Stock, Par Value $0.01	New York Stock Exchange
Class B Common Stock, Par Value $0.01	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of the Registrant's Class B Common Stock, $0.01 par value, and Class A Common Stock, $0.01 par value, held by non-affiliates of the Registrant as of November 14, 2000, was $82,528,556 and $26,104,778; respectively. For purposes of the foregoing calculation only, all directors, executive officers and 5% beneficial owners have been deemed affiliates.

27,589,250 shares of the Registrant's Class B Common Stock, $.01 par value, were outstanding as of November 14, 2000.

13,523,429 shares of the Registrant's Class A Common Stock, $.01 par value, were outstanding as of November 14, 2000.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's proxy statement for the annual meeting of stockholders to be held January 31, 2001 are incorporated by reference into Part III.

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PART I

ITEM 1. BUSINESS

GENERAL

Pilgrim's Pride Corporation (referred to herein as "the Company", "we", "us", "our" and similar terms) is one of the largest producers of prepared and fresh chicken products in North America and has one of the best known brand names in the chicken industry. We are the fifth largest producer of chicken in the United States and the second largest in Mexico. Through vertical integration, we control the breeding, hatching and growing of chickens and the processing, preparation, packaging and sale of our product lines. Our U.S. operations, including U.S. produced chicken products sold for export to Canada, Mexico, Eastern Europe, the Far East and other world markets, accounted for 79.5% of our net sales in fiscal 2000. The remaining 20.5% of our net sales in fiscal 2000 arose from our Mexico operations. In fiscal 2000, we sold 2.0 billion pounds of dressed chicken and generated net sales of $1.5 billion, net income of $52.3 million and earnings before interest, taxes and depreciation ("EBITDA") of $115.4 million. Pilgrim's Pride Corporation was incorporated in July 1968.

Our objectives are to increase sales, profit margins and earnings and outpace the growth of the chicken industry. Key elements of our strategy to achieve these objectives are to:

- CAPITALIZE ON ATTRACTIVE U.S. PREPARED FOODS MARKET. We focus our U.S. growth initiatives on sales of prepared foods to the foodservice market because this market segment continues to be one of the fastest growing and most profitable segments in the chicken industry. Products sold to this market segment require further processing, which enables us to charge a premium for our products and also reduces the impact of feed ingredient costs on our profitability. Feed ingredient costs typically decrease from approximately 30-50% of total production cost for fresh chicken products to approximately 16-25% for prepared chicken products. Our sales of prepared food products to the foodservice market grew from $305.3 million in fiscal 1996 to $593.4 million in fiscal 2000, a compounded annual growth rate of 18.1%. In addition, these sales increased as a percentage of our total U.S. chicken revenues from 39.3% to 56.5% during the same five-year period.

- EMPHASIZE CUSTOMER-DRIVEN RESEARCH AND TECHNOLOGY. We have a long-standing reputation for customer-driven research and development in designing new products and implementing advanced processing technology. This enables us to better meet our customers' changing needs for product innovation, consistent quality and cost efficiency. In particular, customer-driven research and development is integral to our growth strategy for the prepared foods market where customers continue to place greater importance on value-added services. Our research and development personnel often work directly with institutional customers in developing products for these customers, which we believe helps promote long-term relationships. Approximately $114.4 million or 16.4% of our sales to foodservice customers in fiscal 2000 consisted of products which we did not sell in fiscal 1996.

- ENHANCE U.S. FRESH CHICKEN PROFITABILITY THROUGH VALUE-ADDED, BRANDED PRODUCTS. Our U.S. fresh chicken sales were $252.8 million in fiscal 2000, or 24.1% of total U.S. chicken sales for the period. In addition to maintaining the sales of mature, traditional fresh chicken products, our strategy is to shift the mix of our U.S. fresh chicken products by continuing to increase sales of higher margin, faster growing products, such as marinated chicken and chicken parts. Our fresh chicken products are sold under the Pilgrim's Pride brand name, which is well known in many southwestern markets for quality and freshness.

- IMPROVE OPERATING EFFICIENCIES AND INCREASE CAPACITY ON A COST-EFFECTIVE BASIS. As production and sales have grown, we have continued to focus on improving operating efficiencies by investing in state-of-the-art technology, processes and training and continuing to implement a total quality management program. Specific initiatives include:

    - STANDARDIZING LOWEST-COST PRODUCTION PROCESSES ACROSS OUR VARIOUS FACILITIES;

    - CENTRALIZING PURCHASING AND OTHER SHARED SERVICES; AND

    - UPGRADING TECHNOLOGY WHERE APPROPRIATE.

  WE ALSO MADE COST-EFFECTIVE ACQUISITIONS BOTH IN THE U.S. AND MEXICO AND SUBSEQUENTLY INCREASED THE CAPACITY AND IMPROVED THE EFFICIENCY OF THE ACQUIRED PROPERTIES. AS A RESULT, ACCORDING TO INDUSTRY DATA, WE HAVE CONSISTENTLY BEEN ONE OF THE LOWEST COST PRODUCERS OF CHICKEN IN THE U.S., AND WE ALSO BELIEVE WE ARE ONE OF THE LOWEST COST PRODUCERS OF CHICKEN IN MEXICO.

  In furtherance of this strategy, on September 27, 2000 the Company announced that it had signed a definitive agreement to acquire all the outstanding stock of WLR Foods, Inc. in a cash merger valued at approximately $300 million, which includes the assumption and/or refinancing of approximately $60 million of WLR Foods' debt and other obligations (the "WLR Acquisition"). Pursuant to the agreement, the Company will pay $14.25 for each outstanding share of WLR Foods common stock. The merger is subject to customary closing conditions, including the receipt of regulatory approval and the approval of WLR Foods' shareholders, and is expected to be completed during January 2001. See "Business--Recent Developments" and "Management's Discussion and Analysis of Results of Operations and Financial Condition--Recent Developments".

- CAPITALIZE ON THE GROWING MEXICAN MARKET. We seek to leverage our leading market position and reputation for freshness and quality in Mexico by focusing on the following four objectives:

- TO BE ONE OF THE MOST COST-EFFICIENT PRODUCERS AND PROCESSORS OF CHICKEN IN MEXICO BY APPLYING TECHNOLOGY AND EXPERTISE UTILIZED IN THE U.S.;

- TO CONTINUALLY INCREASE OUR DISTRIBUTION OF HIGHER MARGIN, MORE VALUE-ADDED PRODUCTS TO NATIONAL RETAIL STORES AND RESTAURANTS;

- TO CONTINUE TO BUILD AND EMPHASIZE BRAND AWARENESS AND CAPITALIZE ON THE MEXICAN CONSUMERS' PREFERENCE FOR BRANDED PRODUCTS AND THEIR INSISTENCE ON FRESHNESS AND QUALITY; AND

- TO ENSURE THAT, AS MEXICAN TARIFFS ON IMPORTED CHICKEN ARE ELIMINATED BY 2003, A SIGNIFICANT PORTION OF THE CHICKEN IMPORTED FROM THE U.S. WILL BE DISTRIBUTED THROUGH OUR EXISTING AND PLANNED DISTRIBUTION FACILITIES. THE LOCATION OF OUR U.S. OPERATIONS IN THE SOUTHWEST GIVES US A STRATEGIC ADVANTAGE TO CAPITALIZE ON ANY EXPORTS OF U.S. CHICKEN TO MEXICO.

OUR CHICKEN PRODUCTS CONSIST PRIMARILY OF:

(1) PREPARED FOODS, WHICH ARE FOODS SUCH AS PORTION-CONTROLLED BREAST FILLETS, TENDERLOINS AND STRIPS, FORMED NUGGETS AND PATTIES AND BONE-IN CHICKEN PARTS. PREPARED FOODS ARE SOLD FROZEN AND MAY BE EITHER FULLY COOKED, PARTIALLY COOKED OR RAW, BREADED OR NON-BREADED, PRE-MARINATED OR NON-MARINATED.

(2) FRESH CHICKEN, WHICH IS REFRIGERATED (NON-FROZEN) WHOLE OR CUT-UP CHICKEN SOLD TO THE FOODSERVICE INDUSTRY EITHER PRE-MARINATED OR NON-MARINATED. FRESH CHICKEN ALSO INCLUDES PREPACKAGED CHICKEN, WHICH INCLUDES VARIOUS COMBINATIONS OF FRESHLY REFRIGERATED, WHOLE CHICKENS AND CHICKEN PARTS IN TRAYS, BAGS OR OTHER CONSUMER PACKS LABELED AND PRICED READY FOR THE RETAIL GROCER'S FRESH MEAT COUNTER.

(3) EXPORT AND OTHER PRODUCTS, WHICH ARE PARTS AND WHOLE CHICKEN, EITHER REFRIGERATED OR FROZEN FOR U.S. EXPORT OR DOMESTIC USE.

(4) OUR MEXICO PRODUCTS PRIMARILY CONSIST OF VALUE-ADDED PRODUCTS SUCH AS EVISCERATED CHICKEN AND CHICKEN PARTS AND BASIC PRODUCTS SUCH AS NEW YORK DRESSED (WHOLE CHICKEN WITH ONLY FEATHERS AND BLOOD REMOVED) AND LIVE BIRDS.

OUR CHICKEN PRODUCTS ARE PRIMARILY SOLD TO:

(1) FOODSERVICE CUSTOMERS, WHICH ARE CUSTOMERS SUCH AS CHAIN RESTAURANTS, FROZEN ENTREE PRODUCERS, INSTITUTIONS AND DISTRIBUTORS. WE SELL TO OUR FOODSERVICE CUSTOMERS PRODUCTS RANGING FROM PORTION-CONTROLLED REFRIGERATED CHICKEN PARTS TO FULLY-COOKED AND FROZEN, BREADED OR NON-BREADED CHICKEN PARTS OR FORMED PRODUCTS.

(2) RETAIL CUSTOMERS, WHICH ARE CUSTOMERS SUCH AS GROCERY STORE CHAINS, RETAIL DISTRIBUTORS AND WHOLESALE CLUBS. WE SELL TO OUR RETAIL CUSTOMERS BRANDED, PRE-PACKAGED CUT-UP AND WHOLE CHICKEN, AND FRESH REFRIGERATED WHOLE CHICKENS AND CHICKEN PARTS IN TRAYS, BAGS OR OTHER CONSUMER PACKS.

THE FOLLOWING TABLE SETS FORTH, FOR THE PERIODS SINCE FISCAL 1996, NET SALES ATTRIBUTABLE TO EACH OF OUR PRIMARY PRODUCT LINES AND THE MARKETS SERVED WITH THOSE PRODUCTS. WE BASED THE TABLE ON OUR INTERNAL SALES REPORTS AND THEIR CLASSIFICATION OF PRODUCT TYPES AND CUSTOMERS.

	FISCAL YEAR ENDED				
	Sept. 30, 2000	Oct. 2, 1999	Sept. 26, 1998	Sept. 27, 1997	Sept. 28, 1996
	(52 WEEKS)	(53 WEEKS)	(52 WEEKS)	(52 WEEKS)	(52 WEEKS)
			(IN THOUSANDS)		
U.S. Chicken Sales:					
Prepared Foods:					
Foodservice	$ 593,354	$ 530,340	$ 420,396	$ 348,961	$ 305,250
Retail	48,059	28,254	46,400	42,289	43,442
Total Prepared Foods	641,413	558,594	466,796	391,250	348,692
Fresh Chicken:					
Foodservice	103,803	125,395	145,297	174,103	145,377
Retail	148,977	161,180	162,283	153,554	141,876

Total Fresh Chicken	252,780	286,575	307,580	327,657	287,253
Export and Other	156,194	118,327	139,976	142,030	140,614
Total U.S. Chicken	1,050,387	963,496	914,352	860,937	776,559
Mexico	307,362	254,500	278,087	274,997	228,129
Total Chicken Sales	1,357,749	1,217,996	1,192,439	1,135,934	1,004,688
Sales of Other U.S. Products	141,690	139,407	139,106	141,715	134,622
Total Net Sales	$1,499,439	$1,357,403	$1,331,545	$1,277,649	$1,139,310

UNITED STATES

The following table sets forth, since fiscal 1996, the percentage of our net U.S. chicken sales attributable to each of our primary product lines and the markets serviced with those products. We based the table and related discussion on our internal sales reports and their classification of product types and customers.

	FISCAL YEAR ENDED				
	Sept. 30, 2000	Oct. 2, 1999	Sept. 26, 1998	Sept. 27 1997	Sept. 28, 1996
U.S. Chicken Sales:					
Prepared Foods:					
Foodservice	56.5 %	55.1 %	46.0 %	40.5 %	39.3 %
Retail	4.6	2.9	5.1	4.9	5.6
Total Prepared Foods	61.1	58.0	51.1	45.4	44.9
Fresh Chicken:					
Foodservice	9.9	13.0	15.9	20.2	18.7
Retail	14.2	16.7	17.7	17.9	18.3
Total Fresh Chicken	24.1	29.7	33.6	38.1	37.0
Export and Other	14.8	12.3	15.3	16.5	18.1
Total U.S. Chicken Sales Mix	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

PRODUCT TYPES

U.S. PREPARED FOODS OVERVIEW. During fiscal 2000, $641.4 million of our net U.S. chicken sales were in prepared food products to foodservice and retail, as compared to $348.7 million in fiscal 1996. These numbers reflect the strategic focus for our growth. The market for prepared food products has experienced, and we believe that this market will continue to experience, greater growth and higher margins than fresh chicken products. Also, the production and sale in the U.S. of prepared food products reduce the impact of the costs of feed ingredients on our profitability. Feed ingredient purchases are the single largest component of our cost of goods sold, representing approximately 26.6% of our U.S. cost of goods sold in fiscal 2000. The production of feed ingredients is positively or negatively affected primarily by weather patterns throughout the world, the global level of supply inventories and the agricultural policies of the United States and foreign governments. As further processing is performed, feed ingredient costs become a decreasing percentage of a product's total production cost, thereby reducing their impact on our profitability.

We establish prices for our prepared food products based primarily upon perceived value to the customer, production costs and prices of competing products. The majority of these products are sold pursuant to agreements with varying terms that either set a fixed price for the products or set a price according to formulas based on an underlying commodity market, subject in many cases to minimum and maximum prices. Most fixed price contracts are set for one year terms and are negotiated in the October to December time frame.

U.S. FRESH CHICKEN OVERVIEW. Our fresh chicken business is an important component of our sales and were $252.8 million in fiscal 2000, or 24.1% of total U.S. chicken sales for the period. In addition to maintaining sales of mature, traditional fresh chicken products, our strategy is to shift the mix of our U.S. fresh chicken products by continuing to increase sales of higher margin, faster growing products, such as marinated chicken and chicken parts.

Most fresh chicken products are sold to established customers based upon certain weekly or monthly market prices reported by the United States Department of Agriculture ("USDA") and other public price reporting services, plus a markup, which is dependent upon the customer's location, volume, product specifications and other factors. We believe our practices with respect to sales of fresh chicken are generally consistent with those of our competitors. Prices of these products are negotiated daily or weekly and are generally related to market prices quoted by the USDA or other public reporting services.

EXPORT AND OTHER OVERVIEW. Our export and other products consist of whole chickens and chicken parts sold primarily in bulk, non-branded form either refrigerated to distributors in the U.S. or frozen for distribution to export markets. In fiscal 2000, approximately $40.4 million of these sales were attributable to exports of U.S. chicken. These exports and other products have historically been characterized by lower prices and greater price volatility than our more value-added product lines.

