SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For quarter ended December 28, 2002

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)

(903) 855-1000
(Telephone number of principal executive offices)

Not Applicable
Former name, former address and former fiscal year, if changed since last report.

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

27,589,250 shares of the Registrant's Class B Common Stock, $.01 par value, were outstanding as of January 21, 2003.

13,523,429 shares of the Registrant's Class A Common Stock, $.01 par value, were outstanding as of January 21, 2003.

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PILGRIM'S PRIDE CORORATION AND SUBSIDIARIES

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Pilgrim's Pride Corporation and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

ASSETS	December 28, 2002	September 28, 2002
	(in thousands except share and per share data)	
CURRENT ASSETS:		
Cash and cash equivalents	$29,337	$ 14,913
Trade accounts and other receivables, less allowance for doubtful accounts	91,916	85,347
Inventories	308,306	326,792
Other current assets	17,183	16,866
Total Current Assets	446,742	443,918
OTHER ASSETS	24,597	21,940
PROPERTY, PLANT AND EQUIPMENT		
Land	38,203	38,718
Buildings, machinery and equipment	1,047,022	1,039,581
Autos and trucks	54,337	54,609
Construction-in-progress	26,800	30,433
	1,166,362	1,163,341
Less accumulated depreciation	417,790	401,309
	748,572	762,032
	$1,219,911	$1,227,890
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 145,790	$163,892
Accrued expenses	112,963	84,618
Current deferred income tax	12,888	12,888
Current maturities of long-term debt	3,525	3,483
Total Current Liabilities	275,166	264,881
LONG-TERM DEBT, LESS CURRENT MATURITIES	434,102	450,161
DEFERRED INCOME TAXES	114,012	116,911
MINORITY INTEREST IN SUBSIDIARY	1,515	1,613
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; 13,794,529 issued and outstanding	138	138
Common stock - Class B, $.01 par value, authorized 60,000,000 shares; 27,589,250 issued and outstanding	276	276
Additional paid-in capital	79,625	79,625
Retained earnings	316,761	314,626
Accumulated other comprehensive (loss) income	(117)	1,227
Less treasury stock, 271,100 shares	(1,568)	(1,568)
Total Stockholders' Equity	395,115	394,324
	$1,219,911	$1,227,890

See notes to consolidated financial statements.

Pilgrim's Pride Corporation and Subsidiaries
Consolidated Income Statements
(Unaudited)

	Three Months Ended	
	December 28, 2002	December 29, 2001
	(in thousands, except share and per share data)	
NET SALES	$627,405	$656,030
COSTS AND EXPENSES:		
Cost of sales	599,406	598,165
Non-recurring recoveries	(14,387)	--
Selling, general and administrative	32,045	34,535
	617,064	632,700
Operating income	10,341	23,330
OTHER EXPENSE (INCOME):		
Interest expense, net	9,476	8,573
Foreign exchange gain	(350)	(535)
Miscellaneous, net	(1,766)	(387)
	7,360	7,651
INCOME BEFORE INCOME TAXES	2,981	15,679
INCOME TAX EXPENSE	225	2,688
NET INCOME	$ 2,756	$ 12,991
NET INCOME PER COMMON SHARE - BASIC AND DILUTED	$ 0.07	$ 0.32
DIVIDENDS DECLARED PER COMMON SHARE	$ 0.015	$ 0.015
WEIGHTED AVERAGE SHARES OUTSTANDING	41,112,679	41,112,679

See notes to consolidated financial statements.

Pilgrim's Pride Corporation and Subsidiaries
Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended December 28, 2002	Three Months Ended December 29, 2001
	(in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 2,756	$12,991
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	17,510	17,399
Loss (Gain) on property disposals	(24)	32
Provision for doubtful accounts	78	128
Deferred income taxes	56	(138)
Changes in operating assets and liabilities:		
Accounts and other receivables	(6,647)	2,683
Inventories	18,486	54,260
Other current assets	(317)	(1,064)
Accounts payable and accrued expenses	10,244	(2,613)
Other	(1,525)	(1,905)
Cash Provided By Operating Activities	40,617	81,773
INVESTING ACTIVITIES:		
Acquisitions of property, plant and equipment	(9,116)	(17,333)
Proceeds from property disposals	149	84
Other, net	(517)	(278)
Net Cash Used In Investing Activities	(9,484)	(17,527)
FINANCING ACTIVITIES:		
Proceeds from notes payable to banks	80,500	18,500
Repayments of notes payable to banks	(80,500)	(18,500)
Proceeds from long-term debt	50,725	10,223
Payments on long-term debt	(66,741)	(80,441)
Cash dividends paid	(621)	(621)
Cash Used In Financing Activities	(16,637)	(70,839)
Effect of exchange rate changes on cash and cash Equivalents	(72)	75
Increase (decrease) in cash and cash equivalents	14,424	(6,518)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	14,913	20,916
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$29,337	$14,398
SUPPLEMENTAL DISCLOSURE INFORMATION:		
Cash paid during the period for:		
Interest (net of amount capitalized)	$4,646	$4,148
Income taxes	$ 169	$ 178

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE A-BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements of Pilgrim's Pride Corporation ("Pilgrim's" or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States ("U.S.") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the period ended December 28, 2002 are not necessarily indicative of the results that may be expected for the year ended September 27, 2003. For further information, refer to the consolidated financial statements and footnotes thereto included in Pilgrim's Annual Report on Form 10-K for the fiscal year ended September 28, 2002.

The consolidated financial statements include the accounts of Pilgrim's and its wholly and majority owned subsidiaries. Significant intercompany accounts and transactions have been eliminated.

Non-recurring recoveries, which is a component of operating income, include reimbursements received from the U.S. federal government under a relief plan related to the avian influenza outbreak in The Commonwealth of Virginia ("Virginia") on March 12, 2002 in the amount of $14.3 million and proceeds received from litigation initiated by the Company in antitrust lawsuits alleging a world-wide conspiracy to control production capacity and raise prices of vitamins and methionine in the amount of $0.1 million. See Note F - Contingencies below.

The assets and liabilities of the foreign subsidiaries are translated at end-of-period exchange rates, except for any non-monetary assets, which are translated at equivalent dollar costs at dates of acquisition using historical rates. Operations of foreign subsidiaries are translated at average exchange rates in effect during the period.

Total comprehensive income for the three months ending December 28, 2002 and December 29, 2001 was $1.4 million and $11.3 million, respectively.

NOTE B-ACCOUNTS RECEIVABLE

On June 26, 1998 the Company entered into an Asset Sale Agreement to sell up to $60 million of accounts receivable, which expires in June of 2003. In connection with the Asset Sale 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 both December 28, 2002 and September 28, 2002, an interest in these Pooled Receivables of $58.5 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 Financial Accounting Standards Board ("FASB") Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. The gross 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 C-INVENTORIES

Inventories consist of the following:	December 28, 2002	September 28, 2002
	(in thousands)	
Chicken:		
Live chicken and hens	$ 79,306	$ 106,450
Feed, eggs and other	69,557	57,854
Finished chicken products	71,025	73,494
	219,888	237,798
Turkey:		
Live turkey and hens	31,997	29,140
Feed, eggs and other	12,924	12,871
Finished turkey products	32,994	46,983

	77,915	88,994
Total Inventories	$297,803	$326,792

NOTE D-LONG TERM DEBT

At December 28, 2002, the Company maintained $130.0 million in revolving credit facilities, $30.0 million of which relates to our Mexico operations, and $400.0 million in a secured revolving/term borrowing facility. The $400.0 million revolving/term borrowing facility provides for $285.0 million and $115.0 million of 10-year and 7-year commitments, respectively. Borrowings under this facility are split pro rata between the 10-year and 7-year maturities as they occur. The credit facilities provide for interest at rates ranging from LIBOR plus five-eights 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 December 28, 2002 ranged from LIBOR plus one and one-quarter percent to LIBOR plus two and one-quarter percent. These facilities are secured by inventory and fixed assets. The $30.0 million facility in Mexico is secured by Mexico's accounts receivable, inventories and certain fixed assets. Borrowings against these facilities are subject to the availability of collateral and no material adverse change provisions. During the quarter ended December 28, 2002, the Company repaid approximately $16.0 on a net basis under its revolving/term borrowing facility. In the first quarter of fiscal 2003, we borrowed $12.6 million in peso denominated debt from our revolving credit facility in Mexico for working capital needs and to hedge net monetary exposures in Mexico. At December 28, 2002, $101.6 million was available under the revolving credit facilities, including $17.4 million in Mexico and $228.5 million was available under the revolving/term borrowing facility. Annual maturities of long-term debt for the remainder of fiscal 2003 and for the following four fiscal years are: 2003 -- $2.6 million; 2004 -- $3.7 million; 2005 -- $4.0 million; 2006 -- $5.6 million; and 2007 -- $7.5 million.

