PILGRIMS PRIDE CORP
Form DEF 14A
April 01, 2013

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]
Filed by a Party other than the Registrant [
]

Check the appropriate box:

[ ]	Preliminary Proxy Statement	[ ]	Soliciting Material Under Rule 14a-12
[ ]	Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))		
[X]	Definitive Proxy Statement		
[ ]	Definitive Additional Materials		

Pilgrim's Pride Corporation
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

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Dear Fellow Pilgrim s Stockholders:

Fiscal 2012 marked the first full year of implementation of our strategy. While 2012 included some challenges, our EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) of $393.9 million and Net Income of $174 million were both solid achievements. Our earnings per share of $0.70 reflected the disciplined execution and determined mindset that we ve been building within our team. We are pleased with our progress, but not satisfied that we ve captured all of the opportunities available to us. In our objective to create sustained, profitable growth we remain committed to our core strategy that we laid out in 2011.

Our efforts to be a valued partner for our key customers are showing positive results. We have developed a targeted plan to ensure we understand their needs, identified ways to create value for their business, and are doing so in such a way as to creating profitability for both the customer and Pilgrim s. Our customers are benefiting from improved service levels, increased volumes and more profitable relationship.

As we continue our relentless pursuit of operational excellence, safety, quality and turnover are areas we emphasized this year. Our performance in safety has resulted in Pilgrim s having one of the best DART (Days Away, Restricted or Transferred) rates in the industry, about half the industry average. We have developed a behavioral-based safety program that revolves around observation of our people, including how they work, inspection and tracking the process. Every day we work to provide a safe environment to our team members, contractors and visitors. We continue to update our systems to ensure we are exceeding the quality expectations of our customers and end consumers. The investments we are making allow us to be more agile, provide increased visibility between teams, improve our consistency and lead to better decision making abilities supporting our sales process. We are also pursuing opportunities to improve our turnover rate, boosting productivity at the plant level and providing growth opportunities for team members within the organization.

Our export strategy drives value by concentrating value added products and we have a goal to increase this category by 30% in 2013. We are investing in the products that our export markets are indicating they want, and the returns on those products justify this strategy.

Finally, our commitment to a culture of accountability and ownership has resulted in improvements to the business for both of the last two years. We saw $300 million of improvements in 2011, $210 million in 2012 and we have a target of $125 million in 2013. These achievements are the result of each team member taking ownership for what they can impact. The free cash flow we ve generated and expect to generate going forward enable us to progress steadily towards our debt reduction goals.

We are looking forward to a productive, profitable 2013 as we pursue our vision of being the best managed and most respected company in the industry. We appreciate your continued support of our company.

President & Chief Executive Officer
April 2, 2013

Pilgrim's Pride Corporation

1770 Promontory Circle
Greeley, Colorado 80634

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 3, 2013

The annual meeting of stockholders of Pilgrim's Pride Corporation will be held at Pilgrim's Pride corporate headquarters, at 1770 Promontory Circle, Greeley, Colorado, on Friday, May 3, 2013, at 10:00 a.m., local time, to consider and vote on the following matters:

1. To elect Wesley Mendonça Batista, Joesley Mendonça Batista, Don Jackson, William W. Lovette, Marcus Vinicius Pratini de Moraes and Wallim Cruz De Vasconcellos Junior as the six JBS Directors for the ensuing year;
2. To elect Michael L. Cooper, Charles Macaluso and David E. Bell as the three Equity Directors for the ensuing year;
3. To conduct a stockholder advisory vote on executive compensation;
4. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 29, 2013; and
5. To transact such other business as may properly be brought before the meeting or any adjournment thereof.

No other matters are expected to be voted on at the annual meeting.

The Board of Directors has fixed the close of business on March 22, 2013, as the record date for determining stockholders entitled to notice of, and to vote at, the annual meeting. If you owned shares of our common stock at the close of business on that date, you are cordially invited to attend the annual meeting. Whether or not you plan to attend the annual meeting, please vote at your earliest convenience. Most stockholders have three options for submitting their votes prior to the meeting:

(1) via the internet;
(2) by phone; or
(3) by mail.

Please refer to the specific instructions set forth on the enclosed proxy card.

Admission to the annual meeting will be limited to our stockholders, proxy holders and invited guests. If you are a stockholder of record, please bring photo identification to the annual meeting. If you hold shares through a bank, broker or other third party, please bring photo identification and a current brokerage statement.

WILLIAM W. LOVETTE
President and
Chief Executive Officer

Greeley, Colorado
April 2, 2013

YOUR VOTE IS IMPORTANT!
PLEASE SIGN AND RETURN THE ACCOMPANYING PROXY OR VOTE YOUR SHARES ON THE INTERNET OR BY TELEPHONE BY FOLLOWING THE INSTRUCTIONS ON THE PROXY CARD.
IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 3, 2013: The Proxy Statement and the 2012 Annual Report on Form 10-K are available at www.envisionreports.com/PPC. Enter the 12-digit control number located on the proxy card and click View 2012 Stockholder Material.

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Pilgrim's Pride Corporation

1770 Promontory Circle
Greeley, Colorado 80634

PROXY STATEMENT
GENERAL INFORMATION

Why did I receive this proxy statement?

The Board of Directors (the Board of Directors or the Board) of Pilgrim's Pride Corporation is soliciting stockholder proxies for use at our annual meeting of stockholders to be held at the Pilgrim's Pride corporate headquarters, at 1770 Promontory Circle, Greeley, Colorado, on Friday, May 3, 2013, at 10:00 a.m., local time, and any adjournments thereof (the Annual Meeting or the meeting). This proxy statement, the accompanying proxy card and the annual report to stockholders of Pilgrim's Pride Corporation are being mailed on or about April 3, 2013. Throughout this proxy statement, we will refer to Pilgrim's Pride Corporation as Pilgrim's Pride, Pilgrim's, PPC, we, us or the Company.

What is the record date for the Annual Meeting and why is it important?

The Board of Directors has fixed March 22, 2013 as the record date for determining stockholders who are entitled to vote at the Annual Meeting (the Record Date). At the close of business on the Record Date, Pilgrim's Pride had 259,029,033 shares of common stock, par value $0.01 per share, issued and outstanding.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Most stockholders of Pilgrim's Pride hold their shares through a broker, bank or other nominee, rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholders of Record: If your shares are registered directly in your name with our transfer agent, you are considered a stockholder of record with respect to those shares. As a stockholder of record, you have the right to vote in person at the meeting.

Beneficial Owner: If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered a beneficial owner of shares held in street name. As a beneficial owner, you have the right to direct your broker on how to vote your shares, and you are also invited to attend the meeting. Since you are not a stockholder of record, however, you may not vote your shares in person at the meeting unless you obtain a signed proxy from the holder of record giving you the right to vote the shares.

What is a proxy?

A proxy is your legal designation of another person (the proxy) to vote on your behalf. By completing and returning the enclosed proxy card, you are giving the proxies appointed by the Board and identified on the proxy card the authority to vote your shares in the manner you indicate on your proxy card.

What if I receive more than one proxy card?

You will receive multiple proxy cards if you hold shares of our common stock in different ways (e.g., joint tenancy, trusts, custodial accounts) or in multiple accounts. If your shares are held in street name (i.e., by a broker, bank or other nominee), you will receive your proxy card or voting information from your nominee, and you must return your voting instructions to that nominee. You should complete, sign and return each proxy card you receive or submit your voting instructions for each proxy card.

What are the voting rights of the common stock?

Each holder of record of our common stock on the Record Date is entitled to cast one vote per share on each matter presented at the meeting.

What are the two categories of Directors?

The Company's Amended and Restated Certificate of Incorporation (the Certificate of Incorporation) provides for six JBS Directors and three Equity Directors.

JBS Directors are the six Directors designated as JBS Directors pursuant to the terms of the Company's Certificate of Incorporation or their successors nominated or appointed by the JBS Nominating Committee. The current JBS Directors are Wesley Mendonça Batista, Joesley Mendonça Batista, Don Jackson, William W. Lovette, Marcus Vinicius Pratini de Moraes and Wallim Cruz De Vasconcellos Junior.

Equity Directors are the three Directors designated as Equity Directors pursuant to the terms of the Company's Certificate of Incorporation or their successors nominated or appointed by the Equity Nominating Committee or any stockholders other than JBS USA Holdings, Inc. ("JBS USA") and its affiliates (Minority Investors). The current Equity Directors are Michael L. Cooper, Charles Macaluso and David E. Bell.

What are the differences between the categories of Directors?

All of our Directors serve coequal one-year terms. However, only JBS Directors can serve as members of the JBS Nominating Committee, and only Equity Directors can serve as members of the Equity Nominating Committee.

The stockholders agreement between us and JBS USA dated December 28, 2009 (as amended, the "JBS Stockholders Agreement") requires JBS USA and its affiliates to vote all of Pilgrim's Pride common stock that they hold in the same manner as the shares held by all Minority Investors with respect to the election or removal of Equity Directors. Consequently, the vote of the Minority Investors will determine the outcome of the election of Equity Directors.

With respect to all other matters submitted to a vote of holders of common stock, including the election or removal of any JBS Directors, JBS USA and its affiliates may vote shares of common stock held by them at their sole and absolute discretion.

What is the Say on Pay Vote?

With Proposal 3, the Board is providing stockholders with the opportunity to cast an advisory vote on the compensation of our Named Executive Officers. This proposal, commonly known as a Say on Pay proposal, gives you, as a stockholder, the opportunity to endorse or not endorse our executive compensation programs and policies and the compensation paid to our Named Executive Officers.

How do I vote my shares?

If you are a stockholder of record, you have several choices. You can vote your proxy:

- by completing, dating, signing and mailing the enclosed proxy card;
- over the telephone; or
- via the internet.

Please refer to the specific instructions set forth on the enclosed proxy card.

If you hold your shares in street name, your broker, bank or nominee will provide you with materials and instructions for voting your shares.

If you are a current or former employee of Pilgrim's Pride who holds shares in the Pilgrim's Pride Retirement Savings Plan or the To-Ricos Employee Savings and Retirement Plan, you will receive voting instructions from the trustee of the plans for the shares allocated to your account.

What are the Board's recommendations on how I should vote my shares?

The Board recommends that you vote your shares as follows:

Proposal 1: **FOR** the election of all six nominees for JBS Director.

Proposal 2:	**FOR** the election of all three nominees for Equity Director.
Proposal 3:	**FOR** the approval of the advisory vote on executive compensation.
Proposal 4:	**FOR** ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 29, 2013.

What are my choices when voting?

With respect to:

Proposal 1: You may either (i) vote FOR the election of all JBS Director nominees as a group; (ii) withhold your vote on all JBS Director nominees as a group; or (iii) vote FOR the election of all JBS Director nominees as a group except for certain nominees identified by you in the appropriate area on the proxy card or voting instructions.

