

PILGRIMS PRIDE CORP  
Form 10-Q  
July 31, 2007

---

---

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2007

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File number 1-9273

**PILGRIM'S PRIDE CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

75-1285071  
(I.R.S. Employer  
Identification No.)

4845 US Hwy 271 N, Pittsburg, TX  
(Address of principal executive offices)

75686-0093  
(Zip code)

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

Not Applicable

(Former name, former address and former fiscal year, if changed since last report.)

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):  
Large accelerated filer  Accelerated filer  Non-accelerated filer

Edgar Filing: PILGRIMS PRIDE CORP - Form 10-Q

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  
.. No

Number of shares outstanding of the issuer's common stock, as of July 30, 2007, was 66,555,733.

---

---

1

---

INDEX

PILGRIM'S PRIDE CORPORATION AND SUBSIDIARIES

PART I. FINANCIAL INFORMATION

Item 1.	<u>Financial Statements (Unaudited)</u> <u>Consolidated Balance Sheets June 30, 2007 and September 30, 2006</u> <u>Consolidated Statements of Operations Three months and nine months ended June 30, 2007 and July 1, 2006</u> <u>Consolidated Statements of Cash Flows Nine months ended June 30, 2007 and July 1, 2006</u> <u>Notes to Consolidated Financial Statements as of June 30, 2007</u> <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
Item 2.	<u>Quantitative and Qualitative Disclosures about Market Risk</u>
Item 3.	<u>Controls and Procedures</u>
Item 4.	

PART II. OTHER INFORMATION

Item 1.	<u>Legal Proceedings</u>
Item 1A.	<u>Risk Factors</u>
Item 6.	<u>Exhibits</u>

SIGNATURES

EXHIBIT INDEX

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

Pilgrim's Pride Corporation  
Consolidated Balance Sheets  
(Unaudited)

	June 30, 2007	September 30, 2006
	<i>(In thousands, except share and per share data)</i>	
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 57,390	\$ 156,404
Investments in available for sale securities	13,782	21,246
Trade accounts and other receivables, less allowance for doubtful accounts	450,635	263,149
Inventories	944,593	585,940
Income taxes receivable	37,724	39,167
Current deferred income taxes	92,835	7,288
Prepaid expenses	22,993	10,307
Other current assets	29,968	22,173
<b>Total Current Assets</b>	<b>1,649,920</b>	<b>1,105,674</b>
<b>Investment in Available for Sale Securities</b>	<b>44,003</b>	<b>115,375</b>
<b>Other Assets</b>	<b>87,765</b>	<b>50,825</b>
<b>Goodwill</b>	<b>509,059</b>	<b>--</b>
<b>Property, Plant and Equipment:</b>		
Land	107,927	52,493
Buildings, machinery and equipment	2,439,250	1,702,949
Autos and trucks	54,121	57,177
Construction-in-progress	143,958	63,853
	2,745,256	1,876,472
Less accumulated depreciation	(848,453)	(721,478)
	1,896,803	1,154,994
	<b>\$ 4,187,550</b>	<b>\$ 2,426,868</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 405,033	\$ 293,685
Accrued expenses	540,102	272,830
Current maturities of long-term debt	3,134	10,322
<b>Total Current Liabilities</b>	<b>948,269</b>	<b>576,837</b>
<b>Long-Term Debt, Less Current Maturities</b>	<b>1,718,774</b>	<b>554,876</b>
<b>Deferred Income Taxes</b>	<b>308,797</b>	<b>175,869</b>
<b>Other Long-Term Liabilities</b>	<b>79,747</b>	<b>--</b>
<b>Minority Interest in Subsidiary</b>	<b>1,929</b>	<b>1,958</b>
<b>Commitments and Contingencies</b>	<b>--</b>	<b>--</b>
<b>Stockholders' Equity:</b>		
Preferred stock, \$.01 par value, 5,000,000 authorized shares; none issued	--	--
Common stock, \$.01 par value, 160,000,000 authorized shares; 66,555,733 issued	665	665
Additional paid-in capital	469,779	469,779

Edgar Filing: PILGRIMS PRIDE CORP - Form 10-Q

Retained earnings	656,086	646,750
Accumulated other comprehensive loss	3,504	134
Total Stockholders' Equity	1,130,034	1,117,328
	\$ 4,187,550	\$ 2,426,868

See notes to consolidated financial statements.

3

---

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

	Three Months Ended		Nine Months Ended	
	June 30, 2007	July 1, 2006	June 30, 2007	July 1, 2006
	<i>(in thousands, except share and per share data)</i>			
<b>Net sales</b>	\$ 2,118,386	\$ 1,287,646	\$ 5,449,483	\$ 3,897,167