SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For quarter ended JUNE 29, 1996

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 principle 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 periods 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 the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date.

COMMON STOCK $.01 PAR VALUE 27,589,250 SHARES AS OF AUGUST 12, 1996

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PILGRIM'S PRIDE CORPORATION AND SUBSIDIARIES

SIGNATURES

PART I. FINANCIAL INFORMATION

PILGRIM'S PRIDE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

ITEM 1: FINANCIAL STATEMENTS (UNAUDITED):

	June 29, 1996	September 30, 1995
	(in thousands)	
ASSET		
Current Assets:		
Cash and cash equivalents	$ 7,809	$ 11,892
Trade accounts and other receivables,		
less allowance for doubtful accounts	63,704	60,031
Inventories	140,403	110,404
Deferred income taxes	10,359	9,564
Prepaid expenses	1,369	526
Other current assets	725	953
Total Current assets	224,369	193,370
	19,150	20,918
	466,680	442,781
Less accumulated depreciation	177,941	159,465
	288,739	283,316
	$ 532,258	$ 497,604
Notes payable to banks	$ 27,000	$ 13,000
Accounts payable	60,071	55,658
Accrued expenses	35,790	31,130
Current maturities of long-term debt	7,872	5,187
Total Current Liabilities	130,733	104,975
	199,817	182,988
	53,067	56,725
	842	842
Common stock; $.01 par value	276	276
Additional paid-in capital	79,763	79,763
Retained earnings	67,760	72,035
Total Stockholders' Equity	147,799	152,074
	$ 532,258	$ 497,604

See notes to condensed consolidated financial statements.

PILGRIM'S PRIDE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	June 29, 1996	July 1, 1995	June 29, 1996	July 1, 1995
	(in thousands, except share and per share data)			
Net sales	$ 294,339	$ 230,297	$ 833,818	$ 674,127
Costs and expenses:				
Cost of sales	276,955	206,471	779,415	621,959
Selling, general and administrative	11,930	11,983	36,440	36,245
	288,885	218,454	815,855	658,204
Operating income	5,454	11,843	17,963	15,923
Other expense (income):				
Interest expense, net	5,526	4,359	15,857	12,714
Foreign exchange (gain) loss	(59)	(177)	1,163	5,438
Miscellaneous, net	(600)	(761)	(1,177)	128
	4,867	3,421	15,843	18,280
Income (loss) before income taxes and extraordinary charge	587	8,422	2,120	(2,357)
Income tax (benefit) expense	(420)	2,279	2,372	7,248
Net loss before extraordinary charge	1,007	6,143	(252)	(9,605)
Extraordinary charge-early repayment of debt,net of tax	-	-	(2,780)	-
Net income (loss)	$ 1,007	$ 6,143	$ (3,032)	$ (9,605)
Net income (loss) per common share before extraordinary charge	$ 0.04	$ 0.22	$ (0.01)	$ (0.35)
Extraordinary charge per common share	-	-	(0.10)	-
Net income (loss) per common share	$ 0.04	$ 0.22	$ (0.11)	$ (0.35)
Dividends per common share	$ 0.015	$ 0.015	$ 0.045	$ 0.045
Weighted average shares outstanding shares outstanding	27,589,250	27,589,250	27,589,250	27,589,250

See notes to condensed consolidated financial statements.

PILGRIM'S PRIDE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended June 29, 1996	Nine Months Ended July 1, 1995
	(in thousands)	
Cash Flows From Operating Activities:		
Net loss	$ (3,032)	$ (9,605)
Adjustments to reconcile net income to cash Provided by operating activities:		
Depreciation and amortization	21,993	19,160
Gain on property disposals	(262)	(191)
Provision for losses on accounts receivable	669	-
Deferred income tax liability	(4,453)	3,446
Extraordinary charge	4,587	-
Changes in operating assets and liabilities:		
Accounts and other receivable	(4,342)	3,435
Inventories	(28,368)	(2,711)
Prepaid expenses and other current assets	(1,033)	222
Accounts payable and accrued expenses	9,073	12,025
Other	(171)	11
Net Cash Flows (Used In) Provided By Operating Activities	(5,339)	25,792
Investing Activities:		
Acquisitions of property, plant and equipment	(28,655)	(25,011)
Business acquisitions	-	(918)
Proceeds from property disposals	1,378	304
Other, net	294	(481)
Net Cash Used In Investing Activities	(26,983)	(26,106)
Financing Activities:		
Proceeds from notes payable to banks	70,500	-
Repayments on notes payable to banks	(56,500)	-
Proceeds from long-term debt	50,029	15,030
Payments on long-term debt	(30,600)	(15,216)
Extraordinary charge, cash items	(3,920)	-
Cash dividends paid	(1,241)	(1,242)
Cash Provided By (Used In) Financing Activities	28,268	(1,428)
Effect of exchange rate changes on cash and cash equivalents	(29)	(189)
Decrease in cash and cash equivalents	(4,083)	(1,931)
Cash and cash equivalents at beginning of year	11,892	11,244
Cash and cash equivalents at end of period	$ 7,809	$ 9,313
Supplemental disclosure information:		
Cash paid during the period for		
Interest (net of amount capitalized)	$ 12,229	$ 9,755
Income Taxes	$ 4,844	$ 3,683

See notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

NOTE A--BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles 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. The balance sheet at September 30, 1995, has been derived from the audited financial statements at that date. Operating results for the period ended June 29, 1996 are not necessarily indicative of that results that may be expected for the year ended September 28, 1996. For further information, refer to the consolidated financial statements and footnotes thereto included in Pilgrim's annual report on Form 10-K for the year ended September 30, 1995.

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.

The assets and liabilities of the foreign subsidiaries are translated at end-of-period exchange rates, except for and 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.

NOTE B--NET INCOME PER COMMON SHARE

Earnings per share for the periods ended June 29, 1996 and July 1, 1995 are based on the weighted average shares outstanding for the periods.

NOTE C--INVENTORIES

Inventories consist of the following:

	JUNE 29, 1996	SEPTEMBER 30, 1995
	(in thousands)	
Live broilers and hens	$ 68,491	$ 55,353
Feed, eggs and other	47,377	32,087
Finished poultry products	24,535	22,964
	$ 140,403	$ 110,404

NOTE D--IMPACT OF MEXICAN PESO DEVALUATION

Included in results of operations for the three and nine months ended June 29, 1996 are foreign exchange (gains) losses of $(.1) million and $1.2 million, respectively, compared with $(.2) million and $5.4 million for three and nine months ended July 1, 1995, respectively. These (gains) losses result from the (appreciation) devaluation of the Mexican peso against the U.S. dollar. Also, for the period ended July 1, 1995, the carrying value of inventories was adjusted to end-of-period exchange rates as was necessary to record inventories at the lower of cost or market. See Management's Discussion and Analysis of Financial Condition and Results of Operations - Impact of Mexican Peso Devaluation.

NOTE E--EARLY REPAYMENT OF DEBT AND REVOLVING CREDIT EXTENSION AND MODIFICATION

On February 16, 1996 the Company completed a refinancing of two issues of Senior Secured debt of $22.0 million and $3.4 million with interest rates of 10.49% and 9.55%, respectively, payable to an insurance company maturing on September 21, 2002 and October 1, 1998, respectively, by borrowing $50 million pursuant to a new 10-year term loan bearing interest at 7.21% payable in 120 fixed monthly installments of $455,305 beginning on April 1, 1996 and a final balloon payment of $22.9 million due on February 28, 2006. The additional proceeds from this refinancing was used primarily to finance expansions of the Company's domestic production facilities.

The extraordinary charge of $2.8 million, net of $1.8 million tax benefit, is the result of the early repayment of the above mentioned debt obligations.

On June 6, 1996 the Company completed an extension and amendment of its credit facility with various banks. The amendment increased the facility from $75 million to $100 million at interest rates of approximately one and three quarter percent above LIBOR and extended the facility's term to May 31, 1999. Inventories and trade accounts receivable of the Company are pledged as collateral on this facility.

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

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

	Percentage of Net Sales THREE MONTHS ENDED		Percentage of Net Sales NINE MONTHS ENDED	
	JUNE 29, 1996	JULY 1, 1995	JUNE 29, 1996	JULY 1, 1995
Net sales	100.0%	100.0%	100.0%	100.0%
Costs and expenses:				
Cost of sales	94.1%	89.7%	93.5%	92.3%
Gross profit	5.9%	10.3%	6.5%	7.7%
Selling, general and administrative	4.1%	5.2%	4.4%	5.4%
Operating income (loss)	1.9%	5.1%	2.2%	2.4%
Interest expense	1.9%	1.9%	1.9%	1.9%
Income (loss) before income taxes and extraordinary charge	.2%	3.7%	.3%	(.4)%
Net Income (loss)	.3%	2.7%	(.4%)	(1.4)%

THIRD QUARTER 1996, COMPARED TO THIRD QUARTER 1995

Consolidated net sales were $294.3 million for the third quarter of fiscal 1996, an increase of $64.0 million, or 27.8%, over the third quarter of fiscal 1995. The increase in consolidated net sales resulted from a $27.4 million increase in domestic chicken sales to $198.8 million, a $26.9 million increase in Mexican chicken sales to $61.4 million and a $9.7 million increase in sales of other domestic products to $34.1 million. The increase in domestic chicken sales was primarily due to a 12.5% increase in total revenue per dressed pound produced and 3.1% increase in dressed pounds produced. The increase in Mexican chicken sales was primarily due to 39.3% increase in dressed pounds produced and by a 28.0% increase in total revenue per dressed pound produced. The increase in dressed pounds produced resulted primarily from the July 5, 1995 acquisition of five chicken companies located near Queretaro, Mexico. The increase in sales to other domestic products was primarily the result of increased sales of the Company's poultry by-products group and higher sales prices for table eggs. Increased revenues per dressed pound produced both domestically and in Mexico were primarily the result of higher sales prices caused primarily by the chicken markets adjusting to the higher feed ingredient cost.