Proposal 2: You may either (i) vote FOR the election of all Equity Director nominees as a group; (ii) withhold your vote on all Equity Director nominees as a group; or (iii) vote FOR the election of all Equity Director nominees as a group except for certain nominees identified by you in the appropriate area on the proxy card or voting instructions.

Proposal 3: You may vote FOR or AGAINST the proposal, or you may elect to abstain from voting your shares. Abstaining will have the same effect as a vote against the proposal, as discussed below.

Proposal 4: You may vote FOR or AGAINST the proposal, or you may elect to abstain from voting your shares. Abstaining will have the same effect as a vote against the proposal, as discussed below.

How will my shares be voted if I do not specify my voting instructions?

If you sign and return your proxy card without indicating how you want your shares to be voted, the proxies appointed by the Board will vote your shares as follows:

Proposal 1: **FOR** the election of all six nominees for JBS Director.

Proposal 2: **FOR** the election of all three nominees for Equity Director.

Proposal 3: **FOR** the approval of the advisory vote on executive compensation.

Proposal 4: **FOR** ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 29, 2013.

If you are a current or former employee of Pilgrim's Pride who holds shares through the Pilgrim's Pride Retirement Savings Plan or the To-Ricos Employee Savings and Retirement Plan you will be given the opportunity to provide instruction to the trustee with respect to how to vote your shares. Any shares for which instructions are not received (i) shall be voted by the trustee in accordance with instructions provided by Pilgrim's Pride with respect to shares held under the Pilgrim's Pride Retirement Savings Plan and (ii) will not be voted with respect to shares held under the To-Ricos Employee Savings and Retirement Plan.

What is a quorum?

A quorum is necessary to hold the meeting. A quorum consists of a majority of the voting power of our common stock issued and outstanding and entitled to vote at the meeting, including the voting power that is present in person or by proxy. The shares of a stockholder whose ballot on any or all proposals is marked as abstain will be included in the number of shares present at the Annual Meeting to determine whether a quorum is present. If a quorum is not represented in person or by proxy at the meeting or any adjourned meeting, the chairman of the meeting may postpone the meeting from time to time until a quorum will be represented. At any adjourned meeting at which a quorum is represented, any business may be transacted that might have been transacted at the meeting as originally called. JBS USA owned or controlled over 50% of the voting power of our outstanding common stock on the Record Date. Therefore, JBS USA will be able to assure a quorum is present.

What vote is required to approve the proposals for the election of the JBS Directors and the Equity Directors?

Directors will be elected by a plurality of the voting power of our common stock present in person or represented by proxy and entitled to vote at the meeting. This means that the director who receives the most votes will be elected.

Because JBS USA owned or controlled over 50% of the voting power of our outstanding common stock on the Record Date, it will be able to elect all of the nominees for JBS Directors and, with certain exceptions, determine the outcome of all other matters presented to a vote of the stockholders. The JBS Stockholders Agreement, however, requires JBS USA and its affiliates to vote all of Pilgrim's Pride common stock owned by them in the same manner as the shares held by the Minority Investors with respect to the election or removal of Equity Directors. Consequently, the vote of the Minority Investors will determine the outcome of Proposal 2.

What Vote is Required for Advisory Approval of Executive Compensation?

With regard to Proposal 3, the stockholder advisory vote on executive compensation, the results of this vote are not binding on the Board, meaning that our Board will not be obligated to take any compensation actions, or to adjust our executive compensation programs or policies, as a result of the vote. Notwithstanding the advisory nature of the vote, the resolution will be considered passed with the affirmative vote of a majority of the votes present in person or represented by proxy and eligible to vote at the Annual Meeting. With respect to Proposal 3, JBS USA and its affiliates may vote shares of Pilgrim's Pride common stock held by them at their sole and absolute discretion.

What vote is required for the appointment of KPMG LLP and to approve any other item of business to be voted upon at the meeting?

The affirmative vote of a majority of the voting power of our common stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required to ratify the appointment of our independent registered public accounting firm and to approve any other item of business to be voted upon at the meeting.

With respect to approval of any other item of business to be voted upon at the meeting, including the election or removal of any JBS Directors, JBS USA and its affiliates may vote shares of Pilgrim's Pride common stock held by them at their sole and absolute discretion.

How are abstentions and broker non-votes treated?

Abstentions from voting on any matter will be counted in the tally of votes. Abstentions will have no effect on the election of Directors. However, an abstention will have the same effect as a vote against any other proposals.

A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner. A broker non-vote will be deemed present at the Annual Meeting and will be counted for purposes of determining whether a quorum exists. Under the rules that govern brokers who are voting with respect to shares held by them in street name, if the broker has not been furnished with voting instructions by its client at least ten days before the meeting, those brokers have the discretion to vote such shares on routine matters, but not on non-routine matters. Routine matters include the appointment of an independent registered public accounting firm, submitted to the stockholders in Proposal 4. Non-routine matters include the election of Directors and the advisory vote on executive compensation, submitted to stockholders in Proposal 1, Proposal 2 and Proposal 3. With regard to Proposal 1, Proposal 2 and Proposal 3, brokers have no discretion to vote shares where no voting instructions are received, and no vote will be cast if you do not vote on those proposals. Consequently, broker non-votes will have no effect on the elections of Directors or the advisory vote on executive compensation. ***We urge you to vote on ALL voting items.***

Can I change my vote after I have mailed in my proxy card?

Yes. You may revoke your proxy by doing one of the following:

- by sending to the Secretary of the Company a written notice of revocation that is received prior to the meeting;

- by submitting a new proxy card bearing a later date to the Secretary of the Company so that it is received prior to the meeting; or
- by attending the meeting and voting your shares in person.

Who will pay the cost of this proxy solicitation?

We will pay the cost of preparing, printing and mailing this proxy statement and of soliciting proxies. We will request brokers, custodians, nominees and other like parties to forward copies of proxy materials to beneficial owners of our common stock and will reimburse these parties for their reasonable and customary charges or expenses.

Is this proxy statement the only way that proxies are being solicited?

No. In addition to mailing these proxy materials, certain of our Directors, officers or employees may solicit proxies by telephone, facsimile, e-mail or personal contact. They will not be specifically compensated for doing so.

Stockholder Proposals for 2014 Annual Meeting

We currently expect that our 2014 Annual Meeting of Stockholders will be held on Friday, May 2, 2014. Our bylaws state that a stockholder must have given our Secretary written notice, at our principal executive offices, of the stockholder's intent to present a proposal (including nominations of Directors) at the 2014 Annual Meeting by January 2, 2014, but not before August 5, 2013. Additionally, in order for stockholder proposals submitted pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the Exchange Act), to be considered for inclusion in the proxy materials for the 2014 Annual Meeting, they must be received by our Secretary at our principal executive offices no later than the close of business on December 4, 2013.

PROPOSAL 1. ELECTION OF JBS DIRECTORS

Subject to limited exceptions, our Certificate of Incorporation specifies that the Board of Directors will consist of nine members. Our Board currently has nine members. Proxies cannot be voted for a greater number of persons than the nine nominees named.

Pursuant to our Certificate of Incorporation and our bylaws, our Board of Directors includes six JBS Directors, including the Chairman of the Board, who are designated by JBS Nominating Committee. William W. Lovette, our Chief Executive Officer, was appointed to the Board pursuant to his employment agreement with the Company and is included in the designees of the JBS Nominating Committee.

At the meeting, nine Directors, including six JBS Directors, are to be elected, each to hold office for one year or until his or her successor is duly elected and qualified. Unless otherwise specified on the proxy card or voting instructions, the shares represented by the proxy will be voted for the election of the six nominees named below. If any JBS Director nominee becomes unavailable for election, it is intended that such shares will be voted for the election of a substitute nominee selected by the JBS Nominating Committee. Our Board of Directors has no reason to believe that any substitute nominee or nominees will be required.

Nominees for JBS Directors

Wesley Mendonça Batista, 42, has served as a Director and Chairman of the Board of Pilgrim's Pride Corporation since December 2009. Mr. Batista became President and Chief Executive Officer of JBS S.A. in February 2011. Mr. Batista previously served as President and Chief Executive Officer of JBS USA from July 2007 until January 2011. Mr. Batista also serves as Chairman of the Board of JBS USA and is the Vice President of JBS S.A.'s Board of Directors. Mr. Batista has served in various capacities at JBS S.A. since 1987. Mr. Batista is the brother of Joesley Mendonça Batista, Chairman of the Board of JBS S.A., and José Batista Júnior, a Director of JBS S.A., and is the son of José Batista Sobrinho, the founder of JBS S.A. and a member of its Board of Directors.

Mr. Batista brings to the Board of Pilgrim's Pride significant senior leadership and industry experience. Mr. Batista has long been one of the most respected executives in Brazil's protein industry, and his reputation is now firmly established worldwide. Mr. Batista grew up in the protein industry, and it is his strategic insight and entrepreneurial spirit that has facilitated the growth of JBS S.A. through numerous acquisitions, expanding its reach across the globe. As Chairman of the Board, Mr. Batista has direct oversight of Pilgrim's strategy and operations.

Joesley Mendonça Batista, 41, is currently the President of the Board of Directors of JBS S.A. and served as the Chief Executive Officer of JBS S.A. from March 2006 until January 2011. Mr. Batista has served as a Director of the Company since December 2009. Mr. Batista has served in various capacities at JBS S.A. since 1988. Mr. Batista is the brother of Wesley Mendonça Batista, a Director of the Company, and José Batista Júnior, a Director of JBS S.A., and the son of José Batista Sobrinho, the founder of JBS S.A. and a member of its Board of Directors.

Mr. Batista has worked in the protein industry for over 20 years, rising to the post of President and Chief Executive Officer of JBS S.A from March 2006 until January 2011. During his tenure as President and CEO, JBS S.A. expanded dramatically in the United States, acquiring Swift & Company in 2007, Smithfield Beef Group and Five Rivers Ranch Cattle Feeding in 2008, and a 64% interest in the Company in 2009. Mr. Batista brings to the Board significant leadership, sales and marketing, industry, technical, and global experience in the protein industry.

William W. Lovette, 53, joined Pilgrim's Pride as President and Chief Executive Officer on January 3, 2011. He brings more than 30 years of industry leadership experience to Pilgrim's. He previously served as President and Chief Operating Officer of Case Foods, Inc. from October 2008 to December 2010. Before joining Case Foods, Inc., Mr. Lovette spent 25 years with Tyson Foods Inc. in various roles in senior management, including President of its International Business Unit, President of its Foodservice Business Unit and Senior Group Vice President of Poultry and Prepared Foods. Mr. Lovette earned a B.S. degree from Texas A&M University. In addition, he is a graduate of Harvard Business School's Advanced Management Program.