MARKETS

U.S. FOODSERVICE. The majority of our U.S. chicken sales are derived from products sold to the foodservice market. This market principally consists of chain restaurants, frozen entree producers, institutions and distributors located throughout the continental United States. We are the largest supplier of chicken to Wendy's (TM), Jack-in-the-Box (TM) and Stouffer's (TM) frozen entree operation. We are also a significant supplier to KFC (TM) and Taco Bell (TM), and in 1998 began selling chicken to Burger King (TM). We supply chicken products ranging from portion-controlled refrigerated chicken parts to fully cooked and frozen, breaded or non-breaded chicken parts or formed products.

We believe Pilgrim's Pride is well-positioned to be the primary or secondary supplier to many national and international chain restaurants that require multiple suppliers of chicken products. Additionally, we are well suited to be the sole supplier for many regional chain restaurants. These regional chain restaurants often offer better margin opportunities and a growing base of business.

We believe we have significant competitive strengths in terms of product capability, production capacity, research and development expertise, and distribution and marketing experience relative to smaller and to non-vertically integrated producers. As a result of these competitive strengths, our sales to the foodservice market from fiscal 1996 through fiscal 2000 grew at a compounded annual growth rate of 11.5% and represented 58.5% of the U.S. net sales in fiscal 2000. Based on industry data, we estimate that total industry dollar sales to the foodservice market grew at a compounded annual growth rate of 2.9% during the five calendar year period from 1995 to 1999. According to the FOOD INSTITUTE REPORT, food expenditures on "food-away-from-home" are estimated to increase by a 4.8% compounded annual growth rate from 1999 through 2010 as a result of the growth of quick service restaurants and the continuing trend of consumers spending money on food-away-from-home rather than "food-at-home". Food-away-from-home is projected by the FOOD INSTITUTE REPORT to account for 53% of total food expenditures by 2010, as compared with 45% in 1998.

FOODSERVICE--PREPARED FOODS. The majority of our sales to the foodservice market consist of prepared food products. Prepared food sales to the foodservice market were $593.4 million in fiscal 2000 compared to $305.3 million in fiscal 1996, a compounded annual growth rate of approximately 18.1%. We attribute this growth in sales of prepared foods to the foodservice market to a number of factors:

FIRST, there has been significant growth in the number of foodservice operators offering chicken on their menus and the number of chicken items offered.

SECOND, foodservice operators are increasingly purchasing prepared chicken products, which allow them to reduce labor costs while providing greater product consistency, quality and variety across all restaurant locations.

THIRD, there is a strong need among larger foodservice companies for an alternative or additional supplier to our principal competitor in the prepared foods market. A viable alternative supplier must be able to ensure supply, demonstrate innovation and new product development and provide competitive pricing. We have been successful in our objective of becoming the alternative supplier of choice by being the primary or secondary prepared chicken supplier to many large foodservice companies because:

- WE ARE VERTICALLY INTEGRATED, GIVING US CONTROL OVER OUR SUPPLY

OF CHICKEN AND CHICKEN PARTS;

- OUR FURTHER PROCESSING FACILITIES ARE PARTICULARLY WELL SUITED TO THE HIGH VOLUME PRODUCTION RUNS NECESSARY TO MEET THE CAPACITY AND QUALITY REQUIREMENTS OF THE U.S. FOODSERVICE MARKET; AND

- WE HAVE ESTABLISHED A REPUTATION FOR DEPENDABLE QUALITY, HIGHLY RESPONSIVE SERVICE AND EXCELLENT TECHNICAL SUPPORT.

FOURTH, as a result of the experience and reputation developed with larger customers, we have increasingly become the principal supplier to mid-sized foodservice organizations.

FIFTH, our in-house product development group follows a customer-driven research and development focus designed to develop new products to meet customers' changing needs. Our research and development personnel often work directly with institutional customers in developing products for these customers. Approximately $114.4 million or 16.4% of our sales to foodservice customers in fiscal 2000 consisted of new products which were not sold by us in fiscal 1996.

SIXTH, we are a leader in utilizing advanced processing technology, which enables us to better meet our customers' needs for product innovation, consistent quality and cost efficiency.

FOODSERVICE--FRESH CHICKEN. We produce and market fresh, refrigerated chicken for sale to U.S. quick-service restaurant chains, delicatessens and other customers. These chickens have the giblets removed, are usually of specific weight ranges, and are usually pre-cut to customer specifications. They are often marinated to enhance value and product differentiation. By growing and processing to customers' specifications, we are able to assist quick-service restaurant chains in controlling costs and maintaining quality and size consistency of chicken pieces sold to the consumer.

U.S. RETAIL. The U.S. retail market consists primarily of grocery store chains and retail distributors. We concentrate our efforts in this market on sales of branded, prepackaged cut-up and whole chicken to grocery chains and retail distributors in the midwestern, southwestern and western regions of the United States. This regional marketing focus enables us to develop consumer brand franchises and capitalize on proximity to the trade customer in terms of lower transportation costs, more timely, responsive service, and enhanced product freshness. For a number of years, we have invested in both trade and retail marketing designed to establish high levels of brand name awareness and consumer preferences within these markets.

We utilize numerous marketing techniques, including advertising, to develop and strengthen trade and consumer awareness and increase brand loyalty for consumer products marketed under the "Pilgrim's Pride" brand. Our founder, Lonnie "Bo" Pilgrim, is the featured spokesman in our television, radio and print advertising, and a trademark cameo of a person in a Pilgrim's hat serves as the logo on all of our primary branded products. As a result of this marketing strategy, Pilgrim's Pride is a well-known brand name in several southwestern markets, including in Dallas/Fort Worth, Houston and San Antonio, Texas; Oklahoma City, Oklahoma; Denver, Colorado; Phoenix, Arizona; and Los Angeles and San Diego, California. We believe our efforts to achieve and maintain brand awareness and loyalty help to provide more secure distribution for our products. We also believe our efforts at brand awareness generate greater price premiums than would otherwise be the case in certain southwestern markets. We also maintain an active program to identify consumer preferences. The program primarily consists of testing new product ideas, packaging designs and methods through taste panels and focus groups located in key geographic markets.

RETAIL--PREPARED FOODS. We market consumer carton and bagged products to major grocery stores and wholesale club chains throughout the U.S., Mexico and Puerto Rico. Being a leader in this market channel is an important part of our overall marketing strategy and we believe our growth in this segment will continue to increase as the consumer demands more convenient chicken offerings.

RETAIL--FRESH CHICKEN. Our prepackaged retail products include various combinations of freshly refrigerated, whole chickens and chicken parts in trays, bags or other consumer packs labeled and priced ready for the retail grocer's fresh meat counter. We believe the retail, prepackaged fresh chicken business will continue to be a large and relatively stable market, providing opportunities for product differentiation and regional brand loyalty.

EXPORT AND OTHER CHICKEN. Our export and other products consist of whole chickens and chicken parts sold primarily in bulk, non-branded form either refrigerated to distributors in the U.S. or frozen for distribution to export markets. In recent years, we have de-emphasized our marketing of bulk-packaged chicken in the U.S. in favor of more value-added products and export opportunities. In the U.S., prices of these products are negotiated daily or weekly and are generally related to market prices quoted by the USDA or other public price reporting services. We also sell U.S.-produced chicken products for export to Canada, Mexico, Eastern Europe, the Far East and other world markets. Due to U.S. consumers' preference for a chicken's white meat, the U.S. chicken industry has traditionally targeted international markets to generate sales for a chicken's dark meat. We have also begun selling prepared food products for export to the international divisions of our U.S. chain restaurant customers. We believe that U.S. chicken exports will continue to grow as worldwide demand for high-grade, low-cost protein sources increases. We also believe that worldwide demand for higher margin prepared food products will increase over the next five years. Accordingly, we believe we are well positioned to capitalize on such growth.

OTHER U.S. PRODUCTS. We market fresh eggs under the Pilgrim's Pride brand name as well as private labels in various sizes of cartons and flats to U.S. retail grocery and institutional foodservice customers located primarily in Texas. We have a housing capacity for approximately 2.3 million commercial egg laying hens which can produce approximately 42 million dozen eggs annually. U.S. egg prices are determined weekly based upon reported market prices. The U.S. egg industry has been consolidating over the last few years, with the 25 largest producers accounting for more than 54% of the total number of egg laying hens in service during 1999. We compete with other U.S. egg producers primarily on the basis of product quality, reliability, price and customer service. According to an industry publication, Pilgrim's Pride is the thirty-seventh largest producer of eggs in the United States.

In 1997, we introduced a high-nutrient egg called EggsPlus (TM). This egg contains high levels of Omega-3 and Omega-6 fatty acids along with Vitamin E, making it a heart-friendly product. EggsPlus (TM) comes from hens fed a unique diet of natural grains and flax-seed rich in Essential Fatty Acids. They are also fed a patented blend of natural antioxidants to help increase the nutritional quality of EggsPlus (TM). This allows the hens to produce fresh eggs containing six times more Vitamin E than ordinary eggs. Our marketing of EggsPlus (TM) has received national recognition for our progress in being an innovator in the "functional foods" category. EggsPlus (TM) are sold in the southwest markets of Dallas, Houston, Oklahoma City and New Orleans as well as in Arizona and California.

We also convert chicken by-products into protein products primarily for sale to manufacturers of pet foods. In addition, we produce and sell livestock feeds at our feed mills in Pittsburg and Mt. Pleasant, Texas and at our farm supply store in Pittsburg, Texas to dairy farmers and livestock producers in northeastern Texas.

TOTAL QUALITY MANAGEMENT AND PRODUCTIVITY IMPROVEMENTS. Beginning in 1991, we implemented a total quality management program to increase the emphasis by all of our employees on maintaining the highest quality products and lowest cost production. The successful implementation of these initiatives for a company of our size and with the number of employees we have usually takes several years. As this new management culture has become more entrenched within Pilgrim's Pride, we have begun to experience significant gains resulting from these efforts. For example, cross-geographical business process teams have been formed and are producing significant gains in performance characteristics. The gains range from waste reductions to process yield improvements resulting in an estimated annualized cost savings in excess of $17.0 million. Additionally, in fiscal 2000, centralizing purchasing and combining our purchasing power across company locations has successfully reduced the cost of procured materials by more than an estimated $4.0 million. We have also employed new technology to consolidate administrative support activities such as accounts payable processing, treasury management and accounts receivable management. This consolidation has reduced the transaction costs of providing these services.

MEXICO

BACKGROUND

The Mexican market represented approximately 20.5% of our net sales in fiscal 2000. We entered the Mexican market in 1979 by seasonally selling eggs to the Mexican government. Recognizing favorable long-term demographic trends and improving economic conditions in Mexico, we began exploring opportunities to produce and market chicken in Mexico. In fiscal 1988, we acquired four vertically integrated chicken production operations in Mexico for approximately $15.1 million. From fiscal 1988 through fiscal 2000, we made acquisitions and capital expenditures in Mexico totaling $211.1 million to expand and improve these operations. As a result of these expenditures, we have increased weekly production in our Mexican operations by over 400% since our original investment in fiscal 1988. We are now the second largest producer of chicken in Mexico. We believe our facilities are among the most technologically advanced in Mexico and that we are one of the lowest cost producers of chicken in Mexico.

PRODUCT TYPES

While the market for chicken products in Mexico is less developed than in the United States, with sales attributed to fewer, more basic products, the market for value-added products is increasing. Our strategy is to lead this trend. The products currently sold by us in Mexico consist primarily of value-added products such as eviscerated chicken and chicken parts and basic products such as New York dressed (whole chickens with only feathers and blood removed) and live birds. We have increased our sales of value-added products, primarily through national retail chains and restaurants, and it is our business strategy to continue to do so. In addition, we remain opportunistic, utilizing our low cost production to enter markets where profitable opportunities exist. For example, we have increased our sales of live birds since 1994, as many smaller producers exited this segment of the business as a result of the recession in Mexico in 1995 and 1996.

MARKETS

We sell our Mexico chicken products primarily to large wholesalers and retailers. Our customer base in Mexico covers a broad geographic area from Mexico City, the capital of Mexico with a population estimated to be over 20 million, to Saltillo, the capital of the State of Coahuila, about 500 miles north of Mexico City, and from Tampico on the Gulf of Mexico to Acapulco on the Pacific, which region includes the cities of San Luis Potosi and Queretaro, capitals of the states of the same name.

RECENT DEVELOPMENTS

On September 27, 2000, the Company announced that it had signed a definitive agreement to acquire all the outstanding stock of WLR Foods, Inc. in a cash merger valued at approximately $300 million, which includes the assumption and/or refinancing of approximately $60 million of WLR Foods' debt and other obligations. Pursuant to the agreement, the Company will pay $14.25 for each outstanding share of WLR Foods common stock. The merger is subject to customary closing conditions, including the receipt of regulatory approval and the approval of WLR Foods' shareholders, and is expected to be completed during January 2001. The Company intends to finance the transaction with existing cash and borrowings under its existing financing facilities.

WLR Foods is an integrated provider of turkey and chicken products marketed primarily under the Wampler Foods brand. It is nationally ranked as the fourth largest turkey company and the seventh largest poultry food processor by sales volume. WLR Foods employs approximately 7,000 employees. It has seven poultry processing facilities, one further processing facility, two grow-out facilities and a sales and marketing office and corporate office, located in Virginia, North Carolina, West Virginia and Pennsylvania. WLR Foods markets branded and private label poultry products to retailers, fast food operators, food service and institutional customers throughout the United States with an emphasis on the East Coast. Export sales currently represent approximately 11% of sales. Pilgrim's Pride does not presently own any turkey-related facilities or operate in the turkey business and intends to evaluate the turkey business and its options with respect thereto.

COMPETITION

The chicken industry is highly competitive and some of our competitors have greater financial and marketing resources than we do. In the United States and Mexico, we compete principally with other vertically integrated chicken companies.

In general, the competitive factors in the U.S. chicken industry include price, product quality, product development, brand identification, breadth of product line and customer service. Competitive factors vary by major market. In the foodservice market, competition is based on consistent quality, product development, service and price. In the U.S. retail market, we believe that product quality, brand awareness and customer service are the primary bases of competition. There is some competition with non-vertically integrated further processors in the U.S. prepared food business. We believe we have significant, long-term cost and quality advantages over non-vertically integrated further processors.

In Mexico, where product differentiation has traditionally been limited, product quality and price have been the most critical competitive factors. The North American Free Trade Agreement, which went into effect on January 1, 1994, requires annual reductions in tariffs for chicken and chicken products in order to eliminate those tariffs by January 1, 2003. As those tariffs are reduced, increased competition from chicken imported into Mexico from the U.S. may have a material adverse effect on the Mexican chicken industry in general, or on our Mexican operations in particular.

While the extent of the impact of the elimination of tariffs is uncertain, we believe we are uniquely positioned to benefit from this elimination for two reasons. First, we have an extensive distribution network in Mexico which distributes products to 19 of the 32 Mexican states, encompassing approximately 74% of the total population of Mexico. We believe this distribution network will be an important asset in distributing our own U.S.-produced chicken. Second, we have the largest U.S. production and distribution capacities near the Mexican border, which will provide us with cost advantages in exporting U.S. chicken into Mexico. These facilities include our processing facilities in Mt. Pleasant, Pittsburg, Lufkin, Nacogdoches, Dallas and Waco, Texas, and distribution facilities in San Antonio and El Paso, Texas and Phoenix, Arizona.

