

PILGRIMS PRIDE CORP
Form 10-Q
May 02, 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 March 31, 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.)

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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 April 30, 2007, was 66,555,733.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Pilgrim's Pride Corporation		
Consolidated Balance Sheets		
(Unaudited)		
	March 31, 2007	September 30, 2006
<i>(In thousands, except share and per share data)</i>		
Assets		
Current Assets:		
Cash and cash equivalents	\$ 69,170	\$ 156,404
Investment in available for sale securities	24,000	21,246
Trade accounts and other receivables, less allowance for doubtful accounts	391,569	263,149
Inventories	896,331	585,940
Income taxes receivable	76,683	39,167
Current deferred income taxes	81,493	7,288
Other current assets	48,489	32,480
Total Current Assets	1,587,735	1,105,674
Investment in Available for Sale Securities	31,042	115,375
Other Assets	101,283	50,825
Goodwill	515,387	--
Property, Plant and Equipment:		
Land	92,984	52,493
Buildings, machinery and equipment	2,435,408	1,702,949
Autos and trucks	54,249	57,177
Construction-in-progress	122,886	63,853
	2,705,527	1,876,472
Less accumulated depreciation	(793,977)	(721,478)
	1,911,550	1,154,994
	\$ 4,146,997	\$ 2,426,868
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$ 392,137	\$ 293,685
Accrued expenses	462,373	272,830
Current maturities of long-term debt	8,253	10,322
Total Current Liabilities	862,763	576,837
Long-Term Debt, Less Current Maturities	1,789,519	554,876
Deferred Income Taxes	338,788	175,869
Other long-term liabilities	85,048	--
Minority Interest in Subsidiary	2,033	1,958
Commitments and Contingencies		
Stockholders' Equity:		
Preferred stock, \$.01 par value, 5,000,000 authorized shares; none issued	--	--

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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	594,942	646,750
Accumulated other comprehensive loss	3,460	134
Total Stockholders' Equity	1,068,846	1,117,328
	\$ 4,146,997	\$ 2,426,868

See notes to consolidated financial statements.

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

	Three Months Ended		Six Months Ended	
	<i>March 31, 2007</i>	<i>April 1, 2006</i>	<i>March 31, 2007</i>	<i>April 1, 2006</i>
<i>(in thousands, except share and per share data)</i>				
Net Sales	\$ 1,993,965	\$ 1,265,709	\$ 3,331,097	\$ 2,609,521
Cost of sales	1,910,023	1,228,508	3,181,628	2,453,920
Gross profit	83,942	37,201	149,469	155,601
Selling, general and administrative	95,641	75,137	164,073	147,339
Operating income (loss)	(11,699)	(37,936)	(14,604)	8,262
Other Expense (Income):				
Interest expense	39,295	13,271		