

PILGRIMS PRIDE CORP
Form S-3
December 19, 2011
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As filed with the Securities and Exchange Commission on December 19, 2011

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

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 Number)

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1770 Promontory Circle

Greeley, Colorado 80634-9038

(970) 506-8000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Fabio Sandri

Chief Financial Officer

1770 Promontory Circle

Greeley, Colorado 80634-9038

(970) 506-8000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:

W. Crews Lott

Baker & McKenzie LLP

2300 Trammell Crow Center

2001 Ross Avenue

Dallas, Texas 75201

(214) 978-3000

(214) 978-3099 (facsimile)

Approximate date of commencement of proposed sale to the public: As soon as practicable after the date this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act (Check One):

Large accelerated filer Accelerated filer
 Non-accelerated filer (Do not check if smaller reporting company) Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered(1)	Amount to be registered	Proposed	Proposed	Amount of
		Maximum	Maximum	
		Offering Price	Aggregate	
		Per Share	Offering Price	Registration Fee
Common Stock, par value \$.01 per share	44,464,444 shares	\$4.50	\$200,090,000(2)	\$22,931
Common Stock Subscription Rights	(3)		(4)	(4)
Total	44,464,444 shares		\$200,090,000	\$22,931

- (1) This registration statement relates to (a) the subscription rights to purchase our common stock, par value \$0.01 per share and (b) shares of our common stock deliverable upon the exercise of the subscription rights.
- (2) Represents the gross proceeds from the sale of shares of our common stock assuming the exercise of all non-transferable subscription rights to be distributed and additional over-subscriptions up to the maximum amount contemplated in this registration statement.
- (3) Evidencing the rights to subscribe for 44,464,444 shares of common stock, par value \$0.01 per share.
- (4) The rights are being issued for no consideration. Pursuant to Rule 457(g) under the Securities Act of 1933, as amended, no separate registration fee is payable.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission acting pursuant to said section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS

Subject to completion, dated December 19, 2011

**Common Stock Subscription Rights
to Purchase Up to 44,444,444
Shares of Common Stock**

We are distributing, at no cost or charge to holders of our common stock, non-transferable subscription rights to purchase shares of our common stock. You will receive one subscription right for each share of common stock held of record as of 5:00 p.m., New York City time on _____, 2012. We are distributing subscription rights exercisable for up to 44,444,444 shares of our common stock, subject to adjustment for fractional shares.

Each subscription right will entitle you to purchase _____ shares of our common stock at a subscription price equal to \$4.50 per share, which we refer to as the basic subscription privilege. You will not receive any fractional rights, as the aggregate number of subscription rights you receive will be rounded up to the next largest whole number. If you fully exercise your basic subscription privilege, you will also be entitled to purchase any shares not purchased by other stockholders pursuant to the over-subscription privilege described in this prospectus. The subscription rights may not be sold, transferred or assigned to anyone else and will not be listed for trading on the New York Stock Exchange or any other stock exchange or market or on the OTC Bulletin Board.

The subscription rights may be exercised at any time during the subscription period, which will commence on _____, 2012. The subscription rights will expire if they are not exercised by 5:00 p.m., New York City time, on _____, 2012, unless extended. We reserve the right to extend the rights offering period at our sole discretion. You should carefully consider whether to exercise your subscription rights before the expiration of the subscription period. All exercises of subscription rights are irrevocable. Neither our board of directors nor the special committee of our board of directors is making any recommendation regarding your exercise of the subscription rights.

We may cancel the rights offering at any time prior to its expiration for any reason. If we cancel the rights offering all subscription payments received by the subscription agent will be returned, without interest or penalty, as soon as practicable.

Our majority stockholder, JBS USA Holdings, Inc., has committed to participate in the rights offering and exercise the basic subscription and over-subscription privilege in full and has executed an agreement reflecting its commitment. Stockholders who do not participate in the rights offering will continue to own the same number of shares of our common stock, but will own a smaller percentage of the total shares of our common stock issued and outstanding after the rights offering to the extent that other stockholders participate in the rights offering. Subscription rights that are not exercised prior to the expiration of the rights offering will expire and have no value. There is no minimum number of shares of our common stock that we must sell in order to complete the rights offering.

Shares of our common stock are traded on the New York Stock Exchange under the symbol PPC. On _____, 2012, the closing sale price for our common stock was \$ _____ per share. The shares of common stock issued in the rights offering will also be listed on the New York Stock Exchange under the same symbol. The shares of common stock are being offered directly by us without the services of an underwriter or selling agent. Accordingly, the gross proceeds (before expenses) to us will be \$4.50 per share and, assuming all subscription rights are exercised in the rights offering, the aggregate gross proceeds (before expenses) to us will be \$200 million.