Consolidated cost of sales was $277.0 million in the third quarter of fiscal 1996, an increase of $70.5 million, or 34.1%, over the third quarter of fiscal 1995. The increase primarily resulted from a $43.3 million increase in cost of sales of domestic operations, and a $27.2 million increase in the cost of sales in Mexican operations.

The cost of sales increase in domestic operations of $43.3 million was due to a 53.5% increase in feed ingredient costs, a 3.1% increase in dressed pounds produced and increased production of higher cost and margin products in prepared foods. Since year end, feed ingredient costs increased substantially due to lower crop yields in the 1995 harvest season. In July 1996, feed ingredient prices have stabilized and dropped slightly due to favorable crop harvest reports and growing conditions in the Midwest, however, the Company anticipates that feed ingredient prices will remain above 1995 levels at least through the fourth fiscal quarter.

The $27.2 million cost of sales increase in Mexican operations was primarily due to a 38.8% increase in average costs of sales per pound and a 39.3% increase in dressed pounds produced. The increase in average costs of sales per pound was primarily the result of a 50.2% increase in feed ingredient costs resulting from the above discussed reasons.

Gross profit as a percentage of sales decreased to 5.9% in the third quarter of fiscal 1996 from 10.3% in the third quarter of 1995. The decreased gross profit resulted mainly from increased costs of sales due to higher feed ingredient prices experienced in fiscal 1996 third quarter partially offset from improved results from the Company's Mexican operations.

Consolidated selling, general and administrative expenses remained basically flat at $11.9 million for both the third quarter of fiscal 1996 and fiscal 1995. Consolidated selling, general and administrative expenses as a percentage of sales decreased in the third quarter of fiscal 1996 to 4.1% compared to 5.2% in the third quarter of fiscal 1995 due to higher sales volume with consolidated selling, general and administrative expenses remaining relatively stable.

Consolidated operating income was $5.5 million for the third quarter of fiscal 1996 a decrease of $6.4 million, when compared to the third quarter of fiscal 1995 resulting primarily from higher feed ingredient prices.

Consolidated net interest expense was $5.5 million in the third quarter of fiscal 1996 an increase of $1.2 million, or 26.8%, when compared to the third quarter of fiscal 1995. This increase was due to higher outstanding debt levels resulting primarily from the prior year acquisitions in Mexico, offset slightly by lower interest rates when compared to the third quarter of fiscal 1995.

NINE MONTHS ENDED JUNE 29, 1996, COMPARED TO
NINE MONTHS ENDED JULY 1, 1995

Consolidated net sales were $833.8 million for the first nine months of fiscal 1996, an increase of $159.7 million, or 23.7%, over the first nine months of fiscal 1995. The increase in consolidated net sales resulted from a $69.4 million increase in domestic chicken sales to $561.0 million, a $61.0 million increase in Mexican chicken sales to $169.9 million and a $29.3 million increase in sales of other domestic products to $102.9 million. The increase in domestic chicken sales was primarily due to an 8.6% increase in total revenue per dressed pound produced and 5.1% increase in dressed pounds produced. The increase in Mexican chicken sales was primarily due to 36.5% increase in dressed pounds produced and by a 14.3% increase in total revenue per dressed pound. The increase in dressed pounds produced resulted primarily from the July 5, 1995 acquisition of five chicken companies located near Queretaro, Mexico. The increase in sales of other domestic products was primarily the result of increased sales of the Company's poultry by-products group and higher sales prices for table eggs. Increased revenues per dressed pound produced both domestically and in Mexico were primarily the result of higher sales prices caused by the chicken markets adjusting to higher feed ingredient cost.

Consolidated cost of sales was $779.4 million in the first nine months of fiscal 1996, an increase of $157.5 million, or 25.3%, over the first nine months of fiscal 1995. The increase primarily resulted from a $108.6 million increase in cost of sales of domestic operations, and a $48.9 million increase in the cost of sales in Mexican operations.

The cost of sales increase in domestic operations of $108.6 million was due to a 42.4% increase in feed ingredient costs, a 5.1% increase in dressed pounds produced and increased production of higher margin products in prepared foods. Since year end, feed ingredient costs increased substantially due to lower crop yields in the 1995 harvest season. In July 1996 feed ingredient prices have stabilized and dropped slightly due to favorable crop harvest reports and growing conditions in the Midwest, however, the Company anticipates that feed ingredient prices will remain above 1995 levels at least through the fourth quarter.