Mr. Lovette brings invaluable industry-specific experience to the Board, having worked in the poultry industry his entire life. Mr. Lovette grew up in a family poultry business, which became the Holly Farms Corporation. Through his formative years, he worked in virtually all aspects of the business including farm labor and management on his family's broiler farm, catching chickens, working in all areas of a processing plant during summers, working as a customer service representative and as a trading floor clerk on the Chicago Board of Trade.

Mr. Lovette's experience learned over a lifetime in the industry enables him to offer a valuable insight on the business, financial and regulatory issues currently being faced by the poultry industry.

Don Jackson, 62, has served as a Director of the Company since January 2009. Mr. Jackson served as Chief Executive Officer of JBS USA from January 2011 until his retirement in January 2013. He previously served as President and Chief Executive Officer of the Company from January 2009 to January 2011. Previously, Dr. Jackson served as President of Foster Farms' poultry division, based in Livingston, California. Prior to that, he served as Executive Vice President for foodservice of the former ConAgra Poultry Company in Duluth, Georgia. Before that, he worked for 22 years for Seaboard Farms of Athens, Georgia, including four years as President and CEO of their poultry division.

In addition to his 34 years of leadership and experience in various executive positions at five different companies as detailed above, Dr. Jackson brings invaluable industry-specific expertise to the Board. After earning his PhD in Animal Science from Colorado State University in Fort Collins, Colorado, Dr. Jackson advanced through the Seaboard Farms organization and led Live Production there before serving as Seaboard's President and CEO. Accordingly, Dr. Jackson brings unparalleled industry insight to the Board.

Marcus Vinicius Pratini de Moraes, 73, has served as a Director since December 2009. He is currently President of the Business Strategy Committee of JBS Friboi, Vice Chairman of the Board of COSAN Ltd., a member of the Board of COSCEX - Superior Council of Foreign Trade at FIESP (Foreign Trade Board of the Federation of Industries of the State of Sao Paulo), and Director of DEAGRO Division - Agrobusiness Department for Products of Animal Origin at FIESP (Foreign Trade Board of the Federation of Industries of the State of Sao Paulo). Dr. Pratini de Moraes was a former Chairman of the Advisory Board of Solvay and Cie., Brazil, former Chairman of the Brazilian Chapter of CEAL (Business Council of Latin America), and a former member of the Advisory Council of BM&F (Brazilian Mercantile & Futures Exchange). Dr. Pratini de Moraes was a member of the Supervisory Board of ABN AMRO Bank from 2003 to 2007. He also had a long career in Brazil's public sector.

Dr. Pratini de Moraes brings to the Board of Directors continuing experience in dealing with foreign governments and substantial expertise in matters affecting international commerce. Dr. Pratini de Moraes has served in various roles in Brazilian government including, but not limited to, the Deputy Minister of Planning, the Minister of Industry and Trade, a Congressman, the Minister of Mines and Energy and the Minister of Agriculture, Livestock and Food Supply. Additionally, as a director for other multinational companies, Dr. Pratini de Moraes also provides cross-board experience.

Wallim Cruz De Vasconcellos Junior, 55, has served as a Director since December 2009. He has served as a Partner of Iposeira Partners Ltd, a provider of advisory services for mergers and acquisitions and restructuring transactions, since 2003. Mr. Vasconcellos served as a Consultant to IFC/World Bank from 2003 to 2008. He is currently a Member of the Board of Santos Brasil S.A. and served as a Member of the Board of Cremer S.A. from 2006 to 2008.

Regarded as one of Brazil's preeminent business strategists, Mr. Vasconcellos brings to the Board real-time experience in the areas of mergers and acquisitions, capital markets, finance, and restructurings, and offers unique insights into global market strategies. In addition, Mr. Vasconcellos' experience working on behalf of public financial institutions enables him to provide perspective and oversight with regard to the Company's financial strategies.

The Board of Directors recommends that you vote FOR the election of all of the individuals who have been nominated to serve as JBS Directors. Proxies will be so voted unless stockholders specify otherwise or withhold authority to vote.

PROPOSAL 2. ELECTION OF EQUITY DIRECTORS

Pursuant to our Certificate of Incorporation and our bylaws, our Board of Directors includes three members designated by the Equity Nominating Committee, our Equity Directors.

The JBS Stockholders Agreement requires JBS USA and its affiliates to vote all of the Pilgrim's Pride common stock that they hold in the same manner as the shares held by the Minority Investors with respect to the election or removal of Equity Directors. Consequently, the vote of the Minority Investors will determine the outcome of this Proposal 2.

At the meeting, nine Directors, including three Equity Directors, are to be elected, each to hold office for one year or until his or her successor is duly elected and qualified. Unless otherwise specified on the proxy card or voting instructions, the shares represented by the proxy will be voted for the election of the three nominees named below. If any of the nominees for Equity Director becomes unavailable for election, it is intended that such shares will be voted for the election of a substitute nominee selected by the Equity Nominating Committee.

Nominees for Equity Director

Michael L. Cooper, 63, has served as a Director since December 2009. He is the Executive Vice President, Managing Partner, Chief Financial Officer and a Director of Kincannon & Reed, an executive search firm for the food and agribusiness sectors, where he has been employed since July 2004. He also currently serves on the National Chicken Council's Allied Leader Board. From September 2002 to July 2004, Mr. Cooper served as the Chief Executive Officer of Meyer Natural Angus. From January 1996 to July 2002, Mr. Cooper was employed by Perdue Farms, Inc., where he served in various roles, including as President, Retail Products, from February 2000 to July 2002, and as Senior Vice President and Chief Financial Officer from January 1996 through February 2000. From August 1992 to January 1996, he served as Vice President, Chief Financial Officer, Secretary and Treasurer of Rocco Enterprises. Mr. Cooper also served in various senior financial roles with Dial Corporation over a 14 year career with that company.

Mr. Cooper brings to the Board significant senior leadership, management, operational, financial, and brand management experience. His extensive poultry industry experience enables him to offer a valuable insight on the business, financial and regulatory issues currently being faced by the poultry industry.

Charles Macaluso, 69, has served as a Director since December 2009. He has been a principal of Dorchester Capital, LLC, a management consulting and corporate advisory service firm focusing on operational assessment, strategic planning and workouts since 1998. From 1996 to 1998, he was a partner at Miller Associates, Inc., a workout, turnaround partnership, focusing on operational assessment, strategic planning and crisis management. Mr. Macaluso currently serves as a director of the following public companies: Global Power Equipment Group Inc., where he is also Chairman of the Board and a member of the audit committee; and Darling International, where he is also Lead Director. He also serves as a Chairman of the Board of three private companies. Mr. Macaluso previously served as a director of Global Crossing Ltd., where he was also a member of the audit committee.

Mr. Macaluso brings fundamental expertise to our Board in the areas of operational assessment, strategic planning, crisis management, and turnaround advisory services, which expertise supports the Board's efforts in overseeing and advising on strategy and financial matters. In addition, Mr. Macaluso brings to the Board substantial cross-board expertise due to his tenure on a number of public and private company boards and committees.

David E. Bell, 63, has served as a Director since July 2012. Mr. Bell has expertise in a number of areas including risk management, marketing and agribusiness. He is currently the George M. Moffett Professor of Agriculture and Business at Harvard Business School. At Harvard Business School he leads the annual Agribusiness executive seminar and has been chairman of the school's marketing faculty and Senior Associate Dean with responsibility for faculty recruiting. He has degrees from Oxford and the Massachusetts Institute of Technology.

Dr. Bell, with his 35 years on the faculty of Harvard Business School, has significant experience in marketing, retailing, risk management and economics. He studies all aspects of the food chain, from farming to distribution to trends in consumer eating habits, which provides valuable insights to the Board.

The Board of Directors recommends that you vote FOR the election of all of the individuals who have been nominated to serve as Equity Directors. Proxies will be so voted unless stockholders specify otherwise or withhold authority vote.

PROPOSAL 3. APPROVAL OF THE ADVISORY VOTE ON EXECUTIVE COMPENSATION

The Board is providing stockholders with the opportunity to cast an advisory vote on the compensation of our Named Executive Officers as required by Section 14A of the Exchange Act. This proposal, commonly known as a Say-on-Pay proposal, gives you, as a stockholder, the opportunity to endorse or not endorse our executive compensation programs and policies and the compensation paid to our Named Executive Officers.

The "Say-on-Pay" vote is advisory and thus not binding on the Compensation Committee or the Board. The advisory vote will not affect any compensation already paid or awarded to any Named Executive Officer and will not overrule any decisions by the Compensation Committee or the Board. The Board values the opinions of the Company's stockholders as expressed through their votes and other communications. Although the vote is non-binding, the Compensation Committee and the Board will review and carefully consider the outcome of the advisory vote on executive compensation and those opinions when making future decisions regarding executive compensation programs.

At the annual meeting of our stockholders held on April 27, 2012, only 2.7% of the votes present (excludes abstention and broker non-votes) voted against the 2011 Say-on-Pay proposal related to Named Executive Officers. The Compensation Committee believes that this stockholder vote indicates strong support for our executive compensation program.

We design our executive compensation programs to implement our core objectives of attracting key leaders, motivating our executives to remain with the Company for long and productive careers, rewarding sustained financial and operating performance and leadership excellence and aligning the long-term interests of our executives with those of our stockholders. Stockholders are encouraged to read the Compensation Discussion and Analysis (CD&A) section of this proxy statement. In the CD&A, we have provided stockholders with a description of our compensation programs, including the principles and policies underpinning the programs, the individual elements of the compensation programs and how our compensation plans are administered. The Board believes that the policies and practices described in the CD&A are effective in achieving the Company's goals. In furtherance of these goals, among other things, our compensation programs have been designed so that a significant portion of each executive's total compensation is tied not only to how well he performs individually, but also, where applicable, is at risk based on how well the Company performs relative to applicable financial objectives. We also believe that equity incentives are aligned with our core objectives of aligning the long-term interests of our executives with those of our stockholders, attracting and retaining key leaders, and rewarding sustained performance and leadership excellence. In addition, such equity incentives were necessary to induce highly qualified individuals, such as William W. Lovette, to join the Company. Accordingly, the Board recommends that you vote in favor of the following resolution:

RESOLVED, that the compensation of the Company's Named Executive Officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the CD&A, the compensation tables and any related material disclosed in this proxy statement, is hereby APPROVED in a non-binding vote.

The advisory vote on executive compensation is non-binding, meaning that our Board will not be obligated to take any compensation actions, or to adjust our executive compensation programs or policies, as a result of the vote. Notwithstanding the advisory nature of the vote, the resolution will be considered passed with the affirmative vote of a majority of the votes present in person or represented by proxy and eligible to vote at the Annual Meeting.

