
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): December 10, 2009

PILGRIM'S PRIDE CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

1-9273
(Commission File Number)

75-1285071
(IRS Employer
Identification No.)

**4845 US Highway 271 N.
Pittsburg, Texas 75686-0093**
(Address of Principal Executive Offices and Zip Code)

Registrant's telephone number, including area code: (903) 434-1000

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.03. Bankruptcy or Receivership.

As previously announced, on December 1, 2008, Pilgrim's Pride Corporation, a Delaware corporation (the "Company"), and certain of its wholly-owned subsidiaries (which, together with the Company may be referred to as the "Debtors") filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division (the "Bankruptcy Court"). The bankruptcy cases are being jointly administered under Case No. 08-45664. The Company's subsidiaries in Mexico and certain subsidiaries in the United States were not included in the filings and have operated outside of the Chapter 11 process.

On December 8, 2009, the Debtors filed an Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (As Modified) with the Bankruptcy Court (as amended and supplemented, the "Plan"). On December 10, 2009, the Bankruptcy Court entered an order approving and confirming the Plan.

The Debtors expect to emerge from the Chapter 11 bankruptcy proceedings on or about December 28, 2009 (the "Effective Date"). However, the consummation of the Plan is subject to certain conditions that the Debtors must satisfy prior to the Effective Date, including (a) contemporaneous effectiveness of the Exit Credit Facility (defined and described below), and (b) there shall have been no modification or stay of the confirmation order or entry of other court order prohibiting the consummation of the transactions contemplated by the Plan. In addition, the Debtors must perform various other actions described in the Plan in conjunction with emergence from Chapter 11. There can be no assurance that the Debtors will satisfy these conditions, complete such required actions and emerge from Chapter 11 within the Debtors' anticipated timeframe or at all.

The following is a summary of the material matters contemplated to occur either pursuant to or in connection with the Effective Date. This summary only highlights certain of the substantive provisions of the Plan and is not intended to be a complete description of the Plan. This summary is qualified in its entirety by reference to the full text of the Plan, a copy of which is attached as Exhibit 99.1 to this Current Report on Form 8-K, and incorporated herein by reference. All capitalized terms used herein but not otherwise defined in this Current Report on Form 8-K have the meanings set forth in the Plan.

General

The Plan provides for a reorganization of the Debtors' businesses as a going concern. Upon the Effective Date, all holders of allowed claims will be paid in full, unless otherwise agreed by the applicable holder, provided that the Plan contemplates that the notes under the Company's outstanding indentures will be reinstated unless and to the extent a holder of the notes elects to receive a cash payment equal to the principal amounts of the notes plus unpaid interest that had accrued pre-petition with interest accruing on such interest at the default contract rate through the effective date of the Plan and the unpaid post-petition interest at the non-default contract rate through the effective date. To the extent the holders of these notes elect reinstatement, then the amount of the term loan commitments under the Exit Credit Facility (defined and described below) will be reduced on a dollar-for-dollar and pro rata basis.

Holders of equity interests in the Company immediately prior to the effectiveness of the Plan will collectively be issued 36% of the common stock of the reorganized Company ("Reorganized PPC") that is issued pursuant to the Plan. The other 64% of the common stock of Reorganized PPC will be issued to JBS USA Holdings, Inc. ("JBS USA"), a wholly-owned indirect subsidiary of JBS S.A., a Brazil-based meat producer, pursuant to the terms and condition of a stock purchase agreement (the "SPA") entered into by the Company and JBS USA on September 16, 2009, a copy of which was filed as an exhibit to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 18, 2009.

The Plan is premised on (i) a transaction with JBS USA whereby, pursuant to the SPA, JBS USA will purchase approximately 64% of the common stock of Reorganized PPC in exchange for \$800 million in cash, to be used by the Debtors to, among other things, fund distributions to holders of allowed claims under the Plan, and (ii) the Debtors entering into a new credit facility having an aggregate commitment of up to \$1,750 million (as described below, the “Exit Credit Facility”).

The Plan will not become effective until certain conditions are satisfied or waived, including: (i) entry of an order by the Bankruptcy Court confirming the Plan, (ii) all actions, documents and agreements necessary to implement the Plan having been effected or executed, (iii) satisfaction or waiver of the conditions precedent to the SPA (including access of the Debtors to funding under the Exit Credit Facility), other than those which are to be satisfied at the closing of the transactions contemplated by the SPA (as defined below), (iv) the Debtors having access to the cash contributed by the JBS USA, and (v) specified claims of the Debtors’ secured lenders having been paid in full pursuant to the Plan.

In addition, the obligations of the Company and JBS USA under the SPA are subject to the satisfaction of customary conditions to closing, including, without limitation, the execution and delivery of definitive documentation, receipt of certain regulatory approvals and governmental filings and the expiration or termination of applicable waiting periods, material compliance with the covenants of the parties, the representations and warranties under the SPA being true and correct (subject to certain materiality qualifiers), the absence of a material adverse change with respect to the Company since the date of the SPA and the payment of certain fees and expenses. Upon the Effective Date, the Company will, pursuant to the SPA, adopt and file an Amended and Restated Certificate of Incorporation (the “Restated Certificate of Incorporation”) and adopt Amended and Restated Corporate Bylaws (the “Restated Bylaws”).

The obligations of JBS USA under the SPA are conditioned on access of the Debtors to funding under the Exit Credit Facility. The obligations of JBS USA under the SPA, including JBS USA’s payment of the \$800 million purchase price in exchange for 64% of the total issued and outstanding common stock of Reorganized PPC, have no other financing conditions.

The Stockholders Agreement

In connection with the closing of the transactions contemplated by the SPA (referred to as the “JBS Acquisition”), the Company will enter into a stockholders agreement with JBS USA (the “Stockholders Agreement”) and will adopt and file the Restated Certificate of Incorporation. The Restated Certificate of Incorporation will provide that the total number of shares of all classes of stock which the Company shall have the authority to issue is 850,000,000, consisting of 800,000,000 shares of common stock and 50,000,000 shares of preferred stock.

The Stockholders Agreement and the Restated Certificate of Incorporation will govern the constitution of the Company’s board of directors and the selection of its members. The Stockholders Agreement, among other things, will also restrict the ability of JBS USA to purchase shares of the common stock of Reorganized PPC, require the approval of the Company’s stockholders with respect to specified amendments to the Restated Certificate of Incorporation and Restated Bylaws and require JBS USA to use commercially reasonable efforts to maintain the listing of the common stock of Reorganized PPC on a national securities exchange. Among other rights, the Restated Certificate of Incorporation provides that, if JBS USA completes an initial public offering of its common stock, then, JBS USA has the right to exchange all of the outstanding common stock of Reorganized PPC for JBS USA common stock. For a period beginning upon the completion of such offering and ending two years and 30 days after the effective date of the Plan, JBS USA

may exercise this exchange right during limited exchange windows in each fiscal quarter beginning six trading days after both Reorganized PPC and JBS USA have made their respective periodic reports or earnings releases for the preceding quarter or year, as applicable, and ending on the last day of the fiscal quarter during which the report or release was made. The number of shares of JBS USA common stock to be issued in exchange for the Reorganized PPC common stock will be dependent upon the relative average volume-weighted daily trading prices per share of the common stock of Reorganized PPC and the JBS USA common stock during the period immediately preceding the time JBS USA exercises its exchange right. Holders of Reorganized PPC's common stock may ultimately receive shares of JBS USA common stock. For additional information regarding the exchange, see the Company's Annual Report filed on Form 10-K with the Securities and Exchange Commission on November 23, 2009.

Exit Credit Facility

The Company and certain of its subsidiaries, consisting of To-Ricos, Ltd. and To-Ricos Distribution, Ltd. (collectively, the "To-Ricos Borrowers"), expect to enter into the Exit Credit Facility that provides for an aggregate commitment of up to \$1,750 million consisting of (i) a revolving loan commitment of at least \$600 million, (ii) a term loan A commitment of up to \$375 million and (iii) a term loan B commitment of up to \$775 million. The revolving loan commitment will mature in 2012. Term A loans, which cannot exceed \$375 million in the aggregate, will mature in 2012. Term B loans, which cannot exceed \$775 million in the aggregate, will mature in 2014. CoBank ACB will serve as administrative agent ("Exit Facility Agent") on behalf of the lenders under the Exit Credit Facility. The Company has received non-binding mandate letters from the potential lenders party to the Exit Credit Facility.

The Term A loans mature three years from the effective date of the Exit Credit Facility and must be repaid in 12 equal quarterly principal installments of \$12.5 million beginning on April 15, 2010, with the final installment due on the maturity date for the Term A loans. The Term B loans mature five years from the effective date of the Exit Credit Facility and must be repaid in 16 equal quarterly principal installments of \$12.5 million beginning on April 15, 2011, with the final installment due on the maturity date for the Term B loans. Additionally, following the end of each fiscal year, a portion of the Company's cash flow must be used to repay outstanding principal amounts under the Term A and Term B loans. Covenants in the Exit Credit Facility will also require the Company to use the proceeds it receives from certain asset sales and specified debt or equity issuances and upon the occurrence of other events to repay outstanding borrowings under the Exit Credit Facility.

Outstanding borrowings under the revolving loan commitment will bear interest at a per annum rate equal to 3.50% plus the greater of (i) the U.S. prime rate as published by the Wall Street Journal, (ii) the average federal funds rate plus 0.5%, and (iii) the one-month LIBOR rate plus 1.0%, in the case of alternate base rate loans, or 4.50% plus the one, two, three or six month LIBOR rate adjusted by the applicable statutory reserve, in the case of Eurodollar loans. Outstanding Term A and Term B-1 loans will bear interest at a per annum rate equal to 4.00% plus greater of (i) the U.S. prime rate, as published by the Wall Street Journal, (ii) the average federal funds rate plus 0.5%, and (iii) the one month LIBOR rate plus 1.0%, in the case of alternate base rate loans, or 5.00%, plus the one, two, three or six month LIBOR Rate adjusted by the applicable statutory reserve, in the case of Eurodollar loans. Outstanding Term B-2 loans will bear interest at a per annum rate equal to 9.00%.

The proceeds of the borrowings under the Exit Credit Facility will be used to (i) repay outstanding secured and unsecured indebtedness of the Company and (ii) pay fees, costs and expenses related to and contemplated by the Exit Credit Facility and the Plan. In addition, proceeds of the borrowings under the revolving loan commitment may be used to finance the general corporate purposes of the borrowers (including capital expenditures, permitted acquisitions and principal and interest under the Exit Credit Facility).

All obligations under the Exit Credit Facility will be unconditionally guaranteed by certain of the Company's subsidiaries and will be secured by a first priority lien on (i) the domestic (including Puerto Rico) accounts and inventory of the Company and its subsidiaries, (ii) 100% of the equity interests in the To-Ricos Borrowers and the Company's domestic subsidiaries and 65% of the equity interests in the Company's direct foreign subsidiaries, (iii) substantially all of the personal property and intangibles of the Company, the To-Ricos Borrowers and the guarantor subsidiaries, and (iv) substantially all of the real estate and fixed assets of the Company and the subsidiary guarantors.

Item 7.01. Regulation FD Disclosure.

The provisions of the Bankruptcy Code require the Debtors to file monthly operating reports with the Bankruptcy Court during the bankruptcy proceedings. The Debtors have filed the monthly operating reports for the fiscal months ended October 24, 2009 and November 28, 2009, respectively. A copy of the monthly operating report for the fiscal month ended November 28, 2009, which includes the operating results for the Debtors for the fiscal months ended October 24, 2009 and November 28, 2009, is attached as Exhibit 99.2 to this Current Report on Form 8-K.

The Company has and intends to continue to post important information about the restructuring, including monthly operating reports and other financial information required by the Bankruptcy Court, on the Company's website www.pilgrimspride.com under the "Investors-Reorganization" caption. In accordance with General Instruction B.2 of Form 8-K, the information in this Item 7.01 (including Exhibits 99.2) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing. The monthly operating reports were not prepared in accordance with U.S. generally accepted accounting principles, was not audited or reviewed by independent accountants, will not be subject to audit or review by the Company's external auditors at any time in the future, are in a format consistent with applicable bankruptcy laws, and are subject to future adjustment and reconciliation. The Company cautions investors and potential investors not to place undue reliance upon the information contained in the monthly operating reports.

Item 8.01. Other Events.

As described in the Debtors' monthly operating reports, during the fiscal months ended October 24, 2009 and November 28, 2009, the Debtors reported net losses of approximately \$13.07 million and \$15.73 million, respectively. The monthly operating reports cover the results of only the Debtors and do not include the results for the Company's other non-Debtor subsidiaries that are not material to its operations, or its Mexico operations. During the fiscal months ended October 24, 2009 and November 28, 2009, the Company's Mexico operations reported operating losses of approximately \$2.9 million and \$1.3 million, respectively.

On December 10, 2009, the Company issued a press release to announce that the Bankruptcy Court's confirmation of the Plan. A copy of the press release is attached hereto as Exhibit 99.3 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (As Modified) dated December 8, 2009
99.2	Monthly Operating Report for the fiscal month ended November 28, 2009
99.3	Press release, dated December 10, 2009

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 hereunto duly authorized.

PILGRIM'S PRIDE CORPORATION

Date: December 10, 2009

By: _____ /s/ RICHARD A. COGDILL
Richard A. Cogdill
Chief Financial Officer, Secretary and Treasurer

EXHIBIT INDEX

**Exhibit
Number**

Description

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99.2	Monthly Operating Report for the fiscal month ended November 28, 2009
99.3	Press release, dated December 10, 2009

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

In re

PILGRIM'S PRIDE CORPORATION, *et al.*,

Debtors.

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Chapter 11

Case No. 08-45664 (DML)

JOINTLY ADMINISTERED

**DEBTORS' AMENDED JOINT PLAN OF REORGANIZATION
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE (AS MODIFIED)**

WEIL, GOTSHAL & MANGES LLP

200 Crescent Court, Suite 300
Dallas, Texas 75201
(214) 746-7700

767 Fifth Avenue
New York, New York 10153
(212) 310-8000

Attorneys for Debtors and
Debtors in Possession

Dated: December 8, 2009

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Exhibit D-2 – Long Term Incentive Plan

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

In re

PILGRIM'S PRIDE CORPORATION, *et al.*,

Debtors.

§
§
§ Chapter 11
§
§ Case No. 08-45664 (DML)
§
§
§
§
§ JOINTLY ADMINISTERED

**DEBTORS' AMENDED JOINT PLAN OF REORGANIZATION
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE (AS MODIFIED)**

Pilgrim's Pride Corporation, PFS Distribution Company, PPC Transportation Company, To-Ricos, Ltd., To-Ricos Distribution, Ltd., Pilgrim's Pride Corporation of West Virginia, Inc., and PPC Marketing, Ltd. (collectively, the "Debtors") propose the following amended joint chapter 11 plan of reorganization (as modified), pursuant to section 1121(a) of title 11 of the United States Code:

ARTICLE I

DEFINITIONS AND INTERPRETATION

A. Definitions.

The following terms used herein shall have the respective meanings defined below (such meanings to be equally applicable to both the singular and plural):

1.1. **7 5/8% Indenture** means that certain indenture, dated as of January 24, 2007, between PPC and the 7 5/8% Indenture Trustee, pursuant to which the Senior Notes were issued, as such Indenture is or has been amended, modified or supplemented from time to time.

1.2. **7 5/8% Indenture Trustee** means HSBC Bank USA, National Association, in its capacity as the successor indenture trustee for the Senior Notes pursuant to the 7 5/8% Indenture, or any successor thereto.

1.3. **8 3/8% Indenture** means that certain indenture, dated as of January 24, 2007, between PPC and the 8 3/8% Indenture Trustee, pursuant to which the Subordinated Notes were issued, as such Indenture is or has been amended, modified or supplemented from time to time.

1.4. **8 3/8% Indenture Trustee** means The Bank of New York, in its capacity as the successor indenture trustee for the Subordinated Notes pursuant to the 8 3/8% Indenture, or any successor thereto.

1.5. **9 1/4% Indenture** means that certain indenture, dated as of November 21, 2003, between PPC and the 9 1/4% Indenture Trustee, pursuant to which the Senior Subordinated Notes were issued, as such Indenture is or has been amended, modified or supplemented from time to time.

1.6. **9 1/4% Indenture Trustee** means The Bank of New York, in its capacity as the indenture trustee for the Senior Subordinated Notes pursuant to the 9 1/4% Indenture, or any successor thereto.

1.7. **Administrative Expense Claims Bar Date** means the deadline for filing proofs of or requests for payment of Administrative Expense Claims, which shall be 60 days after the Effective Date, unless otherwise ordered by the Bankruptcy Court.

1.8. **Administrative Expense Claims Objection Deadline** means, as applicable, (a) the day that is the later of (i) the first Business Day that is at least 30 days after the Administrative Expense Claims Bar Date and (ii) as to Administrative Expense Claims filed after the Administrative Expense Claims Bar Date, the first Business Day that is at least 30 days after a Final Order is entered deeming the late filed claim to be treated as timely filed or (b) such later date as may be established by the Bankruptcy Court upon request of the Reorganized Debtors without further notice to parties-in-interest.

1.9. **Administrative Expense Claim** means any Claim constituting a cost or expense of administration of the Chapter 11 Cases allowed under sections 503(b) (including 503(b)(9)), 507(a)(2) and 507(b) of the Bankruptcy Code, including, without limitation, any actual and necessary costs and expenses of preserving the Debtors' estates, any actual and necessary costs and expenses of operating the Debtors' business, any actual and necessary costs and expenses of the administration and implementation of the Plan, any indebtedness or obligations incurred or assumed by the Debtors, as Debtors in Possession, during the Chapter 11 Cases, including, without limitation, for the acquisition or lease of property or an interest in property or the rendition of services, any allowances of compensation and reimbursement of expenses to the extent allowed by Final Order under section 330 or 503 of the Bankruptcy Code, and any fees or charges assessed against the Debtors' estates under section 1930 of chapter 123 of title 28 of the United States Code.

1.10. **ADR Procedures Order** means the Order Pursuant to Section 105(a) of the Bankruptcy Code, Bankruptcy Rule 9019 and Local Rule 9019.2(I) Establishing Alternative Dispute Resolution Procedures for Resolution of Personal Injury Claims and (II) Granting Related Relief, entered by the Bankruptcy Court on April 9, 2009 [Docket No. 1435].

1.11. **Affiliate** shall have the meaning ascribed in section 101 of the Bankruptcy Code.

1.12. **Allowed** means, (i) with respect to a Claim, that (a) such Claim has been listed by the Debtors in the Schedules, as such Schedules may be amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent and no contrary Proof of Claim has been filed or objection interposed by the Debtors prior to the Effective Date, (b) a Proof of Claim with respect to such Claim has been timely filed and no objection thereto has been interposed within the time period set forth in Sections 2.1 or 7.1 of the Plan, as applicable, or such other applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or an objection thereto has been interposed and such Claim has been allowed in whole or in part by a Final Order, (c) such Claim has been expressly allowed by a Final Order or under the Plan, or (d) such Claim has been compromised, settled, or otherwise resolved pursuant to the authority granted to the Debtors and Reorganized Debtors pursuant to a Final Order or under Sections 7.1, 7.4, or 7.5 of the Plan; and (ii) with respect to an Equity Interest, that such an Equity Interest is reflected in the stock transfer ledger or similar register of the applicable Debtor on either the Voting Record Date or the Distribution Record Date, as applicable.

- 1.13. **Avoidance Actions** means any actions commenced, or that may be commenced before or after the Effective Date, pursuant to section 544, 545, 547, 548, 550, or 551 of the Bankruptcy Code.
- 1.14. **BMO** means Bank of Montreal, as agent for the lenders that are party, from time to time, to the Prepetition BMO Credit Agreement, and as agent for the DIP Lenders.
- 1.15. **BMO Guarantee Agreement** means the Pilgrim's Pride Corporation Second Amended and Restated Guaranty Agreement, dated as of February 8, 2007.
- 1.16. **BMO Secured Claim** means all Claims arising under the Prepetition BMO Credit Agreement and all Claims of BMO, as agent, and lenders thereunder arising under the DIP Financing Order, less all payments made subsequent to the Commencement Date in respect of such Claims under the DIP Financing Order.
- 1.17. **Bankruptcy Code** means title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Cases.
- 1.18. **Bankruptcy Court** means the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division, or such other court that exercises jurisdiction over the Chapter 11 Cases.
- 1.19. **Bankruptcy Rules** means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, as amended from time to time, and any Local Rules of the Bankruptcy Court, as applicable to the Chapter 11 Cases.
- 1.20. **Business Day** means any day other than a Saturday, a Sunday, or any other day on which banking institutions in New York, New York are required or authorized to close by law or executive order.
- 1.21. **Cash** means legal tender of the United States of America.
- 1.22. **Chapter 11 Cases** means the cases under chapter 11 of the Bankruptcy Code commenced by the Debtors on December 1, 2008 in the Bankruptcy Court and styled *In re Pilgrim's Pride Corporation, et al.*, Chapter 11 Case No. 08-45664 (DML) (Jointly Administered).
- 1.23. **Charging Lien** means any right of any Indenture Trustee to a Lien upon or other priority in payment with respect to distributions to be made to holders of Note Claims for payment of any Indenture Trustee Fees arising prior to the Effective Date.
- 1.24. **Chief Restructuring Officer** means William Snyder of CRG Partners Group LLC, in his capacity as chief restructuring officer for PPC in these Chapter 11 Cases, and CRG Partners Group LLC.
- 1.25. **Claim** shall have the meaning ascribed to such term in section 101 of the Bankruptcy Code.
- 1.26. **Claims Agent** means Kurtzman Carson Consultants LLC, in its capacity as the claims and noticing agent appointed in these Chapter 11 Cases.
- 1.27. **Class** means any group of Claims or Equity Interests classified by the Plan as set forth in Article III of the Plan.

1.28. **CoBank** means CoBank, ACB, as administrative, documentation and collateral agent for the benefit of present and future syndication parties, lead arranger and book manager under the Prepetition CoBank Credit Agreement.

1.29. **CoBank Guarantee Agreement** means the Amended and Restated Guaranty of Pilgrim Interests, Ltd. to the Lender Group and CoBank, ACB, as Agent, dated as of September 21, 2006.

