U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
ENTERED
THE DATE OF ENTRY IS
ON THE COURTS DOCKET
TAWANA C. MARSHALL, CLERK

D. Michael Lynn
U.S. Bankruptcy Judge

APR 20 2009

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

In re	§	**Chapter 11**
PILGRIM'S PRIDE CORPORATION, *et al.*,	§	**Case No. 08-45664 (DML)**
Debtors.	§	**JOINTLY ADMINISTERED**

AGREED ORDER REGARDING MOTION OF LIVE OAK CHICKEN GROWERS TO REOPEN PROCEEDINGS TO ALLOW RECEIPT OF ADDITIONAL EVIDENCE
(Relates to Docket No. 1451)

Upon the Motion of Live Oak Chicken Growers to Reopen Proceedings to Allow Receipt of Additional Evidence [Docket No. 1451] ("Motion to Reopen"), based upon the agreement of counsel for the Live Oak Chicken Growers (the "LOCGs"),

Pilgrim's Pride Corporation ("PPC") and its affiliated chapter 11 Debtors (collectively "Debtors"), and the Official Committee of Unsecured Creditors (the "Creditors' Committee"), it is hereby

ORDERED that the Motion to Reopen is granted in limited part as set forth herein;

ORDERED that the Declarations of Gracie Freeman, Dwayne Parrish, and Timothy Patterson, attached hereto as Exhibits A, B, and C, are admitted into evidence in the contested matter related to the Motion Pursuant to Section 365(a) of the Bankruptcy Code and Bankruptcy Rules 6006 and 9014 Authorizing the Debtors to Reject Certain Executory Contracts and Unexpired Leases of Nonresidential Real Property [Docket No. 416] (the "Motion to Reject") filed by the Debtors;

ORDERED that the Declarations of Randy Stroud and Dale Hulsey, attached hereto as Exhibits D and E, are admitted into evidence in the contested matter related to the Motion to Reject;

ORDERED that no additional discovery will be allowed in the contested matter related to the Motion to Reject;

ORDERED that the Debtors may file a letter brief no later than April 20, 2009 at 4:00 p.m. (central time) explaining what effect, if any, the Declarations attached hereto as Exhibits A, B, C, D, and E should have on the Court's decision regarding the Motion to Reject;

ORDERED that if the Debtors file a letter brief in accordance with the immediately preceding paragraph, then the LOCGs may file a letter brief in response to Debtors' letter brief no later than April 21, 2009 at 4:00 p.m. (central time);

ORDERED that all other and further relief sought in the Motion to Reopen not specifically granted herein is DENIED.

END OF ORDER

DECLARATION OF GRACIE FREEMAN

GRACIE FREEMAN declares under penalty of perjury:

1. My father Lonnie Thomas was a chicken farmer for over fifteen (15) years in the Siler City Complex, previously owned by Goldkist. After Pilgrim's Pride acquired Goldkist, I began working on the farm to help my father and he invested $80,000 in upgrades as required by Pilgrims Pride.

2. In October 2008 Steve Davis, my service representative, told me that my father's contract was being terminated because he was in the bottom 30% of growers. Initially, Mr. Davis told me he did not know how the determination was made. After I complained that it would not be fair to terminate the contract using the ranking from a January 2008 flock that had LT disease, he said he'd have to call me back. When he called me back he told me that his supervisor Don Osterhouse confirmed that Pilgrim's Pride had used flocks going back to 2005 to select growers to terminate and that they excluded the flock that have the LT virus in 2008.

I DECLARE under penalty of perjury that the foregoing is true and correct.

Signed this 12th day of April, 2009

Gracie Freeman

Exhibit A

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DECLARATION OF DWAYNE PARRISH

DWAYNE PARRISH declares under penalty of perjury.