The Company's current policy is to provide stockholders with an opportunity to approve the compensation of the Named Executive Officers each year at the annual meeting of stockholders. It is expected that the next such vote will occur at the 2014 annual meeting of stockholders.

The Board of Directors recommends that you vote FOR the approval of the advisory vote on executive compensation. Proxies will be so voted unless stockholders specify otherwise.

CORPORATE GOVERNANCE

Board of Directors

Our Board of Directors has the responsibility for establishing broad corporate policies and for monitoring our overall performance, but it is not involved in our day-to-day operating decisions. Members of the Board are informed of our business through discussions with the Chief Executive Officer and other officers, and through their review of analyses and reports sent to them each month, as well as through participation in Board and committee meetings.

Board of Directors Independence

Our Board of Directors has affirmatively determined that each of Michael L. Cooper, Charles Macaluso, Marcus Vinicius Pratini de Moraes, Wallim Cruz De Vasconcellos Junior and David E. Bell, has no material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with us) and is independent within the meaning of our Corporate Governance Policy's categorical independence standards and the rules for companies traded on The NASDAQ Global Select Market ("NASDAQ").

Committees of the Board of Directors

To assist in carrying out its duties, the Board of Directors has delegated certain authority to the Audit, Compensation, JBS Nominating and Equity Nominating Committees. Each committee of the Board meets to examine various facets of our operations and take appropriate action or make recommendations to the Board of Directors.

Audit Committee. The Audit Committee members include Michael L. Cooper (Chairman), Charles Macaluso and Wallim Cruz De Vasconcellos Junior. Our Audit Committee's responsibilities include selecting our independent registered public accounting firm, reviewing the plan and results of the audit performed by our independent registered public accounting firm and the adequacy of our systems of internal accounting controls, and monitoring compliance with our conflicts of interest and business ethics policies. The Audit Committee is composed entirely of Directors who the Board of Directors has determined to be independent within the meaning of the NASDAQ standards and applicable rules and regulations of the Securities and Exchange Commission ("SEC"). The Board has determined that each of the members of the Audit Committee is financially literate for purposes of the applicable standards of NASDAQ (financially literate) and Michael L. Cooper is an audit committee financial expert within the meaning of the regulations of the SEC. The Audit Committee has an Audit Committee Charter, which is available on our website at www.pilgrims.com, under the Investors - Corporate Governance caption.

Compensation Committee. The Compensation Committee members include Wesley Mendonça Batista (Chairman), Michael Cooper and Wallim Cruz de Vasconcellos Junior. Our Compensation Committee reviews our remuneration policies and practices and establishes the salaries of our officers. The Compensation Committee does not have a Charter.

Special Nominating Committees. Under our Certificate of Incorporation, the Board has two Special Nominating Committees, which include the JBS Nominating Committee and the Equity Nominating Committee. The JBS Nominating Committee is required to consist solely of JBS Directors and presently includes Wesley Mendonça Batista (Chairman), Joesley Mendonça Batista, Don Jackson, William W. Lovette, Marcus Vinicius Pratini de Moraes and Wallim Cruz De Vasconcellos Junior. The Equity Nominating Committee is required to consist solely of all of the Equity Directors and presently includes Michael L. Cooper, Charles Macaluso and David E. Bell.

The JBS Nominating Committee has the exclusive authority to nominate the JBS Directors, fill JBS Director vacancies and select the members of the JBS Nominating Committee. The Equity Nominating Committee has the exclusive authority to nominate the Equity Directors, fill Equity Director vacancies, select the members of the Equity Nominating Committee, and to call a special meeting of stockholders under certain circumstances. The Equity Nominating Committee, acting by majority vote, also has the exclusive right to control the exercise of our rights and remedies under the JBS Stockholders Agreement. Any member or alternate member of the Equity Nominating Committee may be removed only by the approval of a majority of the members of the Equity Nominating Committee.

For so long as JBS USA and its affiliates beneficially own 35% or more of our outstanding common stock, no person may be nominated as an Equity Director by the Equity Nominating Committee if JBS USA reasonably determines that such person (i) is unethical or lacks integrity or (ii) is a competitor or is affiliated with a competitor of the Company. The Equity Directors must satisfy the independence requirements of Rule 10A-3 under the Exchange Act, and be financially literate, and, for so long as there are two or more Equity Directors on the Board, at least one Equity Director must qualify as an audit committee financial expert as that term is used in Item 407 of Regulation S-K under the Exchange Act (or any successor rule).

If JBS USA and its affiliates own at least 50% of our outstanding common stock, at least one JBS Director is required:

- to be an independent director under the NASDAQ listing standards,
- to satisfy the independence requirements of Rule 10A-3 under the Exchange Act, and
- to be financially literate.

Each of the Board's Special Nominating Committees has a Charter, current copies of which are available on our website at www.pilgrims.com, under the Investors - Corporate Governance caption.

Our Special Nominating Committees do not have a policy with regard to the consideration of any Director candidates recommended by our stockholders. The Board of Directors does not view the establishment of a formal policy in this regard as necessary, given the extent of the ownership of the Company's common stock by JBS USA and its affiliates and the existing JBS Stockholders Agreement. Further, our Special Nominating Committees do not have a formal policy with regard to the consideration of diversity in identifying Director nominees. However, the Special Nominating Committees strive to achieve a balance of knowledge, experience and perspective such that the Board reflects a diversity of backgrounds and experiences. In addition, the Special Nominating Committees will consider stockholder recommendations for candidates for the Board, which should be sent to Pilgrim's Pride Corporation, Corporate Secretary, 1770 Promontory Circle, Greeley, Colorado 80634.

Meetings

During the fiscal year ended December 30, 2012, the Board of Directors held seven meetings, the Audit Committee held four meetings, the Compensation Committee held one meeting and there were four executive sessions including only non-management Directors. During 2012, each member of the Board of Directors, with the exception of Joesley Mendonça Batista and David E. Bell, who was appointed mid-year, attended at least 75% of the number of meetings of the Board and each of the Board committees on which the Director served. Four of our Directors were in attendance at the annual meeting in person. Four of our Directors had prior commitments and were were not able to attend our 2012 annual meeting of stockholders. While we do not have a formal policy regarding Director attendance at annual meetings of stockholders, we encourage each Director to attend each annual meeting of stockholders.

Board Leadership Structure and Risk Oversight

The position of our Chairman of the Board and the office of the President and Chief Executive Officer are held by different persons. Our Chairman of the Board is Wesley Mendonça Batista, and our President and Chief Executive Officer is William W. Lovette.

We separate the roles of Chief Executive Officer and Chairman of the Board in recognition of the differences between the two roles. The Chief Executive Officer is responsible for setting the strategic direction for the Company and the day-to-day leadership and performance of the Company, while the Chairman of the Board provides guidance to the Chief Executive Officer and sets the agenda for Board meetings and presides over meetings of the full Board. We believe the division of duties is especially appropriate as legal and regulatory requirements applicable to the Board and its committees continue to expand, and it facilitates the appropriate level of communication between the Board of Directors and executive management for Board oversight of the Company and its management.

Because Wesley Mendonça Batista, Joesley Mendonça Batista, William W. Lovette and Don Jackson are not independent Directors, the Board will either designate an independent Director to preside at the meetings of the non-management and independent Directors or they will prescribe a procedure by which a presiding Director is selected for these meetings. In the absence of another procedure being adopted by the Board, the person appointed will be the independent Director with the longest tenure on the Board in attendance at the meeting. The Board

generally holds meetings of non-management directors four times per year and meetings of independent directors four times per year.

The Company's management is responsible for the ongoing assessment and management of the risks the Company faces, including risks relating to capital structure, strategy, liquidity and credit, financial reporting and public disclosure, operations and governance. Working with JBS USA, we have integrated sophisticated risk management techniques into our operations. We have taken steps to avoid, reduce and insure the different risks inherent in our business from a holistic viewpoint. We focus not only on operational risk, but financial and strategic risk as well. These areas of focus include input costs (commodity pricing, live and processed product cost and spoilage), revenue risk (sales price and mix), financial risk (adequate controls, timely and effective reporting systems and other management and governance systems) as well as competitive risks and market trends. We aim to identify, categorize and respond to these risks in a systematic manner to manage as much of their impact on our business as possible. The Board oversees management's policies and procedures in addressing these and other risks. Additionally, each of the Board's four committees (the Audit Committee, the Compensation Committee and the two Special Nominating Committees) monitor and report to the Board those risks that fall within the scope of such committees' respective areas of oversight responsibility. For example, the full Board directly oversees strategic risks. The Special Nominating Committees directly oversee risk management relating to Director nominations and independence. The Compensation Committee directly oversees risk management relating to employee compensation, including any risks of compensation programs encouraging excessive risk-taking. Finally, the Audit Committee directly oversees risk management relating to financial reporting, public disclosure and legal and regulatory compliance. The Audit Committee is also responsible for assessing the steps management has taken to monitor and control these risks and exposures and discussing guidelines and policies with respect to the Company's risk assessment and risk management.

Communications with the Board of Directors

Stockholders and other interested parties may communicate directly with our Board of Directors, any of its committees, all independent Directors, all non-management Directors, or any one Director serving on the Board by sending written correspondence to the desired person or entity addressed to the attention of our Corporate Counsel at Pilgrim's Pride Corporation, 1770 Promontory Circle, Greeley, Colorado 80634. Communications are distributed to the Board, or to any individual Director, as appropriate, depending on the facts and circumstances outlined in the communication.

Code of Business Conduct and Ethics and Corporate Governance Policies

Our Board of Directors has adopted a Code of Business Conduct and Ethics and Corporate Governance Policies of the Board of Directors. The full texts of the Code of Business Conduct and Ethics and Corporate Governance Policies are posted on our website at www.pilgrims.com, under the Investors - Corporate Governance caption. We intend to disclose future amendments to, or waivers from, certain provisions of the Code of Business Conduct and Ethics on our website within four business days following the date of such amendment or waiver.

Controlled Company Exemption

We are a controlled company under the NASDAQ listing standards because JBS USA owns or controls over 50% of the voting power for the election of directors of the outstanding common stock as of the Record Date. Accordingly, we take advantage of the exemptions discussed in Rule 5615 of the NASDAQ listing standards.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee of the Board of Directors of Pilgrim's Pride Corporation (the Company) has reviewed and discussed with management the following Compensation Discussion and Analysis section of the Company's Proxy Statement for the fiscal year ended December 30, 2012 (the Proxy Statement). Based on our review and discussions, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Proxy Statement to be filed with the Securities and Exchange Commission.