1.30. **CoBank Secured Claim** means all Claims arising under the Prepetition CoBank Credit Agreement and all Claims of CoBank, as agent, and lenders thereunder arising under the DIP Financing Order, less all payments made subsequent to the Commencement Date in respect of such Claims under the DIP Financing Order.

1.31. **Collateral** means any property or interest in property of the Debtors' estates subject to a Lien, charge, or other encumbrance to secure the payment or performance of a Claim, which Lien, charge, or other encumbrance is not subject to avoidance under the Bankruptcy Code.

1.32. **Commencement Date** means December 1, 2008, the date on which the Debtors commenced the Chapter 11 Cases.

1.33. **Committees** means, collectively, the Creditors' Committee, the Equity Committee, and the Fee Review Committee.

1.34. **Compensation and Benefit Programs** means the following compensation and benefit programs: the Debtors' workers' compensation programs, the Debtors' 2005 Deferred Compensation Plan, Retirement Plan for Union Employees, Retirement Plan for El Dorado Union Employees, UFCW Pension Plan, the Debtors' 401k Plan, Severance Plan, programs related to paid time off, vacation, sick and personal days, holiday pay, 2009 Performance Bonus Plan, the Debtors' Medical, Dental and Vision Plans, the Debtors' Basic Life, AD&D, and Business Travel Accident Insurance, the Debtors' Voluntary Accident Insurance Policy, Voluntary Whole Life Insurance Policy, Voluntary Critical Illness Insurance Policy, the Debtors' Disability Benefits, Flexible Spending Programs, Key Employee Incentive Compensation Agreements, Performance Improvement Plan, Professional Drivers Incentive Program, Attendance Award Program, Incentive Education Program, Referral and Sign-On Awards, Service Awards, Tuition Reimbursement, Chaplain Program, Nurse Line Program, Special Beginnings Maternity Program, Car Allowance Program, and Relocation Program, the Gold Kist Director Emeritus Agreement for Medical Benefits, the Gold Kist Director Emeritus Life Benefits Agreement, the Gold Kist Deferred Compensation Agreements, the Gold Kist Supplemental Executive Retirement Plan, the Gold Kist Executive Savings Plan, the Gold Kist Directors Savings Plan, the Gold Kist Enhanced Defined Contribution Plan, and the Pilgrim's Pride Pension Plan for Legacy Gold Kist Employees, all as more fully described on Schedule 1.34 hereof.

1.35. **Compensation-Related Obligation** means a Claim of a present or former employee, officer or director of any of the Debtors in his or her capacity as such, (i) for current or future wages, salary, commissions, or benefits, or (ii) with respect to any Compensation and Benefit Program or any other employment or severance program that has not been rejected or otherwise terminated under this Plan or pursuant to another order of the Bankruptcy Court.

1.36. **Confirmation Date** means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court with respect to the Chapter 11 Cases.

1.37. **Confirmation Hearing** means the hearing to be held by the Bankruptcy Court regarding confirmation of the Plan in accordance with section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

1.38. **Confirmation Order** means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

1.39. **Contingent Claim** means any Claim, the liability for which attaches or is dependent upon the occurrence of, or is triggered by, an event, which event has not yet occurred as of the date on which such Claim is sought to be estimated or an objection to such Claim is filed, whether or not such event is within the actual or presumed contemplation of the holder of such Claim and whether or not a relationship between the holder of such Claim and the applicable Debtor now or hereafter exists or previously existed.

1.40. **Covered Professionals** has the meaning ascribed to such term in the Order Granting Motion for (I) Appointment of a Fee Review Committee and (II) Amendment of the Interim Compensation Order entered by the Bankruptcy Court on April 29, 2009 [Docket No. 1624].

1.41. **Creditors' Committee** means the statutory committee of unsecured creditors appointed pursuant to section 1102 of the Bankruptcy Code in the Chapter 11 Cases, as may be reconstituted from time to time.

1.42. **Debtors** means PPC, PFS Distribution Company, PPC Transportation Company, To-Ricos, To-Ricos Distribution, Pilgrim's Pride Corporation of West Virginia, Inc., and PPC Marketing, Ltd.

1.43. **Debtors in Possession** means the Debtors in their capacity as debtors in possession in the Chapter 11 Cases pursuant to sections 1101, 1107(a), and 1108 of the Bankruptcy Code.

1.44. **DIP Claims** means all Claims arising under the DIP Credit Agreement and the DIP Financing Order.

1.45. **DIP Credit Agreement** means that certain amended and restated postpetition credit agreement entered into as of December 1, 2008, by and among PPC, To-Ricos and To-Ricos Distribution, as guarantors, the DIP Lenders, and BMO, as agent for the DIP Lenders, as amended from time to time.

1.46. **DIP Financing Order** means the Final Order of the Bankruptcy Court entered on December 30, 2008 authorizing the Debtors to make borrowings under the DIP Credit Agreement [Docket No. 396].

1.47. **DIP Lenders** means the several lenders party from time to time to the DIP Credit Agreement.

1.48. **Disallowed Claim** means a Claim or a portion of a Claim that is disallowed by an order of the Bankruptcy Court or any other court of competent jurisdiction.

1.49. **Disbursing Agent** means such Entity as is designated pursuant to Section 6.5 of the Plan to be a disbursing agent.

1.50. **Disclosure Statement** means the disclosure statement with respect to the Plan filed with and approved by the Bankruptcy Court in accordance with section 1125 of the Bankruptcy Code, as such disclosure statement may be amended, modified or supplemented.

1.51. **Disputed** means, with respect to a Claim or Equity Interest, any such Claim (including any Administrative Expense Claim) or Equity Interest (a) to the extent neither Allowed nor disallowed under the Plan or a Final Order nor deemed Allowed under section 502, 503 or 1111 of the Bankruptcy Code, (b) which has been or hereafter is listed by a Debtor on its Schedules as unliquidated, disputed or contingent and which has not been resolved by written agreement of the parties or a Final Order, or (c) for which a Proof of Claim has been timely filed with the Bankruptcy Court or a written request for payment has been made and the Debtors or the Reorganized Debtors, as applicable, have interposed a timely objection and/or request for estimation in accordance with the Plan, which objection or request for estimation has not been withdrawn or determined by a Final Order. Prior to the earlier of the time an objection has been timely filed and the expiration of the time within which to object to such Claim set forth herein or otherwise established by order of the Bankruptcy Court, a Claim shall be considered a Disputed Claim to the extent that (i) the amount of the Claim specified in a Proof of Claim exceeds the amount of the Claim scheduled by the Debtor as not disputed, contingent or unliquidated, and/or (ii) to the extent that any such Claim is classified differently in the Proof of Claim than as set forth on the Debtors' schedules.

1.52. **Distribution Record Date** means, (a) with respect to holders of Claims (other than Note Claims), the date that is three (3) days after the Confirmation Date, and (b) with respect to Equity Interests, the Effective Date.

1.53. **Effective Date** means the Closing Date (as specified in section 2.03 of the SPA); provided, however, that the conditions to the effectiveness of the Plan specified in Article 11 of the Plan have been satisfied or waived.

1.54. **Entity** means a person, corporation, general partnership, limited partnership, limited liability company, limited liability partnership, association, joint stock company, joint venture, estate, trust, unincorporated organization, Governmental Unit or any subdivision thereof, including, without limitation, the Office of the United States Trustee.

1.55. **Equity Committee** means the statutory committee of equity security holders appointed pursuant to section 1102 of the Bankruptcy Code in the Chapter 11 Cases, as may be reconstituted from time to time.

1.56. **Equity Interest** means the interest of any holder of an equity security of any of the Debtors represented by any issued and outstanding shares of common stock or any other instrument evidencing an ownership interest in any of the Debtors, whether or not transferable, or any option, warrant, or right, contractual or otherwise, to acquire any such interest.

1.57. **Exit Facility** means the credit facility pursuant to the Exit Facility Documents, the material terms of which shall be substantially the same as those set forth on Exhibit A.

1.58. **Exit Facility Agent** means CoBank, as administrative agent for the Exit Lenders under the Exit Facility.

1.59. **Exit Facility Documents** means the agreements, documents and instruments to be dated on or about the Effective Date and to be entered into among Reorganized PPC, Reorganized To-Ricos and Reorganized To-Ricos Distribution, as borrowers, the Exit Facility Agent and the Exit Lenders, in respect of a credit facility for an amount up to \$1,750,000,000, and all related documents, instruments and agreements entered into or executed in connection therewith, the proceeds of which shall be available for use by the Reorganized Debtors to, among other things, make distributions under the Plan to the holders of Allowed Claims against the Debtors and to satisfy general working capital requirements of the Reorganized Debtors on and after the Effective Date.

1.60. **Exit Financing** means any financing arrangement that the Reorganized Debtors enter into on or about the Effective Date in connection with the consummation of the Plan, including the Exit Facility, and any amendments, modifications or supplements thereto.

1.61. **Exit Lenders** means the lenders under the Exit Facility.

1.62. **Fee Review Committee** means the committee appointed pursuant to sections 105(a) and 331 of the Bankruptcy Code, Rule 2016(a) of the Federal Rules of Bankruptcy Procedure, and the Guidelines for Compensation and Expense Reimbursement of Professionals as incorporated in General Order 2006-02 to review the fees of Covered Professionals retained by the Debtors in connection with the Chapter 11 Cases.

1.63. **Final Order** means an order or judgment of the Bankruptcy Court or any other court of competent jurisdiction that has not been reversed, vacated, or stayed, and as to which (i) the time to appeal, petition for *certiorari*, or move for a new trial, reargument, or rehearing has expired, and as to which no appeal, petition for *certiorari*, or other proceedings for a new trial, reargument, or rehearing shall then be pending, or (ii) if an appeal, writ of *certiorari*, new trial, reargument, or rehearing thereof has been sought, such order or judgment shall have been affirmed by the highest court to which such order was appealed, or *certiorari* shall have been denied, or a new trial, reargument, or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for *certiorari* or move for a new trial, reargument, or rehearing shall have expired; provided, however, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed relating to such order shall not cause such order to not be a Final Order.

1.64. **Flow-Through Claim** means an Allowed Claim arising from (a) an Ordinary Course Customer Obligation, or (b) a Compensation-Related Obligation; provided, however, that all defenses to any Flow-Through Claim shall be fully preserved and that nothing herein is an admission that any person has a Flow-Through Claim.

1.65. **General Unsecured Claim** means any Claim against any of the Debtors other than a Priority Non-Tax Claim, a BMO Secured Claim, a CoBank Secured Claim, a Secured Tax Claim, an Other Secured Claim, a Note Claim, an Intercompany Claim, or an Equity Interest.

1.66. **Governmental Unit** has the meaning ascribed to such term in section 101(27) of the Bankruptcy Code.

1.67. **Guarantee Agreements** means collectively, the BMO Guarantee Agreement and the CoBank Guarantee Agreement.

1.68. **Indenture Trustees** means the 7 5/8% Indenture Trustee, the 8 3/8% Indenture Trustee, and the 9 1/4% Indenture Trustee, collectively.

1.69. **Indenture Trustee Fee Claim** means any Claim of any Indenture Trustee for the reimbursement of its reasonable accrued and unpaid fees and expenses under the applicable Indenture.

1.70. **Indentures** means the 7 5/8% Indenture, the 8 3/8% Indenture, and the 9 1/4% Indenture, collectively.

1.71. **Intercompany Claim** means any Claim against any Debtor held by another Debtor.

1.72. **Lien** means any charge against or interest in property to secure payment of a debt or performance of an obligation.

1.73. **LTIP** means the Long Term Incentive Plan, substantially in the form attached hereto as Exhibit D-2 and having the material terms set forth on Exhibit D.

1.74. **Mandatory Exchange Transaction** means that right of the Plan Sponsor to convert New PPC Common Stock into equity interests in the Plan Sponsor, as set forth in the Restated Certificate of Incorporation.

1.75. **New Employee Incentive Plans** means the STIP and the LTIP.

1.76. **New PPC Common Stock** means the shares of common stock to be issued by Reorganized PPC, having the material terms set forth in the Restated Certificate of Incorporation.

1.77. **Note Claims** means all Senior Note Claims, Subordinated Note Claims and Senior Subordinated Note Claims, collectively.

1.78. **Notes** means the Senior Notes, Subordinated Notes, and the Senior Subordinated Notes.

1.79. **Ordinary Course Customer Obligation** means any obligation of any Debtor or Debtors to any customer of such Debtor or Debtors incurred in the ordinary course of business conducted between such Debtor or Debtors and such customer.

1.80. **Other Secured Claim** means any Secured Claim other than a Secured Tax Claim, a BMO Secured Claim, or a CoBank Secured Claim.

1.81. **Pilgrim's Pride** means, collectively, PPC and its debtor and non-debtor affiliates.

1.82. **Plan** means this Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (As Modified), including the Plan Documents, the Plan Supplement, and the exhibits and schedules hereto and thereto, as the same may be amended or modified from time to time in accordance with the provisions of the Bankruptcy Code and the terms of the Plan.

1.83. **Plan Sponsor** means JBS USA Holdings, Inc.

1.84. **Plan Supplement** means the document (as may be amended, modified or supplemented) containing the forms of documents specified in Section 13.10 of the Plan.

1.85. **PPC** means Pilgrim's Pride Corporation, a Delaware corporation.

1.86. **PPC Common Stock** means the shares of common stock of PPC issued and outstanding immediately prior to the Effective Date, excluding any shares of restricted stock of PPC as to which any conditions to vesting shall not have lapsed or shall not have been satisfied as of the Effective Date.

1.87. **Prepetition BMO Credit Agreement** means that certain Fourth Amended and Restated Credit Agreement, dated as of February 8, 2007, among PPC, BMO, as agent, the lenders from time to time party thereto, SunTrust Bank, as syndication agent and U.S. Bank National Association and Wells Fargo Bank, National Association, as co-documentation agents, as may have been amended from time to time.

1.88. **Prepetition CoBank Credit Agreement** means that 2006 Amended and Restated Credit Agreement (Convertible Revolving Loan and Term Loan), dated as of September 21, 2006, by and among PPC, CoBank, as administrative, documentation and collateral agent for the benefit of present and future syndication parties, lead arranger and book manager, Agriland, FCS, as co-syndication agent and a syndication party, the other agents and syndication parties signatory thereto, as may have been amended from time to time.

1.89. **Priority Non-Tax Claim** means a Claim entitled to priority in payment as specified in section 507(a) of the Bankruptcy Code (other than a Priority Tax Claim or an Administrative Expense Claim).

1.90. **Priority Tax Claim** means any Claim of a Governmental Unit of the kind entitled to priority in payment as specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

1.91. **Protected Persons** means (a) the present and former directors, officers, employees, affiliates, agents, financial advisors, investment bankers, attorneys, and representatives of the Debtors (including the Chief Restructuring Officer), (b) the Committees, (c) the agents and lenders under the Prepetition BMO Credit Agreement, (d) the agents and lenders under to the Prepetition CoBank Credit Agreement, (e) the agents and lenders under the DIP Credit Agreement, (f) Pilgrim Interests, Ltd. (solely in its capacity as guarantor under the Guarantee Agreements), (g) the Plan Sponsor, and (h) the present and former directors, officers, employees, affiliates, agents, financial advisors, investment bankers, attorneys, and representatives of each of the foregoing in clauses (b) through (g).

1.92. **Proof of Claim** means any proof of Claim or request for payment of an Administrative Expense Claim filed by any holder of a Claim in these Bankruptcy Cases.

1.93. **Reorganized Debtors** means each of the Debtors, as reorganized as of the Effective Date in accordance with the Plan, and their successors.

1.94. **Reorganized Debtor Constituent Documents** means the bylaws, certificates and/or articles of incorporation, partnership agreements, limited liability company membership agreements, and other organizational documents as applicable, for each of the Reorganized Debtors, as amended and restated as of the Effective Date, among other things, to (a) prohibit the issuance of non-voting equity securities by such Debtor as required by section 1123(a)(6) of the Bankruptcy Code, and (b) otherwise give effect to the provisions of the Plan including, without limitation, the Restated Certificate of Incorporation and Restated Bylaws.

1.95. **Reorganized PPC** means PPC, as reorganized as of the Effective Date in accordance with the Plan.

1.96. **Reorganized To-Ricos** means To-Ricos, Ltd., as reorganized as of the Effective Date in accordance with the Plan.

1.97. **Reorganized To-Ricos Distribution** means To-Ricos Distribution, Ltd., as reorganized as of the Effective Date in accordance with the Plan.

1.98. **Restated Bylaws** means the amended and restated bylaws to be adopted by PPC, which will be effective upon the Effective Date, substantially in the form of Exhibit C, as may be amended prior to the Confirmation Date with the consent of the Plan Sponsor.

1.99. **Restated Certificate of Incorporation** means the amended and restated certificate of incorporation to be adopted by PPC and filed with the Secretary of State of State of Delaware on the Effective Date or as soon as practicable thereafter, substantially in the form of Exhibit C, as may be amended prior to the Confirmation Date with the consent of the Plan Sponsor.

1.100. **Schedules** means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtors pursuant to section 521 of the Bankruptcy Code, Bankruptcy Rule 1007, and the Official Bankruptcy Forms of the Bankruptcy Rules, as such schedules and statements may be supplemented or amended on or prior to the Effective Date.

1.101. **Secured Claim** means any Claim (other than a DIP Claim) that is secured by a Lien on Collateral, to the extent such lien is valid, perfected, and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law, and only to the extent of the value of such Collateral, as determined in accordance with section 506(a) of the Bankruptcy Code, or, in the event that such Claim is subject to a permissible setoff under section 553 of the Bankruptcy Code, to the extent of such permissible setoff; provided that to the extent that the value of such interest is less than the amount of the Claim which has the benefit of such security, the unsecured portion of such Claim shall be treated as an Unsecured Claim unless, in any such case, the class of which such Claim is a part makes a valid and timely election in accordance with section 1111(b) of the Bankruptcy Code to have such Claim treated as a Secured Claim to the extent allowed.

1.102. **Secured Tax Claim** means any Secured Claim that, absent its secured status, would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code (determined irrespective of any time limitations therein).

1.103. **Senior Notes** means those certain 7 5/8% senior notes due May 1, 2015, issued on January 24, 2007 by PPC in the aggregate amount of \$400 million.

1.104. **Senior Note Claims** means all Claims arising under any of the Senior Notes.

1.105. **Senior Subordinated Notes** means those certain 9 1/4% senior subordinated notes due November 15, 2013, issued on November 21, 2003 by PPC in the aggregate amount of \$6.996 million.

1.106. **Senior Subordinated Note Claims** means all Claims arising under any of the Senior Subordinated Notes.

1.107. **Settling Unions** means collectively, the United Food and Commercial Workers International Union and its various local affiliates, including the Retail, Wholesale, and Department Store Union, the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union, and the United Steel Workers of America.

1.108. **SPA** means the Stock Purchase Agreement between the Plan Sponsor and PPC, as the same may be amended, modified, or supplemented from time to time, attached hereto as Exhibit B, and all documents executed in connection therewith pursuant to which the Plan Sponsor shall purchase New PPC Common Stock in the amount set forth in the SPA.

1.109. **STIP** means the Short Term Management Incentive Plan, substantially in the form attached hereto as Exhibit D-1 having the material terms set forth on Exhibit D.

1.110. **Stockholders Agreement** means the Stockholders Agreement between Reorganized PPC and the Plan Sponsor to be entered into on the Effective Date or as soon as practicable thereafter, in the form of Exhibit A that is attached to the SPA.

1.111. **Subordinated Notes** means those certain 8 3/8% senior subordinated notes due May 1, 2017, issued on January 24, 2007 by PPC in the aggregate amount of \$250 million.

1.112. **Subordinated Note Claims** means all Claims arising under any of the Subordinated Notes.

1.113. **To-Ricos** means To-Ricos, Ltd., a Bermuda company.

1.114. **To-Ricos Distribution** means To-Ricos Distribution, Ltd., a Bermuda company.

1.115. **Unliquidated Claim** means any Claim, the amount of liability for which has not been fixed, whether pursuant to agreement, applicable law, or otherwise, as of the date on which such Claim is sought to be estimated or an objection is filed.

1.116. **Voting Record Date** means the record date or dates(s) for voting on the Plan that is designated in the order of the Bankruptcy Court approving the Disclosure Statement.

B. Interpretation; Application of Definitions and Rules of Construction.

Unless otherwise specified, all section or exhibit references in the Plan are to the respective section in, or exhibit to, the Plan, as the same may be amended, waived, or modified from time to time. The words “herein,” “hereof,” “hereto,” “hereunder,” and other words of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained therein. Whenever the words “include”, “includes” or “including” are used in the Plan, they are deemed to be followed by the words “without limitation.” A term used herein that is not defined herein shall have the meaning ascribed to that term in the Bankruptcy Code. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the Plan. Words denoting the singular number shall include the plural number and vice versa, as appropriate, and words denoting one gender shall include the other gender and the neuter and words denoting the neuter shall include any applicable gender. In the event that a particular term of the Plan (including any exhibits or schedules hereto) conflicts with a particular term of the definitive documentation required to be implemented pursuant to the terms of the Plan or any settlement or other agreement contemplated hereunder, the definitive documentation shall control and shall be binding on the parties thereto. The headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of the Plan.

ARTICLE II

PROVISIONS FOR PAYMENT OF ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS

Administrative Expense Claims and Priority Tax Claims are not designated as classes of Claims for purposes of the Plan or for purposes of sections 1123, 1124, 1125, 1126 or 1129 of the Bankruptcy Code, and are not entitled to vote on the Plan.