OTHER ACTIVITIES

We have regional distribution centers located in Arlington, El Paso, Mt. Pleasant and San Antonio, Texas; Phoenix, Arizona; and Oklahoma City, Oklahoma. These facilities distribute our own poultry products along with certain poultry and non-poultry products purchased from third parties to independent grocers and quick service restaurants. Our non-poultry distribution business is conducted as an accommodation to our customers and to achieve greater economies of scale in distribution logistics. The store-door delivery capabilities for our own poultry products provide a strategic service advantage in selling to quick service, national chain restaurants.

REGULATION

The chicken industry is subject to government regulation, particularly in the health and environmental areas, including provisions relating to the discharge of materials into the environment, by the Centers for Disease Control, the USDA, the Food and Drug Administration ("FDA") and the Environmental Protection Agency in the United States and by similar governmental agencies in Mexico. Our chicken processing facilities in the U.S. are subject to on-site examination, inspection and regulation by the USDA. The FDA inspects the production of our feed mills in the U.S. Our Mexican food processing facilities and feed mills are subject to on-site examination, inspection and regulation by a Mexican governmental agency, which performs functions similar to those performed by the USDA and FDA. Since commencement of operations by our predecessor in 1946, compliance with applicable regulations has not had a material adverse effect upon our earnings or competitive position and such compliance is not anticipated to have a materially adverse effect in the future. We believe that we are in substantial compliance with all applicable laws and regulations relating to the operations of our facilities.

We anticipate increased regulation by the USDA concerning food safety, by the FDA concerning the use of medications in feed and by the Texas Natural Resources and Conservation Commission, the Arkansas State Veterinarian Office and the EPA concerning the disposal of chicken by-products and wastewater discharges. Although we do not anticipate any regulations having a material adverse effect upon us, we can give no assurance that such regulations will not have such a material adverse effect.

On February 9, 2000, the U.S. Department of Labor ("DOL") began a nationwide audit of wage and hour practices in the chicken industry. The DOL has audited 51 chicken plants, three of which are owned by the Company. The DOL audit is examining pay practices relating to both processing plant and catching crew employees and includes practices which are the subject of Anderson v. Pilgrim's Pride discussed in Item 3. Legal Proceedings. The Company expects to have a closing conference with the DOL before April of 2001.

EMPLOYEES AND LABOR RELATIONS

As of November 17, 2000 we employed approximately 11,300 persons in the U.S. and 4,100 persons in Mexico. Approximately 2,000 employees at our Lufkin and Nacogdoches, Texas facilities are members of collective bargaining units represented by the United Food and Commercial Workers Union. None of our other U.S. employees have union representation. Collective bargaining agreements with the United Food and Commercial Workers Union expire on August 10, 2001 with respect to our Lufkin employees and on October 6, 2001 with respect to our Nacogdoches employees. We believe that the terms of each of these agreements are no more favorable than those provided to our non-union U.S. employees. In Mexico, most of our hourly employees are covered by collective bargaining agreements, as most employees in Mexico are. We have not experienced any work stoppage since a two-day work stoppage at our Lufkin, Texas facility in May 1993, and we believe our relations with our employees are satisfactory.

FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by (or on behalf of) the Company. Except for historical information contained herein, the statements included in

Management's Discussion and Analysis of Results of Operations and Financial Condition, the Business Section and elsewhere in this Form 10-K are forward-looking statements that are dependent upon a number of risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statement. These risks and uncertainties include changes in commodity prices of feed ingredients and chicken, the Company's indebtedness, risks associated with the Company's foreign operations, including currency exchange rate fluctuations, trade barriers, exchange controls, expropriation and changes in laws and practices, the impact of current and future laws and regulations, the impact of uncertainties of litigation as well as other risks described in the Company's filings with the Securities and Exchange Commission ("SEC"). The Company does not intend to provide updated information about the matters referred to in these forward looking statements, other than in the context of Management's Discussion and Analysis of Results of Operations and Financial Condition and other disclosures in the Company's SEC filings.

DIRECTORS AND EXECUTIVE OFFICERS

Set forth below is certain information relating to our current directors and executive officers:

NAME	AGE	POSITION(S)
Lonnie "Bo" Pilgrim (1)	72	Chairman of the Board
Clifford E. Butler	58	Vice Chairman of the Board
David Van Hoose	59	Chief Executive Officer President Chief Operating Officer Director (Principal Executive Officer)
Richard A. Cogdill	40	Executive Vice President Chief Financial Officer Secretary and Treasurer Director (Principal Financial and Accounting Officer)
O.B. Goolsby, Jr.	53	Executive Vice President Prepared Foods Complexes
Robert L. Hendrix	64	Executive Vice President Growout and Processing
Alejandro M. Mann	40	Executive Vice President Mexico Operations
Michael J. Murray	42	Executive Vice President Sales and Marketing and Distribution
Ray Gameson	52	Senior Vice President Human Resources
David Hand	43	Senior Vice President Sales and Marketing Retail and Fresh Products

Michael D. Martin	46	Senior Vice President Complex Manager DeQueen and Nashville Arkansas Complex
James J. Miner, Ph.D.	72	Senior Vice President Technical Services
Robert N. Palm	57	Senior Vice President Complex Manager Lufkin/Nacogdoches and Center Texas Complex
Lonnie Ken Pilgrim (1)	42	Senior Vice President Director of Transportation Director
Charles L. Black (1) (2)	71	Director
S. Key Coker (2)	43	Director
Vance C. Miller (1) (2)	66	Director
James G. Vetter, Jr. (1) (2)	66	Director
Donald L. Wass, Ph.D. (1) (2)	68	Director

(1) MEMBER OF THE COMPENSATION COMMITTEE
(2) MEMBER OF THE AUDIT COMMITTEE

LONNIE "BO" PILGRIM has served as Chairman of the Board since the organization of Pilgrim's Pride in July 1968. He was previously Chief Executive Officer from July 1968 to June 1998. Prior to the incorporation of Pilgrim's Pride, Mr. Pilgrim was a partner in its predecessor partnership business founded in 1946.

CLIFFORD E. BUTLER serves as Vice Chairman of the Board. He joined us as Controller and Director in 1969, was named Senior Vice President of Finance in 1973, became Chief Financial Officer and Vice Chairman of the Board in July 1983, became Executive President in January 1997 and served in such capacity through July 1998. He continues to serve as Vice Chairman of the Board.

DAVID VAN HOOSE serves as Chief Executive Officer, President and Chief Operating Officer, (Principal Executive Officer) of Pilgrim's Pride. He became a Director in July 1998. He was named Chief Executive Officer and Chief Operating Officer in June 1998 and President in July 1998. He was previously President of Mexico Operations from April 1993 to June 1998 and Senior Vice President, Director General, Mexico Operations from August 1990 to April 1993. Mr. Van Hoose was employed by us in September 1988 as Senior Vice President, Texas Processing. Prior to that, Mr. Van Hoose was employed by Cargill, Inc. as General Manager of one of its chicken operations.

RICHARD A. COGDILL has served as Executive Vice President, Chief Financial Officer, Secretary and Treasurer, (Principal Financial and Accounting Officer) since January 1997. He became a Director in September 1998. Previously he served as Senior Vice President, Corporate Controller, from August 1992 through December 1996 and as Vice President, Corporate Controller from October 1991 through August 1992. Prior to October 1991, he was a Senior Manager with Ernst & Young LLP. He is a Certified Public Accountant.

O.B. GOOLSBY, JR. has served as Executive Vice President, Prepared Foods Operations since June 1998. He was previously Senior Vice President, Prepared Foods Operations from August 1992 to June 1998 and Vice President, Prepared Foods Complexes from April 1986 to August 1992. He was previously employed by us from November 1969 to January 1981.

ROBERT L. HENDRIX has been Executive Vice President, Grow-Out and Processing, of Pilgrim's Pride since March 1994. He was a Director from March 1994 to September 1998. Prior to that he served as Senior Vice President, NETEX Processing from August 1992 to March 1994 and as President and Chief of Complex Operations from September 1988 to March 1992. He was on leave from the Company from March 1992 to August 1992. From July 1983 to March 1992 he served as a Director. He was President and Chief Operating Officer of Pilgrim's Pride from July 1983 to September 1988. He joined us as Senior Vice President in September 1981 when Pilgrim's Pride acquired Mountaire Corporation of DeQueen, Arkansas, and, prior thereto, he was Vice President of Mountaire Corporation.

ALEJANDRO M. MANN has served as Executive Vice President, Mexico Operations since October 1, 2000. Previously, he was Vice-President of Finance and Processing Plants, Mexico Operations from January 2000 to September 2000. He was employed as Director of Finance, Mexico Operations from August 1995 to December 1999 and from November 1993 to July 1995 as Director of Internal Audit for the U.S. and Mexico Operations at the corporate headquarters. From August 1989 to October 1993, he was employed by Central Soya Inc.

MICHAEL J. MURRAY has been Executive Vice President, Sales and Marketing and Distribution since June 1998. He previously served as Senior Vice President, Sales and Marketing, Prepared Foods from October 1994 to June 1998 and as Vice President of Sales and Marketing, Foodservice from August 1993 to October 1994. From 1990 to July 1993, he was employed by Cargill, Inc. Prior to that, from March 1987 to 1990 he was employed by us as a Vice President for sales and marketing and prior thereto, he was employed by Tyson Foods, Inc.

RAY GAMESON has been Senior Vice President, Human Resources since October 1994. He previously served as Vice President of Human Resources beginning in August 1993. From December 1991 to July 1993, he was employed by Townsends, Inc. and served as Complex Human Resource, Manager. Prior to that, he was employed by us as Complex Human Resource, Manager, at our Mt. Pleasant, Texas location.

DAVID HAND has served as Senior Vice President of Sales and Marketing, Retail and Fresh Products since January 1998. Previously, he was Vice President of Commodity and Export Sales from November 1996 to June 1998. Prior to that he was Director of Commodity and Export Sales from October 1992 to November 1996. He joined Pilgrim's Pride in June 1990 and was Export Sales Manager from June 1990 to October 1992. Prior to that he was President of Plantation Marketing and was with ConAgra from 1979 to 1986.

MICHAEL D. MARTIN has been Senior Vice President, Complex Manager, DeQueen, Arkansas Complex since April 1993. He previously served as Plant Manager at our Lufkin, Texas operations and Vice President, Processing, at our Mt. Pleasant, Texas, operations up to April 1993. He has served in various other operating management positions in the Arkansas Complex since September 1981. Prior to that, he was employed by Mountaire Corporation of DeQueen, Arkansas, until it was acquired by the Company in September 1981.

JAMES J. MINER, PH.D., has been Senior Vice President, Technical Services, since April 1994. He has been employed by Pilgrim's Pride and its predecessor partnership since 1966 and served as Senior Vice President responsible for live production and feed nutrition from 1968 to April 1994. He was a Director from the incorporation of the Company in 1968 through September 1998.

ROBERT N. PALM has been Senior Vice President, Complex Manager, Lufkin, Nacogdoches and Center, Texas Complex since June 1985 and was previously employed in various operating management positions by Plus-Tex Poultry, Inc., a Lufkin, Texas based company acquired by Pilgrim's Pride in June 1985.

LONNIE KEN PILGRIM has been employed by the Company since 1977 and has been Senior Vice President, Transportation since August 1997. Prior to that he served as the Vice President, Director of Transportation. He has been a member of the Board of Directors since March 1985. He is a son of Lonnie "Bo" Pilgrim.

CHARLES L. BLACK was Senior Vice President, Branch President of NationsBank, Mt. Pleasant, Texas, from December 1981 to his retirement in February 1995. He previously was a Director of Pilgrim's Pride from 1968 to August 1992 and has served as a Director since his re-election in February 1995.

S. KEY COKER, is Senior Vice President of Compass Bank, a $20 billion dollar bank with offices throughout the southern United States. He currently manages the Corporate Banking Division for the Dallas Region. He is a career banker with 21 years of experience in banking. He was elected a director of the Company in September 2000.

VANCE C. MILLER was elected a Director in September 1986. Mr. Miller has been Chairman of Vance C. Miller Interests, a real estate development company formed in 1977 and has served as the Chairman of the Board and Chief Executive Officer of Henry S. Miller Cos., a Dallas, Texas real estate services firm, since 1991. Mr. Miller also serves as a Director of Resurgence Properties, Inc.

JAMES G. VETTER, JR. has practiced law in Dallas, Texas since 1966. He is a shareholder of the Dallas law firm of Godwin, White & Gruber, P.C., (formerly Godwin & Carlton, P.C.) and has served as general counsel and a Director since 1981. Mr. Vetter is a Board Certified-Tax Law Specialist and serves as a lecturer and author in tax matters.

DONALD L. WASS, Ph.D., was elected a Director of the Company in May 1987. He has been President of the William Oncken Company of Texas, a time management consulting company, since 1970.

ITEM 2. PROPERTIES

BREEDING AND HATCHING

We supply all of our chicks in the U.S. by producing our own hatching eggs from domestic breeder flocks in the U.S. These flocks are owned by us, and approximately 18.0% of them are maintained on 41 company-owned breeder farms. In the U.S., we currently own or contract for approximately 10.8 million square feet of breeder housing on approximately 282 breeder farms. In Mexico, all of our breeder flocks are maintained on company-owned farms totaling approximately 3.3 million square feet.

We own eight hatcheries in the United States. These hatcheries are located in Nacogdoches, Center and Pittsburg, Texas, and DeQueen and Nashville, Arkansas, where eggs are incubated and hatched in a process requiring 21 days. Once hatched, the day-old chicks are inspected and vaccinated against common poultry diseases and transported by our vehicles to grow-out farms. Our eight hatcheries in the U.S. have an aggregate production capacity of approximately 10.6 million chicks per week. In Mexico, we own seven hatcheries, which have an aggregate production capacity of approximately 3.5 million chicks per week.

GROW-OUT

We place our U.S. grown chicks on contract grow-out farms located in Texas, Arkansas and Oklahoma, some of which are owned by our affiliates. These contract grow-out farms contain approximately 4,400 chicken houses with approximately 58.4 million square feet of growing facilities. Additionally, we own and operate grow-out farms containing approximately 390 chicken houses with approximately 4.4 million square feet of growing facilities in the U.S., which account for approximately 7.1% of our total annual U.S. chicken capacity. On the contracted grow-out farms, the farmers provide the facilities, utilities and labor; we supply the chicks, the feed and all veterinary and technical services. Contract grow-out farmers are paid based on live weight under an incentive arrangement. In Mexico, we place our grown chicks on contract grow-out farms containing approximately 884 chicken houses with approximately 11.9 million square feet of growing facilities. Additionally, we own and operate grow-out farms containing approximately 507 chicken houses with approximately 7.7 million square feet of growing facilities in Mexico, which account for approximately 39.3% of our total annual Mexican chicken capacity. Arrangements with independent farmers in Mexico are similar to our arrangements with contractors in the United States.

FEED MILLS

An important factor in the production of chicken is the rate at which feed is converted into body weight. The quality and composition of the feed is critical to the conversion rate. Accordingly, we formulate and produce our own feed. We purchase feed ingredients on the open market. The primary feed ingredients include corn, milo and soybean meal, which historically have been the largest components of our total production costs. In the U.S., we operate seven feed mills located in Nacogdoches, Mt. Pleasant, Tenaha and Pittsburg, Texas and Nashville and Hope, Arkansas. In the U.S., we currently have annual feed requirements of approximately 2.3 million tons and the capacity to produce approximately 3.6 million tons. We own four feed mills in Mexico, which produce all of the requirements of our Mexico operations. Mexico's annual feed requirements are approximately 0.7 million tons with a capacity to produce approximately 1.0 million tons. In fiscal 2000, approximately 68% of the feed ingredients used by us in Mexico were imported from the United States, but this percentage fluctuates based on the availability and cost of local feed ingredient supplies.