The exercise of your subscription rights for shares of our common stock involves risks. You should carefully consider all of the information set forth in this prospectus, including the risk factors beginning on page 15 of this prospectus as well as the risk factors and other information in any documents we incorporate by reference into this prospectus before exercising your subscription rights. See

Where You Can Find More Information; Incorporation by Reference.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is .

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ABOUT THIS PROSPECTUS

Unless specifically stated or the context otherwise requires, we, us, our and similar terms, as well as references to the Company and Pilgrim s Pride, include all of our consolidated subsidiaries. We obtained the industry data used throughout this prospectus from industry publications that we believe to be reliable, but we have not independently verified this information.

You should only rely on the information contained or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making offers to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date on the cover of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date.

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QUESTIONS AND ANSWERS RELATING TO THE RIGHTS OFFERING

What is being offered in the rights offering?

We are distributing, at no cost or charge to holders of our common stock, non-transferable subscription rights to purchase shares of our common stock. You will receive one subscription right for each share of common stock you owned as of 5:00 p.m., New York City time on _____, 2012, the record date. The subscription rights will be evidenced by subscription rights certificates. Each subscription right will entitle you to purchase _____ shares of our common stock at a subscription price equal to \$4.50 per share. You may exercise any number of your subscription rights, or you may choose not to exercise any subscription rights.

Fractional shares of our common stock resulting from the exercise of the basic subscription privilege or the over-subscription privilege, each as described below, will be eliminated by rounding up to the nearest whole share, with the total purchase price being adjusted accordingly. Any excess subscription payments received by the subscription agent will be returned, without interest or penalty, as soon as practicable.

Why are we conducting the rights offering?

We are conducting the rights offering in order to raise additional equity capital, to improve and strengthen our financial position and to increase our financial flexibility. Furthermore, because of the significant losses we experienced in 2011, we desire greater flexibility under certain financial covenants contained in our credit agreement dated December 28, 2009, with CoBank, ACB, as administrative agent, and the various institutions party thereto, which we refer to as the credit agreement. Consequently, we have amended the credit agreement in connection with the rights offering. Our board of directors believes the rights offering has facilitated our ability to obtain the necessary amendments to the credit agreement. In authorizing the rights offering, our board of directors also considered the recommendation by a special committee of our board of directors, which is comprised solely of independent directors, as well as:

current and prospective economic and financial market conditions;

the volatility of the poultry and feed ingredient markets;

our future needs for additional capital, liquidity and financial flexibility;

analysis from our financial advisor;

alternatives available for raising equity capital or conducting a rights offering;

the commitment of JBS USA Holdings, Inc. ("JBS USA"), our majority stockholder, to participate in the rights offering;

historical and current trading prices for our common stock;

the size and timing of the rights offering;

the potential dilution to our current stockholders if they choose not to participate in the rights offering;

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the fact that the rights offering could potentially increase the public float for our common stock; and

the fact that existing stockholders would have the opportunity to participate on a pro rata basis at a discount and would also have an over-subscription privilege.

We intend to use the net proceeds of the rights offering for additional working capital to improve our capital position and for general corporate purposes. We also anticipate that we will use a portion of the net proceeds from the rights offering to repay the principal amount of \$50 million, plus accrued interest, of our subordinated debt owed to our majority stockholder, JBS USA. We may also use the net proceeds to repay indebtedness under the credit agreement. In addition, in connection with the rights offering, we expect to terminate certain commitments of JBS USA to make additional subordinated loans to us. In authorizing the rights offering, our

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board of directors and the special committee evaluated the financial position of the Company after giving effect to the use of proceeds of the rights offering, the potential future need for additional liquidity and capital, the fact that the subordinated loan owed to JBS USA is our most costly debt bearing interest at 9.845% per annum and the benefits of increased financial flexibility in pursuing our business plan.

How was the subscription price of \$4.50 per share determined?

The subscription price was recommended by a special committee of our board of directors, which is comprised solely of independent directors. The board of directors received a report of the special committee and determined to set the subscription price, for shares of our common stock, at \$4.50 per share. In determining the subscription price, the special committee considered a number of factors, including:

our future needs for additional capital, liquidity and financial flexibility;

the special committee's negotiations with our majority stockholder, JBS USA;

analysis from our financial advisor;

alternatives available for raising equity capital;

current economic and financial market conditions;

data relating to comparable rights offerings by other public companies, including the range of discounts that the subscription prices represented to the then prevailing and historical trading prices for those offerings;

the size and timing of the rights offering and the price at which our stockholders might be willing to participate in a rights offering offered on a pro rata basis to all stockholders at a discount with an over-subscription privilege; and

historical and current trading prices for our common stock.