2.1. Administrative Expense Claims.

(a) Time for Filing Administrative Expense Claims. The holder of an Administrative Expense Claim, other than (i) a claim covered by sections 2.2, 2.3, or 2.4 hereof, (ii) a liability incurred and payable in the ordinary course of business by a Debtor (and not past due), (iii) an Administrative Expense Claim that has been Allowed on or before the Effective Date, or (iv) a claim subject to section 503(b)(9) of the Bankruptcy Code, must file with the Bankruptcy Court and serve on the Debtors, the Reorganized Debtors, and the Office of the United States Trustee, notice of such Administrative Expense Claim on or prior to the Administrative

Expense Claim Bar Date. Such notice must include at a minimum (A) the name of the Debtor(s) which are purported to be liable for the Claim, (B) the name of the holder of the Claim, (C) the amount of the Claim, and (D) the basis of the Claim. **Failure to file and serve such notice timely and properly shall result in the Administrative Expense Claim being forever barred and discharged.**

(b) Allowance of Administrative Expense Claims. An Administrative Expense Claim with respect to which notice has been properly filed and served pursuant to Section 2.1(a) shall become an Allowed Administrative Expense Claim if no objection is filed on or prior to the Administrative Expense Claims Objection Deadline. If an objection is timely filed, the Administrative Expense Claim shall become an Allowed Administrative Expense Claim only to the extent allowed by Final Order or settled, compromised, otherwise resolved by the Debtors or Reorganized Debtors pursuant to section 7.4 of the Plan.

(c) Payment of Allowed Administrative Expense Claims. Except to the extent that a holder of an Allowed Administrative Expense Claim (other than a claim covered by sections 2.2, 2.3, or 2.4 hereof) agrees to a less favorable treatment, each Allowed Administrative Expense Claim (including any Allowed Claim asserted under section 503(b)(9) of the Bankruptcy Code) shall be paid by the Reorganized Debtors in full, in Cash, in an amount equal to the unpaid portion of such Allowed Administrative Expense Claim on or as soon as reasonably practicable following the later to occur of (a) the Effective Date and (b) the date on which such Administrative Expense Claim shall become an Allowed Claim; *provided, however*, that Allowed Administrative Expense Claims (other than a claim covered by sections 2.2, 2.3, or 2.4 hereof) against any of the Debtors representing liabilities incurred in the ordinary course of business by any of the Debtors, as Debtors in Possession, shall be paid by the Debtors in the ordinary course of business, consistent with past practice and in accordance with applicable non-bankruptcy law or the terms, and subject to the conditions of, any agreements governing, instruments evidencing, or other documents relating to such transactions; *provided further, however*, that upon payment of the Allowed BMO Secured Claims and the Allowed CoBank Secured Claims (both as defined below), as applicable, any Allowed Administrative Expense Claims of BMO and CoBank, as agents for the lenders that are party from time to time to the Prepetition BMO Credit Agreement and the Prepetition CoBank Credit Agreement, respectively, shall be deemed satisfied in full.

2.2. Professional Compensation and Reimbursement Claims.

The Bankruptcy Court shall fix in the Confirmation Order a date for the filing of, and a date to hear and determine, all applications for final allowance of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under sections 328 and 330 of the Bankruptcy Code or applications for allowance of Administrative Expense Claims arising under section 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code. Unless otherwise agreed to by the claimant and the Debtors or the Reorganized Debtors, as applicable, the Allowed Administrative Expense Claims arising under section 330, 331, 503(b)(2), 503(b)(3), 503(b)(4), and 503(b)(5) of the Bankruptcy Code shall be paid in full, in Cash, as soon as practicable following the later to occur of (a) the Effective Date and (b) the date upon which any such Administrative Expense Claim becomes an Allowed Administrative Expense Claim. The Debtors and the Reorganized Debtors, as applicable, are authorized to pay compensation for services rendered or reimbursement of expenses incurred after the Confirmation Date and until the Effective Date in the ordinary course of business and without the need for Bankruptcy Court or Fee Review Committee approval.

2.3. Indenture Trustee Fee Claims.

Notwithstanding any provision contained in this Plan to the contrary, unless otherwise agreed to by an Indenture Trustee and Reorganized PPC, all Indenture Trustee Fee Claims and fees for services related to distributions pursuant to the Plan shall be paid

in Cash on the Effective Date by Reorganized PPC as Administrative Expense Claims, without the need for application to, or approval of, any court. The Indenture Trustee's Charging Lien will be discharged solely upon payment in full of the Indenture Trustee Fee Claims. Nothing herein shall be deemed to impair, waive or discharge the Charging Lien for any fees and expenses not paid by Reorganized PPC.

2.4. DIP Claims.

Except to the extent that a DIP Lender agrees to a different treatment, the DIP Claims shall be paid in full, in Cash, on the Effective Date and all fees and expenses of attorneys and financial advisors for BMO, as agent for the DIP Lenders, shall be paid in accordance with the DIP Financing Order and DIP Credit Agreement on the later of (i) the Effective Date and (ii) presentment of the relevant invoices to the Debtors or the Reorganized Debtors, as applicable.

2.5. Priority Tax Claims.

Except to the extent that a holder of an Allowed Priority Tax Claim has been paid by the Debtors prior to the Effective Date or agrees to a less favorable treatment, each holder of an Allowed Priority Tax Claim shall receive on or as soon as reasonably practicable following the later to occur of (i) the Effective Date and (ii) the date on which such Priority Tax Claim shall become an Allowed Priority Tax Claim, Cash in an amount equal to such Allowed Priority Tax Claim, including any interest on such Allowed Priority Tax Claim required to be paid pursuant to the Bankruptcy Code from the later of the Commencement Date and the date the relevant tax becomes past due through the date such Claim is paid.

ARTICLE III

CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

The following table designates the Classes of Claims against and Equity Interests in the Debtors and specifies which of those Classes are (i) impaired or unimpaired by the Plan and (ii) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code or either deemed to accept or deemed to reject the Plan.

Class	Designation	Status	Entitled to Vote?
Classes 1 (a)-(g)	Priority Non-Tax Claims against PPC, PFS Distribution Company, PPC Transportation Company, To-Ricos, To-Ricos Distribution, Pilgrim's Pride Corporation of West Virginia, Inc., and PPC Marketing, Ltd., as applicable	Unimpaired	No (deemed to accept)
Classes 2 (a)-(c)	BMO Secured Claims against PPC, To-Ricos and To-Ricos Distribution, as applicable	Unimpaired	No (deemed to accept)
Class 3	CoBank Secured Claims against PPC	Unimpaired	No (deemed to accept)
Classes 4(a)-(g)	Secured Tax Claims against PPC, PFS Distribution Company, PPC Transportation Company, To-Ricos, To-Ricos Distribution, Pilgrim's Pride Corporation of West Virginia, Inc., and PPC Marketing, Ltd., as applicable	Unimpaired	No (deemed to accept)
Classes 5(a)-(g)	Other Secured Claims against PPC, PFS Distribution Company, PPC Transportation Company, To-Ricos, To-Ricos Distribution, Pilgrim's Pride Corporation of West Virginia, Inc., and PPC Marketing, Ltd., as applicable	Unimpaired	No (deemed to accept)

Classes 6(a)-(c)	Note Claims against PPC	Unimpaired	No (deemed to accept)
Classes 7(a)-(g)	General Unsecured Claims against PPC, PFS Distribution Company, PPC Transportation Company, To-Ricos, To-Ricos Distribution, Pilgrim's Pride Corporation of West Virginia, Inc., and PPC Marketing, Ltd., as applicable	Unimpaired	No (deemed to accept)
Class 8	Intercompany Claims	Unimpaired	No (deemed to accept)
Classes 9(a)-(g)	Flow-Through Claims	Unimpaired	No (deemed to accept)
Classes 10(a)	Equity Interests in PPC	Impaired	Yes
Class 10(b)-(g)	Equity Interests in PFS Distribution Company, PPC Transportation Company, To-Ricos, To-Ricos Distribution, Pilgrim's Pride Corporation of West Virginia, Inc., and PPC Marketing, Ltd., as applicable	Unimpaired	No (deemed to accept)

ARTICLE IV

TREATMENT OF CLAIMS AND EQUITY INTERESTS

4.1. *Classes 1(a)-(g): Priority Non-Tax Claims against the Debtors.*

(a) Impairment and Voting. Classes 1(a) through (g) are unimpaired by the Plan. Each holder of an Allowed Priority Non-Tax Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. Except to the extent that a holder of an Allowed Priority Non-Tax Claim agrees to a less favorable treatment, each such holder shall receive, in full satisfaction of such Claim, Cash in an amount equal to such Claim, on or as soon as reasonably practicable after the later of (i) the Effective Date, and (ii) the date such Claim becomes Allowed.

4.2. *Classes 2(a)-(c): Bank of Montreal Secured Claims against PPC, To-Ricos, and To-Ricos Distribution.*

(a) Allowed Claim. On the Effective Date, BMO, in its capacity as agent for the lenders that are party, from time to time, to the Prepetition BMO Credit Agreement, shall be deemed to have an allowed BMO Secured Claim in an amount to be agreed upon by the Debtors and BMO, which will be fully secured and not subject to any avoidance, recharacterization, disallowance, subordination, recoupment, setoff, defense or counterclaim (the "Allowed BMO Secured Claim").

(b) Impairment and Voting. Classes 2(a) through 2(c) are unimpaired by the Plan. Each holder of an Allowed BMO Secured Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

(c) Distributions. Except to the extent that a holder of an Allowed BMO Secured Claim agrees to a less favorable treatment, each such holder shall receive, in full satisfaction of such Claim, Cash in an amount equal to such Claim on the Effective Date. Letters of credit issued by BMO and outstanding as of the Effective Date shall be cancelled and returned to the issuing bank with notice to BMO, or cash in an amount of 105% of the face amount of the letter of credit shall be placed with the letter of credit bank, or replacement letters of credit shall be issued under the Exit Facility. Upon satisfaction of the Allowed BMO Secured Claims as set forth herein, the obligations set forth in the BMO Guarantee Agreement shall be cancelled.

4.3. *Class 3: CoBank Secured Claims against PPC.*

(a) Allowed Claim. On the Effective Date, CoBank, in its capacity as agent for the lenders that are party, from time to time, to the Prepetition CoBank Credit Agreement, shall be deemed to have an allowed CoBank Secured Claim in an amount to be agreed upon by the Debtors and CoBank, which will be fully secured and not subject to any avoidance, recharacterization, disallowance, subordination, recoupment, setoff, defense or counterclaim (the "Allowed CoBank Secured Claim").

(b) Impairment and Voting. Class 3 is unimpaired by the Plan. Each holder of an Allowed CoBank Secured Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

(c) Distributions. Except to the extent that a holder of an Allowed CoBank Secured Claim agrees to a less favorable treatment, each Allowed CoBank Secured Claim shall be, at the sole option of the Reorganized PPC, (i) satisfied in full in Cash in an amount equal to such Allowed CoBank Secured Claim, on or as soon as reasonably practicable after the later of (a) the Effective Date, and (b) the date such Claim becomes Allowed, (ii) reinstated pursuant to amended terms and conditions to be negotiated, or (iii) reinstated and rendered unimpaired in accordance with section 1124 of the Bankruptcy Code, notwithstanding any contractual provision or applicable nonbankruptcy law that entitles the holder of an Allowed CoBank Secured Claim to demand or receive payment of such Claim prior to its stated maturity from and after the occurrence of default. To the extent that any holder of an Allowed CoBank Secured Claim is entitled to accrued and unpaid postpetition interest on account of such Claim, such holder will receive, at the sole option of the Reorganized PPC, either (i) Cash in an amount equal to such accrued and unpaid postpetition default interest, or (ii) satisfaction of such accrued and unpaid postpetition interest on such other terms as may be negotiated between PPC or Reorganized PPC and CoBank.

4.4. *Classes 4(a)–(g): Secured Tax Claims against the Debtors.*

(a) Impairment and Voting. Classes 4(a) through (g) are unimpaired by the Plan. Each holder of an Allowed Secured Tax Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. Except to the extent that a holder of an Allowed Secured Tax Claim has been paid by the Debtors prior to the Effective Date or agrees to a less favorable treatment, each holder of an Allowed Secured Tax Claim shall receive on or as soon as reasonably practicable following the later to occur of (i) the Effective Date and (ii) the date on which such Secured Tax Claim shall become an Allowed Secured Tax Claim, Cash in an amount equal to such Allowed Secured Tax Claim, including any interest on such Allowed Secured Tax Claim required to be paid pursuant to the Bankruptcy Code from the later of the Commencement Date and the date the relevant tax becomes past due through the date such Claim is paid.

4.5. *Classes 5(a)–(g): Other Secured Claims against the Debtors.*

(a) Impairment and Voting. Classes 5(a) through (g) are unimpaired by the Plan. Each holder of an Allowed Other Secured Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. Except to the extent that a holder of an Allowed Other Secured Claim agrees to a less favorable treatment, at the sole option of the relevant Reorganized Debtor, (i) each Allowed Other Secured Claim shall be reinstated and rendered unimpaired in accordance with section 1124 of the Bankruptcy Code, notwithstanding any contractual provision or applicable nonbankruptcy law that entitles the holder of an Allowed Other Secured Claim to demand or receive payment of such

Claim prior to the stated maturity of such Claim from and after the occurrence of a default, or (ii) each holder of an Allowed Other Secured Claim shall receive, in full satisfaction of such Allowed Other Secured Claim, either (a) Cash in an amount equal to such Allowed Other Secured Claim, including any interest on such Allowed Other Secured Claim required to be paid pursuant to the Bankruptcy Code, (b) the proceeds of the sale or disposition of the Collateral securing such Allowed Other Secured Claim to the extent of the value of the holder's interest in such Collateral, (c) the Collateral securing such Allowed Other Secured Claim and any interest on such Allowed Other Secured Claim required to be paid pursuant to the Bankruptcy Code, or (d) such other distribution as necessary to satisfy the requirements of section 1124 of the Bankruptcy Code. In the event the Debtors (in consultation with the Plan Sponsor) or Reorganized Debtors elect to treat a Claim under clause (a) or (b) of this Section, the Liens securing such Other Secured Claim shall be deemed released without the need for any further action by the Debtors or the Reorganized Debtors.

4.6. Classes 6(a)–(c): Note Claims against PPC.

(a) Impairment and Voting. Classes 6(a) through (c) are unimpaired by the Plan. Each holder of an Allowed Note Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions.

(i) Unless the Cash-Out Election is made with respect to a Note pursuant to section 4.6(b)(ii) hereof, each Note shall be reinstated and each Allowed Note Claim with respect thereto shall be rendered unimpaired in accordance with section 1124 of the Bankruptcy Code, notwithstanding any contractual provision or applicable nonbankruptcy law that entitles the holder of such Allowed Note Claim to demand or receive payment of such Claim prior to the stated maturity of the Notes from and after the occurrence of a default (the "Note Reinstatement").

(ii) Instead of having its Note(s) reinstated pursuant to section 4.6(b)(i) hereof, a holder of an Allowed Note Claim may elect to receive Cash on account of its Allowed Note Claim in an amount equal to the sum of (1) the principal amount of its Notes, (2) the unpaid prepetition interest with interest accruing thereon at the default, contract rate as provided under the applicable Note through the Effective Date and (3) the accrued unpaid postpetition interest calculated at the non-default, contract rate as provided under the applicable Note through the Effective Date (the "Cash-Out Election").

(iii) Any holder of an Allowed Note Claim that makes the Cash-Out Election shall be deemed to have waived any and all subordination rights under the applicable Indenture or applicable law.

4.7. Classes 7(a)–(g): General Unsecured Claims against the Debtors.

(a) Impairment and Voting. Classes 7(a) through (g) are unimpaired by the Plan. Each holder of an Allowed General Unsecured Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. Except to the extent that a holder of an Allowed General Unsecured Claim agrees to a less favorable treatment, each holder of an Allowed General Unsecured Claim shall receive, in full satisfaction of such Claim, Cash equal to (i) the full amount of such Allowed General Unsecured Claim plus (ii) postpetition interest on such Allowed General Unsecured Claim from the Commencement Date through the date such Claim is paid at either the contract rate, the post-judgment rate applicable

in the event that the claim is based upon a prepetition judgment, or if neither of the preceding is applicable, 5% per annum, on or as soon as reasonably practicable after the later of (a) the Effective Date, and (b) the date the General Unsecured Claim becomes Allowed; provided, however, that if a holder of a General Unsecured Claim believes that it is entitled to contract rate interest, it must have either (x) attached the relevant contract to its Proof of Claim or (y) filed a supplemental or a new Proof of Claim solely for the purpose of attaching such relevant contract.

4.8. Class 8: Intercompany Claims.

(a) Impairment and Voting. Class 8 is unimpaired by the Plan. Each holder of an Intercompany Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. Except to the extent that a holder of an Intercompany Claim accepts less favorable treatment, each Intercompany Claim shall be reinstated and carried forward for financial reporting and tax purposes, as may be further determined by the Debtors in consultation with the Debtors' auditors and tax accountants.

4.9. Classes 9(a)–(g): Flow-Through Claims against the Debtors.

(a) Impairment and Voting. Classes 9(a) through (g) are unimpaired by the Plan. Each holder of a Flow-Through Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. The legal, equitable, and contractual rights of each holder of a Flow-Through Claim, if any, shall be unaltered by the Plan and shall be satisfied in the ordinary course of business at such time and in such manner as the applicable Reorganized Debtor is obligated to satisfy each Flow-Through Claim (subject to the preservation and flow-through of all Avoidance Actions and defenses with respect thereto, which shall be fully preserved). The Debtors' failure to object to a Flow-Through Claim in their Chapter 11 Cases shall be without prejudice to the Reorganized Debtors' right to contest or otherwise object to the merits or classification of such Claim in Bankruptcy Court or outside the Bankruptcy Court.

4.10. Class 10(a): Equity Interests in PPC.

(a) Impairment and Voting. Class 10(a) is impaired by the Plan. Each holder of an Allowed Equity Interest in Class 11(a) is entitled to vote to accept or reject the Plan.

(b) Distributions.

(i) On and as of the Effective Date, each share of PPC Common Stock issued and outstanding immediately prior to the Effective Date (other than any shares to be cancelled pursuant to Section 4.10(b)(iii)) (the "Existing Shares") shall be cancelled and converted automatically into the right to receive a number of fully paid and nonassessable shares of New PPC Common Stock equal to the Share Conversion Factor.

(ii) For purposes of this Plan, "Share Conversion Factor" means the number determined by application of the following formula:

$$\text{SCF} = (0.36 \times \text{NNS}) / \text{NES}$$

where:

- NNS = The number of shares necessary to cause SCF to be 1, or such other number of shares agreed in writing by the parties.
NES = The total number of Existing Shares
SCF = Share Conversion Factor

(iii) Each share of PPC Common Stock held in the treasury of PPC or any subsidiary thereof immediately prior to the Effective Date and each share of restricted stock of PPC as to which any conditions to vesting shall not have lapsed or shall not have been satisfied at or immediately prior to the Effective Date shall be canceled without any conversion thereof and no distribution shall be made with respect thereto.

4.11. Classes 10(b)–(g): Equity Interests in the Debtors (Other than PPC).

(a) Impairment and Voting. Classes 10(b) through (g) are unimpaired by the Plan. Each holder of an Allowed Equity Interest in Classes 10(b) through (g) is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. The Equity Interests in Classes 12(b) through (g) shall be reinstated in their entirety pursuant to the Plan.

ARTICLE V

MEANS FOR IMPLEMENTATION

5.1. Operations Between the Confirmation Date and the Effective Date.

During the period from the Confirmation Date through and until the Effective Date, the Debtors shall continue to operate their businesses as Debtors in Possession, subject to the oversight of the Bankruptcy Court as provided in the Bankruptcy Code, the Bankruptcy Rules and all orders of the Bankruptcy Court that are then in full force and effect, and in accordance with the terms of the SPA.

5.2. Corporate Action.

The entry of the Confirmation Order shall constitute authorization for the Reorganized Debtors to take or cause to be taken all corporate actions necessary or appropriate to implement all provisions of, and to consummate, the Plan and the Plan Documents prior to, on and after the Effective Date and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court without further approval, act or action under any applicable law, order, rule or regulation, including, without limitation, any action required by the stockholders or directors of the Reorganized Debtors, including, among other things, (a) the adoption of the Reorganized Debtor Constituent Documents, including the Restated Certificate of Incorporation and Restated Bylaws, (b) the termination and cancellation of any outstanding instrument, document or agreement evidencing the Note Claims or Equity Interests in PPC, if applicable, (c) issuance of any New PPC Common Stock, (d) the execution and delivery of all documents arising in connection with the Exit Financing and the SPA and performance of the Reorganized Debtors' obligations thereunder, (e) approval of the New Employee Incentive Plans, (f) all transfers of assets that are to occur pursuant to the Plan, (g) the incurrence of all obligations contemplated by the Plan and the making of all distributions under the Plan, (h) the implementation of all

settlements and compromises as set forth in or contemplated by the Plan, (i) taking of all actions to preserve and provide for the prosecution of the Avoidance Actions as contemplated by sections 10.10 and 10.11 hereof and of all other causes of action, and (j) entering into any and all transactions, contracts, or arrangements permitted by applicable law, order, rule or regulation. The officers of the Debtors are authorized and directed to do all things and to execute and deliver all agreements, documents, instruments, notices and certificates as are contemplated by the Plan and the Plan Documents and to take all necessary action required in connection therewith, in the name of and on behalf of the Debtors.

5.3. *Continued Corporate Existence of the Debtors.*

Each of the Debtors shall continue to exist after the Effective Date as a separate entity, with all the powers available to such legal entity, in accordance with applicable law and pursuant to the Reorganized Debtor Constituent Documents, which shall become effective upon the occurrence of the Effective Date. On or after the Effective Date, the Reorganized Debtors may, in their sole discretion, take such action as permitted by applicable law, their respective constituent documents and the Stockholders Agreement, as they determine is reasonable and appropriate, including (a) causing any or all of the Reorganized Debtors to be merged into one or more of the other Reorganized Debtors or other legal entities, and (b) changing the legal name of any one or more of the Reorganized Debtors.

5.4. *Cancellation and Surrender of Existing Securities and Agreements.*

(a) Except (i) as otherwise expressly provided in the Plan, (ii) with respect to executory contracts or unexpired leases that have been assumed by the Debtors, (iii) for purposes of evidencing a right to distributions under the Plan, or (iv) with respect to any Claim that is reinstated and rendered unimpaired under the Plan, on the Effective Date, any document, agreement, or debt instrument evidencing any Claim, including without limitation, the Prepetition BMO Credit Agreement, the Prepetition CoBank Credit Agreement, the DIP Credit Agreement, the Indentures and all Notes issued thereunder (if all holders of Note Claims elect the Cash-Out Option), and the PPC Common Stock, shall be deemed automatically cancelled without further act or action under any applicable agreement, law, regulation, order or rule and the obligations of the Debtors thereunder shall be discharged.