The $48.9 million cost of sales increase in Mexican operations was primarily due to a 36.5% increase in dressed pounds produced and a 4.8% increase in average costs of sales per pound. The increase in average costs of sales per pound was primarily the result of a 28.1% increase in feed ingredient costs resulting from the above discussed reasons.

Gross profit as a percentage of sales decreased to 6.5% in the first nine months of fiscal 1996 from 7.7% in the first nine months of 1995. The decreased gross profit resulted mainly from increased costs of sales due to higher feed ingredient prices experienced in fiscal 1996 first nine months partially offset from improved results from the Company's Mexican operations.

Consolidated selling, general and administrative expenses were $36.4 million for the first nine months of fiscal 1996, an increase of $.2 million when compared to the first nine months of fiscal 1995. Consolidated selling, general and administrative expenses as a percentage of sales decreased in the first nine months of fiscal 1996 to 4.4% compared to 5.4% in the first nine months of fiscal 1995 due to higher sales volume with consolidated selling, general and administrative expenses remaining relatively stable.

Consolidated operating income was $18.0 million for the first nine months of fiscal 1996, an increase of $2.0 million, when compared to the first nine months of fiscal 1995 resulting primarily from improved results from the Company's Mexico operation.

Consolidated net interest expense was $15.9 million in the first nine months of fiscal 1996 an increase of $3.1 million, or 24.7%, when compared to the first nine months of fiscal 1995. This increase was due to higher outstanding debt levels resulting primarily from the prior year acquisitions in Mexico, offset slightly by lower interest rates when compared to the first nine months of fiscal 1995.

Consolidated income tax expense in the first nine months of fiscal 1996 was $2.4 million compared to a expense of $7.2 million in the first nine months of fiscal 1995.

The extraordinary charge-early repayment of debt in the amount of $2.8 million, net of tax, was incurred while refinancing certain debt at a lower interest rate, which should result in long-term interest expense reductions. See Note E to the Condensed Consolidated Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity in first nine months of fiscal 1996 remained strong, however, operating losses in Mexico resulting primarily from the Mexican peso devaluation and higher feed ingredient costs affected most financial ratios negatively. The Company's working capital at June 29, 1996 increased to $93.6 million from $88.4 million at September 30, 1995, though the current ratio at June 29, 1996 decreased to 1.72 to 1 from 1.84 to 1 at September 30, 1995 and the Company's stockholders' equity decreased to $147.8 million at June 29, 1996 from $152.1 million at September 30, 1995. Total debt to capitalization increased to 61.4% at June 29, 1996 from 56.9% at September 30, 1995. The Company maintains $110 million in revolving credit facilities with available unused lines of credit of $67.3 million at August 13, 1996.

Trade accounts and other receivables were $63.7 million at June 29, 1996, a $3.7 million increase from September 30, 1995. The 6.1% increase was due primarily to increased consolidated sales. Allowances for doubtful accounts, as a percentage of trade accounts and notes receivable were 6.5% at June 29, 1996 compared to 6.7% at September 30, 1995.

Inventories were $140.4 million at June 29, 1996, an increase of $30.0 million from September 30, 1995. This 27.2% increase was due primarily to the higher feed ingredient costs affecting the carrying value of feed on hand and feed cost in the live birds and finished products.

Accounts payable were $60.1 million at June 29, 1996, a 7.9% increase from September 30, 1995, due primarily to higher production levels and feed ingredient cost.

Capital expenditures for the first nine months of fiscal 1996 were $28.7 million and were primarily incurred to expand production capacities domestically, improve efficiencies, reduce costs and for the routine replacement of equipment. The Company anticipates that it will spend approximately $35 million for capital expenditures in fiscal year 1996 and expects to finance such expenditures with available operating cash flows, leases and long-term financing.

IMPACT OF MEXICAN PESO DEVALUATION

In December 1994, the Mexican government changed its policy of defending the peso against the U.S. dollar and allowed it to float freely on the currency markets. These events resulted in the Mexican peso exchange rate declining from 3.39 to 1 U.S. dollar at October 1, 1994 to a low of 7.91 at November 15, 1995. On August 12, 1996 the Mexican peso closed at 7.49 to 1 U.S. dollar. No assurance can be given as to the future valuation of the Mexican peso and further movement in the Mexican peso could affect future earnings positively or negatively.

Adjustments resulting from changes in currency exchange rates on net monetary assets are reflected in the Consolidated Statements of Income (Loss). Classification of the effects in the Consolidated Statements of Income (Loss) is dependent upon the nature of the underlying asset and, in general, exchange rate effects on net monetary assets are reflected as "Other expenses (income) - Foreign exchange (gain) loss."