NOTE E-RELATED PARTY TRANSACTIONS

The major stockholder of the Company owns an egg laying and a chicken growing operation. In addition, at certain times during the year the major stockholder purchases from the Company live chickens and hens and certain feed inventories during the grow-out process and then contracts with the Company to resell the birds at maturity, determined on a market based formula price subject to a ceiling price calculated at his cost plus 2%. During the quarters ended December 28, 2002 and December 29, 2001 purchases made by the Company under this agreement resulted in a net operating profit to the major stockholder of $209,000 and $403,000, respectively. Included in accrued expenses are amounts from our major stockholder of $28.0 million which represent goods sold in advance of delivery and amounts owed for purchases made by the Company from such major stockholder, related to the sales of chickens and feed as described above, at the end of the first quarter of fiscal 2003.

Transactions with related parties are summarized as follows:

	Three Months Ended	
	December 28, 2002	December 29, 2001
	(in thousands)	
Lease payment to major stockholder	$ 188	$ 188
Chick, feed and other sales to, or amounts from, the major stockholder	43,658	37,107
Live chicken purchases from major stockholder	10,640	20,550
Loan guarantee fees	964	606
Lease payments on airplane	99	99

NOTE F-CONTINGENCIES

In August of 2000, four of our current and/or former employees filed the case of "Betty Kennell, et al. v. Wampler Foods, Inc." in the United States District Court for the Northern District of West Virginia, claiming we violated requirements of the Fair Labor Standards Act. The suit alleged that the Company failed to pay employees for all hours worked. The suit generally alleged that (1) 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 (2) 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 150 consents to join as plaintiffs were filed with the court by current and/or former employees. No trial date has been set. To date, only limited discovery has been performed. 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. We do not expect this matter, individually or collectively, to have a material impact on our financial position, operations or liquidity.

On August 20, 1999, the former WLR Foods brought legal action as a plaintiff in an antitrust lawsuit filed in the U.S. District Court in Washington D.C. alleging a world-wide conspiracy by approximately 34 named defendants to control production capacity and raise prices of common vitamins such as A, B-4, C, and E. The Company joined this lawsuit with respect to vitamin purchases not included in the Company's previous settlement with the named defendants as a member of a class action lawsuit settled in fiscal 2000. The Company, individually and as successor to WLR Foods in this suit, received $1.4 million in the first quarter of fiscal 2003 in partial settlement of its claims, $1.3 million of which was recorded by the Company as a component of "Other Expense (Income): Miscellaneous, Net". Additionally, subsequent to the end of the first quarter of fiscal 2003, under this suit, the Company received additional partial settlements of $22.5 million. This amount will be reported by the Company in its second quarter of fiscal 2003, $21.1 million of which will be reported as a component of "Other Expense (Income): Miscellaneous, Net" and $1.4 million of which will be reported as "Non-recurring recoveries". To date, claims related to approximately 82% of the WLR Foods affected vitamin purchases have been settled by or on behalf of the former WLR Foods, which settlements have resulted in payments to the Company and the former WLR Foods of $32.1 million. No assurances can be made regarding the likelihood or timing of future settlements or whether or not future recoveries, if any, on the remaining 18% of the vitamin purchases covered by the suit will be proportionally less than, equal to or greater than these previous recovery amounts.

On June 7, 2001, the Company brought legal action as a plaintiff in an antitrust lawsuit filed in the U.S. District Court in San Francisco alleging a world-wide conspiracy by defendant suppliers and producers of methionine to control production capacity and raise prices of methionine. The Company estimates that it was overcharged by approximately $50.0 million, which includes purchases made by the former WLR Foods, in connection with the alleged conspiracy and expects the litigation of this matter to be resolved during calendar year 2003. Subsequent to the end of the first quarter of fiscal 2003, under this suit, the Company received $6.5 million in partial settlement of this claim. This amount will be reported by the Company in its second quarter of fiscal 2003, $2.6 million of which will be reported as a component of "Other Expense (Income): Miscellaneous, Net" and $3.9 million of which will be reported as "Non-recurring recoveries". To date, claims related to approximately 53% of the purchases have been settled by the Company. No assurances can be made regarding the likelihood or timing of future awards or settlements or whether or not future recoveries, if any, will be proportionally less than, equal to or greater than these previous recovery amounts.

On July 1, 2002, three individuals, on behalf of themselves and a putative class of chicken growers, filed their original class action complaint against us in the United States District Court for the Eastern District of Texas, Texarkana Division. The case is styled "Wheeler vs. Pilgrim's Pride Corporation". The complaint alleges that we violated the Packers and Stockyards Act (7 U.S.C. Section 192) and breached fiduciary duties allegedly owed to the plaintiff growers. The plaintiffs also brought individual actions under the Packers and Stockyards Act alleging common law fraud, negligence, breach of fiduciary duties and breach of contract. On July 29, 2002, we filed our Motion to Dismiss under Rules 12(b)(1), 12(b)(6) and 9(b). We also filed a Motion to Transfer Venue on August 19, 2002, and the plaintiffs have filed a Motion for Preliminary Injunction to prohibit any alleged retaliation against the growers. Discovery has not yet been conducted in this case. In addition, the Court has not ruled upon any of the above-referenced motions. We intend to defend vigorously both certification of the case as a class action and questions concerning ultimate liability and damages, if any. 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. We do not expect this matter, to have a material impact on our financial position, operations or liquidity.

In October 2002 a limited number of USDA samples from our Franconia, Pennsylvania plant tested positive for Listeria. As a result, we voluntarily recalled all cooked deli products produced at the plant from May 1, 2002 through October 11, 2002. The amount of product covered by the recall was approximately 7% of our annual turkey production and less than 1% of our total poultry production. As an additional precautionary measure, we immediately suspended operations at our Franconia facility to redouble our food safety and sanitation efforts. No illnesses associated with the Listeria strain in a Northeastern outbreak have been linked to any of our products. Our Franconia facility has been reviewed and inspected by the USDA and was reopened on November 13, 2002. We carried insurance designed to cover the direct recall related expenses and certain aspects of the related business interruption caused by the recall, and subject to the insurer's reservation of rights, we have received a $4.0 million advance payment from our insurer with respect to the product recall claim. As of December 28, 2002, we had recorded $14.7 million, less the deductible amount of $0.5 million and the $4.0 million advance payment from our insurer, in recall related expenses as a component of "Current Assets - Trade and Other Accounts Receivable", which we believe to be covered by insurance. Additionally, we estimate that sales at the Franconia, Pennsylvania plant were negatively affected by approximately $30.0 million during the quarter and operating margins were negatively affected by $5.0 - $10.0 million. The Company believes that the recall and its direct effects will not have a material impact on our financial position, results of operations, or liquidity after considering available insurance coverage. However, there will be differences between the accounting periods in which certain recall effects are realized and when insurance recoveries are received, and there can be no assurances as to our ability to re-establish the products and sales affected by the recall or that such insurance will in fact adequately protect us from liability and expenses we incur in connection with the recall. Further, although we have maintained product recall insurance in recent periods, in recent years the availability of this type of insurance to the food industry has been limited and at times not available. We have been seeking quotes from insurers regarding an insurance policy that would cover any product recall that may arise in calendar 2003. However, to date the insurance market has been unsettled for this line of coverage and we have not obtained an insurance policy that would cover any product recall that may arise in calendar 2003 and there can be no assurance as to when or if we will be successful in obtaining such a policy on acceptable terms.

As a result of the recall, on November 4, 2002, an individual who allegedly consumed our meat products filed a putative class action lawsuit in the

Philadelphia County Court of Common Pleas in the Commonwealth of Pennsylvania. Plaintiff allegedly contracted Listeriosis. The case is styled "Frank Niemtzow, individually and on behalf of all others similarly situated, v. Pilgrim's Pride Corporation and Wampler Foods, Inc." The complaint seeks recovery on behalf of a putative class of all persons that purchased and/or consumed meat products manufactured at the Company's Franconia, Pennsylvania facility between May 1, 2002 and October 11, 2002, who have suffered an injury. This class represents all individuals who have suffered Listeriosis and symptoms of Listeriosis and other medical injuries. Plaintiff also seeks to represent a putative class of all persons that purchased and/or consumed meat products manufactured at the Company's Franconia, Pennsylvania facility between May 1, 2002 and October 11, 2002, who have not suffered any personal injury. The complaint seeks compensatory and punitive damages under theories of negligence, alleged violation of the Pennsylvania Unfair Trade Practices Act and Consumer Protection Law, strict liability in tort, and unjust enrichment. On December 6, 2002, the Company filed its Petition for Removal to Federal court transferring this matter to the United States District Court for the Eastern District of Pennsylvania. Plaintiff filed a Motion to Remand to State court on January 6, 2003. The Company's response is due on January 23, 2003. In addition, on January 13, 2003, the Company filed its Motion to Dismiss the plaintiff's class action complaint. We intend to challenge vigorously the motion to remand, the certification of the class action and questions concerning ultimate liability and damages, if any. No discovery has been conducted to date. 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. After considering our available insurance coverage, we do not expect this matter to have a material impact on our financial position, operation or liquidity.