Compensation Committee

Wesley Mendonça Batista, Chairman
Michael L. Cooper
Wallim Cruz de Vasconcellos Junior

The information contained in this report shall not be deemed to be soliciting material or filed or incorporated by reference in future filings with the Securities and Exchange Commission, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference into a document filed under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

The following discusses the material elements of the compensation for our principal executive officer and our chief financial officer listed in the Summary Compensation Table on page 24 (collectively, the Named Executive Officers) during our fiscal year ended December 30, 2012. To assist in understanding compensation for 2012, we have included a discussion of our compensation policies and decisions for periods before and after 2012, where relevant. During 2012, the Compensation Committee and the Board had the overall responsibility for approving executive compensation and overseeing the administration of our incentive plans and employee benefit plans.

The Company's compensation principles are intended to implement our core objectives of aligning the long-term interests of our executives with those of our stockholders, attracting and retaining key leaders, and rewarding sustained performance and leadership excellence. In pursuing these objectives, the Compensation Committee uses certain guiding principles in designing the specific elements of the executive compensation program. These guiding principles and policies are that (i) incentive compensation should represent a significant portion of total compensation; (ii) compensation should be performance-based; (iii) incentive compensation should balance short-term and long-term performance; (iv) compensation should be market competitive; and (v) superior performance should be rewarded.

In order to further these guiding principles, the key components of our compensation in 2012 included both (i) cash compensation, in the form of base salaries, cash incentive compensation and bonuses, (ii) long-term equity compensation, in the form of restricted stock that vests over time and performance restricted stock units shares that are earned and granted, if at all, based on the achievement of financial performance metrics designed to reinforce our business objectives and (iii) other non-cash compensation, such as health and welfare benefits, other limited perquisites and benefits.

The Compensation Committee believes a significant portion of the compensation to our Named Executive Officers should be performance based. The Compensation Committee also believes that our Named Executive Officer's compensation should be balanced with longer term incentives. Accordingly, a significant portion of the compensation to our Named Executive Officer was awarded in the form of restricted stock, which vests over time and in performance restricted stock units, which are earned and granted if specific 2012 performance targets are met and vest at the end of a two-year period. The Compensation Committee believes these equity awards more closely align his incentives with the long-term interests of our stockholders, including growing our business and improving the Company's profitability relative to its peers. For 2012, approximately 50% of the target cash compensation of each of our Named Executive Officers was at risk.

Additionally, the Company maintains the following policies that support the Company's pay-for-performance principles:

- the restriction of our directors, Named Executive Officers, and other key executive officers from hedging the economic interest in the Company securities that they hold;
- the prohibition of Company personnel, including the Named Executive Officers, from engaging in any short-term, speculative securities transactions, engaging in short sales, buying or selling put or call options, and trading in options (other than those granted by the Company);
- the restriction of our directors, Named Executive Officers, and other key executive officers from pledging the Company securities that they hold; and
- our policy of not having any change-in-control or retirement arrangements with the Named Executive Officers.

Following the end of each fiscal year, the Compensation Committee conducts a review of all components of the Company's compensation program. In conducting its review, the Compensation Committee reviews information related to each Named Executive Officer's individual performance, total compensation, each of the components of compensation, and the Company's performance. Accordingly, as new executive officers have been hired, our compensation principals and objectives did not significantly change since 2012. At the annual meeting of our stockholders held on April 29, 2011, our stockholders recommended the Company hold an advisory vote on the compensation of the Company's Named Executive Officers annually. After consideration of this recommendation,

the Company agreed and will hold an advisory vote on our executive officer compensation every year until the next required vote on frequency of stockholder votes on Named Executive Officer compensation.

2012 Executive Compensation Vote

At the 2012 annual meeting only 2.7% of votes present (excludes abstention and broker non-votes) voted against the 2011 Say-on-Pay proposal related to Named Executive Officers. In consideration of the results, the Compensation Committee acknowledged the support received from our stockholders and viewed the results as a confirmation of the Company's existing executive compensation policies and decisions. Accordingly, we did not change our compensation principles and objectives in 2012 in response to the advisory vote of our stockholders. However, as described in this Compensation Discussion and Analysis, in 2012 the Board and the Compensation Committee decided to alter the mix of the target total direct compensation for our Named Executive Officers to provide a greater balance of incentive compensation between short-term and long-term goals.

Executive Compensation Principles, Policies and Objectives

The Compensation Committee is responsible for establishing the principles that underlie our executive compensation program and that guide the design and administration of specific plans, agreements and arrangements for our executives. Our compensation principles are intended to implement our core objectives of attracting key leaders, motivating our executives to remain with the Company for long and productive careers, rewarding sustained financial and operating performance and leadership excellence and aligning the long-term interests of our executives with those of our stockholders. Our executive compensation principles and policies, which are established and refined from time to time by the Compensation Committee, are described below:

- *Incentive compensation should represent a significant portion of total compensation*. A significant portion of our executives' total compensation should be tied not only to how well they perform individually, but also, where applicable, should be at risk based on how well the Company performs relative to applicable financial objectives;

- *Compensation should be performance-based*. Compensation should be subject to performance-based awards as an executive officer's range of responsibility and ability to influence the Company's results increase.

- *Incentive compensation should balance short-term and long-term performance.* Executive compensation should be linked to building long-term stockholder value while remaining consistent with our business objectives and values. Our executive compensation program addresses this objective by including long-term incentives in the form of equity-based awards, such as restricted common stock and restricted stock units, which makes the performance of the Company's common stock a targeted incentive.

- *Compensation levels should be market competitive*. Compensation should be competitive in relation to the marketplace. Prior to entering into employment arrangements with the Named Executive Officer's and setting performance goals and target opportunities for our incentive compensation, the Compensation Committee considers market compensation data compiled and prepared by management.

- *Superior performance should be rewarded*. Outstanding achievement should be recognized. The Board and the Compensation Committee considers the Company's strategies when identifying the appropriate incentive measures and when assigning individual goals and objectives to the Named Executive Officers and evaluates the individual's performance against those strategies in setting compensation.

In addition, we believe that our compensation programs for executive officers should be appropriately tailored to encourage employees to grow our business, but not encourage them to do so in a way that poses unnecessary or excessive material risk to us. For 2012, the Compensation Committee believes that our Named Executive Officers' compensation is consistent with periods of economic stress and challenging industry conditions, and equity incentives are aligned with our actions to grow our business and improve the Company's profitability relative to its peers. Neither the Compensation Committee nor the Board of Directors retained a compensation consultant in 2012, nor did either use benchmarking of peer groups in setting our Named Executive Officers' compensation for 2012.

Role of the Compensation Committee and Executive Officers in Compensation Decisions

The Compensation Committee is responsible for establishing and overseeing the overall compensation structure, policies and programs of the Company and assessing whether our compensation structure resulted in appropriate compensation levels and incentives for executive management of the Company. The Compensation Committee's objective is to ensure that the total compensation paid to each executive officer was fair, reasonable, competitive and motivational. The Compensation Committee conducts a review of all compensation for our executive officers, including our Named Executive Officers, and works with our Chief Executive Officer to evaluate and approve compensation of our executive officers other than the Chief Executive Officer. Our other Named Executive Officer, the Chief Financial Officer, reports directly to our Chief Executive Officer who supervises the day to day performance of the Chief Financial Officer. Accordingly, the Chief Executive Officer evaluates the Chief Financial Officer's individual performance against the Company-based performance factors, and makes recommendations to the Compensation Committee regarding his compensation. The Compensation Committee strongly considers the compensation recommendations and the performance evaluations by our Chief Executive Officer in making its decisions and any recommendations to the Board of Directors with respect to non-CEO compensation.

Components of Compensation

During 2012, the principal elements of compensation for our executive officers were as follows:

- base salaries;
- bonuses, including annual cash incentive compensation and discretionary bonuses;
- long term incentive compensation, including awards of time vested restricted stock and performance restricted stock units;
- other compensation consisting primarily of health and welfare benefits; and
- certain limited perquisites and other personal benefits.

Additionally, we provide our executive officers certain severance benefits if the executive is terminated other than for cause, as described below. The Compensation Committee and the Board believe that these severance benefits are necessary and advisable to keep executive officers focused on the best interests of the Company at times that may otherwise cause a lack of focus due to personal economic exposure. Further, the Compensation Committee and the Board believes that these severance benefits are necessary and advisable for retentive purposes to provide a measure of support to our Named Executive Officers who may receive offers of employment from competitors that would provide severance benefits. See 2012 Potential Payments Upon Termination table for additional information regarding the severance payable to our Named Executive Officers. However, the Company does not provide any change-in-control or retirement arrangements to its Names Executive Officers other than the vesting of restricted stock granted to Mr. Sandri under the LTIP in the case of a change in control.

We have entered into agreements relating to the employment of our Named Executive Officers, including William W. Lovette, our current Chief Executive Officer and President, and Fabio Sandri, our Chief Financial Officer, as described below under Compensation to William W. Lovette and Compensation to Fabio Sandri. The Compensation Committee and the Board believe it is prudent to use these arrangements, as necessary, as a means to attract and/or retain these executives. The Compensation Committee believes that providing employment agreements to executive officers fosters an environment of relative security within which we believe our executives will be able to focus on achieving Company goals.

Base Salary

We provide our Named Executive Officers and other employees with a base salary to provide a fixed amount of compensation for services during the fiscal year. The base salaries for William W. Lovette and Fabio Sandri were governed by agreements, which are described below under Compensation to William W. Lovette and Compensation to Fabio Sandri. Base salary increases are subjectively determined by the Compensation Committee for each of the executive officers on an individual basis, taking into consideration an assessment of individual contributions to Company performance, length of tenure, compensation levels for comparable positions, internal equities among positions and, with respect to executives other than the Chief Executive Officer, the recommendations of the Chief Executive Officer. The Compensation Committee did not increase the base salary of any Named Executive Officer in 2012.

Annual Cash Incentive Compensation

Cash incentive awards are determined by the Compensation Committee and granted under the terms of the Company's Short Term Management Incentive Plan (the STIP). Additionally, we may also provide short-term incentives to executives by awarding annual cash bonuses determined by the Compensation Committee on a discretionary basis. The bonuses reward achievement of short-term goals and allow us to recognize individual and team achievements. The STIP is an annual incentive program providing for the grant of bonus awards payable upon achievement of specified performance goals. Full-time salaried, exempt employees of the Company and its affiliates who are selected by the administering committee are eligible to participate in the STIP.

As part of developing the Company's compensation strategy for the fiscal year ended December 30, 2012, the Compensation Committee established annual performance goals and target payout amounts for William W. Lovette, our President and Chief Executive Officer, and Fabio Sandri, our Chief Financial Officer. In the case of William W. Lovette, his annual performance goal is based on income (loss) from continuing operations plus interest, taxes, depreciation and amortization (EBITDA .) In the case of Fabio Sandri, his annual performance goal and target payout was established under the STIP and was based on EBITDA as well as his individual performance with respect to certain pre-defined key performance indicators (KPIs). EBITDA, determined based on the Company's audited financial statements and principles generally accepted in the United States (US GAAP) as applied on a consistent basis by the Company, because EBITDA is a common analytical indicator within our industry and it provides a simple and understandable measure of our liquidity.