OTHER

In March 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 121, "ACCOUNTING FOR THE IMPAIRMENT OF LONG-LIVED ASSETS AND FOR LONG-LIVED ASSETS TO BE DISPOSED OF." SFAS No. 121 establishes accounting standards for the impairment of long-lived assets to be held and used and for long-lived assets to be disposed of. SFAS No. 121 is scheduled to become mandatory for the Company's 1997 fiscal year. The Company has not determined the effect of adopting SFAS No. 121. There will be no cash flow impact from this accounting change.

The statements contained in this filing which are not historical facts, such as future feed costs, sales prices, capital expenditures, and movements in the exchange rate between the U.S. dollar and the Mexican peso are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements. Among the factors that could cause actual results to differ materially are competitive pressures, crop yields, the strength of the U.S. and Mexican economies, and the demand for Pilgrim's Pride products in the marketplace.

PART II
OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

10.43 Fourth Amendment to Secured Credit Agreement dated June 6, 1996 to the Secured Credit Agreement dated May 27, 1993, by and among the Company and Harris Trust and Savings Bank, and FBS AG Credit, Inc., Internationale Nederlanden Bank N.V., Boatman's First National Bank of Kansas City and Wells Fargo Bank Texas, N.A., successor to First Interstate Bank of Texas, N.A.

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

Date 8/13/96

Clifford E. Butler
Vice Chairman of the Board,
Chief Financial Officer and
Secretary and Treasurer
in his respective capacity
as such

PILGRIM'S PRIDE CORPORATION
FOURTH AMENDMENT TO SECURED CREDIT AGREEMENT

Harris Trust and Savings Bank
Chicago, Illinois

FBS Ag Credit, Inc.
Denver, Colorado

Internationale Nederlanden (U.S) Capital Corporation, formerly known as Internationale Nederlanden Bank N. V. ("ING BANK")
New York, New York

Boatmen's First National Bank of Kansas City
Kansas City, Missouri

Wells Fargo Bank (Texas), N.A., successor to
First Interstate Bank of Texas, N.A.
Dallas, Texas

Ladies and Gentlemen:

Reference is hereby made to that certain Secured Credit Agreement dated as of May 27, 1993, as amended (the "CREDIT AGREEMENT") among the undersigned, Pilgrim's Pride Corporation, a Delaware corporation (the "COMPANY"), you (the "BANKS") and Harris Trust and Savings Bank, as agent for the Banks (the "AGENT"). All defined terms used herein shall have the same meanings as in the Credit Agreement unless otherwise defined herein.

The Banks extend a $75,000,000 revolving credit facility to the Company on the terms and conditions set forth in the Credit Agreement. The Company, the Agent and the Banks now wish to amend the Credit Agreement to increase the amount of the Revolving Credit to $100,000,000, extend the Termination Date of the Credit Agreement, add CoBank, ACB as a party to the Credit Agreement and amend various financial covenants and other provisions of the Credit Agreement, all on the terms and conditions and in the manner set forth in this Amendment.

1. AMENDMENTS.

Upon satisfaction of all of the conditions precedent set forth in Section 2 hereof, the Credit Agreement shall be amended as follows:

1.1. Section 1.1(a) of the Credit Agreement shall be amended by replacing the date "May 31, 1998" appearing therein with the date "May 31, 1999".

1.2. Section 1.1(c) of the Credit Agreement shall be amended to read as follows:

> "(c) The respective maximum aggregate principal amounts of the Revolving Credit at any one time outstanding and the percentage of the Revolving Credit available at any time which each Bank by its acceptance hereof severally agrees to make available to the Company are as follows (collectively, the "REVOLVING CREDIT COMMITMENTS" and individually, a "REVOLVING CREDIT COMMITMENT"):

Harris Trust and Savings Bank	$26,666,667	26.66666667%
FBS Ag Credit, Inc.	$20,000,000	20%
CoBank, ACB	$20,000,000	20%
Internationale Nederlanden (U.S.) Capital Corporation	$13,333,333	13.33333334%
Boatmen's First National Bank of Kansas City	$13,333,333	13.33333334%
Wells Fargo Bank (Texas), N.A.	$ 6,666,667	6.66666667%
Total	$100,000,000	100%

> Each Bank's Revolving Credit Commitment shall be reduced from time to time by the aggregate outstanding principal amount of all Bid Loans made by such Bank, and shall be increased (but in no event above the amount set forth above for each Bank) by the aggregate principal amount of each principal repayment of such Bid Loans made from time to time."

1.3. Sections 4.24, 4.25 and 4.26 shall be amended to read as follows:

"4.24. Intentionally Omitted.
4.25. Intentionally Omitted.
4.26. Intentionally Omitted."