On March 12, 2002 an outbreak of low-pathogenic avian influenza, a disease contagious to turkey, chicken and other birds, was discovered in Virginia. As a result we have destroyed a significant amount of poultry affected as a result of the virus. No new flocks have tested positive for the presence of avian influenza in Virginia since July 2, 2002 and the Company believes that the outbreak has been contained. We currently estimate that production in our turkey operation will continue to be significantly reduced over the next three months due to the effects of this viral outbreak. On June 19, 2002, U.S. Secretary of Agriculture Ann Veneman proposed to the Office of Management and Budget that the U.S. Department of Agriculture cover one-half of the total estimated economic loss suffered by the poultry industry and independent growers in Virginia due to the avian influenza outbreak. Secretary Veneman also recommended that the government of Virginia cover the remaining portion. On November 4, 2002 the Department of Agriculture made public their estimate of total federal compensation at $51.0 million, with growers projected to be compensated $13.9 million and owners projected to be compensated $37.1 million. We received $14.3 million in federal compensation in the first quarter of fiscal 2003, which was recorded as Non-recurring recoveries and $0.5 million subsequent to the end of the quarter, which will be recorded as Non-recurring recoveries in the second quarter of fiscal 2003. Based on the recovery amounts received to date, we estimate that 71.6% of the projected $51.0 million has been distributed by the U.S. federal government. No additional possible recoveries have been recorded, although the National Turkey Federation and the National Chicken Council are in discussions with the USDA regarding distribution of the shortfall between the anticipated compensation and the amounts distributed to date. No assurance can be given as to the amount of further federal compensation that we may receive or that any state agencies will provide any economic assistance to the poultry growers and producers affected by the avian influenza outbreak in Virginia. In the event that state agencies do decide to grant economic assistance to the affected poultry growers and producers, it is impossible at this time to estimate how the state agencies would allocate any such assistance between affected poultry growers and producers whose flocks were destroyed by the virus.

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 G - BUSINESS SEGMENTS

The Company operates in two reportable business segments as (1) a producer of chicken and other products and (2) a producer of turkey products.

The Company's chicken and other products segment primarily includes sales of chicken products the Company produces and purchases for resale in the United States and Mexico, and also includes table eggs, feed and other items. The Company's chicken and other products segment conducts separate operations in the United States and Mexico and is reported as two separate geographical areas. The Company's turkey segment includes sales of turkey products produced in our turkey operation recently acquired from WLR Foods, whose operations are exclusively in the United States.

Inter-area sales and inter-segment sales, which are not material, are accounted for at prices comparable to normal trade customer sales. Corporate assets and expenses are included with chicken and other products.

The following table presents certain information regarding our segments:

PILGRIM'S PRIDE CORPORATION AND SUBSIDIARIES
December 29, 2001

	Three Months Ended	
	December 28, 2002	December 29, 2001
	(in thousands)	
NET SALES TO CUSTOMERS:		
Chicken and Other Products:		
United States	$ 438,557	$ 448,710
Mexico	94,469	90,916
Sub-total	533,026	539,626
Turkey	94,379	116,404
Total	$ 627,405	$ 656,030
OPERATING INCOME:		
Chicken and Other Products:		
United States	$ 6,052(1)	$ 9,356
Mexico	6,214	8,471
Sub-total	12,266	17,827
Turkey	(1,925)(2)	5,503
Total	$ 10,341	$ 23,330
DEPRECIATION AND AMORTIZATION:		
Chicken and Other Products:		
United States	$ 12,546	$ 11,533
Mexico	3,150	3,417
Sub-total	15,696	14,950
Turkey	1,814	2,449
Total	$ 17,510	$ 17,399

(1) Includes $1.8 million from the federal government related to the avian influenza outbreak. See Note F - Contingencies.

(2) Includes $12.5 million from the federal government related to the avian influenza outbreak. See Note F - Contingencies.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

Profitability in the poultry industry is materially affected by the commodity prices of feed ingredients, chicken and turkey, which are determined by supply and demand factors. As a result, the chicken and turkey industries are subject to cyclical earnings fluctuations. Cyclical earnings fluctuations 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 foods products. Prepared foods products generally have higher profit margins than our other products. Also, the production and sale in the U.S. of prepared foods products reduces 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 30% of our consolidated cost of goods sold in fiscal 2002. The production of feed ingredients is positively or negatively affected primarily by weather patterns throughout the world, the global level of supply inventories and demand for feed ingredients 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. Products sold in this form enable us to charge a premium, reduce the impact of feed ingredient costs on our profitability and improve and stabilize our profit margins.

As a significant portion of U.S. poultry production is exported, the commodity prices of chicken and turkey can be, and in recent periods have been, adversely affected by disruptions in poultry export markets. These disruptions are often caused by restrictions on imports of U.S.-produced poultry products imposed by foreign governments for a variety of reasons, including to protect their domestic poultry producers and for alleged consumer health reasons. For example, Russia and Japan have restricted the importation of U.S.-produced poultry for both of these reasons in recent periods and Mexico initiated a ban on the importation of all uncooked poultry produced in a six state area in the western U. S. because of the recent outbreak of Newcastle's Disease in the western U.S., and seeks a tariff level, starting at 98% of the sales price of imported chicken leg quarters and declining approximately 20% per year for five years, because of concerns that the duty-free importation of such products as provided by the North American Free Trade Agreement would injure the Mexico poultry industry. Because these disruptions in poultry export markets are often political, no assurances can be given as to when the existing disruptions will be alleviated or that new ones will not arise.

The following table presents certain information regarding our segments:

	Three Months Ended	
	December 28, 2002	December 29, 2001
	(in thousands)	
NET SALES TO CUSTOMERS:		
Chicken and Other Products:		
United States	$ 438,557	$ 448,710
Mexico	94,469	90,916
Sub-total	533,026	539,626
Turkey	94,379	116,404
Total	$ 627,405	$ 656,030
OPERATING INCOME:		
Chicken and Other Products:		
United States	$ 6,052(1)	$ 9,356
Mexico	6,214	8,471
Sub-total	12,266	17,827
Turkey	(1,925)(2)	5,503
Total	$ 10,341	$ 23,330
DEPRECIATION AND AMORTIZATION:		
Chicken and Other Products:		
United States	$ 12,546	$ 11,533
Mexico	3,150	3,417
Sub-total	15,696	14,950
Turkey	1,814	2,449
Total	$ 17,510	$ 17,399

(1) Includes $1.8 million from the federal government related to the avian influenza outbreak. See Note F - Contingencies.

(2) Includes $12.5 million from the federal government related to the avian influenza outbreak. See Note F - Contingencies.

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

	Percentage of Net Sales	
	Three Months Ended	
	December 28, 2002	December 29, 2001
	(in thousands)	
Net Sales	100.0%	100.0%
Costs and Expenses:		
Cost of sales	95.5	91.2
Non-recurring recoveries	2.2	--
Gross profit	6.8	8.8
Selling, general and administrative	5.1	5.3
Operating Income	1.6	3.6
Interest Expense	1.5	1.3
Income Before Income Taxes	0.5	2.4
Net Income	0.4	2.0

RESULTS OF OPERATIONS

Our Eastern Division has been affected by two significant unexpected challenges. First, on March 12, 2002 an outbreak of low-pathogenic avian influenza, a disease contagious to turkey, chicken and other birds, was discovered in Virginia. During the first quarter of fiscal 2003, ignoring the federal compensation described below, we estimate that our operating income was negatively impacted by approximately $3.0 million due to the continuing negative impact of the avian influenza. As of December 28, 2002, poultry growers and producers have destroyed approximately 4.7 million head of poultry affected as a result of the virus. Turkeys represent approximately 70% of the destroyed poultry, with chickens representing approximately 30%. Approximately one-half of the turkeys and approximately three-quarters of the chickens destroyed by the poultry industry in Virginia belonged to the Company. No new flocks have tested positive for the presence of avian influenza in Virginia since July 2, 2002. We currently estimate that production in our turkey operation will continue to be significantly reduced over the next three months due to the effects of this viral outbreak. As a result of this lower production output in our turkey operation, we anticipate that operating income from our turkey operation will decrease for the second quarter of fiscal 2003 between $4.0 and $7.0 million, when compared to second quarter of fiscal 2002. On June 19, 2002, U.S. Secretary of Agriculture Ann Veneman proposed to the Office of Management and Budget that the U.S. Department of Agriculture cover one-half of the total estimated economic loss suffered by the poultry industry and independent growers in Virginia due to the avian influenza outbreak. Secretary Veneman also recommended that the government of Virginia cover the remaining portion. On November 4, 2002, the Department of Agriculture made public their estimate of total federal compensation at $51.0 million, with growers projected to be compensated $13.9 million and owners projected to be compensated $37.1 million. We received $14.3 million in federal compensation in the first quarter of fiscal 2003, which has been classified as Non-recurring recoveries and $0.5 million subsequent to the end of the quarter, which will be recorded as Non-recurring recoveries in the second quarter of fiscal 2003. Based on the recovery amounts received to date, we estimate that 71.6% of the projected $51.0 million has been distributed by the U.S. federal government. No additional possible recoveries have been recorded, although the National Turkey Federation and the National Chicken Council are in discussions with the USDA regarding distribution of the shortfall between the anticipated compensation and the amounts distributed to date. No assurance can be given as to the amount of further federal compensation that we may receive or that any state agencies will provide any economic assistance to the poultry growers and producers affected by the avian influenza outbreak in Virginia. In the event that state agencies do decide to grant economic assistance to the affected poultry growers and producers, it is impossible at this time to estimate how the state agencies would allocate any such assistance between affected poultry growers and producers whose flocks were destroyed by the virus.