(b) Unless waived by PPC or Reorganized PPC, and except for holders of Notes that will be reinstated pursuant to the Note Reinstatement, each holder of the Notes shall surrender such Note(s) to the applicable Indenture Trustees, or in the event such Note(s) are held in the name of, or by a nominee of, the Depository Trust Company, the Debtors shall follow the applicable procedures of the Depository Trust Company for book-entry transfer of the Note(s) to the applicable Indenture Trustees. Except in the event of a Note Reinstatement, no distributions hereunder shall be made for or on behalf of any such holder with respect to any Note unless and until such Note is received by the applicable Indenture Trustee or appropriate instructions from Depository Trust Company shall be received by the applicable Indenture Trustee, or the loss, theft or destruction of such Note is established to the reasonable satisfaction of the applicable Indenture Trustee, which satisfaction may require such holder to (i) submit a lost instrument affidavit and an indemnity bond and (ii) hold the Debtors and the applicable Indenture Trustee harmless in respect of such Note and any distributions made in respect thereof. Upon compliance with this section by a holder of any Note, such holder shall, for all purposes under this Plan, be deemed to have surrendered such Note. Except in the event of a Note Reinstatement, any holder of Notes that fails to surrender such Note or satisfactorily explain its non-availability to the applicable Indenture Trustee within one (1) year of the Effective Date shall be deemed to have no further Claim against the Debtors, or their property or against the applicable Indenture Trustee in respect of such Claim and shall not participate in any distribution hereunder, and the distribution that would have otherwise been made to such holder shall be returned to Reorganized PPC by the applicable Indenture Trustee.

5.5. Restated Certificate of Incorporation and Restated Bylaws.

On the Effective Date or as soon as practicable thereafter, PPC will file the Restated Certificate of Incorporation with the Secretary of State of the State of Delaware and will adopt the Restated Bylaws, each substantially in the form attached hereto as Exhibit C, as each may be amended prior to the Confirmation Date with the consent of the Plan Sponsor. The Restated Certificate of Incorporation will, among other things, authorize issuance of New PPC Common Stock (which will be subject to the Mandatory Exchange Transaction). PPC is hereby authorized to file the Restated Certificate of Incorporation and adopt the Restated Bylaws without the need for any further corporate action or further order of the Bankruptcy Court and without any further action by holders of Claims or Equity Interests.

5.6. Stock Purchase Agreement.

Pursuant and subject to the terms and conditions of the SPA, the Plan Sponsor will purchase 64% of the New PPC Common Stock in exchange for a cash contribution of \$800 million. Cash proceeds from the Plan Sponsor's participation in the Plan will be utilized by the Debtors and Reorganized Debtors to make Cash distributions to the holders of Allowed Claims against the Debtors and to satisfy general working capital requirements of the Reorganized Debtors on and after the Effective Date. The Debtors' entry into the SPA, and the terms thereof (to the extent not already approved by the Bankruptcy Court), are hereby authorized and approved without the need for any further corporate action or further order of the Bankruptcy Court and without any further action by holders of Claims and Equity Interests. A copy of the SPA is attached as Exhibit B to the Plan.

5.7. Exit Financing.

On or about the Effective Date, Reorganized PPC, Reorganized To-Ricos and Reorganized To-Ricos Distribution, as borrowers, shall enter into the Exit Facility pursuant to the Exit Facility Documents and shall incur indebtedness thereunder in an amount up to \$1,750,000,000, the proceeds of which shall be available, among other things, for use by the Reorganized Debtors to make distributions under the Plan to the holders of Allowed Claims against the Debtors and to satisfy general working capital requirements of the Reorganized Debtors on and after the Effective Date. The Reorganized Debtors' entry into the Exit Facility pursuant to the Exit Facility Documents and the incurrence of the indebtedness thereunder on or as soon as reasonably practicable following the Effective Date are hereby authorized without the need for any further corporate action or further order of the Bankruptcy Court and without any further action by holders of Claims or Equity Interests. The material terms of the Exit Facility are set forth in more detail on Exhibit A to be included in the Plan Supplement. The Debtors shall consult with the Plan Sponsor on any amendments or modifications to the material terms of the Exit Facility set forth on Exhibit A.

5.8. Issuance of New PPC Common Stock.

The issuance by Reorganized PPC of New PPC Common Stock on or as soon as reasonably practicable following the Effective Date is hereby authorized without the need for any further corporate action or further order of the Bankruptcy Court and without any further action by holders of Claims or Equity Interests. Newly-issued shares of New PPC Common Stock, which shall be subject to the Mandatory Exchange Transaction, will be distributed to holders of Allowed Equity Interests in PPC pursuant to Section 4.10 of the Plan and purchased by the Plan Sponsor pursuant to the SPA.

5.9. *Effectuating Documents and Further Transactions.*

On and after the Effective Date, the Reorganized Debtors and the board and the officers of Reorganized PPC are authorized to and may issue, execute, deliver, file, or record such contracts, securities, instruments, releases, and other agreements or documents and take such other actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and the securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations or consents except for those expressly required pursuant to the Plan.

5.10. *Exemption from Securities Laws.*

To the maximum extent provided by section 1145 of the Bankruptcy Code and applicable non-bankruptcy law, the offer and sale under the Plan of New PPC Common Stock, and the offer and sale under the Plan of equity interests in the Plan Sponsor pursuant to the Mandatory Exchange Transaction, will be exempt from registration under the Securities Act of 1933, as amended, and all rules and regulations promulgated thereunder, and under applicable state securities laws. The issuance of New PPC Common Stock shall be exempt from the requirements of section 16(b) of the Securities Exchange Act of 1934 (pursuant to Rule 16b-3 promulgated thereunder) with respect to any acquisition of such securities or pecuniary interest therein by an officer or director as of the Effective Date.

ARTICLE VI

VOTING AND DISTRIBUTIONS

6.1. *Voting of Equity Interests.*

Each holder of an Allowed Equity Interest in PPC, which is the only impaired Class that is entitled to vote on the Plan pursuant to Article III of the Plan, shall be entitled to vote to accept or reject the Plan, as provided in such order as is entered by the Bankruptcy Court establishing procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan, or any other order or orders of the Bankruptcy Court.

6.2. *Nonconsensual Confirmation.*

If Class 10(a) (Equity Interests in PPC) shall not accept the Plan by the requisite statutory majority provided in section 1126(d) of the Bankruptcy Code, the Debtors reserve the right to undertake to have the Bankruptcy Court confirm the Plan under section 1129(b) of the Bankruptcy Code.

6.3. *Distribution Record Date.*

On the Distribution Record Date (i) the claims register shall be closed and any transfer of any Claim therein shall be prohibited and (ii) the stock transfer ledger or similar register of the Debtors shall be closed. The Disbursing Agent shall instead be authorized and entitled to recognize and deal for all purposes under the Plan with only those record holders stated on the claims register and the stock transfer ledger as of the close of business on the Distribution Record Date. The record date for distributions shall be the Distribution Record Date.

6.4. *Date of Distributions.*

Distributions shall be made on the date specified in Article IV with respect to each Allowed Claim or Allowed Equity Interest. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day,

then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

6.5. *Disbursing Agent.*

All distributions under the Plan (other than with respect to the Allowed Note Claims, Allowed BMO Secured Claims and the DIP Claims) shall be made by Reorganized PPC as the Disbursing Agent or such other Entity designated by the Debtors or Reorganized Debtors as a Disbursing Agent for certain or all such distributions. The applicable Indenture Trustee, or such other entity designated by PPC or the Reorganized PPC, shall be the Disbursing Agent for the Notes. BMO shall be the Disbursing Agent for the Allowed BMO Secured Claims and the DIP Claims. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court and, in the event that a Disbursing Agent is so otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Reorganized Debtors.

6.6. *Rights and Powers of Disbursing Agent.*

The Disbursing Agent shall be empowered to (a) effect all actions and execute all agreements, instruments and other documents necessary to perform its duties under the Plan, (b) make all distributions contemplated hereby, and (c) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

6.7. *Expenses of the Disbursing Agent.*

Except as otherwise ordered by the Bankruptcy Court, any reasonable fees and expenses incurred by the Disbursing Agent on or after the Effective Date shall be paid in Cash by the Reorganized Debtors in the ordinary course of business.

6.8. *Delivery of Distributions.*

(a) General. Subject to Bankruptcy Rule 9010, all distributions to a holder of an Allowed Claim or Allowed Equity Interest shall be made to the address of the holder thereof as set forth (i) on such holder's Proof of Claim, or if no Proof of Claim has been filed, (ii) on the Schedules filed with the Bankruptcy Court, (iii) on the books and records of the Debtors or their agents, or (iv) in a letter of transmittal by such holder, unless the Debtors have been notified in writing of a change of address.

(b) Distributions to holders of Allowed Note Claims. Reorganized PPC shall deliver all distributions in respect of Allowed Note Claims under the Cash-Out Option to the applicable Indenture Trustee or such other entity or entities designated by the applicable Indenture Trustee. Upon delivery of the foregoing distributions to the applicable Indenture Trustee or such designee(s), Reorganized PPC shall be released of all liability with respect to the delivery of such distributions. The applicable Indenture Trustee or such designee(s) shall transmit the distributions to the holders of the Allowed Note Claims. Reorganized PPC shall provide whatever reasonable assistance may be required by the applicable Indenture Trustee or such designee(s) with respect to such distributions.

(c) Distributions to holders of Allowed BMO Secured Claims and DIP Claims. BMO will deliver all distributions in respect of Allowed BMO Secured Claims and DIP Claims pursuant to the terms of the relevant credit agreement to those lenders who are lenders under the terms of the relevant credit agreements as of the date of distributions to BMO on account of the Allowed BMO Secured Claims and DIP Claims.

(d) **Withholding and Reporting Requirements.** In connection with the Plan and all instruments issued in connection therewith and distributed thereon, any party issuing any instrument or making any distribution under the Plan, including any party described in Section 6.5 above, shall comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority, and all distributions under the Plan shall be subject to any such withholding or reporting requirements. Notwithstanding the above, each holder of an Allowed Claim that is to receive a distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Unit, including income, withholding and other tax obligations, on account of such distribution. Any party issuing any instrument or making any distribution under the Plan has the right, but not the obligation, to not make a distribution until such holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligations.

6.9. Unclaimed Distributions.

In the event that any distribution to any holder is returned as undeliverable, the Reorganized Debtors shall use reasonable efforts to determine the current address of such holder, but no distribution to such holder shall be made unless and until the Reorganized Debtors have determined the then-current address of such holder, at which time such distribution shall be made to such holder without interest from the original distribution date through the new distribution date; provided that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one year from the Effective Date. After such date, all unclaimed property or interest in property (including any stock) shall revert to the applicable Reorganized Debtor, and the Claim of any other Entity to such property or interest in property shall be discharged and forever barred.

6.10. Manner of Payment.

At the option of the Disbursing Agent, any Cash payment to be made hereunder may be made by a check or wire transfer or as otherwise required or provided in applicable agreements.

6.11. Fractional Shares.

No fractional shares of New PPC Common Stock shall be distributed under the Plan. When any distribution pursuant to the Plan on account of an Allowed Equity Interest would otherwise result in the issuance of a number of shares of New PPC Common Stock that is not a whole number, the actual distribution of shares of New PPC Common Stock shall be rounded as follows: (i) fractions of one-half ($\frac{1}{2}$) or greater shall be rounded to the next higher whole number and (ii) fractions of less than one-half ($\frac{1}{2}$) shall be rounded to the next lower whole number with no further payment or other distribution therefor. The total number of authorized shares of New PPC Common Stock to be distributed to holders of Allowed Equity Interests shall be adjusted as necessary to account for the rounding provided in this Section 6.11.

6.12. Minimum Cash Distributions.

Notwithstanding anything set forth herein to the contrary, no payment of Cash less than \$25 shall be made to any holder of an Allowed Claim unless a request therefor is made in writing to the Disbursing Agent. If no request is made as provided in the preceding sentence within sixty (60) days of the Effective Date, such Cash shall revert to the applicable Reorganized Debtor.

6.13. *Setoffs and Recoupment.*

Other than with respect to Allowed BMO Secured Claims, the Debtors may, but shall not be required to, set off or recoup against any Claim (for purposes of determining the Allowed amount of such Claim on which distribution shall be made) any Claims of any nature whatsoever that the Debtors may have against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors of any such Claim the Debtors may have against the holder of such Claim.

ARTICLE VII

PROCEDURES FOR DISPUTED CLAIMS

7.1. *Objections / Objection Deadline.*

(a) Objections to all Claims against the Debtors may be interposed and prosecuted only by the Debtors and the Reorganized Debtors (except for Claims asserted under sections 330, 331, 503(b)(2), 503(b)(3), 503(b)(4) and 503(b)(5), in which case the Committees may also interpose and prosecute objections). Prior to the Effective Date, except for objections that in the reasonable determination of the Debtors need to be filed on an emergency basis, the Debtors shall provide three (3) calendar days prior notice to the Plan Sponsor of their intent to file an objection to Claims and if timely requested by the Plan Sponsor, shall work with the Plan Sponsor in interposing such an objection.

(b) The Reorganized Debtors shall be entitled to object to any Claim through and after the Effective Date. Any objections to Claims shall be served and filed with the Bankruptcy Court on or before the later of (i) one hundred and fifty (150) days after the Effective Date, as such time may be extended by order of the Bankruptcy Court and (ii) such later date as may be fixed by the Bankruptcy Court, whether fixed before or after the date specified in clause (i) above.

7.2. *No Payment Pending Allowance.*

Notwithstanding any other provision in the Plan, if any portion of a Claim is disputed, then no payment or distribution provided hereunder shall be made on account of any portion of such Claim unless and until such Disputed Claim becomes an Allowed Claim.

7.3. *Distributions After Allowance.*

To the extent that a Disputed Claim becomes an Allowed Claim, the Disbursing Agent shall distribute to the holder of such Claim the property distributable with respect to such Claim in accordance with Article IV of the Plan. Such distributions shall be made as soon as practicable after the later of (i) the date that the order or judgment of the Bankruptcy Court allowing such Disputed Claim (or portion thereof) becomes a Final Order, (ii) the date on which any objection to such Disputed Claim has been withdrawn, or (iii) the date on which such Disputed Claim has been settled, compromised or otherwise resolved. To the extent that all or a portion of a Disputed Claim is disallowed, the holder of such Claim shall not receive any distribution on account of the portion of such Claim that is disallowed and any property withheld, if any, pending the resolution of such Claim shall revert in the applicable Reorganized Debtor.

7.4. *Resolution of Disputed Claims.*

Notwithstanding any prior order of the Bankruptcy Court, on and after the Effective Date, the Reorganized Debtors shall have the authority to compromise, settle, otherwise resolve, or withdraw any objections to Disputed Claims and to compromise, settle, or otherwise resolve any Disputed Claims without approval of the Bankruptcy Court, other than with respect to Administrative Expense Claims relating to compensation of professionals.

7.5. *Estimation of Claims.*

Requests for estimation of any Claim against the Debtors may be interposed and prosecuted only by the Debtors or the Reorganized Debtors. Prior to the Effective Date, except for estimation requests that in the reasonable determination of the Debtors need to be made on an emergency basis, the Debtors shall provide three (3) calendar days prior notice to the Plan Sponsor of their intent to request estimation of any Claim and if timely requested by the Plan Sponsor, shall work with the Plan Sponsor in interposing such a request. Unless otherwise agreed with a holder of a Claim, the Debtors or the Reorganized Debtors may at any time request that the Bankruptcy Court estimate any Contingent Claim, Unliquidated Claim, or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether any of the Debtors or the Reorganized Debtors previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection; provided, however, that the Bankruptcy Court shall not have jurisdiction to estimate a Claim with respect to which a reference has been withdrawn. In the event that the Bankruptcy Court estimates any Contingent Claim, Unliquidated Claim, or Disputed Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Debtors or the Reorganized Debtors may pursue supplementary proceedings to object to the allowance of such Claim. The objection, estimation and resolution procedures set forth in Article VII of the Plan are intended to be cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

ARTICLE VIII

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

8.1. *Assumption or Rejection of Executory Contracts and Unexpired Leases.*

Pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, all executory contracts and unexpired leases that exist between the Debtors and any person or entity shall be deemed rejected by the Debtors as of the Effective Date, except for any executory contract or unexpired lease (i) that has been assumed, assumed and assigned, or rejected pursuant to an order of the Bankruptcy Court entered on or before the Effective Date, (ii) as to which a motion for approval of the assumption, assumption and assignment, or rejection has been filed and served prior to the Confirmation Date, (iii) that is specifically designated as a contract or lease to be assumed or assumed and assigned on Schedule 8.1, which Schedule shall be contained in the Plan Supplement and shall be prepared in accordance with Section 5.02(b) of the SPA, or (iv) that is designated as assumed pursuant to sections 8.6 through 8.9 of this Plan; provided, however, that the Debtors reserve the right, in consultation with the Plan Sponsor, as provided in Section 5.02(c) of the SPA, on or prior to the Confirmation Date, to amend Schedule 8.1 to delete therefrom or add thereto any executory contract or unexpired lease, in which event such executory contract(s) or unexpired lease(s) shall be deemed to be, respectively, either rejected or assumed (or assumed and assigned) as of the Effective Date. The Debtors shall provide notice of any amendments to Schedule 8.1 to the parties to the executory contracts and unexpired leases affected thereby. The listing of a document on Schedule 8.1 shall not constitute an admission by the Debtors that such document is an executory contract or an unexpired lease or that the Debtors have any liability thereunder.

8.2. Approval of Assumption, Assumption and Assignment, or Rejection of Executory Contracts and Unexpired Leases.

Entry of the Confirmation Order shall, subject to and upon the occurrence of the Effective Date, constitute (i) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption, or the assumption and assignment, as applicable, of the executory contracts and unexpired leases listed on Schedule 8.1 or assumed pursuant to sections 8.6 through 8.9 of this Plan, and (ii) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected pursuant to Section 8.1 of the Plan.

8.3. Inclusiveness.

Unless otherwise specified on Schedule 8.1, each executory contract and unexpired lease listed or to be listed on Schedule 8.1 shall include any and all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease, without regard to whether such agreement, instrument or other document is listed on Schedule 8.1.

8.4. Cure of Defaults.

(a) Except to the extent that different treatment has been agreed to by the non-debtor party or parties to any executory contract or unexpired lease that is being assumed under the Plan, the Debtors shall, pursuant to the provisions of sections 1123(a)(5)(G) and 1123(b)(2) of the Bankruptcy Code and consistent with the requirements of section 365 of the Bankruptcy Code, at least 20 days prior to the Confirmation Hearing, file with the Bankruptcy Court and serve by first class mail on each non-debtor party to such executory contracts or unexpired leases, a notice (the "Assumption Notice"), which shall list the cure amount as to each executory contract or unexpired lease to be assumed or assumed and assigned; provided, however, that if the Debtors, in consultation with the Plan Sponsor, subsequently amend Schedule 8.1 or any other list of assumed executory contracts and unexpired leases prior to the Confirmation Hearing to add new executory contracts or unexpired leases or to unilaterally amend any cure amounts listed on the original Assumption Notice, the Debtors shall as soon as practicable after such amendment mail each non-debtor party to each such executory contract or unexpired lease a supplemental notice (each, a "Supplemental Assumption Notice"), which shall list the cure amount as to each executory contract or unexpired lease to be assumed or assumed and assigned. The parties to such executory contracts or unexpired leases to be assumed or assumed and assigned by the Debtors shall have ten (10) days from the date of service of the Assumption Notice or Supplemental Assumption Notice, as applicable, to file and serve any objection to either the cure amounts listed by the Debtors or the assumption or assumption and assignment of such contract or lease. If there are any objections filed, the Bankruptcy Court may either schedule such objection to be heard at the Confirmation Hearing or at a later hearing on a date to be set by the Bankruptcy Court. Notwithstanding anything to the contrary in the Plan, the Debtors, in consultation with the Plan Sponsor, shall retain their rights to reject any of their executory contracts or unexpired leases that are subject to a dispute concerning amounts necessary to cure any defaults through the Effective Date.

(b) To the extent any non-Debtor party to an executory contract or an unexpired lease files an objection to the Debtors' proposed cure amounts and the alleged cure amount exceeds \$300,000, the Debtors shall provide notice thereof to the Plan Sponsor as provided in Section 5.02(d) of the SPA.

(c) Except as may otherwise be agreed to by the counterparty to the executory contract or unexpired lease, as soon as practicable after the Effective Date, the Reorganized Debtors shall pay all undisputed cure amounts. All disputed defaults that are required to be cured shall be cured either within thirty (30) days of the entry of a Final Order determining the amount, if any, of the Debtors' liability with respect to such cure amount, or as may otherwise be agreed to with the counterparty to such executory contract or unexpired lease.

8.5. Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan.

In the event that the rejection of an executory contract or unexpired lease by the Debtors pursuant to the Plan results in damages to the other party or parties to such contract or lease, a Claim for such damages, if not heretofore evidenced by a timely filed Proof of Claim, shall be forever barred and shall not be enforceable against the Debtors or the Reorganized Debtors, or their properties or interests in property as agents, successors, or assigns, unless a Proof of Claim is filed with the Claims Agent and served upon the attorneys for the Debtors on or before the thirtieth (30th) day after the later of (i) the date of service of notice of the Effective Date, or (ii) the date of service of notice of such later rejection date that occurs as a result of a dispute concerning amounts necessary to cure any defaults (solely with respect to the party directly affected by such modification).

8.6. Indemnification Obligations.

Subject to the occurrence of the Effective Date, the obligations of the Debtors as of the Commencement Date to indemnify, defend, reimburse or limit the liability of directors, officers or employees who are directors, officers or employees of the Debtors on or before the Effective Date against any claims or causes of action, as provided in the Debtors' certificates of incorporation, bylaws, other organizational documents or applicable law, shall be assumed by the Debtors on the Effective Date with the same effect as though such obligations constituted executory contracts that are assumed under section 365 of the Bankruptcy Code, and all such obligations shall survive confirmation of the Plan, remain unaffected thereby and not be discharged, irrespective of whether such indemnification, defense, reimbursement or limitation is owed in connection with an event occurring before or after the Commencement Date. The prosecution of any indemnified cause of action against the Debtors or any non-debtor shall upon the Effective Date be enjoined and prohibited, except solely for the purpose of obtaining a recovery from any available insurance policy proceeds. This Plan is intended to effect the assumption of the indemnification obligations of the Debtors as provided in the Debtors' certificates of incorporation, bylaws, other organizational documents and applicable law, and this Plan shall not, in and of itself, be deemed to create any new indemnification obligations on the part of the Debtors to directors, officers or employees of the Debtors who were directors, officers or employees of the Debtors on or before the Effective Date.