1.4. Section 4.84 shall be amended by deleting the second sentence thereof.

1.5. Section 4.86 shall be amended to read as follows:

"4.86. Intentionally Omitted."

1.6. Section 7.8 of the Credit Agreement shall be amended to read as follows:

.c2."SECTION 7.8. LEVERAGE RATIO;. The Company will not permit the ratio of its Leverage Ratio at any time during each period specified below to exceed the ratio specified below for such period:

(a) from June 6, 1996 through the next to last day of Fiscal Year 1997, 0.70 to 1;

(b) from the last day of Fiscal Year 1997 through the next to last day of Fiscal Year 1998, 0.675 to 1;

(c) from the last day of Fiscal Year 1998 through the next to last day of Fiscal Year 1999, 0.65 to 1; and

(d) on the last day of Fiscal Year 1999 and thereafter, 0.625 to 1."

1.7. Section 7.12 of the Credit Agreement shall be amended to read as follows:

"SECTION 7.12. FIXED CHARGE COVERAGE RATIO. The Company will not permit, as of the last day of each fiscal quarter of the Company ending during the periods specified below, its Fixed Charge Coverage Ratio in the eight consecutive fiscal quarters of the Company then ended to be less than (a) 1.35 to 1 on the last day of each fiscal quarter of the Company in Fiscal Year 1996, and (b) 1.5 to 1 on the last day of each fiscal quarter of the Company thereafter.

1.8. Section 7.14 of the Credit Agreement shall be amended to read as follows:

"SECTION 7.14. CAPITAL EXPENDITURES;. The Company will not, and will not permit any Subsidiary to, make or commit to make any capital expenditures (as defined and classified in accordance with generally accepted accounting principles consistently applied;) PROVIDED, HOWEVER, that if no Event of Default or Potential Default shall exist before and after giving effect thereto, the Company and its Subsidiaries may make capital expenditures during Fiscal Year 1996 and each Fiscal Year thereafter, in an aggregate amount in each Fiscal Year not to exceed the sum of (i) an amount equal to 115% of the Company's depreciation and amortization charges for the preceding Fiscal Year and (ii) the amount, if any, by which such capital expenditures made by the Company in the immediately preceding Fiscal Year was less than the maximum amount of capital expenditures the Company was permitted to make under this Section 7.14 during such Fiscal Year, determined without regard to any carryover amount from any prior Fiscal Year, but not to exceed $12,000,000 in Fiscal Year 1996 and $5,000,000 in any other Fiscal Year, PROVIDED, HOWEVER, that in no event may the aggregate amount of all such capital expenditures made or committed to be made during Fiscal Year 1996 exceed $42,000,000."

1.9. Section 7.18(g) of the Credit Agreement shall be amended to read as follows:

"(g) loans, investments (excluding retained earnings) and advances by the Company to its Subsidiaries located in Mexico in an aggregate outstanding amount not to exceed $145,000,000 at any time, PROVIDED, HOWEVER, that the Company may make loans, investments (excluding retained earnings) and advances to its Subsidiaries located in Mexico in an aggregate amount equal to the aggregate amount of any capital withdrawn from its Mexican Subsidiaries after the date hereof but not to exceed an aggregate amount of $25,000,000 in any Fiscal Year of the Company, PROVIDED FURTHER that any such investments (excluding retained earnings), loans and advances shall not cause the aggregate outstanding amount of all such loans, investments (excluding retained earnings) and advances to exceed $145,000,000 at any time;"

1.10. Section 11.1 of the Credit Agreement shall be amended by deleting the last sentence thereof.

1.11. Section 11.15 of the Credit Agreement shall be amended to read as follows:

"SECTION 11.15. PARTICIPANTS;. Each Bank shall have the right at its own cost to grant participations (to be evidenced by one or more agreements or certificates of participation) in the Loans made, and/or Revolving Credit Commitment and participations in L/Cs and Reimbursement Obligations held, by such Bank at any time and from time to time, and to assign its rights under such Loans, participations in L/Cs and Reimbursement Obligations or the Notes evidencing such Loans to one or more other Persons; provided that no such participation shall relieve any Bank of any of its obligations under this Agreement, and any agreement pursuant to which such participation or assignment of a Note or the rights thereunder is granted shall provide that the granting Lender shall retain the sole right and responsibility to enforce the obligations of the Company under the Loan Documents, including, without limitation, the right to approve any amendment, modification or waiver of any provision thereof, except that such agreement may provide that such Bank will not agree without the consent of such participant or assignee to any modification, amendment or waiver of this Agreement that would (A) increase any Revolving Credit Commitment of such Lender, or (B) reduce the amount of or postpone the date for payment of any principal of or interest on any Loan or Reimbursement Obligation or of any fee payable hereunder in which such participant or assignee has an interest or (C) reduce the interest rate applicable to any Loan or other amount payable in which such participant or assignee has an interest or (D) release any collateral security for or guarantor for any of the Company's indebtedness, obligations and liabilities under the Loan Documents, and provided further that no such assignee or participant shall have any rights under this Agreement except as provided in this Section 11.15, and the Agent shall have no obligation or responsibility to such participant or assignee, except that nothing herein provided is intended to affect the rights of an assignee of a Note to enforce the Note assigned. Any party to which such a participation or assignment has been granted shall have the benefits of Section 1.10, Section 9.3 and Section 9.4 hereof but shall not be entitled to receive any greater payment under any such Section than the Bank granting such participation or assignment would have been entitled to receive with respect to the rights transferred."