1. I have been a chicken grower for about 7 years. I grew chickens for the Siler City North Carolina Complex and the Sanford Complex now owned by Pilgrim's Pride. Over the seven years my ranking have gone up and down

2 In October 2008 my service representative Gary Buffkin told me that I was going to be terminated because I was in the bottom 30% of growers. I told him that I did not believe I was in the bottom 30%. He told me that was the ranking Pilgrim's Pride came up with because it had used flocks from 2005, and 2006 and generally not 2007 and 2008 to decide who to terminate. I called the Live Production manager Don Osterhaus and he also told me that Pilgrim's Pride had used the flocks from 2005 and 2006 to select the growers that it would group in the bottom 30%. He asserted that the company was doing so to avoid using flocks grown during a period during which some growers' flocks had a disease known as LT

I DECLARE under penalty of perjury that the foregoing is true and correct.

Signed this 13th day of April, 2009

DWAYNE PARRISH

Exhibit B

DECLARATION OF TIMOTHY PATTERSON

TIMOTHY PATTERSON declares under penalty of perjury:

1. I have been a chicken grower for 7 years. I grew chickens for the Siler City North Carolina Complex now owned by Pilgrim's Pride.

2. In October 2008 my service representative Steve Davis told me that I was going to be terminated because I was in the bottom 30% of growers. I told him that was not possible as I reviewed my previous five flocks and my costs were only about 2 points (0.0002) worse than the average or middle grower costs during that period. Mr. Davis would never explain to me how Pilgrim's had determined the bottom 30%. I also spoke with service representative Gary Buffkin and when I asked him for an explanation how the bottom 30% was determined, he stated he was instructed not to say anything. Both Davis and Buffkin had previously told me that I was one of the company's best growers.

I DECLARE under penalty of perjury that the foregoing is true and correct.

Signed this 13th day of April, 2009

TIMOTHY PATTERSON

Exhibit C

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

In re	§	**Chapter 11**
PILGRIM'S PRIDE CORPORATION, *et al.*,	§	**Case No. 08-45664 (DML)**
Debtors.	§	**JOINTLY ADMINISTERED**

DECLARATION OF DALE HULSEY

I, Dale Hulsey, hereby declare under penalty of perjury:

1. My name is Dale Hulsey. I am over the age of 18 years, of sound mind, capable of making this affidavit, and personally acquainted with the facts herein stated and that they are true and correct. I have never been convicted of a felony.

2. I currently work for Pilgrim's Pride Corporation ("PPC") and have worked for PPC since it purchased Gold Kist, Inc. in 2006. Before that, I worked for Gold Kist since 1978. I am the Live Production Manager of the Sanford, North Carolina Plant and have been since April 2008. Before my current position, I was the Live Production Manager for the grow-out base that served both the Sanford processing plant ("Sanford Plant") and PPC's processing plant in Siler City, North Carolina ("Siler City Plant"). For purposes of this Declaration, I refer to this grow-out base that served both the Sanford Plant and the Siler City Plant as the "Sanford/Siler City Grow-Out Base." I was the Live Production Manager for the Sanford/Siler City Grow-Out Base for approximately 16 years.

3. The Siler City Plant and the Sanford Plant processed different types of birds from one another, but were close enough to one another that broiler growers in the Sanford/Siler City Grow-Out Base were able grow chickens for either plant. The Siler City Plant processed large male birds, weighing approximately 8 to 9 pounds each, while the Sanford Plant processed small

EXHIBIT D

female birds and small "straight run" – mixed gender – birds, weighing about 6 to 6.25 pounds each.

4. In or around March 2008, PPC decided to idle the Siler City Plant. At that time, PPC transferred the broiler growers in Scotland and Richmond Counties, North Carolina from the Sanford/Siler City Grow-Out Base to the grow-out base for PPC's plant in Marshville, North Carolina. The decision to transfer these growers was based on PPC's plan to expand the Marshville Plant. However, the plans to expand the Marshville Plant were ultimately abandoned.

5. In or around August 2008, I was in discussions with other members of PPC management during which PPC determined to terminate approximately four million square feet of the Sanford/Siler City Grow-Out Base. As Live Production Manager, I was responsible for creating a spreadsheet (the "Ranking") compiling flock performance information for each of these broiler growers, calculating the average performance for each grower, and then ranking the growers from least efficient to most efficient based on flock performance.