Long Term Incentive Compensation

The Board and the Compensation Committee believes that long-term incentive compensation is essential to attracting, retaining and motivating executives. The Board and the Compensation Committee further believes that providing our executives with long-term incentives will align their interests with our stockholders and encourage them to grow and operate the Company's business with a view towards building long-term stockholder value and improving profitability. The Board and the Compensation Committee also believes that equity awards make the performance of the Company's common stock a targeted incentive. In furtherance of these objectives we maintain an omnibus Long-Term Incentive Plan (the LTIP), which provides for the grant of a broad range of long-term equity- based and cash-based awards, including performance-based awards. The LTIP is administered by the Board. The LTIP provides for the grant of a broad range of long-term equity-based and cash-based awards to the Company's officers and other employees, members of the Board and any consultants. The equity-based awards that may be granted under the LTIP include incentive stock options, within the meaning of the Code, nonqualified stock options, stock appreciation rights, restricted stock awards, restricted stock units and other stock based awards. As of December 30, 2012, the maximum number of shares reserved for issuance under the LTIP was 6,615,393 shares and the maximum number of shares with respect to which awards of any and all types may be granted during a calendar year to any participant is limited, in the aggregate, to 5,000,000 shares. The maximum amount that may be paid in cash during any fiscal year with respect to any award (including any performance bonus award) is $10,000,000. Except as may otherwise be provided in any applicable award agreement or other written agreement entered into between the Company and a participant in the LTIP, if a change in control occurs and the participant's awards are not converted, assumed, or replaced by a successor entity, then immediately prior to the change in control the awards will become fully exercisable and all forfeiture restrictions on the awards will lapse. While we do not have a formal stock ownership requirement for our executive officers, we do maintain policies against hedging the economic interest in Company securities, engaging in speculative securities transactions, including short sales, and pledging Company securities.

Based on these considerations, the Compensation Committee determined that an equity award combination consisting of restricted stock and restricted stock units (RSUs) would best serve the Compensation Committee's goals. The Company has never granted stock options. We have granted equity awards to our Chief Executive Officer and Chief Financial Officer at a level in which the Board and the Compensation Committee believe will provide the executives long-term incentives, align their interests with those of our stockholders and meet the Company's long-term objectives. In January 2011, the Company granted 200,000 shares of restricted stock to Mr. Lovette as an inducement to his employment with the Company, which vests in equal installments beginning on the second anniversary of the date of grant. The Company also granted 72,675 shares of restricted stock to Fabio Sandri on August 27, 2012 under the LTIP, which vests on the second anniversary of the date of grant. In addition, on September 6, 2012, the Board approved the 2012 Long Term Incentive Program (the 2012 Program), which is a component of the LTIP. In furtherance of the Compensation Committee's objectives, the purpose of the 2012

Program is to provide additional incentives to participants to grow PPC's business and improve PPC's profitability relative to its peers as measured by Bank of America's Monthly Profitability Survey (the BoA Survey). Under the 2012 Program, participants receive target awards equal to a specified percentage of their base salary. The actual award value was then determined at the end of 2012 based upon PPC's profitability relative to a specified peer group of companies for 2012 as measured by the BoA Survey. The earned value was awarded in January 2013 to participants as a grant of restricted stock units (RSUs). The number of RSUs granted was determined by dividing the earned award value by the average stock price for a share of PPC common stock over the 60-day period ending on July 1, 2012. RSUs granted to each participant will generally vest on December 31, 2014, subject to a participant's continued employment with PPC through that date and other terms and conditions. Each vested RSU will entitle the participant to receive one share of PPC common stock on January 15, 2015, although, in certain circumstances, vested RSUs may be settled in cash. Both Named Executive Officers participated in the 2012 Program.

Other Compensation

Our Named Executive Officers receive no special employee benefits. During 2012, our Named Executive Officers were eligible to participate on the same basis as other employees in the Company's 401(k) salary deferral plan (the "401(k) Plan"). Contributions to the 401(k) Plan are made up of a 30% matching contribution on the first 6% of pay to the extent such contributions are not in excess of the Code limits on contributions to 401(k) plans. Under the 401(k) Plan, the Company may make additional matching contributions or other profit sharing contributions at its discretion. There were no discretionary contributions in 2012. We do not have any other pension plan for our Named Executive Officers. In 2012, neither of our Named Executive Officers participated in the 401(k) Plan.

We continue to maintain the Pilgrim's Pride Corporation 2005 Deferred Compensation Plan (the Deferred Compensation Plan) to help provide for the long-term financial security of our US employees who meet the Internal Revenue Service definition of a highly compensated employee, which include all of our Named Executive Officers and certain other key personnel. Under the Deferred Compensation Plan, participants may elect to defer up to 80% of their base salary and/or up to 100% of their annual cash bonus payments as part of their personal retirement or financial planning. Highly compensated employees who elect to defer compensation in the Deferred Compensation Plan must do so annually prior to the beginning of each calendar year and may direct the investment of the amount deferred and retained by us. The Deferred Compensation Plan is administered by the administrative committee appointed by our Board, and deferred compensation may be invested in authorized funds which are similar to the investment options available under our 401(k) Plan. None of our Named Executive Officers participated in the Deferred Compensation Plan during 2012.

We also provide a variety of health and welfare programs to all eligible employees to offer employees and their families protection against catastrophic loss and to encourage healthy lifestyles. The health and welfare programs we offer include medical, wellness, pharmacy, dental, vision, life insurance and accidental death and disability. Our Named Executive Officers generally are eligible for the same benefit programs on the same basis as our other domestic employees.

Perquisites and Other Personal Benefits

During 2012, we provided our Named Executive Officers with perquisites and other personal benefits that we believed to be reasonable and consistent with our overall compensation program to better enable us to attract and retain competent executives for key positions. The Compensation Committee periodically reviewed the levels of perquisites and other personal benefits that we provided to our Named Executive Officers. During 2012, our executive officers were eligible to receive company-paid or company-subsidized life insurance and disability coverage on the same basis as our other domestic payroll employees. Information regarding these perquisites is reported below in the Summary Compensation Table. In establishing the total compensation of the executive officers, the Compensation Committee considered all perquisites and other personal benefits. The Compensation Committee considered these perquisites and other personal benefits as essential and consistent with market practice in order to induce each of Mr. Lovette and Mr. Sandri to join the Company.

Compensation to William W. Lovette

On January 14, 2011, we entered into an employment agreement with Mr. Lovette (the Lovette Employment Agreement). Mr. Lovette brings more than 30 years of industry leadership experience to the Company. In order to attract someone with Mr. Lovette's significant industry-specific experience, the

Compensation Committee decided that it was necessary to offer an employment agreement to Mr. Lovette as an inducement for him to join the Company. The terms of the Lovette Employment Agreement were negotiated directly between certain members of the Board and Mr. Lovette and were approved by the Compensation Committee. The terms were in part influenced by the terms of his compensation at his previous employer. The Compensation Committee structured the Lovette Employment Agreement so that a significant amount of Mr. Lovette's annual compensation would be tied to both the performance of the Company and his individual performance, and therefore, would be at risk. In addition, the Compensation Committee granted Mr. Lovette time-vesting restricted stock immediately upon joining the Company and RSUs based on the achievement of performance conditions to better align his incentives with the long-term interests of our stockholders. Consistent with the Company's compensation policy, the Lovette Employment Agreement does not provide for any change-in-control or retirement arrangements. The Lovette Employment Agreement will expire on January 14, 2014, unless otherwise terminated pursuant to its terms.

Base Salary and Annual Incentive Compensation

Under the Lovette Employment Agreement, Mr. Lovette receives an annual base salary of not less than $1,000,000. The Board did not elect to increase Mr. Lovette's annual base salary during 2012. For each full year during the term of employment, Mr. Lovette will be eligible to earn an annual cash bonus. Mr. Lovette's individual performance targets and bonus for 2012 were as follows:

2012 EBITDA	**Bonus Amount**
$400 million (Threshold)	$500,000
$500 million (Target)	$1,000,000
Above $500 million	$1,000,000 plus .5% (i.e., .005) of the excess above $500 million EBITDA

For purposes of Mr. Lovette's bonus, EBITDA for each applicable period shall be determined by the Board in accordance the Company's audited financial statements and US GAAP as applied on a consistent basis by the Company. For 2012 the maximum bonus Mr. Lovette could receive was $10,000,000.

Following the end of 2012, the Compensation Committee reviewed the Company's EBITDA for 2012, which totaled $394.4 million. As a result, the threshold EBITDA target for 2012 was not met. However, in February 2013 the Compensation Committee evaluated the impact (both positive and negative) of certain non-recurring items related to the Company's restructuring and bankruptcy case, on the calculation of EBITDA for 2012. These non-recurring items included asset impairments and write-offs, defense costs relating to bankruptcy related claims, professional costs associated with the bankruptcy and tax refunds, which amounted to approximately $8.67 million. After careful consideration of those positive and negative non-recurring items, the Compensation Committee exercised its discretion to take into account such items in the calculation of EBITDA and, as a result, determined that the threshold EBITDA (as adjusted by such items) had been met. Consequently, the Compensation Committee awarded Mr. Lovette a bonus at the threshold (minimum) achievement level and he received a bonus of $500,000 for 2012. Mr. Lovette's targeted threshold was established outside the terms of the STIP.

Long-Term Incentive Compensation

On February 14, 2013, the Board approved a discretionary award of 206,933 RSUs, equal to an value of $1,575,000, to Mr. Lovette as compensation for his performance during fiscal year 2012 and to better align his incentives with the long-term interests of our stockholders. The Board set the value of the RSUs granted to Mr. Lovette at 150% of his base salary multiplied by 1.05. The number of RSUs granted to Mr. Lovette was determined by dividing the award value by the average stock price of the Company's common stock over the 60 day period ended June 30, 2012. The RSUs granted will generally vest on the earliest of (i) December 31, 2014, subject to Mr. Lovette's continued employment with the Company through such date, (ii) Mr. Lovette's death, or (iii) termination of his employment by the Company without cause. Each vested RSU will entitle Mr. Lovette to receive one share of the Company's common stock on January 15, 2015. Upon the occurrence of specified events, vested RSUs may be settled in cash. The other terms and conditions of the RSUs are substantially consistent with those of the 2012 Program.