2. CONDITIONS PRECEDENT.

The effectiveness of the Amendment is subject to the satisfaction of all of the following conditions precedent:

2.1. The Company and each of the Banks shall have executed this Amendment (such execution may be in several counterparts and the several parties hereto may execute on separate counterparts).

2.2. Mr. and Mrs. Lonnie A. Pilgrim shall have executed and delivered to the Banks the Guarantors' Consent in the form set forth below.

2.3. Each of the representations and warranties set forth in Section 5 of the Credit Agreement shall be true and correct.

2.4. The Company shall be in full compliance with all of the terms and conditions of the Credit Agreement and no Event of Default or Potential Default shall have occurred and be continuing thereunder or shall result after giving effect to this Amendment.

2.5. All legal matters incident to the execution and delivery hereof and the instruments and documents contemplated hereby shall be satisfactory to the Banks.

2.6. Harris shall have received a written consent from CoBank with respect to this Amendment in the form set forth below.

2.7. The Agent shall have received (in sufficient counterparts for distribution to each of the Banks) all of the following in a form satisfactory to the Agent, the Banks and their respective counsel:

(a) a Secured Revolving Credit Note of the Company payable to the order of each of the Banks and CoBank in the principal amount equal to each Banks' CoBank's Revolving Credit Commitment, in the form attached hereto as Exhibit A;

(b) copies (executed or certified as may be appropriate) of all legal documents or proceedings taken in connection with the execution and delivery of this Amendment, and the other instruments and documents contemplated hereby; and

(c) Opinion of counsel to the Company substantially in the form of Exhibit B hereto and satisfactory to the Agent, the Banks and their respective counsel.

2.8. The Agent shall have received for the ratable benefit of the Banks an amendment fee in an amount equal to fifteen one-hundredths of one percent (0.15%) of the maximum amount of the Revolving Credit.

SECTION 3. REPRESENTATIONS AND WARRANTIES.

SECTION 3.1. The Company, by its execution of this Amendment, hereby represents and warrants the following:

(a) each of the representations and warranties set forth in Section 5 of the Credit Agreement is true and correct as of the date hereof, except that the representations and warranties made under Section 5.3 shall be deemed to refer to the most recent annual report furnished to the Banks by the Company; and

(b) the Company is in full compliance with all of the terms and conditions of the Credit Agreement and no Event of Default or Potential Default has occurred and is continuing thereunder.

4. MISCELLANEOUS.

4.1. Upon satisfaction of the conditions precedent set forth above, the Company shall be deemed to have requested from CoBank loans in an aggregate principal amount of $5,200,000 and CoBank will make such loans if all conditions set forth in Section 6.3 of the Credit Agreement are satisfied. The proceeds of such loans shall be used exclusively to pay Loans made by Harris under the Credit Agreement and in which CoBank has acquired a participation under the CoBank Participation, and the Company will pay all accrued interest thereon. Upon payment in full of such amount the CoBank Participation Agreement shall automatically terminate and CoBank shall be a party to the Credit Agreement and shall have all of the rights and obligations of a "Bank" thereunder and shall be deemed to have acquired risk participations in all outstanding L/Cs and Reimbursement Obligations pursuant to the Credit Agreement. For the convenience of the parties Harris and CoBank may effect such loans by means of crediting the amount of such loans to be made by CoBank against the amount payable to CoBank by Harris under the CoBank Participation Agreement.

4.2. The Company has heretofore executed and delivered to the Agent that certain Security Agreement Re: Accounts Receivable, Farm Products and Inventory dated as of May 27, 1993 (the "SECURITY AGREEMENT") and the Company hereby agrees that the Security Agreement shall secure all of the Company's indebtedness, obligations and liabilities to the Agent and the Banks under the Credit Agreement as amended by this Amendment, that notwithstanding the execution and delivery of this Amendment, the Security Agreement shall be and remain in full force and effect and that any rights and remedies of the Agent thereunder, obligations of the Company thereunder and any liens or security interests created or provided for thereunder shall be and remain in full force and effect and shall not be affected, impaired or discharged thereby. Nothing herein contained shall in any manner affect or impair the priority of the liens and security interests created and provided for by the Security Agreement as to the indebtedness which would be secured thereby prior to giving effect to this Amendment.