PROCESSING

Once the chickens reach processing weight, they are transported in our trucks to our processing plants. These plants utilize modern, highly automated equipment to process and package the chickens. We periodically review possible application of new processing technologies in order to enhance productivity and reduce costs. Our six U.S. processing plants, two of which are located in Mt. Pleasant, Texas, and the remainder of which are located in Dallas, Nacogdoches and Lufkin, Texas, and DeQueen, Arkansas, have the capacity, under present USDA inspection procedures, to slaughter approximately 8.5 million head of chicken per week, assuming a five-day work week. Our three processing plants located in Mexico have the capacity to slaughter approximately 3.3 million head of chicken per week, assuming a six-day work week, which is typical in Mexico.

PREPARED FOODS PLANT

Our prepared foods plant in Mt. Pleasant, Texas was constructed in 1986 and has been expanded significantly since that time. This facility has deboning lines, marination systems, batter/breading systems, fryers, ovens, both mechanical and cryogenic freezers, a variety of packaging systems and cold storage. This plant is currently operating at the equivalent of two shifts a day for six days a week. If necessary, we could add additional shifts during the seventh day of the week. We constructed a new prepared foods facility at our Dallas, Texas location during fiscal 1998. The Dallas, Texas facility is functionally equivalent to the Mt. Pleasant, Texas facility. We acquired a prepared foods plant in Waco, Texas from Plantation Foods, Inc. during fiscal 1999. The Waco, Texas facility has undergone two significant expansions since acquisition and is functionally equivalent to the Mt. Pleasant and Dallas, Texas facilities.

EGG PRODUCTION

We produce table eggs at three farms near Pittsburg, Texas. One farm is owned by us, while two farms are operated under contract by an entity owned by our major stockholder. The eggs are cleaned, sized, graded and packaged for shipment at processing facilities located on the egg farms. The farms have a housing capacity for approximately 2.3 million producing hens and are currently housing approximately 1.9 million hens.

OTHER FACILITIES AND INFORMATION

We operate a rendering plant located in Mt. Pleasant, Texas. The rendering plant currently processes by-products from approximately 8.9 million chickens weekly into protein products. These products are used in the manufacture of chicken and livestock feed and pet foods. We operate a commercial feed mill in Mt. Pleasant, Texas which produces various bulk and sacked livestock feed, which are sold to area dairies, ranches and farms. We also operate a feed supply store in Pittsburg, Texas, from which we sell various bulk and sacked livestock feed products, a majority of which is produced in our Mt. Pleasant, Texas commercial feed mill. We own an office building in Pittsburg, Texas, which houses our executive offices, and an office building in Mexico City, which houses our Mexican marketing offices.

Substantially all of our U.S. property, plant and equipment is pledged as collateral on our secured debt.

ITEM 3. LEGAL PROCEEDINGS

On March 23, 1999, the Company is a plaintiff in two antitrust lawsuits in U.S. District Court in Washington, D.C. alleging a world-wide conspiracy to control production capacity and raise prices of common vitamins such as A, B-4, C and E. The suit alleged that, Roche Holding, Ltd. Affiliates Hoffmann-LaRoche Inc., Roche Vitamins Inc. and F. Hoffman-LaRoche, Ltd.; Rhone-Poulenc SA; BASF AG and the German chemical company's U.S. unit, BASF Corp.; Eisai Co.; Takeda Chemical Industries Ltd.; and Merck KgaA conspired to control production of vitamins A, C and E. In a separate suit, the Company contended that Chinook Group Ltd., DuCoa LP, DCV Inc. and various individuals tried to monopolize the vitamin B-4 market. On November 3, 1999, a settlement, which was entered into as part of a class action lawsuit, to which the Company was a member was agreed to among the defendants and the class, which would provide for a recovery of between 18-20% of vitamins purchased from the defendants from 1990 through 1998. On March 28, 2000, the judge presiding over the case accepted the negotiated settlement between the parties; however, appeals from various sources are in process. The Company has filed documentation showing that vitamin purchases made during the recovery period totaled approximately $14.9 million. Based on information the Company has received to date, it is anticipated that the majority of the recovery will occur upon resolution of the appeals process, which is expected before the end of fiscal 2001.

In January of 1998, seventeen current and/or former employees of the Company filed the case of "Octavius Anderson, et al. v. Pilgrim's Pride Corporation" in the United States District Court for the Eastern District of Texas, Lufkin Division, claiming the Company violated requirements of the Fair Labor Standards Act. The suit alleges the Company failed to pay employees for all hours worked. The suit generally alleges that (i) employees should be paid for time spent to put on, take off, and clean certain personal gear at the beginning and end of their shifts and breaks and (ii) the use of a master time card or production "line" time fails to pay employees for all time actually worked. Plaintiffs seek to recover unpaid wages plus liquidated damages and legal fees. Approximately 1,700 consents to join as plaintiffs have been filed with the court by current and/or former employees. It is anticipated that a trial date will be set in February of 2001. The Company believes it has substantial defenses to the claims made and intends to vigorously defend the case. However, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time. The Company does not expect these matters, individually or collectively, to have a material impact on its financial position or liquidity. Substantially similar suits have been filed against four other integrated chicken companies, including WLR Foods.

THE COMPANY IS SUBJECT TO VARIOUS OTHER LEGAL PROCEEDINGS AND CLAIMS, WHICH ARISE IN THE ORDINARY COURSE OF ITS BUSINESS. IN THE OPINION OF MANAGEMENT, THE AMOUNT OF ULTIMATE LIABILITY WITH RESPECT TO THESE ACTIONS WILL NOT MATERIALLY AFFECT THE FINANCIAL POSITION OR RESULTS OF OPERATIONS OF THE COMPANY.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not Applicable

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS

QUARTERLY STOCK PRICES AND DIVIDENDS
High and low sales prices of and dividends on the Company's Class B and Class A common stock for the periods indicated (as adjusted for the June 30, 1999 stock dividend referred to in Note F of the Consolidated Financial Statements) were:

	Prices 2000		Prices 1999		DIVIDENDS	
QUARTER	HIGH	LOW	HIGH	LOW	2000	1999
Class B Common Stock						
First	$9	$6 1/4	$16 11/16	$11 5/16	$.01	$.01
Second	8 9/16	6 1/4	15 7/8	10 9/16	.01	.01
Third	8 5/16	6 3/4	20	9 7/8	.01	.01
Fourth	7 13/16	6 5/8	16 5/16	6 1/4	.01	.01
Class A Common Stock						
First	7	4 5/8	N/A	N/A	.01	N/A
Second	6 5/8	4 1/2	N/A	N/A	.01	N/A
Third	6 1/8	4 1/16	N/A	N/A	.01	N/A
Fourth(1)	$5 11/16	$4 13/16	$14 3/4	$ 4 5/8	$.01	$.01

(1) ON JULY 2, 1999, THE COMPANY'S BOARD OF DIRECTORS DECLARED A DIVIDEND OF ONE SHARE OF THE COMPANY'S CLASS A COMMON STOCK FOR EVERY TWO SHARES OF THE COMPANY'S CLASS B COMMON STOCK. THE ADDITIONAL SHARES WERE ISSUED ON JULY 30, 1999. THE PRICES LISTED ABOVE ARE ADJUSTED TO REFLECT SUCH DIVIDEND. PLEASE REFER TO NOTE F OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR MORE INFORMATION REGARDING THE STOCK DIVIDEND.

THE COMPANY'S CLASS B COMMON STOCK (TICKER SYMBOL "CHX") AND CLASS A COMMON STOCK (TICKER SYMBOL "CHX.A") ARE TRADED ON THE NEW YORK STOCK EXCHANGE. THE COMPANY ESTIMATES THERE WERE APPROXIMATELY 15,400 AND 14,500 HOLDERS (INCLUDING INDIVIDUAL PARTICIPANTS IN SECURITY POSITION LISTINGS) OF THE COMPANY'S CLASS B AND CLASS A COMMON STOCK, RESPECTIVELY, AS OF NOVEMBER 14, 2000. SEE NOTE F--COMMON STOCK, OF THE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR ADDITIONAL DISCUSSION OF THE COMPANY'S COMMON STOCK.

ITEM 6. SELECTED FINANCIAL DATA

Selected Financial Data
Pilgrim's Pride Corporation

(IN THOUSANDS, EXCEPT PER SHARE DATA) TEN YEARS ENDED SEPTEMBER 30, 2000

	2000	1999(a)	1998	1997	1996
Income Statement Data:					
Net sales	$1,499,439	$1,357,403	$1,331,545	$1,277,649	$1,139,310
Gross margin	165,828	185,708	136,103	114,467	70,640
Operating income (loss)	80,488	109,504	77,256	63,894	21,504(b)
Income (loss) before income taxes and extraordinary charge	62,786	90,904	56,522	43,824	47
Income tax expense (benefit) (C)	10,442	25,651	6,512	2,788	4,551
Income (loss) before extraordinary charge	52,344	65,253	50,010	41,036	(4,504)
Extraordinary charge- early repayment of debt, net of tax	-	--	--	--	(2,780)
Net income (loss)	52,344	65,253	50,010	41,036	(7,284)
Per Common Share Data:(d)					
Income (loss) before extraordinary charge	$ 1.27	$ 1.58	$ 1.21	$ 0.99	$ (0.11)
Extraordinary charge early repayment of debt	--	--	--	--	(0.07)
Net income (loss)	1.27	1.58	1.21	0.99	(0.18)
Cash dividends	0.06	0.045	0.04	0.04	0.04
Book value	8.33	7.11	5.58	4.41	3.46
Balance Sheet Summary:					
Working capital	$124,531	$154,242	$147,040	$133,542	$88,455
Total assets	705,420	655,762	601,439	579,124	536,722
Notes payable and current maturities of long-term debt	4,657	4,353	5,889	11,596	35,850
Long-term debt, less current maturities	165,037	183,753	199,784	224,743	198,334
Total stockholders' equity	342,559	294,259	230,871	182,516	143,135
Key Indicators (as a percentage of net sales):					
Gross margin	11.1%	13.7%	10.2%	9.0%	6.2%
Selling, general and administrative expenses	5.7%	5.6%	4.4%	4.0%	4.3%
Operating income (loss)	5.4%	8.1%	5.8%	5.0%	1.9%
Interest expense, net	1.2%	1.3%	1.5%	1.7%	1.9%
Net income (loss)	3.5%	4.8%	3.8%	3.2%	(0.6%)

(In thousands, except per share data:) Ten years Ended September 30, 2000

	1995	1994	1993(a)	1992	1991
Income Statement Data:					
Net sales	$931,806	$922,609	$887,843	$817,361	$786,651
Gross margin	74,144	110,827	106,036	32,802	75,567
Operating income (loss)	24,930(b)	59,698	56,345	(12,475)	31,039
Income (loss) before income taxes and extraordinary charge	2,091	42,448	32,838	(33,712)	12,235
Income tax expense (benefit) (c)	10,058	11,390	10,543	(4,048)	(59)
Income (loss) before extraordinary charge	(7,967)	31,058	22,295	(29,664)	12,294
Extraordinary charge- early repayment of debt, net of tax	--	--	(1,286)	--	--
Net income (loss)	(7,967)	31,058	21,009	(29,664)	12,294
Per Common Share Data:(d)					
Income (loss) before extraordinary charge	$ (0.19)	$ 0.75	$ 0.54	$ (0.83)	$ 0.36

Extraordinary chrge- early repayment of debt	--	--	(0.03)	--	--
Net income (loss)	(0.19)	0.75	0.51	(0.83)	0.36
Cash dividends	0.04	0.04	0.02	0.04	0.04
Book value	3.67	3.91	3.20	2.71	2.72
Balance Sheet Summary:					
Working capital	$ 88,395	$ 99,724	$ 72,688	$ 11,227	$ 44,882
Total assets	497,604	438,683	422,846	434,566	428,090
Notes payable and current maturities of long-term debt	18,187	4,493	25,643	86,424	44,756
Long-term debt, less current maturities	182,988	152,631	159,554	131,534	175,776
Total stockholders' equity	152,074	161,696	132,293	112,112	112,353
Key Indicators (as a percentage of net sales):					
Gross margin	8.0%	12.0%	11.9%	4.0%	9.6%
Selling, general and administrative expenses	5.3%	5.5%	5.6%	5.7%	5.7%
Operating income (loss)	2.7%	6.5%	6.3%	(1.6%)	3.9%
Interest expense, net	1.9%	2.1%	2.9%	2.8%	2.5%
Net income (loss)	(0.9%)	3.4%	2.4%	(3.6%)	1.6%

(a) Fiscal 1999 and 1993 had 53 weeks

(b) In addition to foreign exchange losses, the peso decline and the related economic recession in Mexico contributed significantly to the operating losses experienced by the Company's Mexico operations of $8.2 million and $17.0 million for fiscal years 1996 and 1995, respectively.

(c) The Company does not include income or losses from its Mexico operations in its determination of taxable income for U.S. income tax purposes based upon its determination that such earnings will be indefinitely reinvested in Mexico. See "Management's Discussion and Analysis Results of Operations and Financial Condition" and Note D of the Consolidated Financial Statements of the Company.

(d) Historical per share amounts have been restated to give effect to a stock dividend issued on July 30, 1999. See Note F of the Consolidated Financial Statements of the Company.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by (or on behalf of) the Company. Except for historical information contained herein, the statements included in Management's Discussion and Analysis of Results of Operations and Financial Condition, the Business Section and elsewhere in this annual report contain forward-looking statements that are dependent upon a number of risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. These risks and uncertainties include changes in commodity prices of feed ingredients and chicken, the Company's indebtedness, risks associated with the Company's foreign operations, including currency exchange rate fluctuations, trade barriers, exchange controls, expropriation and changes in laws and practices, the impact of current and future laws and regulations, the impact of uncertainties of litigation, as well as other risks described in the Company's SEC filings. The Company does not intend to provide updated information about the matters referred to in these forward-looking statements, other than in the context of Management's Discussion and Analysis of Results of Operations and Financial Condition contained herein and other disclosures in the Company's SEC filings.

GENERAL

Profitability in the chicken industry can be materially affected by the commodity prices of chicken, chicken parts and feed ingredients. Those commodity prices are determined largely by supply and demand. As a result, the chicken industry as a whole has been characterized by cyclical earnings. These cyclical fluctuations in earnings of individual chicken companies can be mitigated somewhat by:

- Business strategy;
- Product mix;
- Sales and marketing plans; and
- Operating efficiencies.

In an effort to reduce price volatility and to generate higher, more consistent profit margins, we have concentrated on the production and marketing of prepared food products. Prepared food products generally have higher profit margins than our other products. Also, the production and sale in the U.S. of prepared food products reduce the impact of the costs of feed ingredients on our profitability. Feed ingredient purchases are the single largest component of our cost of goods sold, representing approximately 26.6% of our U.S. cost of goods sold in fiscal 2000. The production of feed ingredients is positively or negatively affected primarily by weather patterns throughout the world, the global level of supply inventories and the agricultural policies of the United States and foreign governments. As further processing is performed, feed ingredient costs become a decreasing percentage of a product's total production costs, thereby reducing their impact on our profitability.

The following table presents certain information regarding the Company's U.S. and Mexico operations.