In conjunction with its review of these factors, the special committee also reviewed our history and prospects, including our past and present earnings, our prospects for future earnings, and the outlook for our industry, and our current financial condition. The special committee also determined that the subscription price should be designed to provide an incentive to our current stockholders, including JBS USA, to participate in the rights offering and exercise their basic and over-subscription privileges. The subscription price is not necessarily related to our book value, results of operations, cash flows, financial condition or net worth or any other established criteria of value and may or may not be considered the fair value of our common stock at the time the rights offering was approved by our board of directors or during the rights offering period. We cannot assure you that the trading price of our common stock will not decline during or after the rights offering. We also cannot assure you that you will be able to sell shares purchased in the rights offering at a price equal to or greater than the subscription price. We do not intend to change the subscription price in response to changes in the trading price of our common stock prior to the closing of the rights offering.

What is the basic subscription privilege?

For each right that you own, you will have a basic subscription privilege to buy from us _____ shares of our common stock at the subscription price. You may exercise your basic subscription privilege for some or all of your subscription rights, or you may choose not to exercise any subscription rights.

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For example, if you owned 100 shares of our common stock as of 5:00 p.m., New York City time, on the record date, you would receive the same number of subscription rights and would have the right to purchase _____ shares of common stock (rounded up to _____ shares) for \$4.50 per share with your basic subscription privilege.

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What is the over-subscription privilege?

If you exercise your basic subscription privilege in full, you, together with other stockholders that exercise their basic subscription privilege in full, will also be entitled to an over-subscription privilege to purchase any shares not purchased by other stockholders pursuant to their basic subscription privilege. The subscription price per share that applies to the over-subscription privilege is the same subscription price per share that applies to the basic subscription privilege.

What are the limitations on the over-subscription privilege?

We will be able to satisfy your exercise of the over-subscription privilege only if other stockholders do not elect to purchase all of the shares offered under their basic subscription privilege. We will honor over-subscription requests in full to the extent sufficient shares are available following the exercise of rights under the basic subscription privilege. If over-subscription requests exceed shares available, we will allocate the available shares pro rata based on the number of shares each over-subscribing stockholder purchased under the basic subscription privilege. Any excess subscription payments will be returned, without interest or penalty, as soon as practicable after the completion of the rights offering.

Am I required to exercise the rights I receive in the rights offering?

No. You may exercise any number of your subscription rights, or you may choose not to exercise any subscription rights. However, if you choose not to fully exercise your basic subscription privilege and other stockholders fully exercise their basic subscription privilege, the percentage of our common stock owned by other stockholders will increase, the relative percentage of our common stock that you own will decrease, and your voting and other rights will be diluted. In addition, if you do not exercise your basic subscription privilege in full, you will not be entitled to participate in the over-subscription privilege.

How soon must I act to exercise my subscription rights?

The subscription rights may be exercised at any time during the subscription period, which commences on , 2012, through the expiration date for the rights offering, which is 5:00 p.m., New York City time, on , 2012. If you elect to exercise any subscription rights, the subscription agent must actually receive all required documents and payments from you at or prior to the expiration date. Although we have the option of extending the expiration date of the subscription period at our sole discretion, we currently do not intend to do so.

May I transfer my subscription rights?

No. You may not sell, transfer or assign your subscription rights to anyone else.

Have any stockholders indicated they will exercise their subscription rights?

Our majority stockholder, JBS USA, has committed to participate in the rights offering and exercise its basic and over-subscription privilege in full and has executed an agreement reflecting its commitment. If all stockholders exercise their subscription rights in full, the percentage of common stock owned by each stockholder as of the record date will not change as a result of the rights offering. Once JBS USA exercises its basic and over-subscription privilege in full and no other stockholders elect to exercise any subscription rights, the percentage of the outstanding common stock beneficially owned by JBS USA would increase from 67.27% to 72.89% based on the number of shares of common stock outstanding as of , 2011. Even if some but not all other stockholders exercise their subscription rights, the full exercise by JBS USA of its basic and over-subscription privileges will increase its percentage ownership of our common stock. We are not paying any fees to JBS USA in connection with the rights offering.