In addition, as an inducement to Mr. Lovette's employment with the Company and Mr. Lovette's execution of the Lovette Employment Agreement, the Company awarded Mr. Lovette 200,000 restricted shares of Pilgrim's Pride common stock. We delivered the first tranche of 100,000 shares to Mr. Lovette on January 3, 2013. Restrictions on the second tranche of 100,000 shares will lapse on January 3, 2014, subject to Mr. Lovette's continued employment with the Company through the applicable lapse date.

Perquisites and Other Personal Benefits

Under the Lovette Employment Agreement, Mr. Lovette is entitled to participate in the Company's savings and retirement plans, practices and programs generally available to the Company's senior officers. Mr. Lovette is also eligible to participate in all group benefits plans and programs the Company has established or may establish for its executive employees, including the Company's executive relocation policy and repayment agreement, which provides moving and other relocation related expenses, including assistance selling a home and temporary housing. Any amounts under the executive relocation policy and repayment agreement must be repaid if employment is terminated within one year from the hire date.

Severance Payments

Mr. Lovette's employment agreement can be terminated at any time by the Company. If the Company terminates him other than for cause during the term of his agreement, the Company will continue to pay him his base salary for two years following such termination, subject to certain requirements, including the delivery of a customary release. Under the Lovette Employment Agreement, no other severance or termination payments or benefits will be payable to Mr. Lovette as a result of his termination or resignation of employment, including under the Severance Plan, as described below.

For the purposes of the Lovette Employment Agreement cause means, as determined by the Board: (i) Mr. Lovette's conviction in a court of law of, or entry of a guilty plea or plea of no contest to, a felony charge (regardless of whether subject to appeal); (ii) Mr. Lovette's willful and continued failure to perform substantially his duties for the Company (other than any such failure resulting from Mr. Lovette's incapacity due to physical or mental illness); (iii) any willful act that constitutes on Mr. Lovette's part fraud, dishonesty in any material respect, breach of fiduciary duty, misappropriation, embezzlement or gross misfeasance of duty; (iv) Mr. Lovette's willful disregard or continued breach in any material respect of published Company policies and procedures or codes of ethics or business conduct; or (v) any other material breach by Mr. Lovette of any provision of the Lovette Employment Agreement.

Compensation to Fabio Sandri

Fabio Sandri was appointed as the Company's Chief Financial Officer effective June 6, 2011. The terms of Mr. Sandri's compensation were negotiated directly between certain members of the Board, with the input from Mr. Lovette, and Mr. Sandri and were approved by the Compensation Committee. The terms were in part influenced by the terms of his compensation at his previous employer. The Compensation Committee structured the terms of Mr. Sandri's compensation so that a significant amount of Mr. Sandri's annual compensation would be tied to both the performance of the Company and his individual performance, and therefore, would be at risk. As a result, for 2012, approximately 50% of his target cash compensation was at risk. Consistent with the Company's compensation policy, the terms of Mr. Sandri's compensation do not provide for any change-in-control or retirement arrangements other than the vesting of restricted stock granted to him under the LTIP in the case of a change in control .

Base Salary and Annual Incentive Compensation

Mr. Sandri is provided an annual base salary of $375,000. The Board did not elect to increase Mr. Sandri's annual base salary during 2012. Mr. Sandri is eligible to participate in the STIP with a maximum bonus target equal to 100% of his annual base salary, or $375,000. To be eligible to receive a bonus under the STIP, Mr. Sandri was initially required to achieve an average 360 score of 3 or better. A 360 score is calculated using the average rating received from direct reports, one's manager and cross groups using a 1 to 5 rating scale. The 360 review is a behavioral evaluation of how colleagues in business judge an employee's adherence to the Company's values. Following receipt of a satisfactory combined 360 score, Mr. Sandri's individual bonus opportunity was initially set in December 2011 based on the product of two metrics: first, an EBITDA performance goal (up to 150% achievement) and, second, an individual performance goal with respect to certain pre-defined KPIs (up to 120% achievement).

Mr. Sandri's EBITDA performance goal targets and corresponding bonus funding percentage were as follows:

EBITDA	Target as a % of Base Salary	Funding %
$409.4 million	75%	50%
$545.9 million	100%	100%
$818.9 million	150%	150%

Mr. Sandri's individual KPIs are listed in the table below and each has a range of achievement level from 0% to 120%.

KPI	Goal	Weight
Operating free cash flow equal to or greater than	$338 million	20%
Total SG&A costs equal to or less than	$182 million	15%
Days sales outstanding of	14.5 days	10%
Total finance area costs equal to or less than	$17 million	10%
Reduce leverage	n/a	15%
Divest non-core assets	n/a	10%
Improve investor relations	n/a	5%
Lead strategy development process	n/a	10%
Implement pricing metrics / strategy	n/a	5%

In August 2012, the Board met to discuss the status of the STIP and noted that participants in the poultry industry, including the Company, had suffered in 2012 from the consequences of an unprecedented drought in the Midwest and the effects of the drought on grain and other commodity inputs required in the Company's business. Given that no participant in the poultry industry could have foreseen the drought conditions and the concomitant effects on the industry, the Board noted that the previously determined EBITDA projections were no longer realistic or probable. Consequently, after careful consideration, the Board elected to modify the criteria for achievement of a bonus under the STIP in order to incentivize continued improvement in the business of the Company, despite the unprecedented market conditions that would otherwise have rendered STIP bonus opportunities largely out of reach.

The criteria for achievement of a bonus under STIP were modified and approved by the Board as described below:

- The Company must still achieve a positive profit before tax (PBT) for any awards under the STIP to be granted;
- Up to 40% of a participant's, including Mr. Sandri's, maximum bonus target under the STIP would be awarded based upon the individual's achievement of his or her KPIs; and
- The remainder of a participant's, including Mr. Sandri's, maximum bonus target under the STIP would be awarded based upon the original EBITDA performance goals for the Company.

The Company achieved positive PBT in 2012 and Mr. Sandri's individual achievement of his KPIs was at target (100%), entitling him to 40% of his maximum bonus opportunity. The Compensation Committee determined that the Company did not meet the EBITDA performance goal ($409.4 million) under the STIP for 2012. Consequently, Mr. Sandri received a cash bonus of $150,000 for 2012 under the STIP.

In 2011, Mr. Sandri received a one-time signing bonus of $75,000 and a one-time payment of $20,000 to assist with expenses related to his relocation to the Greeley, Colorado area. Under the terms of his employment, both payments are subject to repayment in full if he voluntarily resigns or is terminated for cause prior to June 6, 2013. Mr. Sandri is also eligible to participate in the Company's other benefit plans and severance plan that are generally available to the Company's senior officers.

Long-Term Incentive Compensation

In September 2012, the Compensation Committee established a target long-term incentive opportunity comprised of a RSU award to Mr. Sandri, which was earned based on the achievement of performance conditions and granted under the 2012 Program. The RSU grant was subject to the below payout amounts, which is expressed as a percentage of Mr. Sandri's base salary:

Payout Target as % of Base Salary	**Performance Target**
0% (Below Threshold)	If the Company ends 2012 with more than a negative 1.04 average annual earnings before interest and taxes (EBIT) delta relative to average EBIT for all companies in the BoA Survey based on the reported results in the BoA Survey for the 12 months in 2012.
50% (Threshold)	If the Company: - Achieves a negative 1.04 or better average annual EBIT delta relative to average EBIT for all companies in the BoA Survey based on the reported results in the BoA Survey for the 12 months in 2012; but - Does not achieve a fourth quarter average EBIT delta of at least 0 based on the reported results in the BoA Survey for October through December of 2012 relative to the annual average EBIT for all companies in the BoA Survey.
100% (Target)	If the Company: - Achieves a negative 1.04 or better (but less than 0.52) average EBIT delta relative to average EBIT for all companies in the BoA Survey based upon the reported results in the BoA Survey for the 12 months in 2012; and - Achieves a fourth quarter average EBIT delta of 0 or better based upon the reported results in the BoA Survey for October through December of 2012 relative to the annual average EBIT for all companies in the BoA Survey.
150% (Maximum)	The Company achieves a combined third and fourth quarter average EBIT delta of better than 0 based upon the reported results in the Survey for October through December of 2012 relative to the annual average EBIT for all companies in the BoA Survey.

In February 2013, the Board concluded that the Company achieved a combined third and fourth quarter average EBIT delta of less than 0 relative to average EBIT for all companies in the BoA Survey based upon the results reported in the BoA Survey for October through December of 2012. The actual EBIT of the Company for 2012 was $258.0 million. Accordingly, the Board set the value of the earned RSUs granted to Mr. Sandri at 105% of his base salary and awarded Mr. Sandri 77,612 RSUs equal to a value of approximately $590,625. The number of RSUs granted to Mr. Sandri were determined by dividing the award value by the average price of the Company's common stock over the trading days in the 60-day period ended June 30, 2012, which was $7.61. The RSUs granted will generally vest on the earliest of (i) December 31, 2014, subject to Mr. Sandri's continued employment with the Company through such date, (ii) Mr. Sandri's death, or (iii) termination of his employment by the Company without cause. Each vested RSU will entitle Mr. Sandri to receive one share of the Company's common stock on January 15, 2015. Upon the occurrence of specified events, vested RSUs may be settled in cash.

The Company also granted 72,675 restricted shares of its common stock to Mr. Sandri effective August 27, 2012 as compensation for services to be rendered and to better align his incentives with the long-term interests of our stockholders. Restrictions on these shares will lapse on April 27, 2014, subject to Mr. Sandri's continued employment with the Company through the applicable vesting date. The $0.4 million fair value of the shares as of the grant date was determined by multiplying the number of shares granted by the average market price of the Company's common stock on the grant date. Assuming no forfeiture of shares, the Company will recognize compensation expense of $0.4 million ratably from August 27, 2012 to April 27, 2014.

Severance Plan

During 2012, we maintained the Pilgrim's Pride Corporation Severance Plan (the Severance Plan), pursuant to which we provided severance payments to eligible employees, including certain Named Executive

Officers, if their employment was terminated without cause (as defined below). The Severance Plan does not cover termination due to death, disability or retirement, termination for cause or termination at the end of the leave of absence that exceeded the maximum permitted by the Company. Under the Severance Plan, in exchange for signing an enforceable waiver and release agreement, upon termination without cause, a Named Executive Officer was entitled to receive as severance pay an amount equal to: one week per year of service with the Company, plus a minimum of 16 supplemental weeks (in addition to years of service amount), with a total maximum of 52 weeks of pay. In addition, if the Company provided less than two weeks notice of termination without cause, an executive officer would have been entitled to up to two additional weeks of severance in lieu of notice. Additional benefits available to eligible employees under the Severance Plan included career transition services as determined by the Company, including without limitation, written materials, company-sponsored training and job fairs. Under the Lovette Employment Agreement, Mr. Lovette is not entitled to any severance or termination payments or benefits under the Severance Plan.