6. In compiling the Ranking, I used flock performance information from January 2006 through August 2008. PPC determined to use this period of performance data because of a number of circumstances unique to the Sanford/Siler City Grow-Out Base. Using flock performance numbers for the relevant time period – reflected on the settlement sheets generated from the "tournament system" in which the growers compete with one another – I calculated each grower's average flock performance.

7. First, the Siler City and Sanford area suffered a severe outbreak of Laryngotracheitis ("LT") beginning in February 2007 and extending into September 2008. LT is a very contagious and serious avian disease that causes the birds to suffocate. During 2007, there were 123 confirmed cases of LT in North Carolina. The disease can easily kill one-third or more of a flock. Because LT is so contagious, it is impossible to control with normal bio-safety

measures. Instead, aggressive vaccination programs are needed to try to contain the disease. Accordingly, PPC was required to vaccinate approximately 2/3 of the flocks within the Sanford/Siler City Grow-Out Base. A known side-effect of the LT vaccine is that it can cause the chickens to run a fever and prevent them from gaining weight as efficiently as they otherwise would, which negatively affects flock performance. Because the LT vaccination program instituted to contain and limit LT in 2007 and 2008 may have negatively affected performance of as many as 75% of the flocks raised by growers in the Sanford/Siler City Grow-Out Base within the year before the determination of which growers to terminate, PPC decided to use a longer period of performance data to balance out any negative performance in more recent flocks that may have been attributable to the LT vaccine.

8. Second, PPC decided to exclude all flocks of large male birds from the Ranking because large-male flocks are more difficult to raise and have higher mortality rates than small female and straight run birds. These factors adversely affect the feed conversion rate of growers who raise large male birds when compared to growers who raise small birds. Accordingly, growers who raised more large-male flocks would have been unfairly penalized if their performance numbers for large-male flocks were used when ranking those growers against growers who primarily raised small-bird flocks. As a result of excluding the large-male flocks, some growers on the Ranking only had one or two flocks upon which their performance was judged, even though the time period covered by the Ranking extended back to January 2006, whereas other growers who primarily raised small birds had twelve or more flocks upon which their average performance was calculated.

9. In addition, I decided to exclude four flocks from the Ranking due to extraordinary circumstances. Three of the excluded flocks had an abnormally severe adverse reaction to the LT vaccine. When trying to control an LT outbreak – like the one that occurred

from February 2007 through September 2008 – PPC may have to vaccinate birds that have already come into contact with LT. In those cases, the vaccine can worsen the negative effects of the disease and result in a much higher mortality rate than occurs when a healthy flock is vaccinated. Even so, PPC requires the growers to vaccinate flocks during a LT outbreak because more birds are saved with the vaccination than die because of it. Because PPC forces the growers to vaccinate their flocks, I decided it would be unfair to include the three flocks that had severe adverse reactions to the LT vaccine in the Ranking.

10. The fourth flock excluded from the Ranking due to extraordinary circumstances was raised by a grower who had a chicken house struck by lightning. The grower's service representative was present on the farm when the lightning occurred. He confirmed that the lightning strike, and not poor grower management, resulted in a power outage to one of the grower's chicken houses. Because of the power outage, the grower lost all of the chickens in the affected house. Because the lightning strike and power outage were outside the grower's control, I decided to use my judgment to exclude them from the Ranking.

I hereby declare under penalty of perjury that the foregoing is true and correct.

Dated: April 17, 2009
Sanford, North Carolina

Dale Hulsey

Dale Hulsey

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

In re	§	Chapter 11
PILGRIM'S PRIDE CORPORATION, *et al.*,	§	Case No. 08-45664 (DML)
Debtors.	§	JOINTLY ADMINISTERED

DECLARATION OF RANDY STROUD

I, Randy Stroud, hereby declare under penalty of perjury:

1. My name is Randy Stroud. I am over the age of 18 years, of sound mind, capable of making this affidavit, and personally acquainted with the facts herein stated and that they are true and correct. I have never been convicted of a felony.