The second challenge faced by our Eastern Division was that in October 2002 a limited number of USDA samples from the Company's Franconia, Pennsylvania plant tested positive for Listeria. As a result the Company voluntarily recalled all cooked deli products produced at the plant from May 1, 2002 through October 11, 2002. The amount of product covered by the recall was approximately 7% of our annual turkey production and less than 1% of our total poultry production. As an additional precautionary measure, we immediately suspended operations at our Franconia facility to redouble our food safety and sanitation efforts. No illnesses associated with the Listeria strain in a Northeastern outbreak have been linked to any of our products. Our Franconia facility has been reviewed and inspected by the USDA and was reopened on November 13, 2002. We carried insurance designed to cover the direct recall related expenses and certain aspects of the related business interruption caused by the recall and subject to the insurer's reservation of rights, we have received $4.0 million in advance payments from our insurer with respect to the product recall claim. As of December 28, 2002, we had recorded $14.7 million, less the deductible amount of $0.5 million and the $4.0 million in advance from our insurer, in recall related expenses as a component of "Current Assets - Trade and Other Accounts Receivable", which we believe to be covered by insurance. Additionally, sales at the Franconia, Pennsylvania plant were negatively affected by approximately $30.0 million during the quarter and operating margins were negatively affected by $5.0 - $10.0 million. The Company believes that the recall and its direct effects will not have a material impact on our financial position, results of operations or liquidity after considering available insurance coverage. However, there will be differences between the accounting periods in which certain recall effects are realized and when insurance recoveries are received, and there can be no assurances as to our ability to re-establish the products and sales affected by the recall or that such insurance will in fact adequately protect us from liability and expenses we incur in connection with the recall. Further, although we have maintained product recall insurance in recent periods, in recent years the availability of this type of insurance to the food industry has been limited and at times not available. We have been seeking quotes from insurers regarding an insurance policy that would cover any product recall that may arise in calendar 2003. However, to date the insurance market has been unsettled for this line of coverage and we have not obtained an insurance policy that would cover any product recall that may arise in calendar 2003 and there can be no assurance as to when or if we will be successful in obtaining such a policy on acceptable terms.

Fiscal First Quarter 2003 Compared to Fiscal First Quarter 2002

Consolidated Net Sales. Consolidated net sales were $627.4 million for the first quarter of fiscal 2003, a decrease of $28.6 million, or 4.4%, from the first quarter of fiscal 2002. The decrease in consolidated net sales resulted from a $15.7 million decrease in U.S. chicken sales to $390.0 million and a $22.0 million decrease in turkey sales to $94.4 million, offset partially by a $1.6 million increase in Mexico chicken sales to $88.1 million and a $7.5 million increase in sales of other products to $54.9 million. The decrease in U.S. chicken sales was primarily due to a 6.5% decrease in total revenue per dressed pound produced, caused in part by import restrictions on poultry products typically sold to Russia and Japan by the industry, which resulted in production being liquidated at less favorable pricing levels, offset partially by a 2.8% increase in dressed pounds produced. The decrease in turkey sales was due primarily to the impact of the recall of turkey deli meat products and the continuing effects of last year's avian influenza outbreak discussed above. The $1.6 million increase in Mexico chicken sales was primarily due to a 1.5% increase in average revenue per dressed pound produced and a 0.3% increase in pounds produced. The $7.5 million increase in sales of other products was due to a $5.5 million increase in U.S. other sales and a $2.0 million increase in Mexico's other sales.

Cost of Sales. Consolidated cost of sales was $599.4 million in the first quarter of fiscal 2003, an increase of $1.2 million, or 0.2%, when compared to the first quarter of fiscal 2002. The U.S. operations had a decrease in cost of sales of $5.3 million, which was more than offset by a $6.5 million increase in cost of sales incurred by our Mexico operations. $3.8 million of the cost of sales decrease in our U.S. operations was related to the turkey sales decrease mentioned above.

The $6.5 million cost of sales increase in our Mexico operations was primarily due to higher feed ingredient costs and production of a higher cost, more value added product mix compared to the prior year.

Non-recurring recoveries. Non-recurring recoveries of $14.4 million consisted of $14.3 million in avian influenza recovery and $0.1 million of litigation settlements.

Gross Profit. Gross profit was $42.4 million for the first quarter of fiscal 2003, a decrease of $15.5 million, or 26.8%, from the same period last year, due primarily to the negative effects of the turkey deli meat recall and the continuing effects of last year's avian influenza outbreak in our Eastern Division, lower dark meat selling prices in the U.S., caused in part by import restrictions on poultry products typically sold to Russia and Japan by the industry, and higher feed ingredient costs, partially offset by the $14.4 million of non-recurring recoveries.

Gross profit as a percentage of sales decreased to 6.8% in the first quarter of fiscal 2003, from 8.8% in the first quarter of fiscal 2002, primarily due to the negative affects of the turkey deli meat recall and the continuing effects of last year's avian influenza outbreak in our Eastern Division, lower dark meat selling prices in the U.S., caused in part by import restrictions on poultry products typically sold to Russia and Japan by the industry, and higher feed costs, partially offset by the $14.4 million of non-recurring recoveries.

Selling, General and Administrative Expenses. Consolidated selling, general and administrative expenses were $32.0 million in the first quarter of fiscal 2003 and $34.5 million in the first quarter of fiscal 2002. The $2.5 million decrease was due primarily to realized synergies from the integration of our Eastern Division. As a percentage of sales, consolidated selling, general and administrative expenses remained relatively stable in the first quarter of fiscal 2003 at 5.1%, when compared to the first quarter of fiscal 2002.

Operating Income. Consolidated operating income was $10.3 million for the first quarter of fiscal 2003, decreasing by approximately $13.0 million when compared to the first quarter of fiscal 2002. The decrease was due primarily to the negative effects of the turkey deli meat recall and the continuing effects of last year's avian influenza outbreak in our Eastern Division, lower dark meat selling prices in the U.S., caused in part by import restrictions on poultry products typically sold to Russia and Japan by the industry, and higher feed ingredient costs, partially offset by the $14.4 million of non-recurring recoveries.

Interest Expense. Consolidated net interest expense increased 10.5% to $9.5 million in the first quarter of fiscal 2003, when compared to $8.6 million for the first quarter of fiscal 2002, due primarily to higher average outstanding debt balances experienced in the quarter.

Income Tax Expense. Consolidated income tax expense in the first quarter of fiscal 2003 was $0.2 million, compared to an income tax expense of $2.7 million in the first quarter of fiscal 2002. This decrease in consolidated income tax expense was primarily caused by lower pretax earnings in the first quarter of fiscal 2003.

LIQUIDITY AND CAPITAL RESOURCES

We maintain $130.0 million in revolving credit facilities, $30.0 million of which is related to our Mexico operations, and $400.0 million in a secured revolving/term borrowing facility, subject to certain limitations including availability of collateral. The $400.0 million revolving/term borrowing facility provides for $285.0 million and $115.0 million of 10-year and 7-year commitments, respectively. Borrowings under this facility are split pro rata between the 10-year and 7-year maturities as they occur. 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 our total debt to capitalization ratio. Interest rates on debt outstanding under these facilities as of December 28, 2002 ranged from LIBOR plus one and three-quarters percent to LIBOR plus two and one quarter percent. These facilities are secured by inventory and fixed assets. The $30.0 million facility in Mexico is secured by Mexico's accounts receivable, inventories and certain fixed assets. Borrowings against these facilities are subject to the availability of collateral and no material adverse change provisions.

During the quarter ended December 28, 2002, the Company repaid approximately $16.0 million on a net basis under its revolving/term borrowing facility. In the first quarter of fiscal 2003, we borrowed $12.6 million of peso denominated debt from our revolving credit facility in Mexico for working capital needs and to hedge our net monetary asset exposure in Mexico. At December 28, 2002, $101.6 million was available under the revolving credit facilities including $17.4 million in Mexico and $228.5 million was available under the revolving/term borrowing facility.

On June 26, 1998, we entered into an Asset Sale Agreement to sell up to $60 million of accounts receivable, which agreement expires in June 2003. In connection with the Asset Sale Agreement, we sell, on a revolving basis, certain of our trade receivables (the "Pooled Receivables") to a special purpose corporation wholly owned by us, which in turn sells a percentage ownership interest to third parties. At both December 28, 2002 and September 28, 2002, an interest in these Pooled Receivables of $58.5 million had been sold to third parties and is reflected as a reduction in accounts receivable during each period. The Company will likely use its revolving/term borrowing facility to provide this liquidity if this facility is not replaced. These transactions have been recorded as sales in accordance with FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. The gross proceeds resulting from the sale are included in cash flows from operating activities in our consolidated statements of cash flows. Losses on these sales were immaterial.