	Fiscal Year Ended		
	September 30, 2000	October 2, 1999	September 26, 1998
	(52 weeks)	(53 weeks)	(52 weeks)
		(In thousands)	
Sales to unaffiliated customers:			
United States	$1,192,077	$1,102,903	$1,053,458
Mexico	307,362	254,500	278,087
Total sales to unaffiliated customers	$1,499,439	$1,357,403	$1,331,545
Operating income:			
United States	$ 45,928	$ 88,177	$ 36,279
Mexico	34,560	21,327	40,977
Total operating income	$ 80,488	$ 109,504	$ 77,256

The following table presents certain items as a percentage of net sales for the periods indicated:

	2000	1999	1998
Net sales	100.0 %	100.0 %	100.0 %
Cost of sales	88.9	86.3	89.8
Gross profit	11.1	13.7	10.2
Selling, general and administrative expense	5.7	5.6	4.4
Operating income	5.4	8.1	5.8
Interest expense	1.2	1.3	1.5
Income before income taxes	4.2	6.7	4.2
Net income	3.5	4.8	3.8

Results of Operations

FISCAL 2000 COMPARED TO FISCAL 1999:

NET SALES. Consolidated net sales were $1.5 billion for fiscal 2000, an increase of $142.0 million, or 10.5%, from fiscal 1999. The increase in consolidated net sales resulted from an $86.9 million increase in U.S. chicken sales to $1.1 billion, a $52.9 million increase in Mexico chicken sales to $307.4 million and a $2.3 million increase of sales of other U.S. products to $141.7 million. The increase in U.S. chicken sales was primarily due to an 8.6% increase in dressed pounds produced . The increase in Mexico chicken sales was primarily due to a 13.7% increase in revenue per dressed pound and to a 6.2% increase in dressed pounds produced. The $2.3 million increase in sales of other U.S. products was primarily due to higher selling prices in the Company's Poultry By-Products division.

COST OF SALES. Consolidated cost of sales was $1.3 billion in fiscal 2000, an increase of $161.9 million, or 13.8%, compared to fiscal 1999. The increase resulted primarily from a $125.9 million increase in the cost of sales of our U.S. operations and from a $36.0 million increase in the cost of sales in our Mexico operations.

The cost of sales increase in our U.S. operations of $125.9 million was due primarily to an 8.6% increase in dressed pounds produced, a 4.0% increase in feed ingredient costs, increased production of higher-cost prepared food products, losses associated with the late January 2000 ice storm and a $5.8 million write off of accounts receivable from AmeriServe, which filed bankruptcy on January 31, 2000. AmeriServe was a significant distributor of products to fast food and casual dining restaurant chains, several of which are customers of the Company. The $36.0 million cost of sales increase in our Mexico operations was primarily due to a 6.2% increase in dressed pounds produced and a 9.8% increase in average costs of sales per dressed pound produced caused primarily by the continued shift of production to a higher-valued product mix.

GROSS PROFIT. Gross profit was $165.8 million for fiscal 2000, a decrease of $19.9 million, or 10.7%, over the same period last year. Gross profit as a percentage of sales decreased to 11.1% in fiscal 2000 from 13.7% in fiscal 1999. The lower gross profit resulted from lower net margins in our U.S. operations primarily due to lower selling prices realized for fresh chicken products, higher feed ingredient costs, losses associated with the late January 2000 ice storm and the AmeriServe write off discussed above, offset in part by increased volume of prepared food chicken sales.

Beginning in the fourth quarter of fiscal 1999, commodity chicken margins in the U.S. have been under pressure due, in part, to increased levels of chicken production in the U.S. To the extent that these trends continue, subsequent periods' gross margins could be negatively affected to the extent not offset by other factors such as those discussed under "-General" above.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Consolidated selling, general and administrative expenses were $85.3 million in fiscal 2000 and $76.2 million in fiscal 1999. Consolidated selling, general and administrative expenses as a percentage of sales remained relatively stable in fiscal 2000 at 5.7% compared to 5.6% in fiscal 1999. The $9.1 million increase in consolidated selling, general and administrative expenses was due to increased costs relating to our higher sales volumes.

OPERATING INCOME. Consolidated operating income was $80.5 million for fiscal 2000, a decrease of $29.0 million, or 26.5%, when compared to fiscal 1999, resulting primarily from lower net U.S. margins due to lower selling prices realized for fresh chicken products, higher feed ingredient costs, losses associated with the late January 2000 ice storm and the AmeriServe write off discussed above, offset in part by increased volume of prepared food chicken sales.

INTEREST EXPENSE. Consolidated net interest expense increased 0.6% to $17.8 million in fiscal 2000, when compared to $17.7 million for fiscal 1999, due to higher interest rates experienced in fiscal 2000 on lower outstanding debt levels.

INCOME TAX EXPENSE. Consolidated income tax expense in fiscal 2000 decreased to $10.4 million compared to an expense of $25.7 million in fiscal 1999. This decrease resulted from lower U.S. earnings in fiscal 2000 than in fiscal 1999.

FISCAL 1999 COMPARED TO FISCAL 1998:

Our accounting cycle resulted in 53 weeks of operations in fiscal 1999, compared to 52 weeks in fiscal 1998.

NET SALES. Consolidated net sales were $1.36 billion for fiscal 1999, an increase of $25.9 million, or 1.9% from fiscal 1998. The increase in consolidated net sales resulted from a $49.1 million increase in U.S. chicken sales to $963.5 million and a $0.4 million increase of sales of other U.S. products to $139.4 million offset by a $23.6 million decrease in Mexico chicken sales to $254.5 million. The increase in U.S. chicken sales was primarily due to an 8.7% increase in dressed pounds produced and partially offset by a 3.0% decrease in total revenue per dressed pound. The decrease in Mexico chicken sales was primarily due to a 19.6% decrease in revenue per dressed pound partially offset by a 13.9% increase in dressed pounds sold.

COST OF SALES. Consolidated cost of sales was $1.2 billion in fiscal 1999, a decrease of $23.7 million, or 2.0%, compared to fiscal 1998. The decrease resulted primarily from an $18.4 million decrease in the cost of sales of U.S. operations and by a $5.3 million decrease in the cost of sales in Mexico operations. The cost of sales decrease in U.S. operations of $18.4 million was due primarily to a 22.1% decrease in feed ingredients cost per pound partially offset by an 8.7% increase in dressed pounds produced.

The $5.3 million cost of sales decrease in Mexico operations was primarily due to a 15.4% decrease in feed ingredient costs per pound offset partially by a 13.9% increase in dressed pounds produced.

GROSS PROFIT. Gross profit was $185.7 million for fiscal 1999, an increase of $49.6 million, or 36.5%, over the same period last year. Gross profit as a percentage of sales increased to 13.7% in fiscal 1999 from 10.2% in fiscal 1998. The increased gross profit resulted primarily from lower feed ingredient costs per pound and higher production volumes.

Beginning in the fourth quarter of fiscal 1999, commodity chicken margins in the U.S. have been under pressure due, in part, to increased levels of chicken production in the U.S. To the extent that these trends continue, subsequent periods' gross margins could be negatively affected to the extent not offset by other factors such as those discussed under "-General" above.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Consolidated selling, general and administrative expenses were $76.2 million in fiscal 1999 and $58.8 million in fiscal 1998. Consolidated selling, general and administrative expenses as a percentage of sales increased in fiscal 1999 to 5.6%, compared to 4.4% in fiscal 1998, due to increased retirement and variable compensation costs which are dependent upon U.S. profits.

OPERATING INCOME. Consolidated operating income was $109.5 million for fiscal 1999, an increase of $32.2 million, or 41.7%, when compared to fiscal 1998, resulting primarily from lower feed ingredient costs per pound and higher production volumes.

INTEREST EXPENSE. Consolidated net interest expense decreased 12.4% to $17.7 million in fiscal 1999, when compared to $20.2 million for fiscal 1998, due to lower average outstanding debt levels.

MISCELLANEOUS, NET. Consolidated miscellaneous, net, a component of Other Expenses (Income), was $1.0 million in fiscal 1999, a $2.7 million decrease when compared to ($1.7) million for fiscal 1998 due primarily to losses on disposal of assets.

INCOME TAX EXPENSE. Consolidated income tax expense in fiscal 1999 increased to $25.7 million compared to an expense of $6.5 million in fiscal 1998. This increase resulted from higher U.S. earnings in fiscal 1999 than in fiscal 1998.

LIQUIDITY AND CAPITAL RESOURCES

As of November 16, 2000, the Company maintains $120.0 million in revolving credit facilities and $400.0 million in secured-revolving/term borrowing facilities. The credit facilities provide for interest at rates ranging from LIBOR plus five-eighths percent to LIBOR plus two and three-quarters percent depending upon the Company's total debt to capitalization ratio. Interest rates on debt outstanding at September 30, 2000 bore interest at rates ranging from LIBOR plus five-eighths percent to LIBOR plus one and one-eighth percent. These facilities are secured by inventory and fixed assets or are unsecured. The $400.0 million revolving/term borrowing facility provides for $285.0 million and $115.0 million of 10-year and 7-year, respectively, commitments. Borrowings under this facility are split pro-rata between the 10-year and 7-year maturities as they occur. As of November 17, 2000, $113.8 million was available under the revolving credit facilities and $200.0 million was available under the revolving/term borrowing facilities with an additional $200.0 million becoming available upon completion of the WLR Acquisition and the satisfaction of certain other customary conditions occurring on or before February 28, 2001. See Note C to the Consolidated Financial Statements.

The annual maturities of long-term debt for the five years subsequent to September 30, 2000 are as follows: 2001-$4.7 million; 2002-$5.0 million; 2003-$96.1 million; 2004-$5.8 million and 2005-$6.0 million.

On June 29, 1999, the Camp County Industrial Development Corporation issued $25.0 million of variable-rate environmental facilities revenue bonds supported by letters of credit obtained by the Company. The Company may draw from these proceeds over the construction period for new sewage and solid waste disposal facilities at a poultry by-products plant to be built in Camp County, Texas. The Company is not required to borrow the full amount of the proceeds from the bonds. All amounts borrowed from these funds will be due in 2029. The amounts borrowed by the Company will be reflected as debt when received from the Camp County Industrial Development Corporation. The interest rates on amounts borrowed will closely follow the tax-exempt commercial paper rates. There were no borrowings outstanding by the Company at September 30, 2000.

On June 26, 1998, the Company entered into an asset sale agreement (the "Agreement") to sell up to $60.0 million of accounts receivable. In connection with the Agreement, the Company sells, on a revolving basis, certain of its trade receivables (the "Pooled Receivables") to a special purpose corporation wholly owned by the Company, which in turn sells a percentage ownership interest to third parties. At September 30, 2000, an interest in these Pooled Receivables of $35.4 million had been sold to third parties and is reflected as a reduction to accounts receivable.

On March 31, 2000, the Company announced that its Board of Directors had authorized the repurchase of $25.0 million of its outstanding Class A and/or Class B common stock. Based on the weighted average closing price of these securities on March 30, 2000, this would represent approximately 10% of the Company's total shares outstanding. The shares will be purchased on the open market from time to time and will be paid for out of operating cash flows or borrowings on existing lines of credit. As of September 30, 2000, 271,100 shares of Class A common stock had been repurchased under this plan at a total cost of $1.6 million.

At September 30, 2000, the Company's working capital and current ratio were $124.5 million and 1.86 to 1, respectively, compared to $154.2 million and 2.24 to 1, respectively, at October 2, 1999.

Trade accounts and other receivables were $50.3 million at September 30, 2000, compared to $84.4 million at October 2, 1999. The 40.4% decrease between September 30, 2000 and October 2, 1999 was due primarily to the sale of receivables under the asset sale agreement discussed above. Excluding the sale of receivables, trade accounts and other receivables would have increased 1.5% to $85.7 million. This increase was due primarily to the higher level of sales activity.

Accounts payable and accrued expenses were $139.8 million at September 30, 2000, compared to $119.8 million at October 2, 1999, an increase of $20.0 million, or 16.7% and was primarily due to higher levels of sales and the corresponding increased production activity and increased expenditures for capital projects.

Inventories were $181.2 million at September 30, 2000, compared to $168.0 million at October 2, 1999. The $13.2 million, or 7.9%, increase in inventories between September 30, 2000 and October 2, 1999 was primarily due to higher live chicken inventories in the field necessary to support increased sales and production levels, as well as higher finished chicken products inventories.

Capital expenditures of $92.1 million, $69.6 million and $53.5 million for fiscal years 2000, 1999 and 1998, respectively, were primarily incurred to expand certain facilities, improve efficiencies, reduce costs, conduct routine equipment replacement and the purchase of a chicken litter disposal and fertilizer business as discussed in Note H of the Consolidated Financial Statements. Management of the Company and the independent members of the Board of Directors believe that the terms of the purchase of the chicken litter disposal and fertilizer business are not less favorable to the Company than those which could be arranged with unaffiliated persons. The Company has budgeted approximately $100.0 million for capital expenditures in each of its next three fiscal years, primarily to increase capacity through either building or acquiring new facilities, to improve efficiencies and for the routine replacement of equipment. However, actual levels of capital expenditures in any fiscal year may be greater or lesser than those budgeted. The Company expects to finance such expenditures with available operating cash flows and long-term financing.

Cash flows provided by operating activities were $130.8 million, $81.5 million and $85.0 million, for fiscal years 2000, 1999 and 1998, respectively. The increase in cash flows provided by operating activities for fiscal 2000, when compared to fiscal 1999, was due primarily to the sale of the $35.4 million accounts receivables under the accounts receivable sales agreement mentioned above and increases in accounts payable and accrued expenses offset partially by an increase in inventories and a decrease in operating income. The decrease in cash flows provided by operating activities for fiscal 1999, when compared to fiscal 1998, was due primarily to increased inventory levels, offset by increases in accounts payable and accrued expenses.

Cash flows used in financing activities were $22.6 million, $19.6 million and $32.5 million for fiscal years 2000, 1999 and 1998, respectively. The cash used in financing activities primarily reflects the net payments on long-term debt.

RECENT DEVELOPMENTS

On September 27, 2000, the Company announced that it had signed a definitive agreement to acquire all the outstanding stock of WLR Foods, Inc. in a cash merger valued at approximately $300 million, which includes the assumption and/or refinancing of approximately $60 million of WLR Foods' debt and other obligations (the "WLR Acquisition"). Pursuant to the agreement, the Company will pay $14.25 for each outstanding share of WLR Foods common stock. The merger is subject to customary closing conditions, including the receipt of regulatory approval and the approval of WLR Foods' shareholders and is expected to be completed during January 2001. WLR Foods is currently the twelfth largest chicken company and the fourth largest turkey company in the United States, with operations in Virginia, North Carolina, West Virginia and Pennsylvania. The Company intends to finance the transaction with existing cash and borrowings under the financing facility described above, which will result in the Company incurring substantially greater interest expense in the future. The transaction has received the unanimous approval of both companies' Board of Directors and is expected to be completed during January 2001.

MARKET RISK SENSITIVE INSTRUMENTS AND POSITIONS

The risk inherent in the Company's market risk sensitive instruments and positions is the potential loss arising from adverse changes in the price of feed ingredients, foreign currency exchange rates and interest rates as discussed below. The sensitivity analyses presented do not consider the effects that such adverse changes may have on overall economic activity, nor do they consider additional actions management may take to mitigate its exposure to such changes. Actual results may differ.