8.7. Insurance Policies.

Notwithstanding anything contained in the Plan to the contrary, unless specifically listed on Schedule 8.7 as being rejected or specifically rejected by order of the Bankruptcy Court, or unless subject to a motion for approval of rejection that has been filed and served prior to the Confirmation Date, all of the Debtors' insurance policies and any agreements, documents or instruments relating thereto (collectively, the "Insurance Policy Documents"), are treated as executory contracts under the Plan and will be assumed pursuant to the Plan, effective as of the Effective Date. Nothing contained in this section 8.7 shall constitute or be deemed a waiver of any cause of action that the Debtors may hold against any entity, including, without limitation, the insurer, under any of the Debtors' insurance policies. Nothing in the Disclosure Statement, the Plan, the Confirmation Order, any exhibit to the Plan or any other Plan document (including any provision that purports to be preemptory or supervening), shall in any way operate to, or have the effect of, impairing in any respect the legal, equitable or contractual rights and defenses, if any, of the Debtors, the Reorganized Debtors or any insurer with respect to any Insurance Policy Documents (except with respect to those set forth on Schedule 8.7). The rights and obligations of the Debtors, the Reorganized Debtors, and insurers shall be determined under the Insurance Policy

Documents and under applicable non-bankruptcy law. The transfer herein of the Insurance Policy Documents by the Debtors to the Reorganized Debtors will not enlarge the pre-petition rights of the Reorganized Debtors thereunder, and such transfer is subject to all pre-petition rights and defenses available to the insurers thereunder. Regardless of whether the Insurance Policy Documents are executory, the Reorganized Debtors will perform the Debtors' obligations thereunder, including any that remain unperformed as of the Effective Date of the Plan.

8.8. Compensation and Benefit Programs.

Notwithstanding anything contained in the Plan to the contrary, unless specifically rejected by order of the Bankruptcy Court, or unless subject to a motion for approval of rejection that has been filed and served prior to the Confirmation Date, the Compensation and Benefit Programs shall be deemed to be, and shall be treated as though they are, executory contracts that are deemed assumed under the Plan on the same terms, and the Debtors' obligations under the Compensation and Benefit Programs shall be deemed assumed pursuant to section 365(a) of the Bankruptcy Code, shall survive confirmation of the Plan, shall remain unaffected thereby, and shall not be discharged in accordance with section 1141 of the Bankruptcy Code. Any default existing under the Compensation and Benefit Programs shall be cured promptly after it becomes known by the Reorganized Debtors.

8.9. Other Contracts to be Assumed.

Notwithstanding anything in the Plan to the contrary, unless specifically listed on Schedule 8.9 as being rejected or specifically rejected by order of the Bankruptcy Court, or unless subject to a motion for approval of rejection that has been filed and served prior to the Confirmation Date, the following Debtor contracts shall be assumed under the Plan, provided that they are unexpired as of the Effective Date and have not been terminated pursuant to their terms prior to the Effective Date:

(a) The change in control agreements and severance agreements, including those that have been executed or amended during the Chapter 11 Cases;

(b) The employee agreements, as may have been executed or amended during the Chapter 11 Cases;

(c) Contracts with growers;

(d) Contracts with vendors for live operations using the Debtors' contract forms entitled "Independent Contractor Agreement," "Catching and Loading Agreement," and "Live Haul Agreement";

(e) Contracts with customers of one or more of the Debtors;

(f) Contracts with vendors using the Debtors' contract forms entitled "Pilgrim's Pride Corporation Construction Agreement and General Conditions";

(g) Contracts with vendors using the Debtors' contract forms entitled "Master Vendor Agreement" and/or "Supplemental Vendor Terms and Conditions";

(h) Contracts with vendors for transportation services using the Debtors' contract forms entitled "Transportation Agreement," "Feed Haul Agreement," "Trailer Interchange Agreement" and "Transportation Broker Agreement";

(i) Contracts with vendors using the Debtors' contract form entitled "Broker Sales Agreements";

(j) Collective bargaining agreements where modifications to those agreements have been approved by the Bankruptcy Court, including agreements with the Settling Unions; and

(k) Confidentiality agreements.

8.10. Retiree Benefits.

On and after the Effective Date, pursuant to section 1129(a)(13) of the Bankruptcy Code, the Reorganized Debtors shall continue to pay all retiree benefits (as that term is defined in section 1114 of the Bankruptcy Code) of the Debtors, except with respect to any retiree benefits of the Debtors (i) that were terminated or rejected prior to the Confirmation Date (to the extent such termination or rejection did not violate section 1114 of the Bankruptcy Code) or (ii) are subject to a motion to reject as of the Confirmation Date or have been specifically waived by the beneficiaries of such retiree benefits, for the duration of the period for which the Debtors had obligated themselves to provide such benefits and subject to the right of the Reorganized Debtors to modify or terminate such retiree benefits in accordance with the terms thereof.

ARTICLE IX

**CORPORATE GOVERNANCE AND
MANAGEMENT OF THE REORGANIZED DEBTORS**

9.1. General.

On the Effective Date, the management, control, and operation of the Reorganized Debtors shall become the general responsibility of the Board of Directors of the respective Reorganized Debtor.

9.2. Initial Board of Directors.

(a) The identity of the initial board of directors for each Debtor is attached as Exhibit E, to be included with the Plan Supplement; provided; however, that the identity of the independent director of the Reorganized PPC to be designated by the Plan Sponsor shall be disclosed no later than 3 calendar days before the Confirmation Hearing.

(b) Pursuant to the Stockholders Agreement and the Restated Certificate of Incorporation, on the Effective Date, the board of directors of Reorganized PPC shall consist of 9 members comprised as follows:

(i) 6 members, including the Chairman of the Board, shall be designated by the Plan Sponsor (the "Plan Sponsor Designees"). The Chief Executive Officer of Reorganized PPC shall be appointed to the initial board of directors of the Reorganized PPC and shall be included in the Plan Sponsor Designees.

(ii) 2 members (the "Equity Directors") shall be designated by the Equity Committee. The Equity Directors shall qualify as "independent directors" pursuant to the definition set forth in Section 303A.02 of the New York Stock Exchange Listed Company Manual.

(iii) 1 member shall be Lonnie "Bo" Pilgrim.

(c) From and after the Effective Date, the members of the board of directors of Reorganized PPC and its Affiliates shall be selected and determined in accordance with the provisions of the respective Reorganized Debtor Constituent Documents, the Stockholders Agreement, and applicable law.

9.3. *Officers.*

As of the Effective Date, the officers of the Debtors shall be the officers of the Reorganized Debtors.

9.4. *New Employee Incentive Plans.*

On the Effective Date, Reorganized PPC shall adopt the New Employee Incentive Plans, substantially in the forms attached hereto as Exhibit D-1 and Exhibit D-2. Reorganized PPC shall, on the Effective Date, implement these programs for certain of its employees and board members, pursuant to which such employees and board members may receive New PPC Common Stock and annual cash bonuses. The material terms of the New Employee Incentive Plans are attached as Exhibit D. Holders of Equity Interests in PPC shall vote separately on the New Employee Incentive Plans in conjunction with the solicitation of votes on the Plan, which shall constitute approval of the New Employee Incentive Plans for purposes of all shareholder approval requirements under the Internal Revenue Code, as well as section 16 of the Securities Exchange Act of 1934 and any applicable stock exchange listing requirements.

9.5. *Issuance of Non-Voting Securities.*

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors, as applicable, shall file amended certificates of incorporation (or similar organization documents), which shall, among other things, prohibit the issuance of non-voting equity securities to the extent prohibited by section 1123(a)(6) of the Bankruptcy Code, subject to further amendment as permitted by applicable law.

ARTICLE X

EFFECT OF CONFIRMATION

10.1. *Vesting of Assets.*

Upon the Effective Date, pursuant to section 1141(b) and (c) of the Bankruptcy Code, all property of the Debtors shall vest in each of the Reorganized Debtors free and clear of all Claims, Liens, encumbrances, charges, and other interests, except as provided in the Plan. From and after the Effective Date, the Reorganized Debtors may operate their businesses and may use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending case under any chapter or provision of the Bankruptcy Code.

10.2. *Discharge of Claims and Termination of Equity Interests.*

Except as provided in the Plan, the rights afforded in and the payments and distributions to be made under the Plan shall be in exchange for and in complete satisfaction, discharge, release, termination, and cancellation of all existing debts, Claims and Equity Interests of any kind, nature, or description whatsoever, including any interest accrued on any Claims from and after the Commencement Date, against the Debtors or any of their assets or properties to the fullest extent permitted by section 1141 of the Bankruptcy Code. Except as provided in the Plan, upon the Effective Date, all existing Claims against and Equity Interests in the Debtors shall be, and shall be deemed to be, discharged, terminated, and cancelled, as applicable, and all holders of Claims and

Equity Interests shall be precluded and enjoined from asserting against the Reorganized Debtors, their successors or assignees, or any of their assets or properties, any other or further Claim based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such holder has filed a proof of Claim, and whether or not the facts or legal bases therefor were known or existed prior to the Effective Date.

10.3. Discharge of Debtors.

Upon the Effective Date and in consideration of the distributions to be made under the Plan, except as otherwise expressly provided in the Plan, each holder (as well as any trustee or agent on behalf of any holder) of a Claim and any affiliate of such holder shall be deemed to have forever waived, released and discharged the Debtors, to the fullest extent permitted by section 1141 of the Bankruptcy Code, of and from any and all Claims, rights, and liabilities that arose prior to the Effective Date. As provided in section 524 of the Bankruptcy Code, such discharge shall void any judgment against the Debtors, their estates, or any successor thereto at any time obtained to the extent it relates to a Claim discharged. Upon the Effective Date, all persons shall be forever precluded and enjoined, pursuant to section 524 of the Bankruptcy Code, from prosecuting or asserting any discharged Claim against the Debtors, the estates, or any successor thereto.

10.4. Injunction or Stay.

Except as otherwise expressly provided in the Plan, all persons or entities who have held, hold or may hold Claims against or Equity Interests in the Debtors, along with their respective present and former employees, agents, officers, directors, principals and affiliates, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against the Debtors, the Reorganized Debtors, their respective estates, any Protected Person, or any of their respective property with respect to such Claim or Equity Interest (other than actions brought to enforce any rights or obligations under the Plan):

(i) commencing or continuing in any manner any action or other proceeding of any kind,

(ii) enforcing, attaching, collecting or recovering by any manner or means, whether directly or indirectly, of any judgment, award, decree or order,

(iii) creating, perfecting, or enforcing, in any manner, directly or indirectly, any encumbrance of any kind,

(iv) asserting any right of setoff, subrogation or recoupment of any kind (except with respect to any valid right of setoff under section 553 of the Bankruptcy Code applicable to any Allowed Claim for taxes that was properly and timely filed with the Bankruptcy Court by the applicable deadlines established by the Bankruptcy Court for filing such Claims), or

(v) pursuing any Claim released pursuant to Article XII of the Plan.

Such injunction shall extend to any successors of the Debtors and the Reorganized Debtors and their respective properties and interests in properties.

10.5. *Term of Injunctions or Stays.*

Unless otherwise provided, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay.

10.6. *Injunction Against Interference With Plan.*

Upon the entry of the Confirmation Order, all holders of Claims and Equity Interests, and other parties in interest, along with their respective present and former employees, agents, officers, directors, principals and affiliates shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan.

10.7. *Exculpation.*

Notwithstanding anything herein to the contrary, as of the Effective Date, none of the Debtors, the Reorganized Debtors, the Committees, the Chief Restructuring Officer, the agents and lenders under the Prepetition BMO Credit Agreement and the Prepetition CoBank Credit Agreement, the agents and lenders party to the DIP Credit Agreement, the Settling Unions, the Plan Sponsor, and their respective directors, officers, employees, partners, members, agents, representatives, accountants, financial advisors, investment bankers, or attorneys (but solely in their capacities as such) shall have or incur any liability for any claim, cause of action or other assertion of liability for any act taken or omitted to be taken since the Commencement Date in connection with, or arising out of, the Chapter 11 Cases, the formulation, dissemination, confirmation, consummation, or administration of the Plan, property to be distributed under the Plan, or any other act or omission in connection with the Chapter 11 Cases, the Plan, the Disclosure Statement or any contract, instrument, document or other agreement related thereto; provided, however, that the foregoing shall not affect the liability of any person that would otherwise result from any such act or omission to the extent such act or omission is determined by a Final Order to have constituted willful misconduct, gross negligence, fraud, criminal conduct, intentional unauthorized misuse of confidential information that causes damages, or *ultra vires* act.

10.8. *Releases by Holders of Claims and Equity Interests.*

(a) Releases Related to Claims and Equity Interests. Except as otherwise expressly provided in the Plan, on the Effective Date, and in consideration for the obligations of the Debtors and the Reorganized Debtors under the Plan, each holder of a Claim or an Equity Interest that votes to accept the Plan (or is deemed to accept the Plan), and to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, each holder of a Claim or Equity Interest that does not vote to accept the Plan, shall release and discharge unconditionally and forever each (i) Debtor, (ii) Reorganized Debtor and (iii) Protected Person from any and all claims and causes of action that exist as of the Effective Date and arise from or relate to, in any manner, in whole or in part, the Claim or Equity Interest of such holder, the subject matter of, or the transaction or event giving rise to, the Claim or Equity Interest of such holder, the business or contractual arrangements between any Debtor and such holder, any restructuring of such Claim or Equity Interest prior to the Chapter 11 Cases, or any act, omission, occurrence, or event in any manner related to such subject matter, transaction or obligation, or arising out of the Chapter 11 Cases, including, but not limited to, the pursuit of confirmation of the Plan, the consummation thereof, the administration thereof, or the property to be distributed thereunder; *provided*, that the foregoing shall not operate as a waiver of or release from any claims or causes of action arising out of the willful misconduct, gross negligence, fraud, criminal conduct, intentional unauthorized misuse of confidential information that causes damages, or *ultra vires* acts of any such person or entity.

(b) **Releases of Indemnified Protected Persons.** On the Effective Date, and in consideration for the obligations of the Debtors and the Reorganized Debtors under the Plan, each person or entity that has a claim or cause of action (i) against any Protected Person having a right to seek indemnification or contribution, whether pursuant to common law or otherwise, from the Debtors (an “Indemnified Protected Person”) (ii) that is not otherwise released pursuant to Section 10.8(a) hereof and (iii) with respect to which there is insurance coverage (regardless of amount), shall release and discharge unconditionally and forever such Indemnified Protected Person from any and all claims and causes of action that exist as of the Effective Date relating to the Debtors, the Debtors’ estates, or the Chapter 11 Cases and shall seek payment of such claim or cause of action solely from the applicable insurance polic(ies).

(c) **Optional Releases.** On the Effective Date, and in consideration for the obligations of the Debtors and the Reorganized Debtors under the Plan, each person or entity that has a claim or cause of action against any Protected Person that is not otherwise released pursuant to Sections 10.8(a) or (b) hereof shall also have an option, subject to entry, without further court approval, into an appropriate stipulation with the Debtors or the Reorganized Debtors, as applicable, to (i) if there is no applicable insurance coverage, file a Proof of Claim against the Debtors relating to such person or entity’s claim or cause of action, which proof of claim shall be resolved and paid pursuant to the terms of this Plan, and unconditionally and forever release such claim or cause of action against the relevant Protected Person, or (ii) if there is applicable insurance coverage, seek payment of such claim or cause of action solely from the applicable insurance policy and unconditionally and forever release any and all such claims or causes of action against the relevant Protected Person, Debtors and Reorganized Debtors.

(d) **Claims of Governmental Units.** Notwithstanding anything herein to the contrary, nothing in the Plan or the Confirmation Order shall operate as a waiver of or a release or exculpation of any claim or cause of action (x) held by a Governmental Unit against any non-Debtor, or (y) held by a Governmental Unit against any Debtor, other than those Claims of any Governmental Unit that are subject to the deadlines established by orders of the Bankruptcy Court for filing proofs of claim or requests for payment of administrative expenses (collectively, the “Non-Released Government Claims”). Nor shall anything in the Plan or the Confirmation Order enjoin any Governmental Unit from bringing any claim, suit, action, or other proceeding against any party or person for liability under any Non-Released Government Claim. For the avoidance of doubt, a Governmental Unit includes, as examples, and without limitation, the Food Safety and Inspection Service, the Grain Inspection, Packers and Stockyards Administration, the Agriculture Marketing Service, and the Food and Nutrition Service of the United States Department of Agriculture.

10.9. *Releases by Debtors and Reorganized Debtors.*

Upon the Effective Date, and in consideration of the services provided to the Debtors by such persons, each Debtor and Reorganized Debtor shall release and discharge unconditionally and forever each Protected Person (however, in the case of the Plan Sponsor, only those claims and causes of action not related to the Plan Sponsor’s obligations under the SPA) from any and all claims and causes of action that exist as of the Effective Date and arise from or relate to, in any manner, in whole or in part, the operation of the business of the Debtors, the business or contractual arrangements between any Debtor and any such person or entity, or any act, omission, occurrence, or event in any manner related to such subject matter, transaction or obligation, or arising out of the Chapter 11 Cases, including, but not limited to, the pursuit of confirmation of the Plan, the

consummation thereof, the administration thereof, or the property to be distributed thereunder; *provided*, that the foregoing shall not operate as a waiver of or release from any claims or causes of action arising out of the willful misconduct, gross negligence, fraud, criminal conduct, intentional unauthorized misuse of confidential information that causes damages, or *ultra vires* acts of any such person or entity.

10.10. Retention of Avoidance Actions.

From and after the Confirmation Date, the Debtors shall retain the exclusive right to pursue, prosecute and enforce any and all Avoidance Actions, equitable subordination actions or recovery actions under sections 105, 502(d), 510, 542 through 551, and 553 of the Bankruptcy Code that belonged to the Debtors or Debtors in Possession prior to the Confirmation Date, other than with respect to any cause of action or Avoidance Action released herein, in the Confirmation Order, or in any other Final Order of the Bankruptcy Court. On the Effective Date, the Debtors' right to pursue, prosecute and enforce the actions listed in the immediately preceding sentence shall transfer to the Reorganized Debtors, which on and after the Effective Date shall have the exclusive right to pursue, prosecute and enforce such actions.

10.11. Retention of Causes of Action/Reservation of Rights.

(a) Except as provided in sections 10.7 and 10.9 hereof, from and after the Confirmation Date, the Debtors shall retain the right to pursue, prosecute and enforce any rights or causes of action that the Debtors have under any provision of the Bankruptcy Code or any applicable nonbankruptcy law, including, without limitation, (i) any and all Claims against any Entity, to the extent such Entity asserts a crossclaim, a counterclaim, and/or a Claim for setoff that seeks affirmative relief against the Debtors, the Reorganized Debtors, their officers, directors, or representatives, (ii) any and all Claims and causes of action for turnover of any property of the Debtors' estates, (iii) any and all Claims and causes of actions that are listed on the Debtors' Schedules, and (iv) any and all Claims and causes of action that are subject to pending litigation in either the Bankruptcy Court or a non-bankruptcy forum. On the Effective Date, the Debtors' right to pursue, prosecute and enforce the actions listed in the immediately preceding sentence shall transfer to the Reorganized Debtors, which on and after the Effective Date shall have the exclusive right to pursue, prosecute and enforce such actions. Nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or relinquishment of any rights or causes of action that the Debtors or the Reorganized Debtors may have.

(b) Nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or relinquishment of any claim, cause of action, right of setoff, or other legal or equitable defense that the Debtors had immediately prior to the Commencement Date, against or with respect to any Claim. After the Confirmation Date, the Debtors and the Reorganized Debtors, as applicable, shall have, retain, reserve, and be entitled to assert all such claims, causes of action, rights of setoff, and other legal or equitable defenses that the Debtors had immediately prior to the Commencement Date as fully as if the Chapter 11 Cases had not been commenced, and all of the Debtors' and the Reorganized Debtors' legal and equitable rights respecting any Claim may be asserted after the Confirmation Date to the same extent as if the Chapter 11 Cases had not been commenced.

10.12. Limitations on Exculpation and Releases of Representatives.

Nothing in Sections 10.7, 10.8 or 10.9 of the Plan shall (i) be construed to release or exculpate any entity from fraud, malpractice, criminal conduct, intentional unauthorized misuse of confidential information that causes damages, or *ultra vires* acts, or (ii) limit the liability of the professionals of the Debtors, the Reorganized Debtors, and the Committees to their respective clients pursuant to the relevant provisions of the Code of Professional Responsibility.

ARTICLE XI

CONDITIONS PRECEDENT TO EFFECTIVE DATE

11.1. *Conditions Precedent to Effectiveness.*

The Effective Date shall not occur and the Plan shall not become effective unless and until the following conditions are satisfied in full or waived in accordance with Section 11.2 of the Plan:

(a) The Confirmation Order, in form and substance reasonably satisfactory to the Debtors, and, in so far as the Confirmation Order relates to the SPA or any matter set forth therein, reasonably satisfactory to the Plan Sponsor, shall have been entered and shall not be subject to any stay or injunction;

(b) All actions, documents, and agreements necessary to implement the Plan shall have been effected or executed;

(c) Other than those conditions that by their nature can only be satisfied at the closing of the transactions contemplated by the SPA, the conditions precedent to the SPA shall have been satisfied or waived by the parties thereto and the Reorganized Debtors shall have access to the Cash contributed by the Plan Sponsor; and

(d) The Allowed BMO Secured Claims, the Allowed CoBank Secured Claims, and the DIP Claims shall have been paid in full pursuant to Sections 4.2, 4.3 and 2.4 hereof, respectively; *provided, however*, that payment in full of such Claims and effectiveness of the Plan may occur simultaneously.