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. We 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. We are 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 that we borrow 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. Presently, there are no borrowings outstanding under the bonds.

Obligations under long-term debt and non-cancelable operating leases at December 28, 2002 are as follows (in millions):

		Payments Due By Period			
Contractual Obligations	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Long-term Debt(a)	$437.6	$2.6	$13.2	$23.4	$398.4
Guarantee Fees	13.2	1.6	6.0	3.7	1.8
Operating Leases	104.9	25.5	53.8	20.9	4.7
Total	$555.6	$29.7	$73.0	$48.0	$404.9

(a) Excludes $15.9 million in letters of credit outstanding related to normal business transactions.

At December 28, 2002, our working capital decreased to $171.6 million and our current ratio decreased to 1.62 to 1, compared with working capital of $179.0 million and a current ratio of 1.68 to 1 at September 28, 2002, primarily due to the working capital changes discussed below.

Trade accounts and other receivables were $91.9 million at December 28, 2002, compared to $85.3 million at September 28, 2002. The $6.6 million, or 7.7%, increase in trade accounts and other receivables was primarily due to the inclusion of $10.1 million in insurance receivables related to the recall and normal seasonal variations offset partially by improvements in collection efficiencies. Excluding the sale of receivables, trade accounts and other receivables would have been $150.4 million at the end of the first quarter of fiscal 2003 and $143.8 million at the end of fiscal 2002.

Inventories were $308.3 million at December 28, 2002, compared to $326.8 million at September 28, 2002. The $18.5 million, or 5.7%, decrease in inventories was primarily due to seasonal variations in sales of our turkey division, which lowers turkey finished product inventories, and to lower live chicken and hen inventories resulting from seasonal variations in sales of chicken and feed products to the Company's major stockholder.

Accounts payable and accrued expenses increased $10.2 million to $258.8 million at December 28, 2002, compared to $248.5 million at September 28, 2002, primarily due to accrued expenses owed to the Company's major stockholder. See Note E - Related Party Transactions.

Capital expenditures of $9.1 million and $17.3 million, for the three months ended December 28, 2002 and December 29, 2001, respectively, were primarily incurred to acquire and expand certain facilities, improve efficiencies, reduce costs and for the routine replacement of equipment. We anticipate spending approximately $65.0 million to $75.0 million in fiscal 2003 to improve efficiencies and for the routine replacement of equipment. We expect to finance such expenditures with available operating cash flows and existing revolving/term and revolving credit facilities.

Cash flows provided by operating activities were $40.6 million and $81.8 million, for the three months ended December 28, 2002 and December 29, 2001, respectively. Cash provided by operating activities includes positive cash flows from a transaction with the Company's major stockholder in the amount of $43.3 million and $36.8 million in the quarters ended December 28, 2002 and December 29, 2001, respectively. See Note E - Related Party Transactions. The decrease in cash flows provided by operating activities for the first quarter of fiscal 2003, when compared to the first quarter of fiscal 2002, was due to lower income in the first quarter of fiscal 2003 and inventory changes when compared to the prior year's inventories.

Cash flows used in financing activities were $16.6 million and $70.8 million for the three months ended December 28, 2002 and December 29, 2001, respectively. The decrease in cash used in financing activities for the first quarter of fiscal 2003, when compared to the first quarter of fiscal 2002, primarily reflects the higher net payments on long-term financing and debt retirement amounts in the prior year.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

FEED INGREDIENTS

We purchase certain commodities, primarily corn and soybean meal. As a result, our earnings are affected by changes in the price and availability of such feed ingredients. As market conditions dictate, we will from time to time lock-in future feed ingredient prices using various hedging techniques, including forward purchase agreements with suppliers and futures contracts. We do not use such financial instruments for trading purposes and are not a party to any leveraged derivatives. Market risk is estimated as a hypothetical 10% increase in the weighted-average cost of our primary feed ingredients as of December 28, 2002. Based on our feed consumption during the first quarter of fiscal 2003, such an increase would have resulted in an increase to cost of sales of approximately $17.5 million, excluding the impact of any hedging in that period.

FOREIGN CURRENCY

Our earnings are affected by foreign exchange rate fluctuations related to the Mexican peso net monetary position of our Mexico subsidiaries. We manage this exposure primarily by attempting to minimize our Mexican peso net monetary position, but from time to time we have also considered executing hedges to help minimize this exposure. Such instruments, however, have historically not been economically feasible. We are also exposed to the effect of potential exchange rate fluctuations to the extent that amounts are repatriated from Mexico to the United States. However, we currently anticipate that the cash flows of our Mexico subsidiaries will continue to be reinvested in our Mexico operations. In addition, the Mexican peso exchange rate can directly and indirectly impact our results of operations and financial position in several ways, including potential economic recession in Mexico resulting from a devalued peso. The impact on our financial position and results of operations resulting from 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 our Mexico subsidiaries denominated in Mexican pesos, was a gain of $0.4 million in the first three months of fiscal 2003 compared to a gain of $0.5 million for the first three months of fiscal 2002. During the first quarter of fiscal 2003, the Company borrowed $12.6 million in peso denominated debt from our revolving credit facility in Mexico for working capital needs and to hedge its monetary exposure in Mexico. On January 17, 2003, the Mexican peso closed at 10.56 to 1 U.S. dollar, compared to 10.02 at September 28, 2002. No assurance can be given as to how future movements in the peso could affect our future earnings.

There have been no material changes from the information provided in Item 7A of the Company's Annual Report on Form 10-K for the fiscal year ended September 28, 2002, other than described above.

FORWARD LOOKING STATEMENTS

Statements of our intentions, beliefs, expectations or predictions for the future, denoted by the words "anticipate", "believe", "estimate", "expect", "project", "imply", "intend", "foresee" and similar expressions, are forward-looking statements that reflect our current views about future events and are subject to risks, uncertainties and assumptions. Such risks, uncertainties and assumptions include the following:

- Matters affecting the poultry industry generally, including fluctuations in the commodity prices of feed ingredients, chicken and turkey;
- Disease outbreaks affecting the production performance and/or marketability of the Company's poultry products;
- Contamination of our products, which has recently and can in the future lead to product liability claims and product recalls;
- Exposure to risks related to product liability, product recalls, property damage and injuries to persons, for which insurance coverage is expensive, limited and potentially inadequate;
- Management of our cash resources, particularly in light of our substantial leverage;
- Restrictions imposed by, and as a result of, our substantial leverage;
- Currency exchange rate fluctuations, trade barriers, exchange controls, expropriation and other risks associated with foreign operations;
- Changes in laws or regulations affecting our operations, as well as competitive factors and pricing pressures;
- Inability to effectively integrate WLR Foods or realize the associated cost savings and operating synergies currently anticipated; and
- The impact of uncertainties of litigation as well as other risks described herein and under "Risk Factors" in our Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Actual results could differ materially from those projected in these forward-looking statements as a result of these factors, among others, many of which are beyond our control.

In making these statements, we are not undertaking, and specifically decline to undertake, any obligation to address or update each or any factor in future filings or communications regarding our business or results, and we are not undertaking to address how any of these factors may have caused changes to information contained in previous filings or communications. Though we have attempted to list comprehensively these important cautionary risk factors, we wish to caution investors and others that other factors may in the future prove to be important in affecting our business or results of operations.

ITEM 4. CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of the Company's management, including the Chairman, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of the Company's disclosure controls and procedures within 90 days of the filing date of this Quarterly Report on Form 10-Q. Based on that evaluation, the Company's management, including the Chairman, CEO and CFO, concluded that the Company's disclosure controls and procedures were effective. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect these internal controls subsequent to the date of their evaluation.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In August of 2000, four of our current and/or former employees filed the case of "Betty Kennell, et al. v. Wampler Foods, Inc." in the United States District Court for the Northern District of West Virginia, claiming we violated requirements of the Fair Labor Standards Act. The suit alleged that the Company failed to pay employees for all hours worked. The suit generally alleged that (1) 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 (2) 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 150 consents to join as plaintiffs were filed with the court by current and/or former employees. No trial date has been set. To date, only limited discovery has been performed. 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. We do not expect this matter, individually or collectively, to have a material impact on our financial position, operations or liquidity.