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Are there any conditions to the completion of the rights offering?

The closing of the rights offering is conditioned upon customary conditions. We are not requiring a minimum subscription to complete the rights offering. See The Rights Offering Conditions, Amendments and Cancellation.

Can the rights offering be cancelled?

Yes. We may cancel the rights offering at any time prior to the expiration date for any reason. If the rights offering is cancelled, all subscription payments received by the subscription agent will be returned, without interest or penalty, as soon as practicable to those persons who subscribed for shares in the rights offering.

How do I exercise my subscription rights?

If you wish to participate in the rights offering, you must properly complete the enclosed subscription rights certificate and deliver it, along with the full subscription price (including any amounts in respect of your over-subscription privilege), to the subscription agent before 5:00 p.m., New York City time, on _____, 2012. If you use the mail, we recommend that you use insured, registered mail, return receipt requested. If you cannot deliver your subscription rights certificate to the subscription agent prior to the expiration of the rights offering period, you may follow the guaranteed delivery procedures described under The Rights Offering Notice of Guaranteed Delivery.

If you send a payment that is insufficient to purchase the number of shares you requested, or if the number of shares you requested is not specified in the forms, the payment received will be applied to exercise your subscription rights to the fullest extent possible based on the amount of the payment received, subject to the elimination of fractional shares. If the payment exceeds the subscription price for the full exercise of your subscription rights, or if you subscribe for more shares than you are eligible to purchase pursuant to the over-subscription privilege, then the excess will be returned to you as soon as practicable. You will not receive interest on any payments refunded to you under the rights offering.

If the rights offering is not completed, will my subscription payment be refunded to me?

Yes. The subscription agent will hold all funds it receives in a segregated bank account until completion of the rights offering. If the rights offering is not completed, the subscription agent will return, without interest or penalty, as soon as practicable all subscription payments. If you own shares in street name, it may take longer for you to receive payment because the subscription agent will return payments through the record holder of the shares.

Must I pay the subscription price in cash?

Yes. You must timely pay the full subscription price for the full number of shares of common stock you wish to acquire under the basic subscription privilege and the over-subscription privilege by certified or cashier's check or bank draft drawn on a U.S. bank, U.S. postal money order or personal check that clears before the expiration date of the rights offering.

What should I do if I want to participate in the rights offering, but my shares are held in the name of my broker, dealer, custodian bank or other nominee?

If you hold your shares of our common stock in the name of a broker, dealer, custodian bank or other nominee, then your broker, dealer, custodian bank or other nominee is the record holder of the shares of our common stock that you own. The record holder must exercise the subscription rights on your behalf for the shares of our common stock you wish to purchase.

We will ask your broker, dealer, custodian bank or other nominee to notify you of the rights offering. You should complete and return to your record holder the form entitled Beneficial Owner Election Form. You should receive this form from your record holder with the other rights offering materials.

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If you wish to participate in the rights offering and purchase shares of our common stock, please promptly contact the record holder of your shares. Your bank, broker or other nominee holder is the holder of the shares you own and must exercise the subscription rights on your behalf for shares you wish to purchase.

After I exercise my subscription rights, can I change my mind?

No. All exercises of subscription rights are irrevocable by the stockholders, even if you later learn information about us that you consider unfavorable. You should not exercise your subscription rights unless you are certain that you wish to purchase the shares of common stock offered pursuant to the rights offering. However, we may cancel, extend or otherwise amend the rights offering at any time prior to the expiration date.

Does exercising my subscription rights involve risk?

Yes. The exercise of your subscription rights involves risks. Exercising your subscription rights involves the purchase of additional shares of our common stock and should be considered as carefully as you would consider other equity investments. Among other things, you should carefully consider the risks described under the heading "Risk Factors" in this prospectus and the documents incorporated by reference into this prospectus.

Has our board of directors or special committee made a recommendation to our stockholders regarding the rights offering?

No. Neither our board of directors nor the special committee of our board of directors is making any recommendation regarding your exercise of the subscription rights. Stockholders who exercise subscription rights risk investment loss on new money invested. We cannot assure you that the trading price for our common stock will be above the subscription price at the time of exercise or at the expiration of the rights offering period or that anyone purchasing shares at the subscription price will be able to sell those shares in the future at the same price or a higher price. You are urged to make your own decision whether or not to exercise your subscription rights based on your own assessment of our business and the rights offering. See "Risk Factors" in this prospectus and in the documents incorporated by reference into this prospectus.

What fees or charges apply if I exercise my subscription rights?