4.3. Except as specifically amended herein the Credit Agreement and the Notes shall continue in full force and effect in accordance with their original terms. Reference to this specific Amendment need not be made in any note, document, letter, certificate, the Credit Agreement itself, the Notes, or any communication issued or made pursuant to or with respect to the Credit Agreement or the Notes, any reference to the Credit Agreement or Notes being sufficient to refer to the Credit Agreement or the Notes as amended hereby.

4.4. The Company agrees to pay all out-of-pocket costs and expenses incurred by the Agent and Banks in connection with the preparation, execution and delivery of this Amendment and the documents and transactions contemplated hereby, including the fees and expenses of Messrs. Chapman and Cutler.

4.5. This Amendment may be executed in any number of counterparts, and by the different parties on different counterparts, all of which taken together shall constitute one and the same Agreement. Any of the parties hereto may execute this Amendment by signing any such counterpart and each of such counterparts shall for all purposes be deemed to be an original.

4.6. (A) THIS AMENDMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE CONSTRUED AND DETERMINED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ILLINOIS, EXCEPT TO THE EXTENT PROVIDED IN SECTION 4.6(b) HEREOF AND TO THE EXTENT THAT THE FEDERAL LAWS OF THE UNITED STATES OF AMERICA MAY OTHERWISE APPLY.

(b) NOTWITHSTANDING ANYTHING IN SECTION 4.6(a) HEREOF TO THE CONTRARY, NOTHING IN THIS AMENDMENT, THE CREDIT AGREEMENT, THE NOTES, OR THE OTHER LOAN DOCUMENTS SHALL BE DEEMED TO CONSTITUTE A WAIVER OF ANY RIGHTS WHICH THE COMPANY, THE AGENT OR ANY OF THE BANKS MAY HAVE UNDER THE NATIONAL BANK ACT OR OTHER APPLICABLE FEDERAL LAW.

Dated as of June 6, 1996.

PILGRIM'S PRIDE CORPORATION
By Lonnie Bo Pilgrim
Its Chief Executive Officer

Accepted and Agreed to as of the day and year last above written.

HARRIS TRUST AND SAVINGS BANK

individually and as Agent
By Carl Blackham
Its Vice President

FBS AG CREDIT, INC.
By Douglas Hoffner
Its Vice President

INTERNATIONALE NEDERLANDEN (U.S.)
CAPITAL CORPORATION, formerly known
as Internationale Nederlanden Bank N.
V.
By Sheila Greatrex
Its Vice President

BOATMEN'S FIRST NATIONAL BANK OF
KANSAS CITY
By Randal Anderes
Its Vice President

WELLS FARGO BANK (TEXAS), N.A.,
successor to First Interstate Bank
of Texas, N.A.
By Ken Taylor
Its Assistant Vice President

COBANK, ACB
By Dennis Blick
Its Vice President

GUARANTORS' CONSENT

The undersigned, Lonnie A. Pilgrim and Patty R. Pilgrim, have executed and delivered a Guaranty Agreement dated as of May 27, 1993 (the "GUARANTY") to the Banks. As an additional inducement to and in consideration of the Banks' acceptance of the foregoing Amendment, the undersigned hereby agree with the Banks as follows:

1. Each of the undersigned consents to the execution of the foregoing Amendment by the Company and acknowledges that this consent is not required under the terms of the Guaranty and that the execution hereof by the undersigned shall not be construed to require the Banks to obtain the undersigneds' consent to any future amendment, modification or waiver of any term of the Credit Agreement except as otherwise provided in said Guaranty. Each of the undersigned hereby agrees that the Guaranty shall apply to all indebtedness, obligations and liabilities of the Company to the Banks, the Agent and under the Credit Agreement, as amended pursuant to the foregoing Amendment. Each of the undersigned further agrees that the Guaranty shall be and remain in full force and effect.

2. All terms used herein shall have the same meaning as in the foregoing Amendment, unless otherwise expressly defined herein.

Dated as of June 6, 1996.

Lonnie A. Pilgrim

Patty R. Pilgrim

3-MOS	9-MOS
SEP-28-1996	SEP-28-1996
JUN-29-1996	JUN-29-1996
7,809	0
0	0
63,704	0
0	0
140,403	0
224,369	0
466,680	0
177,941	0
532,258	0
130,733	0
199,817	0
276	0
0	0
0	0
147,799	0
532,258	0
294,339	833,818
294,339	833,818
276,955	779,415
288,885	815,855
4,867	15,843
669	669
5,526	15,857
587	2,120
(420)	2,372
1,007	(252)
0	0
0	(2,780)
0	0
1,007	(3,032)
.04	(.11)
.04	(.11)