FEED INGREDIENTS. The Company is a purchaser of certain commodities, primarily corn and soybean meal. As a result, the Company's earnings are affected by changes in the price and availability of such feed ingredients. As market conditions dictate, the Company from time to time will lock-in future feed ingredient prices using various hedging techniques, including forward purchase agreements with suppliers and futures contracts. The Company does not use such financial instruments for trading purposes and is not a party to any leverage derivatives. Market risk is estimated as a hypothetical 10% increase in the weighted-average cost of the Company's primary feed ingredients as of September 30, 2000. Based on projected 2001 feed consumption, such an increase would result in an increase to cost of sales of approximately $33.1 million in 2001. As of September 30, 2000, the Company had hedged none of its 2001 feed requirements and had entered into no forward purchase contracts.

FOREIGN CURRENCY. The Company's earnings are affected by foreign exchange rate fluctuations related to the Mexican peso net monetary position of its Mexico subsidiaries. The Company primarily manages this exposure by attempting to minimize its Mexican peso net monetary position, but has also from time to time considered executing hedges to help minimize this exposure. However, such instruments have historically not been economically feasible. The Company is also exposed to the effect of potential exchange rate fluctuations to the extent that amounts are repatriated from Mexico to the United States. However, the Company currently anticipates that the cash flows of its Mexico subsidiaries will continue to be reinvested in its Mexico operations. In addition, the Mexican peso exchange rate can directly and indirectly impact the Company's results of operations and financial position in several manners, including potential economic recession in Mexico resulting from a devalued peso. The impact on the Company's financial position and results of operations of a hypothetical change in the exchange rate between the U.S. dollar and the Mexican peso cannot be reasonably estimated. Foreign currency exchange gains and losses, representing the change in the U.S. dollar value of the net monetary assets of the Company's Mexico subsidiaries, were a gain of $0.2 million and $0.1 million in fiscal 2000 and 1999, respectively, and a loss of $2.3 million in 1998. On November 14, 2000, the Mexican peso closed at 9.50 to 1 U.S. dollar, a decrease from 9.44 at September 30, 2000. No assurance can be given as to how future movements in the peso could affect future earnings of the Company.

INTEREST RATES. The Company's earnings are also affected by changes in interest rates due to the impact those changes have on its variable-rate debt instruments. The Company has variable-rate debt instruments representing approximately 4.7% of its long-term debt at September 30, 2000. If interest rates average 25 basis points more in 2001 than they did during 2000, the Company's interest expense would be increased by $25,000. These amounts are determined by considering the impact of the hypothetical interest rates on the Company's variable-rate long-term debt at September 30, 2000.

Market risk for fixed-rate long-term debt is estimated as the potential increase in fair value resulting from a hypothetical 25 basis points decrease in interest rates and amounts to approximately $0.4 million, using discounted cash flow analysis.

NEW ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 133, ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (SFAS 133), which is required to be adopted by the Company in its fiscal year beginning October 1, 2000. SFAS 133 will require the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives will either be offset against the change in fair value of the hedged assets, liabilities or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. SFAS 133 is not expected to have a material impact on the Company's financial condition or results of operations.

Impact of Inflation

Due to moderate inflation in the U.S. and the Company's rapid inventory turnover rate, the results of operations have not been significantly affected by inflation during the past three-year period.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements together with the report of independent auditors, and financial statement schedules are included on pages 45 through 59 of this document. Financial statement schedules other than those included herein have been omitted because the required information is contained in the consolidated financial statements or related notes, or such information is not applicable.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

NOT APPLICABLE

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF REGISTRANT

Reference is made to "Election of Directors" on pages 3 through 5 of the Company's Proxy Statement for its 2000 Annual Meeting of Stockholders, which section is incorporated herein by reference.

Reference is made to "Compliance with Section 16(a) of the Exchange Act" on page 9 of the Company's Proxy Statement for its 2000 Annual Meeting of Stockholders, which section is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information responsive to Items 11, 12 and 13 is incorporated by reference from the sections entitled "Security Ownership", "Election of Directors", "Executive Compensation" and "Certain Transactions" of the Company's Proxy Statement for its 2000 Annual Meeting of Stockholders.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) Financial Statements
- (1) THE FINANCIAL STATEMENTS LISTED IN THE ACCOMPANYING INDEX TO FINANCIAL STATEMENTS AND SCHEDULES ARE FILED AS PART OF THIS REPORT.
- (2) ALL OTHER SCHEDULES FOR WHICH PROVISION IS MADE IN THE APPLICABLE ACCOUNTING REGULATIONS OF THE SEC ARE NOT REQUIRED UNDER THE RELATED INSTRUCTIONS OR ARE NOT APPLICABLE AND THEREFORE HAVE BEEN OMITTED.
- (3) THE FINANCIAL STATEMENTS SCHEDULE ENTITLED "VALUATION AND QUALIFYING ACCOUNTS AND RESERVES" IS FILED AS PART OF THIS REPORT ON PAGE 58.
- (4) EXHIBITS

(b) REPORTS ON FORM 8-K
- (1) THE COMPANY FILED A FORM 8-K DATED JULY 20, 1999, TO REPORT THE AMENDING OF THE ARTICLES OF INCORPORATION TO PERMIT DIVIDENDS OF EITHER OF ITS CLASS A COMMON STOCK OR CLASS B COMMON STOCK TO HOLDERS OF ITS CLASS B COMMON STOCK.
- (2) THE COMPANY FILED A FORM 8-K DATED SEPTEMBER 27, 2000, TO REPORT IT HAD SIGNED A DEFINITIVE AGREEMENT WITH WLR FOODS, INC. FOR THE SALE OF ALL THE OUTSTANDING STOCK OF WLR FOODS, INC.

(C) EXHIBITS

EXHIBIT NUMBER

2.1 Agreement and Plan of Reorganization dated September 15, 1986, by and among Pilgrim's Pride Corporation, a Texas corporation; Pilgrim's Pride Corporation, a Delaware corporation; and Doris Pilgrim Julian, Aubrey Hal Pilgrim, Paulette Pilgrim Rolston, Evanne Pilgrim, Lonnie "Bo" Pilgrim, Lonnie Ken Pilgrim, Greta Pilgrim Owens and Patrick Wayne Pilgrim (incorporated by reference from Exhibit 2.1 to the Company's Registration Statement on Form S-1 (No. 33-8805) effective November 14, 1986).

2.2 Agreement and Plan of Merger dated September 27, 2000 (incorporated by reference from Exhibit 2 of WLR Foods, Inc.'s Current Report on Form 8-K (No. 000-17060) dated September 28, 2000).

3.1 Certificate of Incorporation of the Company (incorporated by reference from Exhibit 3.1 of the Company's Registration Statement on Form S-1 (No.33-8805) effective November 14, 1986).

3.2 Amended and Restated Corporate Bylaws of Pilgrim's Pride Corporation, a Delaware Corporation, effective May 14,1999 (incorporated by reference from Exhibit 3.2 of the Company's Quarterly Report on Form 10-Q for the three months ended July 3, 1999).

3.3 Certificate of Amendment to Certificate of Incorporation of the Company (incorporated by reference to Exhibit 1 of the Company's Form 8-A, filed with the SEC on July 20, 1999).

4.1 Certificate of Incorporation of the Company (incorporated by reference from Exhibit 3.1 of the Company's Registration Statement on Form S-1 (No. 33-8805) effective November 14, 1986).

4.2 Amended and Restated Corporate Bylaws of Pilgrim's Pride Corporation, a Delaware Corporation, effective May 14, 1999, (incorporated by reference from Exhibit 3.2 of the Company's Quarterly Report on Form 10-Q for the three months ended July 3, 1999).

4.3 Form of Indenture between the Company and Ameritrust Texas National Association relating to the Company's 10 7/8% Senior Subordinated Notes Due 2003 (incorporated by reference from Exhibit 4.6 of the Company's Registration Statement on Form S-1 (No. 33-59626) filed on March 16, 1993).

4.4 Form of 10 7/8% Senior Subordinated Note Due 2003 (incorporated by reference from Exhibit 4.8 of the Company's Registration Statement on Form S-1 (No. 33-61160) filed on June 16, 1993).

4.5 Certificated of Amendment to Certificate of Incorporation of the Company (incorporated by reference to Exhibit 1 of the Company's Form 8-A, filed with the SEC on July 20, 1999).

10.1 Pilgrim's Industries, Inc. Profit Sharing Retirement Plan, restated as of July 1, 1987 (incorporated by reference from Exhibit 10.1 of the Company's Form 8 filed on July 1, 1992).

10.2 Bonus Plan of the Company (incorporated by reference from Exhibit 10.2 to the Company's Registration Statement on Form S-1 (No. 33-8805) effective November 14, 1986).

10.3 Employee Stock Investment Plan of the Company (incorporated by reference from Exhibit 10.28 of the Company's Registration Statement on Form S-1 (No. 33-21057) effective May 2, 1988).

10.4 Second Amended and Restated Loan and Security Agreement dated July 31, 1995, by and among the Company, the banks party thereto and Creditanstalt-Bankverein, as agent (incorporated by reference from Exhibit 10.38 of the Company's Annual Report on Form 10-K for the fiscal year ended September 28, 1996).

10.5 Revolving Credit Loan Agreement dated March 27, 1995 by and among the Company and Agricultural Production Credit Association (incorporated by reference from Exhibit 10.39 of the Company's Annual Report on Form 10-K for the fiscal year ended September 28, 1996).

10.6 First Supplement to Revolving Credit Loan Agreement dated July 6, 1995 by and among the Company and Agricultural Production Credit Association (incorporated by reference from Exhibit 10.40 of the Company's Annual Report on Form 10-K for the fiscal year ended September 28, 1996).

10.7 Second Supplement to Revolving Credit Loan Agreement dated June 28, 1996 by and among the Company and Agricultural Production Credit Association (incorporated by reference from Exhibit 10.44 of the Company's Annual Report on Form 10-K for the fiscal year ended September 28, 1996).

10.8 Third Supplement to Revolving Credit Loan Agreement dated August 22, 1996 by and among the Company and Agricultural Production Credit Association (incorporated by reference from Exhibit 10.45 of the Company's Annual Report on Form 10-K for the fiscal year ended September 28, 1996).

10.9 Note Purchase Agreement dated April 14, 1997 by and between John Hancock Mutual Life Insurance Company and Signature 1A (Cayman), Ltd. and the Company (incorporated by reference from Exhibit 10.46 of the Company's Quarterly Report on Form 10-Q for the three months ended March 29, 1997).

10.10 Aircraft Lease Extension Agreement between B.P. Leasing Co., (L.A. Pilgrim, Individually) and Pilgrim's Pride Corporation (formerly Pilgrim's Industries, Inc.) effective November 15, 1992 (incorporated by reference from Exhibit 10.48 of the Company's Quarterly Report on Form 10-Q for the three months ended March 29, 1997).

10.11 Broiler Grower Contract dated May 6, 1997 between Pilgrim's Pride Corporation and Lonnie "Bo" Pilgrim (Farm 30) (incorporated by reference from Exhibit 10.49 of the Company's Quarterly Report on Form 10-Q for the three months ended March 29, 1997).

10.12 Commercial Egg Grower Contract dated May 7, 1997 between Pilgrim's Pride Corporation and Pilgrim Poultry G.P. (incorporated by reference from Exhibit 10.50 of the Company's Quarterly Report on Form 10-Q for the three months ended March 29, 1997).

10.13 Agreement dated October 15, 1996 between Pilgrim's Pride Corporation and Pilgrim Poultry G.P. (incorporated by reference from Exhibit 10.23 of the Company's Quarterly Report on Form 10-Q for the three months ended January 2, 1999).

10.14 Heavy Breeder Contract dated May 7, 1997 between Pilgrim's Pride Corporation and Lonnie "Bo" Pilgrim (Farms 44, 45 & 46) (incorporated by reference from Exhibit 10.51 of the Company's Quarterly Report on Form 10-Q for the three months ended March 29, 1997).

10.15 Broiler Grower Contract dated January 9, 1997 by and between Pilgrim's Pride and O.B. Goolsby, Jr. (incorporated by reference from Exhibit 10.25 of the Company's Registration Statement on Form S-1 (No. 333-29163) effective June 27, 1997).

10.16 Broiler Grower Contract dated January 15, 1997 by and between Pilgrim's Pride Corporation and B.J.M. Farms. (incorporated by reference from Exhibit 10.26 of the Company's Registration Statement on Form S-1 (No. 333-29163) effective June 27, 1997).

10.17 Broiler Grower Agreement dated January 29, 1997 by and between Pilgrim's Pride Corporation and Clifford E. Butler (incorporated by reference from Exhibit 10.27 of the Company's Registration Statement on Form S-1 (No. 333-29163) effective June 27, 1997).

10.18 Second Amendment to Second Amended and Restated Loan and Security Agreement dated September 18, 1997 by and among the Company, the banks party thereto and Creditanstalt-Bankverein, as agent.

10.19 Revolving Credit Agreement dated March 2, 1998 by and between Pilgrim's Pride de Mexico, S.A. de C.V., (the borrower); Avicola Pilgrim's Pride de Mexico, S.A. de C.V. (the Mexican Guarantor), Pilgrim's Pride Corporation (the U.S. Guarantor), and COAMERICA Bank (the bank), (incorporated by reference from Exhibit 10.32 of the Company's Quarterly report on form 10-Q for the three months ended March 28, 1998.

10.20 Receivables Purchase Agreement between Pilgrim's Pride Funding Corporation, as Seller, Pilgrim's Pride Corporation, as Servicer, Pooled Accounts Receivable Capital Corporation, as Purchaser, and Nesbitt Burns Securities Inc., as Agent (incorporated by reference from Exhibit 10.33 of the Company's Quarterly report on form 10-Q for the three months ended June 27, 1998).

10.21 Purchase and Contribution Agreement Dated as of June 26, 1998 between Pilgrim's Pride Funding Corporation and Pilgrim's Pride Corporation (incorporated by reference from Exhibit 10.34 of the Company's Quarterly report on form 10-Q for the three months ended June 27, 1998).

10.22 Second Amendment to Security Agreement Re: Accounts Receivable, Farm Products and Inventory between Pilgrim's Pride Corporation and Harris Trust and Savings Bank (incorporated by reference from Exhibit 10.35 of the Company's Quarterly report on form 10-Q for the three months ended

June 27, 1998).

10.23 Second Amended and Restated Secured Credit Agreement between Pilgrim's Pride Corporation and Harris Trust and Savings Bank, individually and as agent and the lenders from time to time parties hereto as lenders, dated November 5, 1999.*

10.24 Guaranty Fee Agreement between Pilgrim's Pride Corporation and Pilgrim Interests, LTD., dated June 11, 1999.*

10.25 Heavy Breeder Contract dated October 27, 1999 between Pilgrim's Pride Corporation and David Van Hoose (Timberlake Farms).*

10.26 Credit Agreement dated December 14, 1999 by and between Pilgrim's Pride Corporation and Cobank, ACB, individually and as agent, and the lenders from time to time parties thereto as lenders.

12 Ratio of Earnings to Fixed Charges for the years ended September 30, 2000, October 2, 1999, September 26, 1998, September 27, 1997 and September 28, 1996.*

21 Subsidiaries of Registrant.*

23 Consent of Ernst & Young LLP.*

27 Financial Data Schedule*

* Filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the 17th day of November 2000.