We are not charging any fees or sales commissions to issue subscription rights to you or to issue shares to you if you exercise your subscription rights. If you exercise your subscription rights through a broker or other record holder of your shares, you are responsible for paying any fees that person may charge.

How do I exercise my subscription rights if I live outside of the United States or have an army post office or foreign post office address?

The subscription agent will hold subscription rights certificates for stockholders having addresses outside the United States or who have an army post office or foreign post office address. In order to exercise subscription rights, our foreign stockholders and stockholders with an army post office or foreign post office address must notify the subscription agent and timely follow other procedures described in the section of this prospectus entitled "The Rights Offering Foreign and Other Stockholders."

When will I receive my new shares of common stock?

Stock certificates will not be issued for shares of our common stock offered in the rights offering. As soon as practicable after the expiration of the rights offering period, the subscription agent will arrange for issuance through the Depository Trust Company ("DTC") to each subscription rights holder of record that has validly exercised its basic subscription privilege, the shares of common stock purchased pursuant to the basic subscription privilege. Shares subscribed for pursuant to the over-subscription privilege will be delivered through DTC as soon as practicable after the expiration date of the rights offering and following the completion of any pro-rations as may be necessary in the event the over-subscription requests exceed the number of shares not subscribed for pursuant to the basic subscription privilege.

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Will the subscription rights be listed on a stock exchange or national market?

The subscription rights may not be sold, transferred or assigned to anyone else and will not be listed on the New York Stock Exchange or any other stock exchange or market or on the OTC Bulletin Board. Our common stock trades on the New York Stock Exchange under the symbol PPC, and the shares of common stock to be issued in connection with the rights offering will also be listed on the New York Stock Exchange under the same symbol.

What are the U.S. federal income tax consequences of exercising my subscription rights?

The receipt and exercise of your subscription rights will generally not be taxable under U.S. federal income tax laws. You should, however, seek specific tax advice from your personal tax advisor in light of your personal tax situation and as to the applicability and effect of any other tax laws. See Certain Material U.S. Federal Income Tax Considerations.

What happens if I choose not to exercise my subscription rights?

You are not required to exercise your subscription rights or otherwise take any action in response to the rights offering. If you do not exercise your basic subscription privilege and the rights offering is completed, the number of shares of our common stock you own will not change but, due to the fact that shares will be purchased by other stockholders in the rights offering, your percentage ownership of our total outstanding common stock will decrease. In addition, if you exercise your basic subscription privilege in full but do not exercise your over-subscription privilege in full and other stockholders fully exercise their basic and over-subscription privilege, the percentage of our common stock owned by those other stockholders will increase.

How many shares of common stock will be outstanding after the rights offering?

As of , 2011, there were 214,281,914 shares of our common stock outstanding. We will issue up to 44,444,444 shares of common stock in the rights offering, depending on the number of subscription rights that are exercised, subject to adjustment for fractional shares. Based on the number of shares outstanding as of , 2011, if we issue all 44,444,444 shares of common stock available in the rights offering, we would have 258,726,358 shares of common stock outstanding following the completion of the rights offering, subject to adjustment for fractional shares.

How much money will Pilgrim s Pride receive from the rights offering?

JBS USA has committed to participate in the rights offering and exercise the basic subscription and over-subscription privilege in full. Consequently, we expect to issue all 44,444,444 shares available in the rights offering, and the net proceeds to us, after deducting estimated offering expenses, will be approximately \$198.7 million. We estimate that the expenses of the rights offering will be approximately \$1.3 million. We intend to use the net proceeds for additional working capital to improve our capital position and for general corporate purposes. We also anticipate that we will apply the net proceeds of the rights offering to repay the principal amount of \$50 million, plus accrued interest, of subordinated debt outstanding under the JBS subordinated loan agreement. We may use all or a part of the remaining net proceeds of the rights offering to repay a portion of the indebtedness outstanding under the credit agreement. We will have broad discretion in determining how the net proceeds of the rights offering will be used. See Use of Proceeds.

Will Pilgrim s Pride be required to pay any fees to JBS USA in connection with the rights offering?

No.

Whom should I contact if I have more questions?

If you have more questions about the rights offering or need additional copies of the rights offering documents, please contact Rosemary Geelan, investor relations, at .

