

PILGRIMS PRIDE CORP
Form 10-Q
January 30, 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 December 30, 2006

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.)

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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 ☐

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 January 29, 2007, was 66,555,733.

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PILGRIM'S PRIDE CORPORATION AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Pilgrim's Pride Corporation
Consolidated Balance Sheets
(Unaudited)

December 30, September 30,
2006 2006

(In thousands, except share and per share
data)

Assets**Current Assets:**

Cash and cash equivalents	\$	146,544	\$	156,404
Investment in available for sale securities		22,537		21,246
Trade accounts and other receivables, less allowance for doubtful accounts		356,523		263,149
Inventories		860,643		585,940
Income taxes receivable		27,946		39,167
Current deferred income taxes		23,337		7,288
Other current assets		50,144		32,480
Total Current Assets		1,487,674		1,105,674

Investment in Available for Sale

Securities		147,141		115,375
Other Assets		112,308		50,825
Goodwill		537,516		--

Property, Plant and Equipment:

Land		92,215		52,493
Buildings, machinery and equipment		2,292,694		1,702,949
Autos and trucks		54,907		57,177
Construction-in-progress		97,363		63,853
		2,537,179		1,876,472
Less accumulated depreciation		(744,635)		(721,478)
		1,792,544		1,154,994
	\$	4,077,183	\$	2,426,868

Liabilities and Stockholders' Equity**Current Liabilities:**

Accounts payable	\$	371,635	\$	293,685
Accrued expenses		485,554		272,830
Current maturities of long-term debt		4,746		10,322
Total Current Liabilities		861,935		576,837

Long-Term Debt, Less Current

Maturities		713,105		554,876
Purchase Obligation		1,057,697		--
Deferred Income Taxes		254,109		175,869
Other long-term liabilities		32,760		--
Minority Interest in Subsidiary		47,247		1,958
Commitments and Contingencies		--		--

Stockholders' Equity:

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
Retained earnings	636,516	646,750
Accumulated other comprehensive income	3,370	134
Total Stockholders' Equity	1,110,330	1,117,328
	\$ 4,077,183	\$ 2,426,868

See notes to consolidated financial statements.

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

	Three Months Ended	
	December 30, 2006	December 31, 2005
	<i>(in thousands, except share and per share data)</i>	
Net Sales	\$ 1,337,132	\$ 1,343,812
Cost of sales	1,271,606	1,225,412
Gross Profit	65,526	118,400
Selling, general and administrative	68,432	72,202
Operating income (loss)	(2,906)	46,198
Other Expenses (Income):		
Interest expense	13,914	12,394
Interest income	(1,309)	(3,946)
Foreign exchange (gain) loss	1,504	(620)
Miscellaneous, net	(2,515)	1,730
	11,594	9,558