On August 20, 1999, the former WLR Foods brought legal action as a plaintiff in an antitrust lawsuit filed in the U.S. District Court in Washington D.C. alleging a world-wide conspiracy by approximately 34 named defendants to control production capacity and raise prices of common vitamins such as A, B-4, C, and E. The Company joined this lawsuit with respect to vitamin purchases not included in the Company's previous settlement with the named defendants as a member of a class action lawsuit settled in fiscal 2000. The Company, individually and as successor to WLR Foods in this suit, received $1.4 million in the first quarter of fiscal 2003 in partial settlement of its claims, $1.3 million of which was recorded by the Company as a component of "Other Expense (Income): Miscellaneous, Net". Additionally, subsequent to the end of the first quarter of fiscal 2003, under this suit, the Company received additional partial settlements of $22.5 million. This amount will be reported by the Company in its second quarter of fiscal 2003, $21.1 million of which will be reported as a component of "Other Expense (Income): Miscellaneous, Net" and $1.4 million of which will be reported as "Non-recurring recoveries". To date, claims related to approximately 82% of the WLR Foods affected vitamin purchases have been settled by or on behalf of the former WLR Foods, which settlements have resulted in payments to the Company and the former WLR Foods of $32.1 million. No assurances can be made regarding the likelihood or timing of future settlements or whether or not future recoveries, if any, on the remaining 18% of the vitamin purchases covered by the suit will be proportionally less than, equal to or greater than these previous recovery amounts.

On June 7, 2001, the Company brought legal action as a plaintiff in an antitrust lawsuit filed in the U.S. District Court in San Francisco alleging a world-wide conspiracy by defendant suppliers and producers of methionine to control production capacity and raise prices of methionine. The Company estimates that it was overcharged by approximately $50.0 million, which includes purchases made by the former WLR Foods, in connection with the alleged conspiracy and expects the litigation of this matter to be resolved during calendar year 2003. Subsequent to the end of the first quarter of fiscal 2003, under this suit, the Company received $6.5 million in partial settlement of this claim. This amount will be reported by the Company in its second quarter of fiscal 2003, $2.6 million of which will be reported as a component of "Other Expense (Income): Miscellaneous, Net" and $3.9 million of which will be reported as "Non-recurring recoveries". To date, claims related to approximately 53% of the purchases have been settled by the Company. No assurances can be made regarding the likelihood or timing of future awards or settlements or whether or not future recoveries, if any, will be proportionally less than, equal to or greater than these previous recovery amounts.

In October 2002 a limited number of USDA samples from our Franconia, Pennsylvania plant tested positive for Listeria. As a result, we voluntarily recalled all cooked deli products produced at the plant from May 1, 2002 through October 11, 2002. The amount of product covered by the recall was approximately 7% of our annual turkey production and less than 1% of our total poultry production. As an additional precautionary measure, we immediately suspended operations at our Franconia facility to redouble our food safety and sanitation efforts. No illnesses associated with the Listeria strain in a Northeastern outbreak have been linked to any of our products. Our Franconia facility has been reviewed and inspected by the USDA and was reopened on November 13, 2002. We carried insurance designed to cover the direct recall related expenses and certain aspects of the related business interruption caused by the recall, and subject to the insurer's reservation of rights, we have received a $4.0 million advance payment from our insurer with respect to the product recall claim. As of December 28, 2002 we had recorded $14.7 million, less the deductible amount of $0.5 million and the $4.0 million recovery, in recall related expenses as a component of "Current Assets -Trade and Other Accounts Receivable", which we believe to be covered by insurance. Additionally, we estimate that sales at the Franconia, Pennsylvania plant were negatively affected by approximately $30.0 million during the quarter and operating margins were negatively affected by $5.0 - $10.0 million. The Company believes that the recall and its direct effects will not have a material impact on our financial position, results of operations, or liquidity after considering available insurance coverage. However, there will likely be differences between the accounting periods in which certain recall effects are realized and when insurance recoveries are received, and there can be no assurances as to our ability to re-establish the products and sales affected by the recall or that such insurance will in fact adequately protect us from liability and expenses we incur in connection with the recall. Further, although we have maintained product recall insurance in recent periods, in recent years the availability of this type of insurance to the food industry has been limited and at times not available. We have been seeking quotes from insurers regarding an insurance policy that would cover any product recall that may arise in calendar 2003. However, to date the insurance market has been unsettled for this line of coverage and we have not obtained an insurance policy that would cover any product recall that may arise in calendar 2003 and there can be no assurance as to when or if we will be successful in obtaining such a policy on acceptable terms.

As a result of the recall, on November 4, 2002, an individual who allegedly consumed our meat products filed a putative class action lawsuit in the Philadelphia County Court of Common Pleas in the Commonwealth of Pennsylvania. Plaintiff allegedly contracted Listeriosis. The case is styled "Frank Niemtzow, individually and on behalf of all others similarly situated, v. Pilgrim's Pride Corporation and Wampler Foods, Inc." The complaint seeks recovery on behalf of a putative class of all persons that purchased and/or consumed meat products manufactured at the Company's Franconia, Pennsylvania facility between May 1, 2002 and October 11, 2002, who have suffered an injury. This class represents all individuals who have suffered Listeriosis and symptoms of Listeriosis and other medical injuries. Plaintiff also seeks to represent a putative class of all persons that purchased and/or consumed meat products manufactured at the Company's Franconia, Pennsylvania facility between May 1, 2002 and October 11, 2002, who have not suffered any personal injury. The complaint seeks compensatory and punitive damages under theories of negligence, alleged violation of the Pennsylvania Unfair Trade Practices Act and Consumer Protection Law, strict liability in tort, and unjust enrichment. On December 6, 2002, the Company filed its Petition for Removal to Federal court transferring this matter to the United States District Court for the Eastern District of Pennsylvania. Plaintiff filed a Motion to Remand to State court on January 6, 2003. The Company's response is due on January 23, 2003. In addition, on January 13, 2003, the Company filed its Motion to Dismiss the plaintiff's class action complaint. We intend to challenge vigorously the motion to remand, the certification of the class action and questions concerning ultimate liability and damages, if any. No discovery has been conducted to date. 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. After considering our available insurance coverage, we do not expect this matter to have a material impact on our financial position, operation or liquidity.

On July 1, 2002, three individuals, on behalf of themselves and a putative class of chicken growers, filed their original class action complaint against us in the United States District Court for the Eastern District of Texas, Texarkana Division. The case is styled "Wheeler vs. Pilgrim's Pride Corporation". The complaint alleges that we violated the Packers and Stockyards Act (7 U.S.C. Section 192) and breached fiduciary duties allegedly owed to the plaintiff growers. The plaintiffs also brought individual actions under the Packers and Stockyards Act alleging common law fraud, negligence, breach of fiduciary duties and breach of contract. On July 29, 2002, we filed our Motion to Dismiss under Rules 12(b)(1), 12(b)(6) and 9(b). We also filed a Motion to Transfer Venue on August 19, 2002, and the plaintiffs have filed a Motion for Preliminary Injunction to prohibit any alleged retaliation against the growers. Discovery has not yet been conducted in this case. In addition, the Court has not ruled upon any of the above-referenced motions. We intend to defend vigorously both certification of the case as a class action and questions concerning ultimate liability and damages, if any. 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. We do not expect this matter, to have a material impact on our financial position, operations or liquidity.

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 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibit Number

1.1 First Amendment to the Revolving Credit Agreement made as of September 7, 2001 by and between Grupo Pilgrim's Pride Funding S. de R.L. de C.V., Comerica Bank Mexico, S.A., Institucion de Banca Multiple dated as of June 28, 2002.

1.2 Second Amendment to the Revolving Credit Agreement made as of September 7, 2001 by and between Grupo Pilgrim's Pride Funding S. de R.L. de C.V., Comerica Bank Mexico, S.A., Institucion de Banca Multiple dated as of September 10, 2002.

1.3 Third Amendment to the Revolving Credit Agreement made as of September 7, 2001 by and between Grupo Pilgrim's Pride Funding S. de R.L. de C.V., Comerica Bank Mexico, S.A., Institucion de Banca Multiple dated as of December 13, 2002

(b) Reports on Form 8-K

The Company filed a Form 8-K on October 15, 2002, to report two press releases announcing a voluntary recall of cooked deli products produced at its Franconia, Pennsylvania facility.

The Company filed a Form 8-K on October 30, 2002, to report certain supplemental historical financial information including quarterly information regarding net sales by primary market line.

The Company filed a current report on Form 8-K on January 15, 2003, to report certain supplemental historical financial information regarding net sales by primary market line.