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PROSPECTUS SUMMARY

*This summary highlights the information contained elsewhere in or incorporated by reference into this prospectus. This summary does not contain all of the information that you should consider before deciding whether to exercise your subscription rights. You should carefully read this entire prospectus, including the information under the heading *Risk Factors*, and the documents incorporated by reference into this prospectus, which are described under the heading *Where You Can Find More Information; Incorporation by Reference*.*

The Company

We are the second largest chicken producer in the world with operations in the United States (US), Mexico and Puerto Rico. We are primarily engaged in the production, processing, marketing and distribution of fresh, frozen and value-added chicken products to retailers, distributors and foodservice operators. We have a broad geographic reach and we offer our diverse customer base a balanced portfolio of fresh and prepared chicken products. We have consistently provided our customers with high quality products and service with a focus on delivering higher-value, higher-margin, prepared food products. As such we have become a valuable partner to our customers and a recognized industry leader. Our sales efforts are largely targeted towards the foodservice industry, principally chain restaurants and food processors. We also export products to customers in approximately 95 countries, including Mexico, Russia and China.

Our primary product types are fresh chicken products, prepared chicken products and export chicken products. We sell our fresh chicken products to the foodservice and retail markets. Our fresh chicken products consist of refrigerated (non-frozen) whole or cut-up chicken, either pre-marinated or non-marinated and prepackaged case-ready chicken. Our case-ready chicken includes various combinations of freshly refrigerated, whole chickens and chicken parts in trays, bags or other consumer packs labeled and priced ready for the retail grocer s fresh meat counter.

We also sell prepared chicken products, including portion-controlled breast fillets, tenderloins and strips, delicatessen products, salads, formed nuggets and patties and bone-in chicken parts. These products are sold either refrigerated or frozen and may be fully cooked, partially cooked or raw. In addition, these products are breaded or non-breaded and either pre-marinated or non-marinated.

Export and other chicken products primarily consist of whole chickens and chicken parts sold mostly in bulk, non-branded form either refrigerated to distributors in the US or frozen for distribution to export markets. In the US, prices of these products are negotiated daily or weekly and are generally related to market prices quoted by the United States Department of Agriculture (USDA) or other public price reporting services. We sell US-produced chicken products for export to Eastern Europe (including Russia), the Far East (including China), Mexico and other world markets.

Our primary end markets consist of the foodservice and retail channels, as well as selected export markets. The foodservice market principally consists of chain restaurants, food processors, broad-line distributors and certain other institutions located throughout the continental US. The retail market consists primarily of grocery store chains, wholesale clubs and other retail distributors. Export and other chicken products primarily consist of whole chickens and chicken parts sold mostly in bulk, non-branded form either refrigerated to distributors in the US or frozen for distribution to export markets.

As a vertically integrated company, we control every phase of the production of our products. Our plants are strategically located to supply our distribution network and ensure that customers timely receive the freshest products. We believe that vertical integration helps us better manage food safety and quality, as well as more effectively control margins and improve customer service.

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Pilgrim s Pride Corporation, which was incorporated in Texas in 1968 and reincorporated in Delaware in 1986, is the successor to a partnership founded in 1946 as a retail feed store. Our principal office is located at 1770 Promontory Circle, Greeley, Colorado 80634 and our telephone number is (970) 506-8000. Our Internet address is <http://www.pilgrims.com>. Information on our website or available by hyperlink from our website does not constitute part of this prospectus.

Our Majority Stockholder

Our majority stockholder is JBS USA. JBS USA became our majority stockholder in connection with our plan of reorganization filed as part of our emergence from Chapter 11 bankruptcy proceedings on December 28, 2009. As of _____, 2011, JBS USA collectively beneficially owned approximately 67.27% of our outstanding common stock.

JBS USA has committed to participate in the rights offering and exercise its basic and over-subscription privilege in full. On December 19, 2011, JBS USA entered into an agreement with us agreeing to fully exercise its basic and over-subscription rights for all shares of our common stock held by it. If all stockholders exercise their subscription rights, the percentage of common stock owned by each stockholder as of the record date will not change as a result of the rights offering. Once JBS USA exercises its basic and over-subscription privilege in full and if no other stockholders elect to exercise any subscription rights, the percentage of the outstanding common stock beneficially owned by JBS USA would increase from 67.27% to 72.89% based on the number of shares of common stock outstanding as of _____, 2011. Even if some but not all other stockholders exercise their subscription rights, if JBS USA fully exercises its basic and over-subscription privileges, its percentage of ownership of our common stock will increase.