2. I am currently employed by Pilgrim's Pride Corporation ("PPC") and have worked for PPC for nearly thirty years. I am the Senior Vice President of Live Technical Services and have been since 2007. I am responsible for developing, implementing, and enforcing Live Production policies and procedures.

3. In my current position, I was involved in the decision to idle PPC's processing plant in Siler City, North Carolina ("Siler City Plant"). I was also involved in the decision to reduce production at PPC's processing plant in Live Oak, Florida ("Live Oak Plant").

4. When I testified in my deposition and at trial about the method used to terminate growers in connection with PPC's decision to idle the Siler City Plant, I was mistaken about the number of flocks and the time period included in the ranking created for the broiler growers who raised chickens for PPC's plants in Siler City and Sanford, North Carolina ("Sanford Plant").[1] I

[1] Before the Siler City Plant was idled, it shared a common grower base with the Sanford Plant. For the purposes of this Declaration, I will refer to this common grow-out base that served both the Sanford Plant and the Siler City Plant as the "Sanford/Siler City Grow-Out Base."

EXHIBIT E

regret my failure to accurately remember the details of the process used when terminating growers in the Sanford/Siler City Grow-Out Base.

5. As a result of the Motion of Live Oak Chicken Growers to Reopen Proceedings to Allow Receipt of Additional Evidence [Docket No. 1451] ("Motion to Reopen"), I reviewed the process by which growers were terminated in connection with the closing of the Siler City Plant. My memory has been refreshed that the ranking created for the Sanford/Siler City Grow-Out Base included flock performance data for January 2006 to August 2008. A longer period of time was considered for the ranking involving the Sanford/Siler City Grow-Out Base than for the ranking PPC created for the broiler growers in the Live Oak Complex because of unique circumstances affecting the Sanford/Siler City Grow-Out Base. Because these unique circumstances were not present in the Live Oak Complex, I continue to believe that one year of performance data provided an appropriate measure of grower performance for the broiler growers in the Live Oak Complex.

6. When PPC determined to idle the Siler City Plant, it sought to preserve as many broiler growers as possible by shifting production from the Siler City Plant to the PPC plants in Sanford and Marshville, North Carolina ("Marshville Plant"). The Siler City growers already raised chickens for both the Siler City Plant and the Sanford Plant because those plants shared a common grower base. To make up for the lost processing capacity caused by closing the Siler City Plant, PPC intended to expand the Marshville Plant. Due to the faltering economy, however, PPC was unable to implement these expansion plans. Accordingly, PPC was required to terminate approximately four million square feet of the Sanford/Siler City Grow-Out Base.

7. PPC decided to use grower performance data to determine which growers in the Sanford/Siler City Grow-Out Base to terminate. As in Live Oak, PPC used settlement sheets from the "tournament system" to compile flock performance data and identify the least efficient

broiler growers. PPC then eliminated the appropriate square footage of grow-out space. However, the ranking created for the Sanford/Siler City Grow-Out Base took into account a longer period of time than the time period considered in Live Oak.

I hereby declare under penalty of perjury that the foregoing is true and correct.

Dated: April 17, 2009
Pittsburgh, Texas

Randy Stroud

CERTIFICATE OF NOTICE

District/off: 0539-4 User: jalexande Page 1 of 1 Date Rcvd: Apr 20, 2009
Case: 08-45664 Form ID: pdf012 Total Served: 1

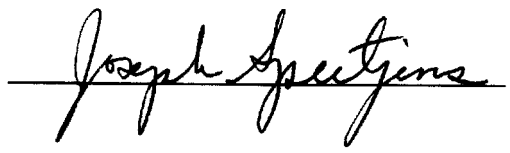
The following entities were served by first class mail on Apr 22, 2009.
aty +Stephen A. Youngman, Weil, Gotshal & Manges, 200 Crescent Court, Suite 300, Dallas, TX 75201-6903

The following entities were served by electronic transmission.
NONE. TOTAL: 0

***** BYPASSED RECIPIENTS *****
NONE. TOTAL: 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speetjens, declare under the penalty of perjury that I have served the attached document on the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Apr 22, 2009 **Signature:**