SIGNATURES

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

PILGRIM'S PRIDE CORPORATION

/s/ Richard A. Cogdill

Date: January 21, 2003

Richard A. Cogdill
Executive Vice President,
Chief Financial Officer,
Secretary and Treasurer

CERTIFICATIONS

I, Lonnie "Bo" Pilgrim, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pilgrim's Pride Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: January 21, 2003 /s/ Lonnie "Bo" Pilgrim

Lonnie "Bo" Pilgrim
Chairman of the Board
Co-Principal Executive Officer

CERTIFICATIONS

I, David Van Hoose, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pilgrim's Pride Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: January 21, 2003 /s/ David Van Hoose

David Van Hoose
Chief Executive Officer
Co-Principal Executive Officer

CERTIFICATIONS

I, Richard A. Cogdill, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pilgrim's Pride Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: January 21, 2003 /s/ Richard A. Cogdill

Richard A. Cogdill
Chief Financial Officer

PILGRIM'S PRIDE CORPORATION
CERTIFICATION
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(SUBSECTIONS (A) AND (B) OF SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Pilgrim's Pride Corporation (the "Company") does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended December 28, 2002 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 21, 2003 /s/ Lonnie "Bo" Pilgrim

Lonnie "Bo" Pilgrim
Chairman of the Board
Co-Principal Executive Officer

PILGRIM'S PRIDE CORPORATION
CERTIFICATION
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(SUBSECTIONS (A) AND (B) OF SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Pilgrim's Pride Corporation (the "Company") does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended December 28, 2002 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 21, 2003 /s/ David Van Hoose

David Van Hoose
Chief Executive Officer
Co-Principal Executive Officer

PILGRIM'S PRIDE CORPORATION
CERTIFICATION
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(SUBSECTIONS (A) AND (B) OF SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Pilgrim's Pride Corporation (the "Company") does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended December 28, 2002 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 21, 2003 /s/ Richard A. Cogdill

Richard A. Cogdill
Chief Financial Officer

FIRST AMENDMENT TO REVOLVING CREDIT AGREEMENT

This Amendment is entered into as of the 28th day of June, 2002, by and between by and between GRUPO PILGRIM'S PRIDE FUNDING S. de R.L. de C.V., a Sociedad de Responsabilidad Limitada de Capital Variable duly organized and validly existing under the laws of the United Mexican States ("Mexico"), having its corporate domicile in Queretaro, Mexico ("Company" or "Borrower"), and COMERICA BANK ("Comerica"), a banking corporation duly organized and validly existing under the laws of the State of Michigan, of Detroit, Michigan and COMERICA BANK MEXICO, S.A., INSTITUCI{O'}N DE BANCA M{U'}LTIPLE a banking institution organized and existing under the laws of Mexico ("CBM;" collectively with Comerica, the "Bank").

RECITALS:

A. On or about September 7, 2001, the parties entered into a certain Revolving Credit Agreement (the "Loan Agreement").

B. The parties desire to amend the Loan Agreement as set forth herein.

NOW THEREFORE, for good and valuable consideration, the parties agree as follows:

1. The first sentence contained in Section 6.7 of the Loan Agreement, effective as to the date of this Amendment and to continue through March 30, 2003, shall be modified to read as follows:

> "In the case of the Operating Company, maintain, in accordance with its consolidated balance sheet, a minimum Current Ratio of .55 to 1.0 for the interim quarterly and annual audited financial statements, during the term thereof."

Effective as of April 1, 2003, the Current Ratio requirement of .55 to 1.0 shall revert back to 1.25 to 1.0.

2. The first sentence contained in Section 6.8 of the Loan Agreement, effective as to the date of this Amendment and to continue through March 30, 2003, shall be modified to read as follows:

> "In the case of the Operating Company, maintain, in accordance with its consolidated balance sheet, a maximum Indebtedness Ratio of 1.0 to 1.0 for interim quarterly financial statements and annual audited financial statements during the term thereof."

Effective as of April 1, 2003, the Indebtedness Ratio requirement of 1.0 to 1.0 shall revert back to .50 to 1.0."

3. Subparagraph (a) of the definition of "Net Worth" contained in Section 1 of the Loan Agreement, effective as of the date of this Amendment and to continue through March 30, 2003, shall be modified to read as follows:

> "(a) With respect to Operating Company on a consolidated basis, its Total Assets (other than patents, patent rights, trademarks, trade names, copyrights, franchises, licenses, goodwill and similar general intangibles assets) less: (i) advances to and/or accounts receivables owing from Affiliates (other than Operating Company and its Subsidiaries); and (ii) Total Liabilities; and (iii) Intercompany payables to Avicola Pilgrim's Pride de Mexico, S.A. de C.V."

Effective as of April 1, 2003, the subparagraph (iii) shall be deleted and the definition of "Net Worth" shall revert to as set forth in the Loan Agreement prior to this Amendment.

4. The parties acknowledge that clause 6.19 shall be deleted in its entirety and replaced with the following:

> "6.19 Yearly Audit/Appraisal. Operating Company shall cooperate with Bank in a yearly audit of the Inventory and/or Accounts Receivable (the average annual cost of which shall not exceed $3,000) and appraisal of the Fixed Assets, the cost of which shall be borne by Borrower."

5. This Amendment shall be conditioned on the payment to Bank of an Amendment fee in the amount of $7,000.00 concurrently herewithin.

6. Except as expressly provided in this Amendment, the parties acknowledge that the Loan Agreement is in full force and effect and Borrower

acknowledges that there are no defenses or setoffs to any of Borrower's obligations under the Loan Agreement as of the date hereof.

7. Borrower certifies that no Event of Default (as defined in the Loan Agreement) has occurred and is continuing.

8. Borrower and Guarantors represent and warrant that each of its authority documents (as identified in Section 4.2 and 4.3 of the Loan Agreement) delivered to Bank in connection with the Loan Agreement, are in full force and effect and have not been modified, repealed or amended since the date thereof.

9. If any provision of this Amendment shall be held invalid or unenforceable, such invalidity or unenforceability shall affect only such provision and shall not in any manner affect or render invalid or unenforceable any other provision of this Amendment, and this Amendment shall be enforced as if any such invalid or unenforceable provision were not contained herein.

10. Except as specifically amended hereby, the Loan Agreement shall remain unchanged and shall be in full force and effect, enforceable in accordance with its terms.

WITNESS the due execution hereof as of the day and year first above written.

COMERICA BANK

By:

Its:_________________________________

International Dept. - Latin Group
500 Woodward Ave.
Detroit, Michigan 48226-3330
Facsimile: ___________________

GRUPO PILGRIM'S PRIDE FUNDING, S. de RL, de C.V.

By:

Its: Attorney-In-Fact

By: /s/ Fernando Urresta

Its: Attorney-In-Fact
Avenida 5 de Febrero No. 1408
Queretaro, Queretaro, Mexico
Facsimile: 011 42 17 97 80
Attn: Fernando Urresta

Comerica Bank Mexico, S.A.

By:________________________________

Its:________________________________

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ACKNOWLEDGEMENT

The undersigned, Guarantors and Credit Parties hereby: (i) acknowledge and consent to the execution, delivery and performance of this Amendment; (ii) confirm the truth and validity of the representations and warranties set forth herein, to the extent such representations an warranties pertain to the undersigned, respectively, and (iii) ratify and agree to perform the covenants and agreements set forth in this Amendment, to the extent such covenants and agreements specifically pertain to the undersigned, respectively.

GRUPO PILGRIM'S PRIDE FUNDING HOLDING, S. de RL de C.V.

By:

Its: Attorney-In-Fact

By:

Its: Attorney-In-Fact

Address: Same as Borrower

AVICOLA PILGRIM'S PRIDE DE MEXICO, S.A. de C.V.

By:

Its: Attorney-In-Fact

By:

Its: Attorney-In-Fact

Address: Same as Borrower

PILGRIM'S PRIDE, S.A. de C.V.

By:

Its: Attorney-In-Fact

By:

Its: Attorney-In-Fact

Address: Same as Borrower

PILGRIM'S PRIDE CORPORATION

By: /s/ Richard A. Cogdill

Its: Chief Financial Officer

Address:
110 South Texas Street
Pittsburg, Texas 75686
Facsimile: 001 903 856 7505
Attn: Rick Cogdill

SECOND AMENDMENT TO REVOLVING CREDIT AGREEMENT

This Amendment is entered into as of the 10th day of September, 2002, by and between by and between GRUPO PILGRIM'S PRIDE FUNDING S. de R.L. de C.V., a Sociedad de Responsabilidad Limitada de Capital Variable duly organized and validly existing under the laws of the United Mexican States ("Mexico"), having its corporate domicile in Queretaro, Mexico ("Company" or "Borrower"), and COMERICA BANK ("Comerica"), a banking corporation duly organized and validly existing under the laws of the State of Michigan, of Detroit, Michigan and COMERICA BANK MEXICO, S.A., INSTITUCI{O'}N DE BANCA M{U'}LTIPLE a banking institution organized and existing under the laws of Mexico ("CBM;" collectively with Comerica, the "Bank").

RECITALS:

A. On or about September 7, 2001, the parties entered into a certain Revolving Credit Agreement, as amended on or about June __, 2002 (the "Loan Agreement").

B. The parties desire to amend the Loan Agreement as set forth herein.

NOW THEREFORE, for good and valuable consideration, the parties agree as follows:

1. The "WHEREAS" clause on page 1 of the Loan Agreement shall be deleted in its entirety and replaced with the following:

> "WHEREAS, Company has requested Bank to provide it with a revolving loan in the amount of Thirty Million Dollars ($30,000,000) which shall include a up to Fifteen Million Dollar ($15,000,000) sublimit in equivalent Pesos, and Bank is willing to do so upon the terms and conditions of this Agreement."

2. The definition of "Pesos Subfacility Maximum" contained in Article 1 of the Loan Agreement shall be deleted in its entirety and replaced with the following:

> "Pesos Subfacility Maximum" shall mean up to the Equivalent Amount of the lesser of (i)US $15,000,000, or (ii) the legal lending limit established for CBM by applicable law, in Pesos as may be reduced pursuant to Section 2.19."