The Company and JBS USA are parties to a subordinated loan agreement dated as of June 23, 2011, which we refer to as the JBS subordinated loan agreement. Under this agreement, JBS USA made a subordinated loan in principal amount of \$50 million to the Company. In addition, the JBS subordinated loan agreement provides that, if the rights offering is not completed and if, on or before September 23, 2013, the borrowing availability under the credit agreement is less than \$200 million, JBS USA will make an additional subordinated loan in the principal amount of \$50 million to the Company. In connection with the rights offering, we intend to repay the existing subordinated loan in principal amount of \$50 million, plus accrued interest, with the proceeds of the rights offering. In addition, JBS USA and the Company will terminate the \$50 million commitment under the JBS subordinated loan agreement at the closing of the rights offering.

Amendment to Credit Agreement

Because of the significant losses we experienced in 2011, we desire greater flexibility under certain financial covenants contained in the credit agreement. Consequently, we have amended the credit agreement in connection with the rights offering. The amendment to the credit agreement, among other things, modifies the financial covenants under the credit agreement in a manner we believe is more favorable to the Company. Our board of directors believes the rights offering facilitated our ability to obtain the necessary amendments to the credit agreement.

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The Rights Offering

The following summary describes the principal terms of the rights offering, but is not intended to be complete. See [The Rights Offering](#) for a more detailed description of the terms and conditions of the rights offering.

Securities Offered

We are distributing at no charge one non-transferable subscription right for each share of common stock that you owned as of 5:00 p.m., New York City time, on the record date, _____, 2012, either as a holder of record or, in the case of shares held of record by brokers, dealers, custodian banks or other nominees on your behalf, as beneficial owner of the shares.

Fractional shares of our common stock resulting from the exercise of the basic subscription privilege or the over-subscription privilege, will be eliminated by rounding up to the nearest whole share, with the total purchase price being adjusted accordingly.

Basic Subscription Privilege

For each right that you own, you will have a basic subscription privilege to buy from us _____ shares of our common stock at the subscription price. You may exercise your basic subscription privilege for some or all of your subscription rights, or you may choose not to exercise your subscription rights.

Over-Subscription Privilege

If you exercise your basic subscription privilege in full, you will also have an over-subscription privilege to purchase any shares that our other subscription rights holders do not purchase under their basic subscription privilege. The subscription price for shares purchased pursuant to the over-subscription privilege will be the same as the subscription price for the basic subscription privilege.

If holders exercise their over-subscription privilege for more shares than are available to be purchased pursuant to the over-subscription privilege, we will allocate the shares of our common stock to be issued pursuant to the exercise of the over-subscription privilege pro rata among those over-subscribing rights holders. Pro rata means in proportion to the number of shares of our common stock that you and the other subscription rights holders have agreed to purchase by exercising the basic subscription privilege. If you are not allocated the full amount of shares for which you over-subscribe, you will receive a refund of the subscription price, without interest or penalty, that you delivered for those shares of our common stock that are not allocated to you. The subscription agent will mail such refunds as soon as practicable after the completion of the rights offering.

Subscription Price

The subscription price per share of common stock shall be equal to \$4.50. To be effective, any payment related to the exercise of a subscription right must clear prior to the expiration of the rights offering period.

Record Date _____, 2012

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Expiration Date	The subscription rights will expire at 5:00 p.m., New York City time, on _____, 2012, unless the expiration date is extended. We reserve the right to extend the subscription rights period at our sole discretion.
Procedure for Exercising Subscription Rights	<p>The subscription rights may be exercised at any time during the subscription period, which commences on _____, 2012. To exercise your subscription rights, you must properly complete the enclosed subscription rights certificate and deliver it, along with the full subscription price (including any amounts in respect of your over-subscription privilege), to the subscription agent, Computershare Trust Company, N.A. before 5:00 p.m., New York City time, on _____, 2012, unless the expiration date is extended</p> <p>If you use the mail, we recommend that you use insured, registered mail, return receipt requested. If you cannot deliver your subscription rights certificate to the subscription agent on time, you may follow the guaranteed delivery procedures described under "The Rights Offering - Notice of Guaranteed Delivery."</p>
Use of Proceeds	The net proceeds to us from the rights offering will depend on the number of subscription rights that are exercised. If we issue all 44,444,444 shares available in the rights offering, the net proceeds to us, after deducting estimated offering expenses, will be approximately \$198.7 million. We estimate that the expenses of the rights offering will be approximately \$1.3 million. We intend to use the net proceeds for additional working capital to improve our capital position and for general corporate purposes. We also anticipate that we will apply the net proceeds of the rights offering to repay the principal amount of \$50 million, plus accrued interest, of subordinated debt outstanding under the JBS subordinated loan agreement. We may use all or a part of the remaining net proceeds of the rights offering to repay a portion of the indebtedness outstanding under the credit agreement. See "Use of Proceeds."
Non-Transferability of Subscription Rights	The subscription rights may not be sold, transferred or assigned to anyone else and will not be listed for trading on the New York Stock Exchange or any other stock exchange or market or on the OTC Bulletin Board.
No Revocation of Exercise by Stockholders	All exercises of subscription rights are irrevocable, even if you later learn information about us that you consider unfavorable. You should not exercise your subscription rights unless you are certain that you wish to purchase the shares of common stock offered pursuant to the rights offering.
Conditions	The completion of the rights offering is subject to the conditions described under "The Rights Offering - Conditions, Amendments and Cancellation."