11.2. *Waiver of Conditions.*

Each of the conditions precedent in Section 11.1 hereof (other than entry of the Confirmation Order) may be waived in whole or in part, as applicable, by the Debtors or the Plan Sponsor; *provided, however*, that the condition precedent in Section 11.1(d) of the Plan may only be waived by the Debtors with the consent of, as applicable, BMO or CoBank, as agents for the lenders from time to time party to the Prepetition BMO Credit Agreement, the DIP Credit Agreement, and the Prepetition CoBank Credit Agreement, respectively. Any such waiver may be effected at any time, without notice or leave or order of the Bankruptcy Court and without any formal action.

11.3. *Effect of Failure of Conditions to Effective Date.*

In the event the conditions precedent specified in Section 11.1 hereof have not been satisfied or waived pursuant to Section 11.2 hereof on or prior to the date to be specified in the Confirmation Order, then (i) the Confirmation Order shall be vacated, (ii) no distributions under the Plan shall be made, (iii) the Debtors and all holders of Claims and Equity Interests shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred, (iv) all of the Debtors' obligations with respect to the Claims and Equity Interests shall remain unchanged and nothing contained herein shall be deemed to constitute a waiver or release of any claims by or against the Debtors or any other Entity or to prejudice in any manner the rights of the Debtors or any other Entity in any further proceedings involving the Debtors, and (v) nothing contained herein shall prejudice in any manner the rights of the Debtors, including, without limitation, the right to seek a further extension of the exclusive periods under section 1121(d) of the Bankruptcy Code.

ARTICLE XII

RETENTION OF JURISDICTION

Unless otherwise agreed to by the Debtors or ordered by the Bankruptcy Court prior to the Confirmation Date, from the Effective Date until the closing of the applicable Chapter 11 Case, the Bankruptcy Court shall have exclusive jurisdiction over all matters arising out of, arising under, and related to such Chapter 11 Case and the Plan pursuant to, and for the purpose of, sections 105(a) and 1142 of the Bankruptcy Code, including, without limitation:

(a) To hear and determine pending applications for the assumption or rejection of executory contracts or unexpired leases, the allowance of Claims resulting therefrom and any disputes with respect to executory contracts or unexpired leases relating to the facts and circumstances arising out of or relating to the Chapter 11 Cases;

(b) To determine any motion, adversary proceeding, application, contested matter, and other litigated matter pending on or commenced after the Confirmation Date;

(c) To ensure that distributions to holders of Allowed Claims and Allowed Equity Interests are accomplished as provided herein;

(d) To consider Claims and Equity Interests or the allowance, classification, priority, compromise, estimation, or payment of any Claim or Equity Interest;

(e) To enforce the terms of the ADR Procedures Order and hear any matter arising from the alternative dispute resolution procedures established therein;

(f) To enter, implement, or enforce such orders as may be appropriate in the event the Confirmation Order is stayed, reversed, revoked, modified, or vacated for any reason;

(g) To issue injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to prevent interference by any person with the consummation, implementation, or enforcement of the Plan, the Confirmation Order, or any other order of the Bankruptcy Court;

(h) To hear and determine any application to modify the Plan in accordance with section 1127 of the Bankruptcy Code, to remedy any defect or omission or reconcile any inconsistency in the Plan, the Disclosure Statement, or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

(i) To hear and determine all applications under sections 330, 331, and 503(b) of the Bankruptcy Code for awards of compensation for services rendered and reimbursement of expenses incurred prior to the Confirmation Date;

(j) To consider any amendments to or modifications of the Plan or to cure any defect or omission, or reconcile any inconsistency, in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(k) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan and the Confirmation Order; provided, however, that notwithstanding anything to the contrary in this Article XII, disputes arising in connection with the interpretation, implementation or enforcement of the SPA or the Exit Financing or any other transactions or payments contemplated thereby shall be heard and determined as set forth therein.

(l) Subject to paragraph (k) of this Article XII, to take any action and issue such orders as may be necessary to construe, enforce, implement, execute, and consummate the Plan or to maintain the integrity of the Plan following the Effective Date;

(m) To issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Person with consummation, implementation or enforcement of the Plan or the Confirmation Order;

(n) To determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(o) To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including the expedited determination of tax under section 505(b) of the Bankruptcy Code);

(p) To determine the scope of any discharge of any Debtor under the Plan or the Bankruptcy Code;

(q) To recover all assets of the Debtors and all property of the Debtors' estates, wherever located;

(r) Subject to paragraph (k) of this Article XII, to hear and determine any matters arising out of or related to confidentiality agreements entered into by the Debtors during the Chapter 11 Cases;

(s) To hear and determine any rights, claims or causes of action held by or accruing to the Debtors pursuant to the Bankruptcy Code, any other federal or state statute, or any legal theory;

(t) To enter a final decree closing the Chapter 11 Cases;

(u) Subject to paragraph (k) of this Article XII, to determine any other matters that may arise in connection with or are related to the Plan, the Disclosure Statement, the Confirmation Order any of the Plan Documents, or any other contract, instrument, release or other agreement or document related to the Plan, the Disclosure Statement or the Plan Supplement; and

(v) To hear and determine any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

13.1. *Effectuating Documents and Further Transactions.*

The Reorganized Debtors are authorized to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents (including, without limitation, the Restated Certificate of Incorporation, the Restated Bylaws and any other Reorganized Debtor Constituent Documents) and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and any securities issued pursuant to the Plan.

13.2. *[Intentionally Omitted.]*

13.3. *Corporate Action.*

Upon the Effective Date, the following transactions shall be deemed to occur:

(a) General. All actions contemplated by the Plan shall be deemed authorized and approved in all respects, including, without limitation, (i) the execution and entry into the Exit Facility, (ii) adoption and approval of those terms of the SPA that have not already been approved pursuant to a Final Order of the Bankruptcy Court, (iii) the distribution of the New PPC Common Stock, (iv) adoption of the New Employee Incentive Plans, (v) selection of the board and the officers of the Reorganized Debtors, and (vi) all other actions contemplated by the Plan (whether to occur before, on or after the Effective Date). All matters provided for in the Plan involving the corporate structure of the Debtors or the Reorganized Debtors or any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect without any requirement of further action by the security holders, directors, or officers of the Debtors or the Reorganized Debtors. On or (as applicable) prior to the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized and directed to issue, execute and deliver the agreements, documents, securities and instruments contemplated by the Plan, necessary for or desirable to effect the transactions contemplated by the Plan, in the name of and on behalf of the Reorganized Debtors, including, without limitation, (x) the Exit Facility Documents, (y) the SPA, and (z) any and all other agreements, documents, securities and instruments relating to the foregoing.

(b) Restated Certificate of Incorporation and Restated Bylaws. On the Effective Date or as soon as practicable thereafter, each of the applicable Reorganized Debtors shall adopt amended certificates of incorporation and, as deemed necessary, amended bylaws (or similar organization documents) and shall file the amended certificates of incorporation with the Secretary of State of the State of Delaware or, if such Debtor is organized under the laws of another jurisdiction, file similar organization documents with the appropriate authority in the applicable jurisdiction. In addition, on or before the Effective Date, pursuant to and only to the extent required by section 1123(a)(6) of the Bankruptcy Code, the amended certificates of incorporation shall satisfy the provisions of the Bankruptcy Code and shall include, among other things, pursuant to section 1123(a)(6) of the Bankruptcy Code, (i) a provision prohibiting the issuance of non-voting equity securities and (ii) a provision setting forth an appropriate distribution of voting power among classes of equity securities possessing voting power. On the Effective Date, the boards of directors of each of the Reorganized Debtors shall be deemed to have adopted amended bylaws for each Reorganized Debtor.

13.4. *Exemption from Transfer Taxes.*

Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of equity securities under the Plan, the creation of any mortgage, deed of trust, or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including, without limitation, the New PPC Common Stock, the Exit Facility, the SPA, any merger agreements or agreements of consolidation, deeds, bills of sale, or assignments executed in connection with any of the transactions contemplated under the Plan, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax. All sale transactions consummated by the Debtors and approved by the Bankruptcy Court on and after the Commencement Date through and including the Effective Date, including, without limitation, the transfers effectuated under the Plan, the sale by the Debtors of owned property pursuant to section 363(b) of the Bankruptcy Code, and the assumption, assignment, and sale by the Debtors of unexpired leases of non-residential real property pursuant to section 365(a) of the Bankruptcy Code, shall be deemed to have been made under, in furtherance of, or in connection with the Plan and, thus, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

13.5. Expedited Tax Determination.

The Debtors and the Reorganized Debtors are authorized to request an expedited determination of taxes under section 505(b) of the Bankruptcy Code for any and all returns filed for, or on behalf of, the Debtors for any and all taxable periods (or portions thereof) through the Effective Date.

13.6. Payment of Statutory Fees.

On the Effective Date, and thereafter as may be required, the Debtors shall pay all fees payable pursuant to section 1930 of chapter 123 of title 28 of the United States Code.

13.7. Post-Confirmation Date Professional Fees and Expenses.

From and after the Confirmation Date, the Reorganized Debtors shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and expenses of professional persons thereafter incurred by Reorganized Debtors.

13.8. Dissolution of Committees.

On the Effective Date, the Committees shall be dissolved and the members thereof shall be released and discharged of and from all further authority, duties, responsibilities and obligations relating to and arising from and in connection with the Chapter 11 Cases; *provided, however*, that in the event the Confirmation Order is appealed, any Committee may elect to delay its dissolution until the conclusion of the appeal so as to participate in such appeal. On the Effective Date, the retention or employment of all attorneys, financial advisors, accountants and other agents of the Creditors' Committee and Equity Committee shall terminate other than for purposes of (i) filing, prosecuting and objecting to applications for final allowances of compensation for professional services rendered and reimbursement of expenses incurred in connection therewith, (ii) participating in any appeal of the Confirmation Order, and (iii) participating in resolution of issues related to the Additional Interest Claims and Senior Note Subordination Claims (both as defined in the Confirmation Order). To the extent not discharged and released on or prior to the Confirmation Date, on the eleventh (11th) day following the entry of an order in respect of the last of any outstanding fee applications, the Fee Review Committee shall be released and discharged from its obligations pursuant to the Order Granting Motion for (I) Appointment of a Fee Review Committee and (II) Amendment of the Interim Compensation Order [Docket No. 1624].

13.9. Indenture Trustees as Claim Holders.

Consistent with Bankruptcy Rule 3003(c), the Reorganized Debtors shall recognize proofs of claim timely filed by any Indenture Trustee in respect of any Claims under the Indentures. Accordingly, any Claim, proof of which is filed by the registered or beneficial holder of a Claim, may be disallowed as duplicative of the Claim of the applicable Indenture Trustees, without any further action of the Bankruptcy Court.

13.10. Plan Supplement.

A draft form of the following documents and any other appropriate documents, to the extent not already attached to the Plan, shall be contained in the Plan Supplement and filed with the Clerk of the Bankruptcy Court no later than ten (10) days prior to the last date by which holders of impaired Equity Interests may vote to accept or reject the Plan: (i) Summary of Terms of Exit Facility, (ii) Restated Certificate of Incorporation, (iii) Restated Bylaws, (iv) Summary of New Employee Incentive Plans, (v) list of

certain assumed executory contracts and unexpired leases, (vi) list of certain rejected executory contracts and unexpired leases, (vii) list of initial directors for the Reorganized Debtors, (viii) list of initial officers of Reorganized PPC, and (vix) the Plan Sponsor's more recent financial statements. Upon its filing with the Bankruptcy Court, the Plan Supplement may be inspected in the office of the Clerk of the Bankruptcy Court during normal court hours. Documents to be included in the Plan Supplement will be posted at a website identified in the Disclosure Statement as they become available, but no later than five (5) days prior to the last date by which votes to accept or reject the Plan must be received. Notwithstanding the foregoing, the Debtors may amend Schedule 8.1, 8.7 and 8.9 prior to the Confirmation Date and each of the other documents contained in the Plan Supplement (in a manner consistent with the Plan and Disclosure Statement) through and including the Effective Date.

13.11. Substantial Consummation.

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

13.12. Amendments or Modifications of the Plan.

Alterations, amendments, or modifications of or to the Plan may be proposed in writing by the Debtors at any time prior to the Confirmation Date, provided that the Plan, as altered, amended, or modified, satisfies the conditions of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code; provided further that without the prior written consent of the Plan Sponsor, the Debtors may not propose amendments or modifications to any provision in the Plan that would reasonably be expected to have a material adverse effect on the Plan Sponsor or on the ability of the Company and the Plan Sponsor to consummate the transactions contemplated by the SPA except that no consent shall be required for any amendments or modifications to the Plan proposed by the Debtors that are consistent with the rights of PPC under the SPA. After the Confirmation Date, so long as such action does not materially and adversely affect the treatment of holders of Claims or Equity Interests under the Plan, the Debtors or the Reorganized Debtors may institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan or the Confirmation Order, with respect to such matters as may be necessary to carry out the purposes and effects of the Plan. A holder of a Claim or Equity Interest that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, or modified, if the proposed alteration, amendment, or modification does not materially and adversely change the treatment of the Claim or Equity Interest of such holder.

13.13. Revocation or Withdrawal of the Plan.

The Debtors reserve the right to revoke or withdraw the Plan prior to the Effective Date. If the Debtors take such action, the Plan shall be deemed null and void. In such event, nothing contained in the Plan shall constitute or be deemed a waiver or release of any Claims against the Debtors, any claims or rights of the Debtors against any other person or to prejudice in any manner the rights of the Debtors or any other person in any further proceedings involving the Debtors.

13.14. Severability.

If, prior to the entry of the Confirmation Order, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision as altered or interpreted shall then be applicable.

Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

13.15. Governing Law.

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent an exhibit hereto or a schedule or document in the Plan Supplement provides otherwise, the rights, duties, and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas, without giving effect to the principles of conflict of laws thereof; provided, however, that the SPA shall be governed by the laws as set forth therein.

13.16. Binding Effect.

The Plan shall be binding upon the Debtors, the holders of Claims and Equity Interests and other parties in interest, and their respective successors and assigns, including, without limitation, the Reorganized Debtors.

13.17. Exhibits/Schedules.

All exhibits and schedules to the Plan, including the Plan Supplement, are incorporated into and are a part of the Plan as if set forth in full herein.

13.18. Notices.

In order to be effective, all notices, requests, and demands to or upon the Debtors must be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

Pilgrim's Pride Corporation
4585 US Highway 271 North
Pittsburg, TX 75868-0093
Attn: Richard A. Cogdill
Title: Chief Financial Officer
Telephone: (903) 434-1000
Facsimile: (972) 290-8950

With a copy to:

Weil, Gotshal & Manges LLP
200 Crescent Court, Suite 300
Dallas, Texas 75201
Attn: Stephen A. Youngman
Telephone: (214) 746-7700
Facsimile: (214) 746-7777

- and -

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Victoria Vron
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

13.19. ***Time.***

In computing any period of time prescribed or allowed by the Plan, unless otherwise set forth herein or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule 9006 shall apply.

13.20. **Section Headings.**

The section headings contained in the Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of the Plan.

13.21. **No Admissions.**

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER CAUSES OF ACTION OR THREATENED CAUSES OF ACTIONS, THE PLAN SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THE PLAN SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, AND OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, AND EQUITY INTERESTS IN, PPC OR ANY OF ITS SUBSIDIARIES AND AFFILIATES, AS DEBTORS AND DEBTORS IN POSSESSION IN THE CHAPTER 11 CASES.

Dated: December 8, 2009
Fort Worth, Texas

Respectfully submitted,

PILGRIM'S PRIDE CORPORATION

By: /s/ Richard A. Cogdill
Name: Richard A. Cogdill
Title: Chief Financial Officer

PFS DISTRIBUTION COMPANY

By: /s/ Richard A. Cogdill
Name: Richard A. Cogdill
Title: Chief Financial Officer

PPC TRANSPORTATION COMPANY

By: /s/ Richard A. Cogdill
Name: Richard A. Cogdill
Title: Chief Financial Officer

TO-RICOS, LTD.

By: /s/ Richard A. Cogdill
Name: Richard A. Cogdill
Title: Chief Financial Officer

TO-RICOS DISTRIBUTION, LTD.

By: /s/ Richard A. Cogdill

Name: Richard A. Cogdill

Title: Chief Financial Officer

PILGRIM'S PRIDE CORPORATION OF WEST VIRGINIA, INC.

By: /s/ Richard A. Cogdill

Name: Richard A. Cogdill

Title: Chief Financial Officer

PPC MARKETING, LTD.

By: Pilgrim's Pride Corporation
Its General Partner

/s/ Richard A. Cogdill

Name: Richard A. Cogdill

Title: Chief Financial Officer

Monthly Operating Report

ACCRUAL BASIS

CASE NAME: Pilgrim's Pride Corporation

CASE NUMBER: 08-45664

JUDGE: LYNN

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF TEXAS

DIVISION 6

MONTHLY OPERATING REPORT

MONTHLY PERIOD: October 25, 2009 to November 28, 2009

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

/s/ William Snyder

ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

William Snyder

PRINTED NAME OF RESPONSIBLE PARTY

Chief Restructuring Officer

TITLE

December 9, 2009

DATE

PREPARER:

/s/ Gary D. Tucker

ORIGINAL SIGNATURE OF PREPARER

Gary D. Tucker

PRINTED NAME OF PREPARER

Senior Vice President Corporate Controller

TITLE

December 9, 2009

DATE

CASE NAME: Pilgrim's Pride Corporation

General Notes

CASE NUMBER: 08-45664

MONTH: 10/25/09 to 11/28/09

General Notes

- 1-1** The Debtors have prepared this presentation, as required by the Office of the United States Trustee, based on the information available to the Debtors at this time, but note that such information may be incomplete and may be materially deficient in certain respects. This Monthly Operating Report ("MOR") is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. The Debtors reserve all rights to revise this report.
- 1-2** This MOR is not prepared in accordance with U.S. generally accepted accounting principles (GAAP). This MOR should be read in conjunction with the previously filed financial statements and accompanying notes in the Company's annual and quarterly reports that are filed with the United States Securities and Exchange Commission. Certain exceptions as listed below are not exhaustive of all non-GAAP compliance:
- The financial statements are unaudited and will not be subject to audit or review by the Company's external auditors at any time in the future and are subject to change.
 - The MOR does not reflect normal quarterly adjustments that are generally recorded by the Company upon review of major accounts prior to the end of each quarterly accounting period.
 - Certain items presented in this MOR are under research and may be accounted for differently in future monthly reports.
 - The MOR does not include explanatory footnotes such as disclosures required under GAAP.
 - The MOR is not presented in a GAAP-based SEC reporting format.
- 1-3** The monthly period ends on November 28, 2009 to correspond with Pilgrim's Pride Corporation's fiscal month end.
- 1-4** This MOR has been filed on a consolidated basis for Pilgrim's Pride Corporation, Case No. 08-45664, PFS Distribution Company, Case No. 08-45661, PPC Transportation Company, Case No. 08-45665, To-Ricos, Ltd., Case No. 08-45669, To-Ricos Distribution, Ltd., Case No. 08-45670, Pilgrim's Pride Corporation of West Virginia, Inc., Case No. 08-45673, and PPC Marketing, Ltd., Case No. 08-45676 (collectively, the "Debtors"). The Debtors use a centralized cash management system. See the Cash Management Order entered 12/03/08 for a full description of the Debtors' cash management system.
- On December 1, 2008 (the "Petition Date"), the Debtors each filed a voluntary petition with the Bankruptcy Court for reorganization relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the "Bankruptcy Code"). The cases were consolidated for procedural purposes only under Case No. 08-45664.
- For financial reporting purposes, the Debtors generally prepare consolidated financial statements, which include financial information for all subsidiaries and affiliates (including the Debtors, the "Company"). Separate Schedules and Statements were filed for each of the Debtors on January 26, 2009; however, all amounts shown in the "schedule amounts" column remain subject to change. Each Debtor's Schedules and Statements were prepared using the assets and liabilities of that Debtor pursuant to the Debtor's accounting records. For purposes of this MOR, however, the financial statements are presented as consolidated.
- 1-5** The value of the assets listed on Schedule A for each debtor was based on an appraisal, if available, or book value if an appraisal was not available. However, for purposes of the balance sheet, the book values were used. Therefore, there is an adjustment in the real property values listed between "schedule amount" and the balance sheet amount.