3. Except as expressly provided in this Amendment, the parties acknowledge that the Loan Agreement is in full force and effect and Borrower acknowledges that there are no defenses or setoffs to any of Borrower's obligations under the Loan Agreement as of the date hereof.

4. Borrower certifies that no Event of Default (as defined in the Loan Agreement) has occurred and is continuing.

5. Borrower and Guarantors represent and warrant that each of its authority documents (as identified in Section 4.2 and 4.3 of the Loan Agreement) delivered to Bank in connection with the Loan Agreement, are in full force and effect and have not been modified, repealed or amended since the date thereof.

6. If any provision of this Amendment shall be held invalid or unenforceable, such invalidity or unenforceability shall affect only such provision and shall not in any manner affect or render invalid or unenforceable any other provision of this Amendment, and this Amendment shall be enforced as if any such invalid or unenforceable provision were not contained herein.

7. Except as specifically amended hereby, the Loan Agreement shall remain unchanged and shall be in full force and effect, enforceable in accordance with its terms.

WITNESS the due execution hereof as of the day and year first above written.

COMERICA BANK	GRUPO PILGRIM'S PRIDE FUNDING, S. de RL, de C.V.
By:	By: /s/ Jorge Prado
Its:________________________________	Its: Attorney-In-Fact
	By: /s/ Ricardo Degoria
International Dept. - Latin Group 500 Woodward Ave. Detroit, Michigan 48226-3330 Facsimile: __________________	Its: Attorney-In-Fact Avenida 5 de Febrero No. 1408 Queretaro, Queretaro, Mexico Facsimile: 011 42 17 97 80 Attn: Fernando Urresta

Comerica Bank Mexico, S.A.

By:_______________________________

Its:_______________________________

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ACKNOWLEDGEMENT

The undersigned, Guarantors and Credit Parties hereby: (i) acknowledge and consent to the execution, delivery and performance of this Amendment; (ii) confirm the truth and validity of the representations and warranties set forth herein, to the extent such representations an warranties pertain to the undersigned, respectively, and (iii) ratify and agree to perform the covenants and agreements set forth in this Amendment, to the extent such covenants and agreements specifically pertain to the undersigned, respectively.

GRUPO PILGRIM'S PRIDE FUNDING
HOLDING, S. de RL de C.V.

By:

Its: Attorney-In-Fact

By:

Its: Attorney-In-Fact

Address: Same as Borrower

AVICOLA PILGRIM'S PRIDE DE
MEXICO, S.A. de C.V.

By:

Its: Attorney-In-Fact

By:

Its: Attorney-In-Fact

Address: Same as Borrower

PILGRIM'S PRIDE, S.A. de C.V.

By:
Its: Attorney-In-Fact

By:

Its: Attorney-In-Fact

Address: Same as Borrower

PILGRIM'S PRIDE CORPORATION

By: /s/ Richard A. Cogdill
Its: Chief Financial Officer

Address:
110 South Texas Street
Pittsburg, Texas 75686
Facsimile: 001 903 856 7505
Attn: Rick Cogdill

THIRD AMENDMENT TO REVOLVING CREDIT AGREEMENT

This Amendment is entered into as of the 13th day of December, 2002, by and between by and between GRUPO PILGRIM'S PRIDE FUNDING S. de R.L. de C.V., a Sociedad de Responsabilidad Limitada de Capital Variable duly organized and validly existing under the laws of the United Mexican States ("Mexico"), having its corporate domicile in Queretaro, Mexico ("Company" or "Borrower"), and COMERICA BANK ("Comerica"), a banking corporation duly organized and validly existing under the laws of the State of Michigan, of Detroit, Michigan and COMERICA BANK MEXICO, S.A., INSTITUCI{O'}N DE BANCA M{U'}LTIPLE a banking institution organized and existing under the laws of Mexico ("CBM;" collectively with Comerica, the "Bank").

RECITALS:

A. On or about September 7, 2001, the parties entered into a certain Revolving Credit Agreement, as same has been amended from time to time (the "Loan Agreement").

B. Recently, Avicola Pilgrim's Pride de Mexico, S.A. de C.V. changed its name to Comercializadora de Carnes de Mexico, S.A. de C.V. and became the primary importer or distributor in Mexico of poultry products exported by the US Guarantor (as defined in the Loan Agreement) in Mexico.

C. The parties desire to amend the Loan Agreement as set forth herein.

NOW THEREFORE, for good and valuable consideration, the parties agree as follows:

1. The definition of "Avicola" contained in Article 1 of the Loan Agreement shall be deleted in its entirety and replaced with the following:

> "Avicola" shall mean Comercializadora de Carnes de M{e'}xico, S.A. de C.V., a sociedad an{o'}nima de capital variable duly organized under the laws of Mexico, formerly known as Avicola Pilgrim's Pride de Mexico, S.A. de C.V."

2. Section 7.5(ii) of the Loan Agreement shall be amended to add the words "or Avicola" immediately after the words "Operating Company" and immediately before the word "fails" contained therein.

3. Bank acknowledges that Avicola has or shall become the primary importer or distributor in Mexico of poultry products exported by the US Guarantor (as defined in the Loan Agreement) in Mexico and waives and any Default or Event of Default under Section 7.5(i)(c) of the Loan Agreement as a result thereof.

4. Concurrently herewith, Avicola and the Operating Company (as defined in the Loan Agreement) shall execute and deliver to Bank, in form satisfactory to Bank, a certain amendment to the original Contrato de Prenda signed by the Operating Company in favor of Bank on or about September 7, 2001, whereby Avicola shall pledge to Bank a first priority security interest in the Accounts (as defined in the Loan Agreement) of Avicola. The Credit Parties shall cooperate with Bank in ensuring that such amendment is filed for registration with the applicable governmental authorities.

5. Except as expressly provided in this Amendment, the parties acknowledge that the Loan Agreement is in full force and effect and Borrower acknowledges that there are no defenses or setoffs to any of Borrower's obligations under the Loan Agreement as of the date hereof.

6. Borrower certifies that no default or Event of Default (as defined in the Loan Agreement) has occurred and is continuing.

7. Borrower and Guarantors (as defined in the Loan Agreement) represent and warrant that each of its authority documents (as identified in Section 4.2 and 4.3 of the Loan Agreement) delivered to Bank in connection with the Loan Agreement, are in full force and effect and have not been modified, repealed or amended since the date thereof, other than to change the name of Avicola Pilgrim's Pride de Mexico, S.A. de C.V. to Comercializadora de Carnes de Mexico, S.A. de C.V.

8. If any provision of this Amendment shall be held invalid or unenforceable, such invalidity or unenforceability shall affect only such provision and shall not in any manner affect or render invalid or unenforceable

any other provision of this Amendment, and this Amendment shall be enforced as if any such invalid or unenforceable provision were not contained herein.

9. Except as specifically amended hereby, the Loan Agreement shall remain unchanged and shall be in full force and effect, enforceable in accordance with its terms.

WITNESS the due execution hereof as of the day and year first above written.

COMERICA BANK

By:

Its:__________________________________

International Dept. - Latin Group
500 Woodward Ave.
Detroit, Michigan 48226-3330
Facsimile: ___________________

GRUPO PILGRIM'S PRIDE FUNDING, S. de RL, de C.V.

By:

Its: Attorney-In-Fact

By: /s/ Fernando Urresta
Its: Attorney-In-Fact
Avenida 5 de Febrero No. 1408
Queretaro, Queretaro, Mexico
Facsimile: 011 42 17 97 80
Attn: Fernando Urresta

Comerica Bank Mexico, S.A.

By:_________________________________

Its:_________________________________

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ACKNOWLEDGEMENT

The undersigned, Guarantors and Credit Parties hereby: (i) acknowledge and consent to the execution, delivery and performance of this Amendment; (ii) confirm the truth and validity of the representations and warranties set forth herein, to the extent such representations and warranties pertain to the undersigned, respectively, and (iii) ratify and agree to perform the covenants and agreements set forth in this Amendment, to the extent such covenants and agreements specifically pertain to the undersigned, respectively.

GRUPO PILGRIM'S PRIDE FUNDING HOLDINGS, S. de R.L. de C.V.

By:

Its: Attorney-In-Fact

By:

Its: Attorney-In-Fact

Address: Same as Borrower

COMERCIALIZADORA DE CARNES DE MEXICO, S.A. de C.V. formerly known as AVICOLA PILGRIM'S PRIDE de MEXICO, S.A. de C.V.

By:

Its: Attorney-In-Fact

By:

Its: Attorney-In-Fact

Address: Same as Borrower

PILGRIM'S PRIDE, S.A. de C.V.

By:

Richard Cogdill
Its: Attorney-In-Fact

By:

Its: Attorney-In-Fact

Address: Same as Borrower

PILGRIM'S PRIDE CORPORATION

By: /s/ Richard A. Cogdill

Its: Chief Financial Officer

Address:
110 South Texas Street
Pittsburg, Texas 75686
Facsimile: 001 903 856 7505
Attn: Rick Cogdill