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Amendment; Cancellation	We may amend the terms of the rights offering or extend the rights offering period. We also reserve the right to cancel the rights offering at any time prior to the expiration date for any reason. If the rights offering is cancelled, all subscription payments received by the subscription agent will be returned, without interest or penalty, as soon as practicable to those persons who subscribed for shares in the rights offering. The Rights Offering Conditions, Amendments and Cancellation.
No Board or Special Committee Recommendation	Neither our board of directors nor the special committee of the board of directors is making any recommendation regarding your exercise of the subscription rights. You are urged to make your own decision whether or not to exercise your subscription rights based on your own assessment of our business and the rights offering. See Risk Factors.
Issuance of Common Stock	If you purchase shares of common stock through the rights offering, we will issue those shares to you through DTC as soon as practicable after the completion of the rights offering. Stock certificates will not be issued for shares of our common stock offered in the rights offering.
Listing of Common Stock	Our common stock trades on the New York Stock Exchange under the symbol PPC, and the shares to be issued in connection with the rights offering will also be listed on the New York Stock Exchange under the same symbol.
Certain Material U.S. Federal Income Tax Considerations	The receipt and exercise of your subscription rights will generally not be taxable under U.S. federal income tax laws. You should, however, seek specific tax advice from your personal tax advisor in light of your personal tax situation and as to the applicability and effect of any other tax laws. See Certain Material U.S. Federal Income Tax Considerations.
Subscription Agent	Computershare Trust Company, N.A.
Shares of Common Stock Outstanding Before the Rights Offering	As of _____, 2011, 214,281,914 shares of our common stock were outstanding.
Shares of Common Stock Outstanding After Completion of the Rights Offering	We will issue up to 44,444,444 shares of common stock in the rights offering, depending on the number of subscription rights that are exercised, subject to adjustment for fractional shares. Based on the number of shares of common stock outstanding as of _____, 2011, if we issue all 44,444,444 shares of common stock available in the rights offering, we would have 258,726,358 shares of common stock outstanding following the completion of the rights offering, subject to adjustment for fractional shares.
Risk Factors	Stockholders considering making an investment by exercising subscription rights in the rights offering should carefully read and

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consider the information set forth in Risk Factors beginning on page 15 of this prospectus, together with the other information contained in or incorporated by reference into this prospectus before making a decision to invest in our common stock.

Fees and Expenses

We will pay the fees and expenses related to the rights offering.

Questions

If you have any questions, contact Rosemary Geelan, investor relations, at .

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DISCLOSURE REGARDING FORWARD LOOKING STATEMENTS

Statements of our intentions, beliefs, expectations or predictions for the future, denoted by the words anticipate, believe, estimate, expect, project, imply, intend, foresee and similar expressions, are forward-looking statements that reflect our current views about future events and are subject to risks, uncertainties and assumptions. Such risks, uncertainties and assumptions include those identified in the Risk Factors, section of this prospectus, those identified in the information incorporated by reference into this prospectus, and the following:

matters affecting the chicken industry generally, including fluctuations in the commodity prices of feed ingredients and chicken;

our ability to fully achieve all of the anticipated synergistic gains related to the purchase by JBS USA of a majority of our common stock within the time frames expected;

our ability to obtain and maintain commercially reasonable terms with vendors and service providers;

our ability to maintain contracts that are critical to our operations;

our ability to retain management and other key individuals;

certain of our reorganization and exit or disposal activities, including selling assets, idling facilities, reducing production and reducing workforce, resulted in reduced capacities and sales volumes and may have a disproportionate impact on our income relative to the cost savings;

risk that the amounts of cash from operations together with amounts available under our credit facilities will not be sufficient to fund our operations;

management of our cash resources, particularly in light of our substantial leverage;

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