Monthly Operating Report

CASE NAME: **Pilgrim's Pride Corporation**

ACCRUAL BASIS-1

CASE NUMBER: **08-45664**

MONTH: 10/25/09 to 11/28/09

COMPARATIVE BALANCE SHEET

	SCHEDULE AMOUNT	24-Oct-09	28-Nov-09	27-Dec-09
ASSETS				
1 UNRESTRICTED CASH	\$ 21,544,687	\$ 224,882,684	\$ 225,457,026	
2 RESTRICTED CASH				
3 TOTAL CASH ¹	\$ 21,544,687	\$ 224,882,684	\$ 225,457,026	
4 ACCOUNTS RECEIVABLE	\$ 311,847,778	\$ 267,966,796	\$ 241,569,683	
5 INTERCOMPANY ACCOUNTS RECEIVABLE ²		\$ 32,708,082	\$ 34,049,681	
6 INVENTORY	\$ 777,704,878	\$ 677,817,662	\$ 685,179,271	
7 NOTES RECEIVABLE				
8 PREPAID EXPENSES	\$ 10,327,765	\$ 12,327,840	\$ 7,541,567	
9 OTHER (ATTACH LIST)				
10 TOTAL CURRENT ASSETS	\$1,121,425,108	\$1,215,703,064	\$1,193,797,228	
11 PROPERTY, PLANT & EQUIPMENT	\$ 617,749,290	\$1,309,204,540	\$1,312,632,457	
12 LESS: ACCUMULATED DEPRECIATION / DEPLETION		\$ 808,648,928	\$ 823,900,085	
13 NET PROPERTY, PLANT & EQUIPMENT	\$ 617,749,290	\$ 500,555,612	\$ 488,732,372	
14 DUE FROM INSIDERS				
15 OTHER ASSETS - NET OF AMORTIZATION (ATTACH LIST)				
16 OTHER (ATTACH LIST)	\$1,158,613,500	\$1,158,606,909	\$1,212,023,635	
17 TOTAL ASSETS	\$2,897,787,898	\$2,874,865,584	\$2,894,553,235	
POSTPETITION LIABILITIES				
18 ACCRUED EXPENSES ³				
19 TAXES PAYABLE		\$ 22,888,386	\$ 27,478,650	
20 NOTES PAYABLE (DIP FINANCING)		\$ 0	\$ 0	
21 PROFESSIONAL FEES (ACCRUED EST)		\$ 10,490,000	\$ 7,880,000	
22 SECURED DEBT (ACCRUED INT)		\$ 27,956,854	\$ 34,568,853	
23 OTHER (ATTACH LIST)		\$ 136,550,635	\$ 126,546,711	
24 TOTAL POSTPETITION LIABILITIES		\$ 197,885,876	\$ 196,474,215	
PREPETITION LIABILITIES				
25 SECURED DEBT ⁴	\$1,437,193,843	\$1,363,669,194	\$1,394,969,194	
26 PRIORITY DEBT ⁵	\$ 6,780,266	\$ 283,775	\$ 283,775	
27 UNSECURED DEBT ⁵	\$ 922,357,077	\$ 830,456,016	\$ 831,266,926	
28 OTHER (ATTACH LIST) ⁶		\$ 565,559,144	\$ 572,900,785	
29 TOTAL PREPETITION LIABILITIES	\$2,366,331,186	\$2,759,968,129	\$2,799,420,680	
30 TOTAL LIABILITIES	\$2,366,331,186	\$2,957,854,005	\$2,995,894,895	
EQUITY				
31 PREPETITION OWNERS' EQUITY ⁷	\$ 531,456,712	\$ 531,687,077	\$ 531,687,077	
32 POSTPETITION CUMULATIVE PROFIT OR (LOSS) ⁸		\$ (10,796,069)	\$ (28,640,147)	
33 DIRECT CHARGES TO EQUITY ⁹		\$ (603,879,428)	\$ (604,388,589)	
34 TOTAL EQUITY	\$ 531,456,712	\$ (82,988,420)	\$ (101,341,660)	
35 TOTAL LIABILITIES & OWNERS' EQUITY	\$2,897,787,898	\$2,874,865,584	\$2,894,553,235	

Footnotes:

- Total Cash is based on the unaudited balance sheet for the debtor entities. Amount will not tie to ending cash presented in Accrual Basis-3, see footnote 1 on Accrual Basis-3 for explanation.
- Schedule amounts do not include Intercompany Accounts Receivable.
- See Line Item 28 and Accrual Basis-1 Attachment for accrued expenses.
- The Schedule Amount includes Letters of Credit which are not included on the balance sheet and have been removed for presentation in the MOR. Prepetition secured debt increased due to draws on various letters of credit, which increased the BMO prepetition revolver.
- Pursuant to various "first day" orders of the Bankruptcy Court, certain priority debt and unsecured debt payments were made.
- Other prepetition liabilities include accruals from pre- and post-petition periods.
- Scheduled Amount adjusted to reflect amendments to the schedules.
- Includes prior period and quarterly adjustments, which may have occurred subsequent to the filing of previous monthly operating reports.
- The Direct Charges to Equity is an adjustment for liabilities and assets (accrued expenses, intercompany accounts payable, and others) not reflected in the prepetition scheduled amounts.

Monthly Operating Report

CASE NAME: Pilgrim's Pride Corporation
CASE NUMBER: 08-45664 (JOINTLY ADMINISTERED)

ACCRUAL BASIS-1
Attachment

	SCHEDULE AMOUNT	November 28, 2009
8 Prepaid Expenses		
Prepaid Insurance	475,615	4,010,720
Prepaid Commodity Futures	1,664,158	3,571
Prepaid Legal Services	5,491,523	459,039
Prepaid - Other	2,068,363	913,439
Security Deposits	628,107	2,154,799
Total Prepaid Expenses	<u>10,327,765</u>	<u>7,541,567</u>
16 Other Assets		
Real Property Assets (See General Note 1-5)	748,045,207	786,141,133
Equipment Sold: Awaiting Sale Proceeds	2,147,191	0
Income Taxes Receivable	16,240,997	16,109,696
Interests in Insurance Policies	7,703,508	0
Interests in Pension/Profit Sharing Plans	20,081,572	21,183,958
Stock and Interests in Businesses	181,753,661	179,252,614
Property Investment	3,252,736	3,252,736
Investment in Loan Costs	23,021,185	21,124,956
Assets Held for Sale	17,457,627	1,278,038
Deferred Tax Asset	13,919,980	(22,808,893)
Buildings/Equipment under Construction	59,335,632	86,702,249
General Intangibles	65,654,205	55,470,819
Utility Deposits		14,681,331
Other Assets		49,635,000
Total Other Assets	<u>1,158,613,500</u>	<u>1,212,023,635</u>
23 Other Postpetition Liabilities		
Estimated Postpetition Accounts Payable		126,546,711
Total Postpetition Liabilities		<u>126,546,711</u>
28 Other Prepetition Liabilities		
Accrued Expenses (Includes Prepetition and Postpetition)		274,701,073
Deferred Federal Income Taxes		13,029,415
Other Income Tax		25,119,250
Accrued PPC Pension		6,321,898
Accrued Sal-Retirement/Pension		66,973,422
Minority Interest		694,796
Unfavorable Lease Contract		866,134
Deferred Intercompany Gain		155,000,000
Miscellaneous - Other		30,194,796
Total Other Prepetition Liabilities		<u>572,900,785</u>

Monthly Operating Report

ACCRUAL BASIS-1

CASE NAME: Pilgrim's Pride Corporation

CASE NUMBER: 08-45664

MONTH: 10/25/09 to 11/28/09

INCOME STATEMENT¹

	24-Oct-09	28-Nov-09	27-Dec-09	QUARTER TOTAL
REVENUES				
1 GROSS REVENUE	\$468,558,279	\$551,167,926		\$1,019,726,205
2 LESS: RETURNS & DISCOUNTS	\$ 8,610,912	\$ 8,721,694		\$ 17,332,606
3 NET REVENUE	\$459,947,367	\$542,446,232		\$1,002,393,599
COST OF GOODS SOLD				
4 COST OF GOODS SOLD	\$430,752,269	\$509,734,619		\$ 940,486,888
5 TOTAL COST OF GOODS SOLD	\$430,752,269	\$509,734,619		\$ 940,486,888
6 GROSS PROFIT	\$ 29,195,098	\$ 32,711,613		\$ 61,906,711
OPERATING EXPENSES				
7 OFFICER / INSIDER COMPENSATION	\$ 512,757	\$ 661,009		\$ 1,173,766
8 GENERAL & ADMINISTRATIVE	\$ 21,796,677	\$ 28,446,523		\$ 50,243,200
9 OTHER	\$ 12,318	\$ (52,982)		\$ (40,664)
10 TOTAL OPERATING EXPENSES	\$ 22,321,753	\$ 29,054,550		\$ 51,376,302
11 INCOME BEFORE NON-OPERATING INCOME & EXPENSE	\$ 6,873,345	\$ 3,657,063		\$ 10,530,409
OTHER INCOME & EXPENSES				
12 FINANCING EXPENSES	\$ 12,016,042	\$ 13,302,809		\$ 25,318,851
13 OTHER	\$ 667,232	\$ 810,756		\$ 1,477,988
REORGANIZATION EXPENSES				
14 PROFESSIONAL FEES	\$ 4,625,000	\$ 4,495,750		\$ 9,120,750
15 U.S. TRUSTEE FEES	\$ 0	\$ 129,250		\$ 129,250
16 OTHER REORGANIZATION ITEMS ²	\$ 2,625,979	\$ 633,304		\$ 3,259,283
17 TOTAL REORGANIZATION EXPENSES	\$ 7,250,979	\$ 5,258,304		\$ 12,509,283
18 INCOME TAX	\$ 10,745	\$ 11,265		\$ 22,010
19 NET PROFIT (LOSS)	\$ (13,071,654)	\$ (15,726,070)		\$ (28,797,724)

Footnotes:

- The Income Statement includes debtor entities only.
- Other Reorganization Items include severance and other miscellaneous items.

Monthly Operating Report

CASE NAME: Pilgrim's Pride Corporation

ACCRUAL BASIS-3

CASE NUMBER: 08-45664

MONTH: 10/25/09 to 11/28/09

CASH RECEIPTS AND DISBURSEMENTS ¹	24-Oct-09	28-Nov-09	27-Dec-09	QUARTER TOTAL
1 CASH - BEGINNING OF MONTH ²	\$201,960,991	\$235,221,382		\$ 201,960,991
RECEIPTS FROM OPERATIONS				
2 CASH SALES				
COLLECTION OF ACCOUNTS RECEIVABLE				
3 TOTAL OPERATING RECEIPTS	\$478,357,180	\$570,902,600		\$1,049,259,780
NON - OPERATING RECEIPTS				
4 LOANS & ADVANCES	\$ 0	\$ 0		\$ 0
5 OTHER ³	\$ 3,661,000	\$ 5,071,632		\$ 8,732,632
6 TOTAL NON-OPERATING RECEIPTS	\$ 3,661,000	\$ 5,071,632		\$ 8,732,632
7 TOTAL RECEIPTS	\$482,018,180	\$575,974,232		\$1,057,992,412
8 TOTAL CASH AVAILABLE	\$683,979,171	\$811,195,614		\$1,259,953,403
OPERATING DISBURSEMENTS				
9 CUSTOMER PROGRAMS	\$ 8,304,572	\$ 6,555,267		\$ 14,859,839
10 GROWING AND FEEDING ⁴	\$195,519,166	\$235,053,967		\$ 430,573,133
11 CONTRACTORS, REPAIR AND MAINTENANCE	\$ 15,852,204	\$ 20,510,102		\$ 36,362,307
12 FLEET AND FREIGHT	\$ 27,017,348	\$ 34,043,123		\$ 61,060,472
13 GENERAL INSURANCE ⁵	\$ 3,289,021	\$ 6,134,300		\$ 9,423,321
14 LEASES/RENTALS	\$ 2,906,093	\$ 5,158,066		\$ 8,064,159
15 MEAT/FOOD	\$ 14,416,569	\$ 19,155,513		\$ 33,572,083
16 PACKAGING/INGREDIENTS	\$ 36,992,879	\$ 45,957,137		\$ 82,950,016
18 GROSS PAYROLL ⁶	\$ 97,557,647	\$121,391,860		\$ 218,949,507
20 UTILITIES	\$ 15,345,916	\$ 17,853,036		\$ 33,198,951
21 OTHER	\$ 27,494,565	\$ 29,361,198		\$ 56,855,763
22 CAPITAL EXPENDITURE	\$ 5,416,147	\$ 13,250,989		\$ 18,667,136
23 TOTAL OPERATING DISBURSEMENTS	\$450,112,127	\$554,424,559		\$1,004,536,686
REORGANIZATION EXPENSES				
23 PROFESSIONAL FEES	\$ 4,365,162	\$ 5,027,420		\$ 9,392,582
24 U.S. TRUSTEE FEES	\$ 0	\$ 129,250		\$ 129,250
25 OTHER REORGANIZATION ⁷	\$ 14,898,920	\$ 4,209,308		\$ 19,108,228
26 TOTAL REORGANIZATION EXPENSES	\$ 19,264,082	\$ 9,365,978		\$ 28,630,060
27 TOTAL DISBURSEMENTS	\$469,376,209	\$563,790,537		\$1,033,166,746
28 NET CASH FLOW	\$ 12,641,971	\$ 12,183,695		\$ 24,825,666
29 CHANGES IN CASH MANAGEMENT OBLIGATIONS ⁸	\$ 20,618,420	\$ (13,066,720)		\$ 7,551,700
30 CASH - END OF MONTH ²	\$235,221,382	\$234,338,357		\$ 234,338,357

Footnotes:

- Cash Receipts and Disbursements represent consolidated U.S. Operations of Pilgrim's Pride Corporation, which includes debtor and non-debtor entities.
- Beginning and ending cash balances are based on the unaudited balance sheet for U.S. Operations of Pilgrim's Pride Corporation.
- Other receipts include \$1 million related to non-core asset sale, \$1.5 million related to a legal settlement and \$2.6 million for insurance recovery reimbursement.
- Growing and Feeding disbursements include: grain/feed ingredients, live op/pullets and grower pay.
- Insurance disbursements reflect general liability, workers' compensation and auto liability insurance.
- Gross payroll includes net payroll, payroll taxes, unemployment taxes, garnishment and medical claim payment.
- Other reorganization disbursements in Fiscal Month November 2009 include:
 - DIP unused facility fee = \$151k
 - Adequate protection payment to CoBank = \$1.5 million
 - Adequate protection payment to BMO = \$18K
 - Grower settlement = \$2.5 million
- Changes in cash management obligations reflect accrual basis cash flow statement adjustments.

Monthly Operating Report

CASE NAME: Pilgrim's Pride Corporation

Disbursements by Debtor

CASE NUMBER: 08-45664

MONTH: 10/25/09 to 11/28/09

Disbursement by Debtor ^{1,2}

<u>Debtor</u>	<u>Case Number</u>	<u>24-Oct-09</u>	<u>28-Nov-09</u>	<u>27-Dec-09</u>	<u>Quarter Total</u>
Pilgrim's Pride Corporation	08-45664	436,907,269	520,228,890		957,136,159
PPC Marketing, Ltd.	08-45676	200,434	469,088		669,522
PFS Distribution Company	08-45661	7,948,044	11,075,627		19,023,671
To-Ricos, Ltd.	08-45669	3,352,680	3,675,793		7,028,473
PPC of West Virginia, Inc.	08-45673	14,385,485	19,249,216		33,634,701
PPC Transportation Company	08-45665	5,316,599	7,452,382		12,768,981
To-Ricos Distribution, Ltd.	08-45670	608,626	751,300		1,359,926
		<u>468,719,137</u>	<u>562,902,296</u>		<u>1,031,621,433</u>

Footnotes:

- Pilgrim's Pride's Cash Management system disburses payments on a consolidated level (see Court order authorizing continued use of the existing centralized cash management system entered on December 3, 2008). In order to calculate the amount of disbursements made by each debtor, the payments applied through accounts payable were calculated for each debtor. In addition, payments that were not issued through accounts payable were added for each company, such as: payroll, wires, and other disbursements. Miscellaneous other disbursements were allocated on a percentage basis among the debtors.
- Total Disbursements will not tie to the amount presented on Accrual Basis-3 because this schedule only includes debtor entities (see footnote 1 on Accrual Basis-3).

Monthly Operating Report

CASE NAME: Pilgrim's Pride Corporation

ACCRUAL BASIS-4

CASE NUMBER: 08-45664

MONTH: 10/25/09 to 11/28/09

TRADE ACCOUNTS RECEIVABLE AGING		SCHEDULE AMOUNT	24-Oct-09	28-Nov-09	27-Dec-09
1.	0-30		\$268,374,846	\$242,577,530	
2.	31-60		\$ 4,384,864	\$ 6,054,268	
3.	61-90		\$ 1,002,580	\$ 719,229	
4.	91+		\$ 2,370,281	\$ 3,083,455	
5.	TRADE ACCOUNTS RECEIVABLE		\$276,132,572	\$252,434,482	
6.	AMOUNT CONSIDERED UNCOLLECTIBLE		\$ 2,881,412	\$ 2,537,724	
7.	TRADE ACCOUNTS RECEIVABLE (NET) ¹	\$311,847,778	\$273,251,160	\$249,896,757	

AGING OF POSTPETITION TAXES AND PAYABLES

MONTH: 10/25/09 to 11/28/09

TAXES PAYABLE		0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1.	FEDERAL	\$ 7,679,811				\$ 7,679,811
2.	STATE & LOCAL	\$ 19,798,839				\$19,798,839
3.	OTHER (ATTACH LIST)	\$ 0				\$ 0
4.	TOTAL TAXES PAYABLE	\$ 27,478,650				\$27,478,650
5.	ACCOUNTS PAYABLE ²	\$126,546,711				

STATUS OF POSTPETITION TAXES

MONTH: 10/25/09 to 11/28/09

FEDERAL		BEGINNING TAX LIABILITY*	AMOUNT WITHHELD AND/OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
1.	WITHHOLDING	\$ 1,231,294	\$ 6,035,835	\$ (5,045,017)	\$ 2,222,112
2.	FICA-EMPLOYEE	\$ 1,417,418	\$ 7,043,100	\$ (5,806,419)	\$ 2,654,099
3.	FICA-EMPLOYER	\$ 1,417,418	\$ 7,043,100	\$ (5,806,419)	\$ 2,654,099
4.	UNEMPLOYMENT	\$ 73,328	\$ 76,173	\$ 0	\$ 149,501
5.	INCOME	\$ 0	\$ 0	\$ 0	\$ 0
6.	OTHER (ATTACH LIST)	\$ 0	\$ 0	\$ 0	\$ 0
7.	TOTAL FEDERAL TAXES	\$ 4,139,457	\$ 20,198,209	\$ (16,657,854)	\$ 7,679,811
STATE AND LOCAL					
8.	WITHHOLDING	\$ 1,322,612	\$ 2,324,047	\$ (2,254,758)	\$ 1,391,902
9.	SALES	\$ 597,977	\$ 632,255	\$ (517,270)	\$ 712,962
10.	EXCISE	\$ 6,900	\$ 6,900	\$ (6,900)	\$ 6,900
11.	UNEMPLOYMENT	\$ 141,500	\$ 136,266	\$ (322)	\$ 277,443
12.	REAL PROPERTY	\$ 7,361,103	\$ 830,270	\$ (593,473)	\$ 7,597,900
13.	PERSONAL PROPERTY	\$ 8,609,950	\$ 902,871	\$ (483,284)	\$ 9,029,537
14.	FRANCHISE	\$ 195,666	\$ 39,958	\$ (33,000)	\$ 202,624
15.	INCOME	\$ 513,221	\$ 66,350	\$ 0	\$ 579,571
16.	OTHER (ATTACH LIST)	\$ 0	\$ 0	\$ 0	\$ 0
17.	TOTAL STATE & LOCAL	\$18,748,929	\$ 4,938,917	\$ (3,889,007)	\$19,798,839
16.	TOTAL TAXES	\$22,888,386	\$ 25,137,126	\$ (20,546,861)	\$27,478,650

* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.

Footnotes:

1. Amount will not tie to accounts receivable presented on balance sheet, as only certain trade receivable accounts are aged.
2. Due to the methodology used in determining the estimated postpetition accounts payable, this amount cannot be aged into the respective aging buckets.

Monthly Operating Report

ACCRUAL BASIS-5

CASE NAME: Pilgrim's Pride Corporation

CASE NUMBER: 08-45664

MONTH: 10/25/09 to 11/28/09

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc. Accounts with restricted funds should be identified by placing an asterisk next to the account number. Attach additional sheets if necessary.

MONTH: 10/25/09 to 11/28/09

BANK RECONCILIATIONS¹

	<u>Account #1</u>	<u>Account #2</u>	<u>Account #3</u>	
A. BANK:				
B. ACCOUNT NUMBER:				TOTAL
C. PURPOSE (TYPE):				
1. BALANCE PER BANK STATEMENT				
2. ADD: TOTAL DEPOSITS NOT CREDITED				
3. SUBTRACT: OUTSTANDING CHECKS				
4. OTHER RECONCILING ITEMS				
5. MONTH END BALANCE PER BOOKS				
6. NUMBER OF LAST CHECK WRITTEN				

INVESTMENT ACCOUNTS¹

<u>BANK, ACCOUNT NAME & NUMBER</u>	<u>DATE OF PURCHASE</u>	<u>TYPE OF INSTRUMENT</u>	<u>PURCHASE PRICE</u>	<u>CURRENT VALUE</u>
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS				

CASH

- 12. CURRENCY ON HAND
- 13. TOTAL CASH - END OF MONTH

Footnote:

- 1. Because of the voluminous nature of the bank and investment account reconciliations, they are not attached to the MOR, but are available upon request from the Debtors.