PILGRIM'S PRIDE CORPORATION

/s/ Richard A. Cogdill

By:
Richard A. Cogdill
Chief Financial Officer
Secretary and Treasurer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

SIGNATURE	TITLE	DATE
/s/ Lonnie "Bo" Pilgrim Lonnie "Bo" Pilgrim	Chairman of the Board	11/20/2000
/s/ Clifford E. Butler Clifford E. Butler	Vice Chairman of the Board	11/20/2000
/s/ David Van Hoose David Van Hoose	Chief Executive Officer President Chief Operating Officer Director (Principal Executive Officer)	11/20/2000
/s/ Richard A. Cogdill Richard A. Cogdill	Executive Vice President Chief Financial Officer Secretary and Treasurer Director (Principal Financial and Accounting Officer)	11/20/2000

SIGNATURE	TITLE	DATE
/s/ Lonnie Ken Pilgrim		

________________________ Lonnie Ken Pilgrim	Senior Vice President Director of Transportation Director	11/20/2000
/s/ Charles L. Black ________________________ Charles L. Black	Director	11/20/2000
________________________ S. Key Coker	Director	11/20/2000
________________________ Vance C. Miller	Director	11/20/2000
________________________ James J. Vetter, Jr.	Director	11/20/2000
________________________ Donald L. Wass, Ph.D.	Director	11/20/2000

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

Pilgrim's Pride Corporation

STOCKHOLDERS AND BOARD OF DIRECTORS
PILGRIM'S PRIDE CORPORATION

We have audited the accompanying consolidated balance sheets of Pilgrim's Pride Corporation and subsidiaries as of September 30, 2000 and October 2, 1999, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended September 30, 2000. Our audits also included the financial statements schedule listed in the index at Item 14(a). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Pilgrim's Pride Corporation as of September 30, 2000 and October 2, 1999, and the consolidated results of its operations and its cash flows for each of the three years in the period ended September 30, 2000, in conformance with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements, taken as a whole, presents fairly in all material respects the information set forth therein.

Ernst & Young LLP

Dallas, Texas
October 30, 2000, except for the second paragraph of Note C, which is dated November 16, 2000

Consolidated Balance Sheets
Pilgrim's Pride Corporation

(In thousands)	Two Years Ended September 30, 2000	
	2000	1999
Assets		
Current Assets:		
Cash and cash equivalents	$ 28,060	$ 15,703
Trade accounts and other receivables, less allowance for doubtful accounts	50,286	84,368
Inventories	181,237	168,035
Deferred income taxes	6,256	6,913
Prepaid expenses and other current assets	3,131	3,376
Total Current Assets	268,970	278,395
Other Assets	18,576	13,632
Property, Plant and Equipment:		
Land	26,137	26,177
Buildings, machinery and equipment	565,034	514,984
Autos and trucks	48,187	38,479
Construction-in-progress	68,743	42,694
	708,101	622,334
Less accumulated depreciation	290,227	258,599
	417,874	363,735
	$705,420	$655,762

Liabilities and Stockholders' Equity
Current Liabilities:

Accounts payable	$ 105,078	$ 81,587
Accrued expenses	34,704	38,213
Current maturities of long-term debt	4,657	4,353
Total Current Liabilities	144,439	124,153
Long-Term Debt, Less Current Maturities	165,037	183,753
Deferred Income Taxes	52,496	52,708
Minority Interest in Subsidiary	889	889
Commitments and Contingencies	--	--
Stockholders' Equity:		
Preferred stock, $.01 par value, authorized 5,000,000 shares; none issued	--	--
Common stock -- Class A, $.01 par value, authorized 100,000,000 shares; 13,523,429 and 13,794,529 shares issued and outstanding in 2000 and 1999, respectively;	138	138
Common stock -- Class B, $.01 par value, authorized 60,000,000 shares; 27,589,250 issued and outstanding in 2000 and 1999	276	276
Additional paid-in capital	79,625	79,625
Retained earnings	264,088	214,220
Less treasury stock	(1,568)	--
Total Stockholders' Equity	342,559	294,259
	$705,420	$655,762

See Notes to Consolidated Financial Statements

Consolidated Statements of Income
Pilgrim's Pride Corporation

(In thousands, except per share data)	Three Years Ended September 30, 2000		
	2000	1999	1998
Net Sales	$1,499,439	$1,357,403	$1,331,545
Cost and Expenses:			
Cost of sales	1,333,611	1,171,695	1,195,442
Selling, general and administrative	85,340	76,204	58,847
	1,418,951	1,247,899	1,254,289
Operating Income	80,488	109,504	77,256
Other Expenses (Income):			
Interest expense, net	17,779	17,666	20,148
Foreign exchange (gain) loss	(152)	(50)	2,284
Miscellaneous, net	75	984	(1,698)
	17,702	18,600	20,734
Income Before Income Taxes	62,786	90,904	56,522
Income Tax Expense	10,442	25,651	6,512
Net Income	$ 52,344	$ 65,253	$ 50,010
Net Income per Common Share-Basic and Diluted	$ 1.27	$ 1.58	$ 1.21

See Notes to Consolidated Financial Statements

Consolidated Statements of Stockholders' Equity
Pilgrim's Pride Corporation

(In thousands, except share and per share data)

	Shares of Common Stock Class A	Shares of Common Stock Class B	Total Par Value	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Total
Balance at September 27, 1997	--	27,589,250	$276	$79,763	$102,477		$182,516
Net income for year					50,010		50,010
Cash dividends declared ($.04 per share)					(1,655)		(1,655)
Balance at September 26, 1998	--	27,589,250	276	79,763	150,832		230,871
Dividend of Class A Common Stock	13,794,529	--	138	(138)	--		--
Net income for year					65,253		65,253
Cash dividends declared ($.045 per share)					(1,865)		(1,865)
Balance at October 2, 1999	13,794,529	27,589,250	414	79,625	214,220		294,259
Treasury stock purchased (271,100)						($1,568)	(1,568)
Net income for year					52,344		52,344
Cash dividends declared ($.06 per share)					(2,476)		(2,476)
Balance at September 30, 2000	13,523,429	27,589,250	$414	$79,625	$264,088	($1,568)	$342,559

See Notes to Consolidated Financial Statements

Consolidated Statements of Cash Flows
Pilgrim's Pride Corporation

(In thousands)	Three Years Ended September 30, 2000		
	2000	1999	1998
Cash Flows From Operating Activities:			
Net Income	$52,344	$65,253	$50,010
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	36,027	34,536	32,591
Loss on property disposals	1,093	2,668	132
Deferred income taxes	444	(5,595)	571
Changes in operating assets and liabiities:			
Accounts and other receivables	34,082	(2,555)	(3,846)
Inventories	(13,202)	(26,351)	4,496
Prepaid expenses and other current assets	245	(474)	(246)
Accounts payable and accrued expenses	19,982	14,195	996
Other	(212)	(225)	312
Cash Provided in Operating Activities	130,803	81,452	85,016
Investing Activities:			
Acquisitions of property, plant and equipment	(92,128)	(69,649)	(53,518)
Proceeds from property disposals	2,319	1,178	5,629
Other, net	(6,055)	(2,822)	595
Cash Used in Investing Activities	(95,864)	(71,293)	(47,294)
Financing Activities:			
Proceeds from notes payable to banks	71,000	24,500	35,500
Repayments on notes payable to banks	(71,000)	(24,500)	(35,500)
Proceeds from long-term debt	20,047	15,258	21,125
Payments on long-term debt	(38,622)	(33,029)	(51,968)
Purchase of treasury stock	(1,568)	--	--

Cash dividends paid	(2,476)	(1,865)	(1,655)
Cash Used in Financing Activities	(22,619)	(19,634)	(32,498)
Effect of exchange rate changes on cash and cash equivalents	37	53	(437)
Increase (decrease) in cash and cash equivalents	12,357	(9,422)	4,787
Cash and cash equivalents at beginning of year	15,703	25,125	20,338
Cash and Cash Equivalents at End of Year	$28,060	$15,703	$25,125
Supplemental Disclosure Information:			
Cash paid during the year for:			
Interest (net of amount capitalized)	$17,178	$18,130	$20,979
Income taxes	$13,258	$31,835	$ 4,543

See Notes to Consolidated Financial Statements

Notes to Consolidated Financial Statements
Pilgrim's Pride Corporation

Note A
Business and Summary of Significant Accounting Policies:

Pilgrim's Pride Corporation (referred to herein as "the Company", "we", "us", "our" and similar terms) is a vertically integrated producer of chicken products, controlling the breeding, hatching and growing of chickens, and the processing, preparation and packaging of its product lines. The Company is the fifth-largest producer of chicken in the United States, with production and distribution facilities located in Texas, Arkansas, Oklahoma and Arizona, and is one of the two largest producers of chicken in Mexico, with production and distribution facilities located in Mexico City and the states of Coahuila, San Louis Potosi, Queretaro and Hidalgo. The Company's chicken products consist primarily of prepared foods, which include portion-controlled breast fillets, tenderloins and strips, formed nuggets and patties, bone-in chicken parts, fresh foodservice chicken, pre-packaged chicken and bulk packaged chicken.

On September 27, 2000, the Company announced that it had signed a definitive agreement to acquire all the outstanding stock of WLR Foods, Inc. in a cash merger valued at approximately $300 million, which includes the assumption and/or refinancing of approximately $60 million of WLR Foods' debt and other obligations (the "WLR Acquisition"). Pursuant to the agreement, the Company will pay $14.25 for each outstanding share of WLR Foods common stock. The merger is subject to customary closing conditions, including the receipt of regulatory approval and the approval of WLR Foods' shareholders, and is expected to be completed during January 2001. The transaction has received the unanimous approval of both companies' Board of Directors and is expected to be completed during January 2001. The WLR Acquisition will be accounted for as a purchase and will be financed through arranged lines of credit discussed in Note C.

Principles of Consolidation:

The consolidated financial statements include the accounts of Pilgrim's Pride Corporation and its wholly and majority owned subsidiaries. Significant intercompany accounts and transactions have been eliminated and prior year amounts have been restated to conform to current year presentations.

The Company reports on the basis of a 52/53-week fiscal year, which ends on the Saturday closest to September 30. As a result, fiscal year 1999 had 53 weeks, while fiscal years 2000 and 1998 each had 52 weeks.

The financial statements of the Company's Mexico subsidiaries are remeasured as if the U.S. dollar were the functional currency. Accordingly, assets and liabilities of the Mexico subsidiaries are translated at end-of-period exchange rates, except for non-monetary assets, which are translated at equivalent dollar costs at dates of acquisition using historical rates. Operations are translated at average exchange rates in effect during the period. Foreign exchange losses are separately stated as components of "Other Expenses (Income)" in the Consolidated Statement of Income.

Revenue Recognition:

The Company generally recognizes revenue when the product is shipped to the customer.

Cash Equivalents:

The Company considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Inventories:

Live chicken inventories are stated at the lower of cost or market and breeder hens at the lower of cost, less accumulated amortization, or market. The costs associated with breeder hens are accumulated up to the production stage and amortized over the productive lives using the unit-of-production method. Finished chicken products, feed, eggs and other inventories are stated at the lower of cost (first-in, first-out method) or market. Occasionally, the Company hedges a portion of its purchases of major feed ingredients using futures contracts to minimize the risk of adverse price fluctuations. The changes in market value of such agreements have a high correlation to the price changes of the feed ingredients being hedged. Gains and losses on the hedge transactions are deferred and recognized as a component of cost of sales when products are sold. Gains and losses on the futures contracts would be recognized immediately were the changes in the market value of the agreements cease to have a high correlation to the price changes of the feed ingredients being hedged.

Statement of Accounting Standards No. 133: Accounting for Derivative Instruments and Hedging Activities ("SFAS 133"), was adopted on October 1, 2000. No transitional impact resulted from the adoption of SFAS 133, and the ongoing effect is not expected to have a material adverse impact on the Company's financial condition or results of operations.

Property, Plant and Equipment:

Property, plant and equipment is stated at cost. For financial reporting purposes, depreciation is computed using the straight-line method over the estimated useful lives of these assets. Depreciation expense was $34.7 million, $33.4 million and $31.5 million in 2000, 1999 and 1998, respectively.

Net Income Per Common Share:

Net income per share is based on the weighted average number of shares of common stock outstanding during the year. The weighted average number of shares outstanding (basic and diluted) and per-share amounts included herein were 41,289,142 in 2000 and 41,383,779 in 1999 and 1998 after adjustment for the common stock dividend referred to in Note F.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note B
Inventories:

Inventories consist of the following:

(In thousands)

	2000	1999
Live chicken and hens	$ 72,438	$ 68,116
Feed, eggs and other	54,627	48,021
Finished chicken products	54,172	51,898
	$181,237	$168,035

Note C
Notes Payable and Long-Term Debt:

At September 30, 2000, the Company maintained $70.0 million in revolving credit facilities and $200.0 million in secured term borrowing facilities. The credit facilities provide for interest at rates ranging from LIBOR plus five-eighths percent to LIBOR plus two and three-quarters percent, depending upon the Company's total debt to capitalization ratio. Interest rates on debt outstanding under these facilities at September 30, 2000 bore interest at rates ranging from LIBOR plus five-eighths percent to LIBOR plus one and one-eighth percent. These facilities are secured by inventory and fixed assets or are unsecured. At September 30, 2000, $63.8 million was available under the revolving credit facilities and $192.0 million was available under the term borrowing facilities. Annual maturities of long-term debt for the five years subsequent to September 30, 2000 are: 2001 -- $4.7 million; 2002 -- $5.0 million; 2003 -- $96.1 million; 2004 -- $5.8 million; and 2005 -- $6.0 million.

On November 16, 2000, the Company entered into amended and restated revolving credit facilities and secured term borrowing facilities, increasing the total amounts available to $120.0 million and $400.0 million, respectively, from $70.0 million and $200.0 million, respectively, and bear interest at rates dependent upon the Company's total debt to capitalization ratio as described above. These increases were made to provide the funding necessary to consummate the WLR Acquisition discussed in Note A. The increases in the revolving credit facilities are available as of November 16, 2000; however, the additional $200.0 million in secured term borrowing facilities will only be available upon consummation of the WLR Acquisition and the satisfaction of certain other customary conditions on or before February 28, 2001.

On June 29, 1999, the Camp County Industrial Development Corporation issued $25.0 million of variable-rate environmental facilities revenue bonds supported by letters of credit obtained by the Company. The Company may borrow from these proceeds over the construction period of its new sewage and solid waste disposal facilities at a poultry by-products plant to be built in Camp County, Texas. The Company is not required to borrow the full amount of the proceeds from the bonds. All amounts borrowed from these funds will be due in 2029 and will be reflected as debt when received. The interest rates on amounts borrowed will closely follow the tax-exempt commercial paper rates.

The Company is required, by certain provisions of its debt agreements, to maintain levels of working capital and net worth, to limit dividends to a maximum of $3.4 million per year, and to maintain various fixed charge, leverage, current and debt-to-equity ratios. Substantially all of the Company's domestic property, plant and equipment is pledged as collateral on its long-term debt and credit facilities.

Total interest was $21.7 million, $20.8 million and $23.2 million in 2000, 1999 and 1998, respectively. Interest related to new construction capitalized in 2000, 1999 and 1998 was $3.3 million, $2.0 million and $1.7 million, respectively.

Long-term debt consists of the following:

(In thousands)

	Maturity	2000	1999
Senior subordinated notes, interest at 10 7/8% (effective rate of 11 1/8%)	2003	$ 90,495	$ 93,364
Notes payable to an insurance company at 7.07% - 7.21%	2006	70,121	67,843
Notes payable to an agricultural lender at LIBOR plus 1.0%	2006	2,400	--
Notes payable to an agricultural lender at LIBOR plus 1.125%	2009	5,600	--
Notes payable to a bank at LIBOR plus 1.8%	2003	--	18,000
Notes payable to an agricultural lender at a rate approximating LIBOR plus 1.25% to 1.65%	2006	--	1,729
Other notes payable	Various	1,078	7,170
		169,694	188,106
Less current maturities		4,657	4,353
		$165,037	$183,753

The fair value of long-term debt, at September 30, 2000 and October 2, 1999, based upon quoted market prices for the same or similar issues where available or by using discounted cash flow analysis, was approximately $166.2 million and $209.7 million, respectively.

Note D
Income Taxes:

Income before income taxes after allocation of certain expenses to foreign operations for 2000, 1999 and 1998 was $32.7 million, $76.6 million and $23.7 million, respectively, for U.S. operations and $30.0 million, $14.3 million and $32.8 million, respectively, for foreign operations. The provisions for income taxes are based on pre-tax financial statement income.

The components of income tax expense (benefit) are set forth below:

(In thousands)

	2000	1999	1998
Current:			
Federal	$ 9,239	$28,449	$4,985
Foreign	138	318	948
State and other	621	2,480	8
	9,998	31,247	5,941
Deferred	444	(5,596)	571
	$10,442	$25,651	$6,512

The following is a reconciliation between the statutory U.S. federal income tax rate and the Company's effective income tax rate:

(In thousands)

	2000	1999	1998
Federal income tax rate	35.0%	35.0%	35.0%
State tax rate, net	1.4	1.3	(0.4)
Difference in U.S. statutory tax rate and Mexico's effective tax rate	(19.8)	(8.1)	(23.1)
	16.6%	28.2%	11.5%

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's deferred tax liabilities and assets are as follows:

(In thousands)

	2000	1999
Deferred tax liabilities:		
Tax over book depreciation	$24,390	$24,345
Prior use of cash accounting	27,470	30,130
Other	2,849	1,209
Total deferred tax liabilities	54,709	55,684
Deferred tax assets:		
Expenses deductible in different years	8,469	9,889
Total deferred tax asset	8,469	9,889
Net deferred tax liabilities	$46,240	$45,795

The Company has not provided any U.S. deferred income taxes on the undistributed earnings of its Mexico subsidiaries based upon its determination that such earnings will be indefinitely reinvested. As of September 30, 2000, the cumulative undistributed earnings of these subsidiaries were approximately $152.4 million. If such earnings were not considered indefinitely reinvested, deferred U.S. and foreign income taxes would have been provided, after consideration of estimated foreign tax credits. However, determination of the amount of deferred federal and foreign income taxes is not practical.

Note E
Accounts Receivable:

The Company does not believe it has significant concentrations of credit risk in its accounts receivable, which are generally unsecured. Credit evaluations are performed on all significant customers and updated as circumstances dictate. Allowances for doubtful accounts were $4.1 million and

$4.7 million at September 30, 2000 and October 2, 1999, respectively.

On June 26, 1998, the Company entered into an asset sale agreement (the "Agreement") to sell up to $60.0 million of accounts receivable. In connection with the Agreement, the Company sells, on a revolving basis, certain of its trade receivables (the "Pooled Receivables") to a special purpose corporation wholly owned by the Company, which in turn sells a percentage ownership interest to third parties. At September 30, 2000, an interest in these Pooled Receivables of $35.4 million had been sold to third parties and is reflected as a reduction to accounts receivable. These transactions have been recorded as sales in accordance with FASB Statement No. 125, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. The proceeds resulting from the sale are included in cash flows from operating activities in the Consolidated Statements of Cash Flows. Losses on these sales were immaterial.

Note F
Common Stock:

The Company has two series of authorized common stock, Class A common stock and Class B common stock. The shares have substantially the same rights, powers and limitations, except that each share of Class B common stock entitles the holder thereof to 20 votes per share, except as otherwise provided by law, on any matter submitted for a stockholder vote, while each share of Class A common stock entitles the holder thereof to one vote per share on any such matter.

On July 2, 1999, the Company's Board of Directors declared a stock dividend of the Company's Class A common stock. Stockholders of record on July 20, 1999 received one share of the Company's Class A common stock for every two shares of the Company's Class B common stock held as of that date. The additional shares were issued on July 30, 1999. Per share and weighted average shares outstanding amounts for periods prior to July 30, 1999 have been restated to give effect to the stock dividend.

During 2000, the Company repurchased 271,100 shares of Class A common stock at a total cost of $1.6 million.

Note G
Savings Plan:

The Company maintains a Section 401(k) Salary Deferral Plan (the "Plan"). Under the Plan, eligible U.S. employees may voluntarily contribute a percentage of their compensation. The Plan provides for a contribution of up to four percent of compensation subject to an overall Company contribution limit of five percent of the U.S. operation's income before taxes. Under this plan, the Company's expenses were $2.3 million, $4.6 million and $1.7 million in 2000, 1999 and 1998, respectively.

Note H
Related Party Transactions:

The major stockholder of the Company owns an egg laying and a chicken growing operation. Transactions with related entities are summarized as follows:

(In thousands)

	2000	1999	1998
Contract egg grower fees to major stockholder	$5,100	$4,501	$4,989
Chick, feed and other sales to major stockholder	31,879	25,076	21,396
Live chicken purchases from major stockholder	31,979	26,899	21,883

The Company leases an airplane from its major stockholder under an operating lease agreement. The terms of the lease agreement require monthly payments of $33,000 plus operating expenses. Lease expense was $396,000 for each of the years 2000, 1999 and 1998. Operating expenses were $127,680, $135,786 and $52,950 in 2000, 1999 and 1998, respectively. The Company had accounts receivable of approximately $0.1 million and $1.2 million at September 30, 2000 and at October 2, 1999, respectively, from related parties, including its major stockholder.

On February 14, 2000, the Company purchased substantially all of the assets of a chicken litter disposal and fertilizer business operated by the Company's major stockholder's son for approximately $8.5 million.

Note I
Commitments:

The Consolidated Statements of Income include rental expense for operating leases of approximately $22.4 million, $17.3 million and $14.3 million in 2000, 1999 and 1998, respectively. The Company's future minimum lease commitments under non-cancelable operating leases are as follows: 2001 -- $17.2 million; 2002 -- $14.5 million; 2003 -- $13.9 million; 2004 -- $9.9 million; 2005 -- $7.2 million and thereafter $10.3 million.

At September 30, 2000, the Company had $6.2 million in letters of credit outstanding relating to normal business transactions.

Note J
Contingencies:

The Company is a plaintiff in two antitrust lawsuits in U.S. District Court in Washington, D.C. alleging a world-wide conspiracy to control production capacity and raise prices of common vitamins such as A, B-4, C and E. On November 3, 1999, a settlement, which was entered into as part of a class action lawsuit, to which the Company was a member, was agreed to among the defendants and the class, which would provide for a recovery of between 18-20% of vitamins purchased from the defendants from 1990 through 1998. On March 28, 2000, the judge presiding over the case accepted the negotiated settlement between the parties; however, appeals from various sources are in process. The Company has filed documentation showing that vitamin purchases made during the recovery period totaled approximately $14.9 million. Based on information the Company has received to date, it is anticipated that the recovery will occur upon resolution of the appeals process which is expected before the end of fiscal 2001.

In January of 1998, seventeen current and/or former employees of the Company filed the case of "Octavius Anderson, et al. v. Pilgrim's Pride Corporation" in the United States District Court for the Eastern District of Texas, Lufkin Division, claiming the Company violated requirements of the Fair Labor Standards Act. The suit alleges the Company failed to pay employees for all hours worked. Specifically, employees allege they should be paid for time spent to put on, take off and clean certain personal gear. Plaintiffs seek to recover unpaid wages plus liquidated damages and legal fees. Approximately 1,700 consents to join as plaintiffs have been filed with the court by current and/or former employees. It is anticipated that a trial date will be set in February of 2001. The Company believes it has substantial defenses to the claims made and intends to vigorously defend the case. However, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time. The Company does not expect these matters, individually or collectively, to have a material impact on its financial position or liquidity. Substantially similar suits have been filed against four other integrated chicken companies.

On February 9, 2000, the U.S. Department of Labor ("DOL") began a nationwide audit of wage and hour practices in the chicken industry. The DOL has audited 51 chicken plants, three of which are owned by the Company. The DOL audit examined pay practices relating to both processing plant and catching crew employees and includes practices which are the subject of Anderson v. Pilgrim's Pride discussed above. The Company expects to have a closing conference with the DOL before April of 2001.

The Company is subject to various other legal proceedings and claims, which arise in the ordinary course of its business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the Company.

Note K
Business Segments:
The Company operates in a single business segment as a producer of agricultural products and conducts separate operations in the United States and Mexico.
Inter-area sales, which are not material, are accounted for at prices comparable to normal trade customer sales. Identifiable assets by geographic area are those assets which are used in the Company's operations in each area.

Information about the Company's operations in these geographic areas is as follows:

(In thousands)

	2000 (52 weeks)	1999 (53 weeks)	1998 (52 weeks)
Sales to unaffiliated customers:			
United States	$1,192,077	$1,102,903	$1,053,458
Mexico	307,362	254,500	278,087
	$1,499,439	$1,357,403	$1,331,545
Operating income:			
United States	$ 45,928	$ 88,177	$ 36,279
Mexico	34,560	21,327	40,977
	$ 80,488	$ 109,504	$ 77,256
Long-lived assets:			
United States	$ 310,066	$ 260,456	$ 227,273
Mexico	126,384	116,911	115,632
	$ 436,450	$ 377,367	$ 342,905

As of September 30, 2000, the Company had net assets in Mexico of $187.0 million.
During 2000 and 1999, revenue from one customer represented 13.5% and 13.9%, respectively, of Consolidated Net Sales.

Note L

Quarterly Results (Unaudited)
(In thousands, except per share data)   Year ended September 30, 2000

	First Quarter	Second Quarter(a)	Third Quarter	Fourth Quarter	Fiscal Year
Net sales	$354,825	$373,260	$391,979	$379,375	$1,499,439
Gross profit	45,477	34,029	46,665	39,657	165,828
Operating income	25,222	13,282	26,349	15,635	80,488
Net Income	14,858	9,023	17,144	11,319	52,344
Per Share:					
Net income	.36	.22	.41	.28	1.27
Cash dividends	.015	.015	.015	.015	.06
Market price:					
Class B common stock					
High	9	8 9/16	8 5/16	7 13/16	9
Low	6 1/4	6 1/4	6 3/4	6 5/8	6 1/4
Class A common stock					
High	7	6 5/8	6 1/8	5 11/16	7
Low	4 5/8	4 1/2	4 1/16	4 13/16	4 1/16

(In thousands, except per sahre data)   Year ended October 2, 1999

	First Quarter(b)	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Net Sales	$336,088	$329,894	$344,160	$347,261	$1,357,403
Gross profit	43,901	46,262	49,415	46,130	185,708
Operating income	26,186	25,292	29,212	28,814	109,504
Net income	15,920	14,580	18,317	16,436	65,253
Per Share (c)					
Net income	.39	.35	.44	.40	1.58

Cash dividends	.01	.01	.01	.015	.045
Market price:					
Class B common stock					
High	16 11/16	15 7/8	20	16 5/16	20
Low	11 5/16	10 9/16	9 7/8	6 1/4	6 1/4
Class A common stock					
High	n/a	n/a	n/a	14 3/4	14 3/4
Low	n/a	n/a	n/a	4 5/8	4 5/8

(a) The second quarter of 2000 includes a $5.8 million write-off of accounts receivable from AmeriServe, which filed bankruptcy on January 31, 2000.
(b) The first quarter of 1999 includes 14 weeks.
(c) Per share amounts prior to 2000 have been restated to give effect to a stock dividend issued on July 30, 1999. See Note F of the Consoldiated Financial Statements of the Company.

PILGIRM'S PRIDE CORPORATION AND SUBSIDIARIES
SCHEDULE II-VALUATION AND QUALIFYING ACCOUNTS

Col. A	Col. B	Col. C		Col. D	Col. E
		ADDITIONS			
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	CHARGED TO COSTS AND EXPENSES	CHARGED TO OTHER ACCOUNTS DESCRIBE	DEDUCTIONS DESCRIBE	BALANCE AT END OF
Year ended September 30, 2000:					
Reserves and alowances deducted from asset accounts:					
Allowance for doubtful accounts	$4,703,000	$ (611,000)	$ --	$ 6,000(1)	$4,086,000
Year ended October 2, 1999:					
Reserves and allowances deducted from asset accounts:					
Allowance for doubtful accounts	$3,694,000	$1,122,000	$ --	$113,000(1)	$4,703,000
Year ended September 26, 1998:					
Reserves and allowances deducted from asset accounts:					
Allowance from doubtful accounts	$3,823,000	$ 409,000	$ --	$538,000(1)	$3,694,000

(1) Uncollectable accounts written off, net of recoveries.
(2) The increase in the 1999 reserve accounts is primarily due to an increase in sales of prepared foods products, which normally have longer credit terms than fresh chicken sales.

EXHIBIT 12
PILGIRM'S PRIDE CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	YEAR ENDED				
	September 30, 2000	October 2, 1999	September 26, 1998	September 27, 1997	September 28, 1996
	(amounts in thousands, except ratio)				
EARNINGS					
Income before income taxes and extraordinary charge	$62,786	$90,904	$56,522	$43,824	$ 47
Add: Total fixed charges (see below)	29,168	26,706	27,987	27,647	26,788
Less: Interest Capitalized	3,313	2,032	1,675	502	1,250
Total Earnings	$88,641	$115,578	$82,834	$70,969	$25,585

FIXED CHARGES:

Interest (1)	$21,712	$ 20,889	$23,239	$23,889	$24,423
Portion of rental expense representative of the interest factor	7,456	5,817	4,748	3,758	3,365
Total fixed charges	$29,168	$ 26,706	$27,987	$27,647	$26,788
Ratio of earnings to fixed charges	3.04	4.33	2.96	2.57	-
Coverage deficiency	-	-	-	-	$ 1,203

(1) Interest includes amortization of capitalized financing fees.

EXHIBIT 22-SUBSIDIARIES OF REGISTRANT

1. AVICOLA PILGRIM'S PRIDE DE MEXICO, S.A. DE C.V.
2. COMPANIA INCUBADORA HIDALGO, S.A. DE C.V.
3. INMOBILIARIA AVICOLA PILGRIM'S PRIDE, S. DE R.L. DE C.V.
4. PILGRIM'S PRIDE, S.A. DE C.V.
5. GALLINA PESADA S.A. DE C.V.
6. PILGRIM'S PRIDE FUNDING CORPORATION
7. PILGRIM'S PRIDE INTERNATIONAL, INC.
8. PPC OF DELAWARE BUSINESS TRUST
9. PPC MARKETING, LTD.
10. PILGRIM'S PRIDE AFFORDABLE HOUSING CORPORATION

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Form S-8 No. 3-12043 and Form S-3 No. 333-84861) of Pilgrim's Pride Corporation, and in the related Prospectuses, of our report dated October 30, 2000, except for the second paragraph of Note C, which is dated November 16, 2000, with respect to the consoldiated financial statments and schedule of Pilgrim's Pride Corporation included in this Annual Report (Form 10-K) for the year ended September 30, 2000.

ERNST & YOUNG LLP

Dallas, Texas
November 16, 2000

YEAR
SEP-30-2000
SEP-30-2000
28060
0
56823
6537
181237
268970
708101
290227
705420
144439
0
0
0
414
342145
705420
11499439
11499439
1333611
1418951
75
0
17779
62786
10442
0
0
0
0
52344
1.27
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