Monthly Operating Report

CASE NAME: Pilgrim's Pride Corporation

ACCRUAL BASIS-6

CASE NUMBER: 08-45664

MONTH: 10/25/09 to 11/28/09

PAYMENTS TO INSIDERS AND PROFESSIONALS

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101 (31) (A)-(F) OF THE U.S. BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS

	<u>NAME</u>	<u>TYPE OF PAYMENT</u>	<u>AMOUNT PAID</u>	<u>TOTAL PAID TO DATE</u>
1.	See Attachment for Insider Payments			
2.				
3.				
4.				
5.				
6.	TOTAL PAYMENTS TO INSIDERS		\$661,009	\$11,240,225

PROFESSIONALS

	<u>NAME</u>	<u>DATE OF COURT ORDER AUTHORIZING PAYMENT</u>	<u>AMOUNT APPROVED</u>	<u>AMOUNT PAID</u>	<u>TOTAL PAID TO DATE</u>	<u>ESTIMATED INCURRED & UNPAID *</u>
1.	CRG Partners	2/9/2009		\$ 478,365	\$ 6,346,136	\$ 300,000
2.	Kurtzman Carson Consultants	12/31/2008		\$ 0	\$ 1,879,295	\$ 250,000
3.	Baker & McKenzie	12/31/2008		\$1,808,224	\$ 8,611,029	\$ 2,300,000
4.	Weil, Gotshal & Manges LLP	12/31/2008		\$ 459,010	\$ 5,610,559	\$ 1,000,000
5.	Lazard, Freres, & Co. LLC	1/14/2009		\$ 0	\$ 1,573,719	\$ 1,050,000
6.	Alvarez & Marsal	12/3/2008 (DIP Order)		\$ 191,597	\$ 2,017,915	\$ 150,000
7.	FTI Consulting	12/3/2008 (DIP Order)		\$ 20,413	\$ 1,294,463	\$ 75,000
8.	Fullbright & Jaworski	12/3/2008 (DIP Order)		\$ 49,425	\$ 1,148,878	\$ 100,000
9.	Morgan, Lewis & Bockius	12/3/2008 (DIP Order)		\$ 0	\$ 115,114	\$ 10,000
10.	Chapman & Cutler	12/3/2008 (DIP Order)		\$ 0	\$ 739,575	\$ 75,000
11.	Andrews Kurth LLP	1/12/2009		\$ 676,628	\$ 4,311,649	\$ 500,000
12.	Moelis & Company LLC	2/3/2009		\$ 148,612	\$ 1,668,283	\$ 250,000
13.	Campbell, Killian, Brittain & Ray	12/3/2008 (DIP Order)		\$ 0	\$ 63,151	\$ —
14.	Carrington Coleman	12/3/2008 (DIP Order)		\$ 33,072	\$ 406,135	\$ 75,000
15.	Holland & Hart	12/3/2008 (DIP Order)		\$ 0	\$ 543	\$ —
16.	OakTree	1/12/2009		\$ 0	\$ 888	\$ —
17.	Haynes & Boone LLP	12/3/2008 (DIP Order)		\$ 0	\$ 137,878	\$ 5,000
18.	Gardere Wynne Sewell LLP	1/28/2009		\$ 121,413	\$ 254,709	\$ 75,000
19.	Lakeshore Food Advisors	8/19/2009		\$ 0	\$ 125,000	\$ —
20.	Nancy Rapoport & Committee Fees	4/28/2009		\$ 21,303	\$ 141,052	\$ 25,000
21.	Brown Rudnick LLP	8/31/2009		\$ 737,465	\$ 737,465	\$ 500,000
22.	Kelly Hart & Hallman LLP	8/7/2009		\$ 5,240	\$ 40,628	\$ 50,000
23.	Houlihan, Lokey, Howard, & Zukin Capital, Inc.	10/27/2009		\$ 0	\$ 0	\$ 500,000
24.	Stutzman, Bromberg, Esserman & Plifka	3/25/2009		\$ 7,676	\$ 123,770	\$ 15,000
25.	Mayer Brown LLP	8/11/2009		\$ 0	\$ 737,390	\$ 300,000
26.	Accuval	8/11/2009		\$ 0	\$ 218,942	\$ —
27.	Integrity Management Services	8/11/2009		\$ 68,977	\$ 237,432	\$ 75,000
28.	Bryan Carrell Appraisal	8/11/2009		\$ 200,000	\$ 200,000	\$ 200,000
29.	TOTAL PAYMENTS TO PROFESSIONALS			\$5,027,420	\$38,741,597	\$ 7,880,000

* INCLUDE ALL ESTIMATED FEES INCURRED OR ACCRUED, BOTH APPROVED AND UNAPPROVED

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

	<u>NAME OF CREDITOR</u>	<u>SCHEDULED MONTHLY PAYMENTS DUE</u>	<u>AMOUNTS PAID DURING MONTH</u>	<u>TOTAL UNPAID POSTPETITION</u>
1.	Bank of Montreal - DIP Payment	\$ 150,694	\$ 150,694	\$ 0
2.	CoBank - Adequate Protection payment	\$ 1,527,058	\$1,527,058	\$ 0
3.	Bank of Montreal - Adequate Protection payment	\$ 18,260	\$ 18,260	\$ 0
4.	See Leases Payable Attachment	\$ 3,244,547	\$3,244,103	\$ 5,472,203
5.				
6.	TOTAL	\$ 4,940,559	\$4,940,115	\$ 5,472,203

CASE NAME: Pilgrim's Pride Corporation

ACCRUAL BASIS - 6

CASE NUMBER: 08-45664

Insider Attachment

INSIDER PAYMENTS

	<u>NAME</u>	<u>TYPE OF PAYMENT</u>	<u>AMOUNT PAID</u>	<u>TOTAL PAID TO DATE</u>
1	Lonnie "Bo" Pilgrim	Grower Pay	\$ 157,510	\$ 1,055,421
	Lonnie "Bo" Pilgrim	Lease Payment ¹	\$ 62,500	\$ 750,000
	Lonnie "Bo" Pilgrim	Automobile ²	\$ 0	\$ 35,102
	Lonnie "Bo" Pilgrim	Personal Airplane Use ³	\$ 0	\$ 247
	Lonnie "Bo" Pilgrim	Salary & Benefits ⁴	\$ 115,466	\$ 1,483,167
2	Lonnie "Ken" Pilgrim	Salary & Benefits ⁴	\$ 19,404	\$ 301,396
	Lonnie "Ken" Pilgrim	Expense Reimbursement ⁵	\$ 356	\$ 13,166
3	Pat Pilgrim	Outside Services	\$ 6,741	\$ 348,880
4	Don Jackson	Salary & Benefits ⁴	\$ 115,800	\$ 1,240,738
	Don Jackson	Sign-on Bonus	\$ 0	\$ 3,000,000
	Don Jackson	Expense Reimbursement ⁵	\$ 8,258	\$ 58,577
	Don Jackson	Sign-on Stock Grant ⁶	\$ 0	\$ 0
5	Rick Cogdill	Salary & Benefits ⁴	\$ 61,672	\$ 798,512
	Rick Cogdill	Expense Reimbursement ⁵	\$ 2,309	\$ 35,852
6	Clint Rivers	Salary & Benefits ⁴	\$ 0	\$ 258,268
	Clint Rivers	Expense Reimbursement ⁵	\$ 0	\$ 651
	Clint Rivers	Consulting Fees ⁷	\$ 0	\$ 334,000
7	Robert Wright	Salary & Benefits ⁴	\$ 0	\$ 216,623
	Robert Wright	Expense Reimbursement ⁵	\$ 0	\$ 2,339
	Robert Wright	Consulting Fees ⁷	\$ 0	\$ 150,000
8	Ted Lankford	Salary & Benefits ⁴	\$ 10,124	\$ 133,357
	Ted Lankford	Expense Reimbursement ⁵	\$ 10,870	\$ 17,335
9	James Vetter, Jr.	Director Fees	\$ 9,000	\$ 96,000
10	Vance Miller	Director Fees	\$ 15,000	\$ 146,000
11	Charles Black	Director Fees	\$ 9,000	\$ 92,000
12	Donald Wass	Director Fees	\$ 9,000	\$ 96,000
13	Key Coker	Director Fees	\$ 9,000	\$ 118,000
14	Blake Lovette	Director Fees	\$ 9,000	\$ 114,000
	Blake Lovette	Expense Reimbursement ⁵	\$ 0	\$ 8,683
15	Linda Chavez	Director Fees	\$ 15,000	\$ 150,000
	Linda Chavez	Expense Reimbursement ⁵	\$ 0	\$ 6,604
16	Keith Hughes	Director Fees	\$ 15,000	\$ 164,000
	Keith Hughes	Expense Reimbursement ⁵	\$ 0	\$ 15,309
	TOTAL PAYMENTS TO INSIDERS		\$ 661,009	\$ 11,240,225

Footnotes:

1. Lease payable to Pilgrim Poultry Ltd.
2. Non-cash form of compensation included on the W-2. Personal use of company vehicles.
3. Non-cash form of compensation included on the W-2. Personal use of company airplane.
4. Salary & Benefits include salary, benefits, company stock match, company 401(k) match, LTD earnings, and GTL imputed, if any.
5. Expense Reimbursements include travel, meals, lodging, mileage, transportation and other business related expenses.
6. 3,085,656 shares of common stock were granted pursuant to the Bankruptcy Court order, entered on January 27, 2009, authorizing Debtors to enter into employment agreement with Don Jackson. Stock will vest upon completion of conditions set forth in the employment agreement.
7. Consulting fees paid pursuant to the Bankruptcy Court order, entered on March 4, 2009, authorizing debtors to enter into a consulting agreement with Clint Rivers and Robert Wright.

Monthly Operating Report

CASE NAME: Pilgrim's Pride Corporation

ACCRUAL BASIS - 6

Leases Payable Attachment

CASE NUMBER: 08-45664

MONTH: 10/25/09 to 11/28/09

POSTPETITION STATUS OF LEASES PAYABLE

	NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION ¹
1	Vernell Havard	\$ 150	\$ 150	\$ 0
2	Pinnacle Towers	\$ 189	\$ 189	\$ 0
3	Ascom Hasler	\$ 218	\$ 218	\$ 0
4	Gilbert C Wilson	\$ 325	\$ 325	\$ 0
5	Vincent and Joella Enna	\$ 960	\$ 960	\$ 0
6	David Robinson	\$ 1,000	\$ 1,000	\$ 0
7	Bill Crawford	\$ 1,000	\$ 1,000	\$ 0
8	Creekside Village	\$ 1,200	\$ 1,200	\$ 0
9	Contractor's Supplies, Inc.	\$ 1,250	\$ 1,250	\$ 0
10	Birchmore Inc.	\$ 1,400	\$ 1,400	\$ 0
11	Taylor Farms Texas	\$ 1,500	\$ 1,500	\$ 0
12	Patsy Simmons Limited Partnership	\$ 4,113	\$ 4,113	\$ 0
13	Xerox Corporation	\$ 6,433	\$ 6,433	\$ 0
14	Florence Powell	\$ 7,370	\$ 7,370	\$ 0
15	NBS Eastpoint - Alter Group	\$ 9,033	\$ 9,033	\$ 0
16	Avaya	\$ 9,519	\$ 9,519	\$ 19,038
17	Emerito Colon	\$ 12,000	\$ 12,000	\$ 0
18	Natomas Creek LLC	\$ 12,271	\$ 12,271	\$ 0
19	Green Burgdorf	\$ 12,400	\$ 12,400	\$ 0
20	Pelec Central City, LTD	\$ 12,450	\$ 12,450	\$ 0
21	Cronin Company	\$ 13,478	\$ 13,478	\$ 0
22	Belle Haven Realty Co.	\$ 22,246	\$ 22,246	\$ 0
23	Americold	\$ 27,863	\$ 27,863	\$ 0
24	BOKF Equipment Finance	\$ 30,105	\$ 30,105	\$ 0
25	CIT Group	\$ 33,282	\$ 33,282	\$ 66,564
26	Versacold	\$ 32,984	\$ 32,984	\$ 0
27	Equaston Stemmons Place	\$ 39,350	\$ 39,350	\$ 0
28	DL Peterson	\$ 35,146	\$ 35,146	\$ 70,292
29	Bank of the West	\$ 30,832	\$ 30,832	\$ 61,664
30	Pilgrim Poultry Ltd.	\$ 62,500	\$ 62,500	\$ 0
31	Capital One	\$ 72,741	\$ 72,741	\$ 0
32	First Union Commercial	\$ 27,185	\$ 27,185	\$ 54,370
33	GC Properties	\$ 117,141	\$ 117,141	\$ 0
34	Lasalle National Leasing	\$ 0	\$ 0	\$ 0
35	Fifth Third Leasing	\$ 0	\$ 0	\$ 0
36	GE Fleet Services	\$ 219,063	\$ 219,063	\$ 438,126
37	De Lage Laden	\$ 258,015	\$ 258,015	\$ 516,030
38	Farm Credit Leasing	\$ 281,153	\$ 281,153	\$ 562,306
39	Farm Credit Leasing / Lease Plan	\$ 106,182	\$ 106,182	\$ 212,364
40	Bank Trust / Lease Plan	\$ 5,221	\$ 5,221	\$ 10,442
41	Bank of America Leasing / Lease Plan	\$ 172,781	\$ 172,781	\$ 345,562
42	GE Capital / Lease Plan	\$ 0	\$ 0	\$ 0
43	Fifth Third Leasing / Lease Plan	\$ 0	\$ 0	\$ 0
44	Wells Fargo / Lease Plan	\$ 0	\$ 0	\$ 0
45	Lease Plan USA	\$ 80,120	\$ 80,120	\$ 160,241
46	GE Capital	\$ 0	\$ 0	\$ 0
47	Wachovia Financial	\$ 100,981	\$ 100,981	\$ 201,961
48	Bank of America Leasing	\$ 531,563	\$ 531,563	\$ 1,063,126
49	Key Equipment Finance	\$ 553,251	\$ 553,251	\$ 1,106,501
50	RBS Lombard	\$ 227,317	\$ 227,317	\$ 454,633
51	FCS Mid Ameerica	\$ 53,418	\$ 53,418	\$ 106,836
52	PNC Leasing	\$ 9,107	\$ 9,107	\$ 9,107
53	GE Copiers	\$ 6,385	\$ 5,940	\$ 12,325
54	Banc of America Copiers	\$ 357	\$ 357	\$ 714
55	IKON	\$ 0	\$ 0	\$ 0
56	TOTAL	\$3,244,547	\$3,244,103	\$ 5,472,203

Footnote:

1. Certain lease payments were not made due to the 60 day grace period after the Commencement Date or the Debtors are analyzing whether these leases are secured financings.

CASE NAME: Pilgrim's Pride Corporation

ACCRUAL BASIS - 7

CASE NUMBER: 08-45664

MONTH: 10/25/09 to 11/28/09

QUESTIONNAIRE

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?	X	
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?		X
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?	X	
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?	X	
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		X
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?	X	
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

- 1. Pursuant to the order of the Bankruptcy Court entered on October 13, 2009, Pilgrim's Pride Corporation sold its ownership interest in Valley Rail Service, Inc. as set forth in the purchase agreement. Proceeds from sale were received after closing on November 18, 2009.
- 4. Pursuant to various "first day" orders of the Bankruptcy Court, certain payments were made on account of prepetition liabilities.
- 8. As of November 28, 2009, the Debtors owed approximately \$576,000 in real property taxes. These taxes will be paid on December 14, 2009.
- 11. Pursuant to orders of the Bankruptcy Court authorizing payment of prepetition personal and real property taxes, the Debtors remitted certain outstanding prepetition personal and real property taxes to various taxing authorities.

INSURANCE

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

N/A

INSTALLMENT PAYMENTS

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
See Attachment for Insurance Payments			

CASE NAME: Pilgrim's Pride Corporation

ACCRUAL BASIS - 7
Insurance Attachment

CASE NUMBER: 08-45664

INSURANCE INSTALLMENT PAYMENTS

<u>TYPE OF POLICY</u>	<u>CARRIER</u>	<u>PERIOD COVERED</u>	<u>ANNUAL PREMIUMS</u>
Auto Liability	Mayflower Insurance Company	11/1/09-10	—
Auto Liability	Zurich American Insurance Company	1/1/09-01/01/10	4,843,752.00
Eighth Umbrella Layer	RSUI Indemnity Company	11/01/09-01/01/10	7,000.00
Employment Practices Liability Insurance	Max Bermuda, Ltd.	11/1/09-02/01/11	552,156.30
Excess Blanket Crime	Chartis	11/30/09-02/01/11	105,458.00
Excess D&O	Chartis	11/30/09-11/30/10	208,888.00
Excess D&O	Chubb	11/30/09-11/30/10	142,144.00
Excess D&O	Arch	11/30/09-11/30/10	116,964.00
Excess D&O	CNA	11/30/09-11/30/10	94,500.00
Excess D&O	Travelers	11/30/09-11/30/10	74,655.00
Excess D&O	Liberty Insurance Underwriters, Inc.	11/30/09-11/30/10	64,950.00
Excess D&O	XL Insurance of America, Inc.	11/30/09-11/30/10	135,000.00
Excess D&O	Chartis	11/30/09-11/30/10	63,450.00
Excess D&O	XL Insurance of America, Inc.	11/30/09-11/30/10	54,000.00
Excess D&O	AWAC	11/30/09-11/30/10	67,500.00
Excess D&O	Beazley	11/30/09-11/30/10	45,000.00
Excess Liability Walker Creek	Scottsdale Insurance Company	11/9/09-10	4,406.00
Fifth Umbrella Layer (50%)	Endurance American Insurance Company	11/01/09-01/01/10	14,863.00
Fifth Umbrella Layer (50%)	XL Insurance of America, Inc.	11/01/09-01/01/10	15,030.00
Foreign Commercial GL, AL, WC	AIG WorldSource	11/01/09-01/01/10	11,801.00
Fourth Umbrella Layer (50%)	St. Paul Surplus Lines Insurance Company	11/01/09-01/01/10	18,537.00
Fourth Umbrella Layer (50%)	Zurich American Insurance Company	11/01/09-01/01/10	19,500.00
General Liability	Mayflower Insurance Company	11/1/09-02/01/11	2,960,557.00
General Liability Walker Creek	Century Surety Company	11/9/09-10	3,192.00
ARISE	B&M	11/1/09-10	98,625.00
Ocean Marine Cargo	Indemnity Insurance Company of North America (ACE)	11/1/09-02/01/11	128,142.00
Primary Blanket Crime	Chartis	11/30/09-11/30/10	105,478.00
Primary Fiduciary Liability	St. Paul Mercury Insurance Company - Travelers	11/30/08-12/28/09	3,145.50
Primary Umbrella	Lexington Insurance Company	11/9/09-10	534,400.00
Product Recall	XL Europe Ltd.	11/01/09-10	1,200,000.00
Property	Lloyd's of London	11/1/09-02/01/11	7,098,996.00
Second Umbrella Layer	Endurance American Insurance Company	11/01/09-01/01/10	73,647.00
Seventh Umbrella Layer	Ohio Casualty Insurance Company	11/01/09-01/01/10	44,162.00
Sixth Umbrella Layer (50%)	Fireman's Fund Insurance Company	11/01/09-01/01/10	11,708.00
Sixth Umbrella Layer (50%)	Great American Insurance Co. of NY	11/01/09-01/01/10	11,708.00
Special Crime (Kidnap & Ransom)	Liberty Insurance Underwriters, Inc. (PIA)	11/30/09-11/30/12	36,422.00
Third Umbrella Layer	Liberty Insurance Underwriters, Inc.	11/01/09-01/01/10	58,660.00
Wharfinger's Legal Liability	Indemnity Insurance Company of North America (ACE)	11/1/09-02/01/11	5,000.00
Workers' Compensation—Arkansas	Mayflower Insurance Company	01/01/09-01/01/10	1,340,030.00
Workers' Compensation	Mayflower Insurance Company	01/01/09-01/01/10	—
Workers' Compensation	Zurich American Insurance Company	01/01/09-01/01/10	—

**U.S. BANKRUPTCY COURT CONFIRMS PILGRIM'S PRIDE PLAN OF REORGANIZATION;
COMPANY EXPECTS TO EMERGE BY END OF DECEMBER**

PITTSBURG, Texas, December 10, 2009 – Pilgrim's Pride Corporation (Pink Sheets: PGPDQ) today announced that the United States Bankruptcy Court for the Northern District of Texas has approved the amended joint plan of reorganization of the company and six of its subsidiaries that are debtors and debtors in possession (the Debtors) in the chapter 11 cases pending before the court.

Following a court hearing held December 8 in Ft. Worth, Judge D. Michael Lynn today entered an order confirming the amended plan of reorganization, paving the way for the Debtors to exit bankruptcy later this month. Pilgrim's Pride said that it expects to emerge from bankruptcy before the end of December.

"This is a proud day for everyone at Pilgrim's Pride who has worked so hard over the past year to restructure our business," said Don Jackson, president and chief executive officer, after the court hearing. "The past 12 months have been filled with tremendous challenges and unprecedented opportunities. There have been a lot of tough, painful decisions made about the future of this company, yet our employees have joined together to create a new market-driven organization that is clearly focused on serving our customers."

In September, the Debtors filed a joint plan of reorganization and related disclosure statement with the court. Under terms of the joint plan of reorganization, Pilgrim's Pride has entered into an agreement to sell 64% of the new common stock of the reorganized Pilgrim's Pride to JBS U.S.A. for \$800 million in cash. The completion of the transaction is subject to the closing of an exit facility for senior secured financing in an aggregate principal amount of up to \$1.75 billion, certain regulatory approvals and other customary closing conditions.

Information about Pilgrim's Pride's restructuring is available at Pilgrim's Pride's website www.pilgrimspride.com or via Pilgrim's Pride's restructuring information line at (888) 830-4659.

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

About Pilgrim's Pride

Pilgrim's Pride Corporation employs approximately 41,000 people and operates chicken processing plants and prepared-foods facilities in 12 states, Puerto Rico and Mexico. The Company's primary distribution is through retailers and foodservice distributors. For more information, please visit <http://www.pilgrimspride.com>.

Forward-Looking Statements

Statements contained in this press release that state the intentions, plans, hopes, beliefs, anticipations, expectations or predictions of the future of Pilgrim's Pride Corporation and its management, including expectations as to the Debtors' emergence from Chapter 11, reorganization of the Debtors' business and finances to resolve its operational and liquidity issues, expectations to emerge from Chapter 11 by December 2009 stronger and more competitive, anticipated authorizations being requested of the Bankruptcy Court, the liquidity to be provided by the proposed exit financing, and expectations that the plan should be supported by the Debtors' major constituencies, are forward-looking statements. It is

important to note that the actual results could differ materially from those projected in such forward-looking statements. Factors that could cause actual results to differ materially from those projected in such forward-looking statements include: the Debtors' ability to obtain court approval with respect to its motions in the Chapter 11 proceedings and the disclosure statement; **the ability of the Debtors to consummate the Plan**; risks associated with third-party motions or objections in the Chapter 11 proceedings, which may interfere with the Company's ability to consummate the Plan; the potential adverse effects of the Chapter 11 proceedings on the Debtors' liquidity or results of operations; matters affecting the poultry industry generally; continued compliance with conditions for funding under the debtor-in-possession financing facility and the proposed exit financing; the ability to execute the Debtors' business and restructuring plan to achieve desired cost savings and additional capital to improve liquidity; future pricing for feed ingredients and the Debtors' products; additional outbreaks of avian influenza or other diseases, either in Pilgrim's Pride's flocks or elsewhere, affecting its ability to conduct its operations and/or demand for its poultry products; contamination of Pilgrim's Pride's products, which has previously and can in the future lead to product liability claims and product recalls; exposure to risks related to product liability, product recalls, property damage and injuries to persons, for which insurance coverage is expensive, limited and potentially inadequate; management of cash resources, particularly in light of Pilgrim's Pride's substantial leverage; restrictions imposed by, and as a result of, Pilgrim's Pride's substantial leverage; changes in laws or regulations affecting Pilgrim's Pride's operations or the application thereof; new immigration legislation or increased enforcement efforts in connection with existing immigration legislation that cause the costs of doing business to increase, cause Pilgrim's Pride to change the way in which it does business, or otherwise disrupt its operations; competitive factors and pricing pressures or the loss of one or more of Pilgrim's Pride's largest customers; currency exchange rate fluctuations, trade barriers, exchange controls, expropriation and other risks associated with foreign operations; disruptions in international markets and distribution channels; and the impact of uncertainties of litigation as well as other risks described under "Risk Factors" in the Company's Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission. Pilgrim's Pride Corporation undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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