Tax Considerations

Section 162(m) of the Code imposes limitations on the deductibility for federal income tax purposes of compensation over $1,000,000 paid to each of our Named Executive Officers in a taxable year. Compensation above $1,000,000 may only be deducted if it is performance-based compensation within the meaning of the Code. Amounts payable under the STIP are intended to be performance-based compensation meeting these requirements and, as such, be fully deductible. However, the Company has not adopted a policy requiring all compensation to be deductible. For 2012, certain compensation to Mr. Lovette (including his bonus) did not qualify as performance-based compensation and was not deductible.

EXECUTIVE COMPENSATION

Summary Compensation Table

The table below summarizes compensation paid to or earned by our Named Executive Officers for 2011 and 2012, comprised of our Chief Executive Officer and our Chief Financial Officer, who were serving at December 30, 2012.

Name and Principal Position [a]	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation[b] ($)	Total ($)
William W. Lovette	2012	1,000,000			500,000	2,223	1,502,223
Chief Executive Officer and President	2011	980,769	250,000	1,420,000	500,000	24,961	3,175,730
Fabio Sandri	2012	375,000		363,375[c]	150,000	615	888,990
Chief Financial Officer	2011	221,136	75,000			20,090	316,226

(a) William W. Lovette and Fabio Sandri joined the Company in January 2011 and June 2011, respectively.

(b) For 2012, the All Other Compensation column includes the following items of compensation:

i. Section 79 income to the named individuals due to group term life insurance in the following amounts: William W. Lovette, $1,242; Fabio Sandri, $390.

ii. The Company reimburses employees for a portion of their long-term disability premium cost. William W. Lovette received $608 for a portion of his long-term disability premium cost.

iii. The Company provides a cell phone stipend to employees to cover business use on personal cell phones. The named individuals' received stipends in the following amounts: William W. Lovette, $373; Fabio Sandri, $225.

(c) Mr. Sandri received 72,675 shares of restricted stock in 2012. The amount in this column reflects the value of the restricted stock granted to Mr. Sandri as determined in accordance with Accounting Standards Codification Topic 718, *Compensation Stock Compensation*. The value of the stock award at date of grant was $363,375 based on the average price of the Company's common stock on August 27, 2012.

2012 Grants of Plan-Based Awards Table

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards[a]			All Other Stock Awards: Number of Shares of Stock or Units (#) [b]	Grant Date Fair Value of Stock and Option Awards[c]
		Threshold ($)	Target ($)	Maximum ($)		
William W. Lovette		500,000	1,000,000	10,000,000		
Fabio Sandri	8/27/2012	187,500	375,000	675,000	72,675	363,375

(a) The amounts reported in these columns reflect the threshold, target and maximum amounts available under the STIP. For Mr. Sandri, threshold, target and maximum amounts under the STIP were determined by the Compensation Committee in December 2011. The threshold and target for Mr. Lovette were established outside the terms of the STIP. See "Compensation Discussion and Analysis - Compensation to William W. Lovette" and - "Compensation to Fabio Sandri" for a discussion of the performance targets. Our Compensation Committee is responsible for determining whether the Company meets its performance targets for a performance period.

(b) Mr. Sandri received a grant of 72,675 shares of restricted stock under the LTIP, which vests on the second anniversary of the grant date.

(c) The amount in this column reflects the value of the restricted stock granted to Mr. Sandri as determined in accordance with Accounting Standards Codification Topic 718, Compensation-Stock Compensation. The value of the award at date of grant was determined by reference to the average price of the Company's common stock on August 27, 2012.

2012 Outstanding Equity Awards at Fiscal Year-End

	Stock Awards			
Name	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
William W. Lovette [(a)]	200,000	1,438,000		
Fabio Sandri [(b)]	72,675	522,533		

(a) As an inducement to Mr. Lovette's employment with the Company and Mr. Lovette's execution of the Lovette Employment Agreement, as described below, the Company awarded Mr. Lovette 200,000 restricted shares of Pilgrim's Pride common stock. The restrictions on the first tranche of 100,000 shares lapsed on January 3, 2013. Restrictions on the second tranche of 100,000 shares will lapse on January 3, 2014, subject to Mr. Lovette s continued employment with the Company through the applicable lapse date.

(b) Mr. Sandri received a grant of 72,675 shares of restricted stock under the LTIP on August 27, 2012. The restricted shares will fully vest on the second anniversary of the grant date.

Lovette Employment Agreement

In December 2010, the Board approved the appointment of Mr. Lovette, as our Chief Executive Officer and President, effective January 3, 2011. On January 14, 2011, we entered into an employment agreement with Mr. Lovette (the Lovette Employment Agreement). Mr. Lovette brings more than 30 years of industry leadership experience to the Company. In light of Mr. Lovette's significant industry-specific experience, the Compensation Committee decided that it was necessary to offer an employment agreement to Mr. Lovette in order to create an incentive for him to join the Company. The Lovette Employment Agreement will expire on January 14, 2014, unless otherwise terminated pursuant to its terms.

Base Salary and Incentive Compensation

Under the Lovette Employment Agreement, Mr. Lovette receives an annual base salary of not less than $1,000,000. In 2011, Mr. Lovette also received a one-time signing bonus of $250,000, which was subject to repayment on a pro-rata basis over a one-year period if his employment with the Company ended for any reason prior to December 31, 2011 or he had not established residency in the vicinity of the Company's headquarters in Colorado by such date. Mr. Lovette has moved his residency to Colorado and was not required to repay the signing bonus. For each full year during the term of employment, Mr. Lovette is be eligible to earn an annual cash bonus. Mr. Lovette's individual performance targets and bonus opportunity for 2012 were as follows:

2012 EBITDA	Bonus Amount
$400 million	$500,000
$500 million	$1,000,000
Above $500 million	$1,000,000 plus .5% (i.e., .005) of the excess above $500 million EBITDA

Any bonus amount will be prorated for amounts between $400 million and $500 million EBITDA. The maximum bonus payable to Mr. Lovette in 2012 was $10.0 million. In 2012, Mr. Lovette received a bonus of $500,000 with respect to 2012 performance.

Perquisites and Other Personal Benefits

Under the Lovette Employment Agreement, Mr. Lovette is entitled to participate in the Company's savings and retirement plans, practices and programs generally available to other executive personnel of the Company. Mr. Lovette is also eligible to participate in all group benefits plans and programs the Company has established or may establish for its executive employees, including the Company's executive relocation policy and repayment agreement, which provides moving and other relocation related expenses, including assistance selling a home and temporary housing. Any amounts under the executive relocation policy and repayment agreement must be repaid if employment is terminated

within one year from the hire date.

Under the Lovette Employment Agreement, the Company agreed to purchase Mr. Lovette's residence in Arkansas on reasonable and customary commercial terms and at a purchase price not to exceed approximately $2.13 million. Consequently, Mr. Lovette transferred all of his rights and the Company assumed all obligations relative to the property for the purchase price of $2.13 million. For additional information, see "Related Party Transactions - Certain Transactions."

Restricted Stock Grant

As an inducement to Mr. Lovette's employment with the Company and Mr. Lovette's execution of the Lovette Employment Agreement, in 2011 the Company awarded Mr. Lovette 200,000 restricted shares of Pilgrim's Pride common stock. We delivered the first tranche of 100,000 shares to Mr. Lovette on January 3, 2013. Restrictions on the second tranche of 100,000 shares will lapse on January 3, 2014, subject to Mr. Lovette s continued employment with the Company through the applicable lapse date.

Severance Payments

Mr. Lovette's employment agreement can be terminated at any time by the Company. If the Company terminates him other than for cause during the term of his agreement, the Company will continue to pay him his base salary for two years following such termination, subject to certain requirements, including the delivery of a customary release. Under the Lovette Employment Agreement, no other severance or termination payments or benefits will be payable to Mr. Lovette as a result of his termination or resignation of employment, including under the Severance Plan, as described below.

For the purposes of the Lovette Employment Agreement cause means, as determined by the Board: (i) Mr. Lovette's conviction in a court of law of, or entry of a guilty plea or plea of no contest to, a felony charge (regardless of whether subject to appeal); (ii) Mr. Lovette's willful and continued failure to perform substantially his duties for the Company (other than any such failure resulting from Mr. Lovette's incapacity due to physical or mental illness); (iii) any willful act that constitutes on Mr. Lovette's part fraud, dishonesty in any material respect, breach of fiduciary duty, misappropriation, embezzlement or gross misfeasance of duty; (iv) Mr. Lovette's willful disregard or continued breach in any material respect of published Company policies and procedures or codes of ethics or business conduct; or (v) any other material breach by Mr. Lovette of any provision of the Lovette Employment Agreement.

Sandri Employment Terms

Fabio Sandri was appointed as the Company's Chief Financial Officer effective June 6, 2011. His appointment was approved by the Board of Directors on June 1, 2011. Mr. Sandri is provided an annual base salary of $375,000 and is eligible to participate in the STIP with a bonus target equal to 100% of the annual base salary. For additional information regarding Mr. Sandri's bonus award, see Compensation Discussion and Analysis - Components of Compensation - Annual Cash Incentive Compensation.

In 2011, Mr. Sandri received a one-time signing bonus of $75,000 and a one-time payment of $20,000 to assist with expenses related to his relocation to the Greeley, Colorado area. Both of these payments are subject to repayment in full if he voluntarily resigns or is terminated for cause prior to June 6, 2013. Mr. Sandri is also eligible to participate in the Company's other benefit plans that are generally available to the Company's senior officers.

Short-Term Incentive Plan

The Company maintains the STIP, an annual incentive program providing for the grant of bonus awards payable upon achievement of specified performance goals. The STIP permits the grant of awards that are not intended to qualify as deductible under section 162(m) of the Code. Full-time salaried, exempt employees of the Company and its affiliates who are selected by the administering committee, in its sole discretion, will be eligible to participate in the STIP. The awards under the STIP may be paid, at the option of the Compensation Committee, in cash, or in the Company's common stock, or in any combination of cash and common stock. The Compensation Committee currently administers the STIP and establishes performance periods under the STIP, which may be of varying and overlapping durations. For each performance period, the Compensation Committee may establish one or more objectively determinable performance goals, based upon one or more of a variety of performance criteria specified in the STIP. In addition, for bonus awards not intended to qualify as qualified performance-based compensation, the Compensation Committee may establish performance goals based on other performance criteria as it deems appropriate in its sole discretion. For 2012, Mr. Sandri was the only Named Executive Officer who participated in the STIP.

For each award under the STIP, the Committee, in its discretion, may make objectively determinable adjustments to one or more of the performance goals. Such adjustments may include or exclude one or more of the following: items that are extraordinary or unusual in nature or infrequent in occurrence, including one-time or non-recurring items; items related to a change in US GAAP; items related to financing activities; expenses for restructuring or productivity initiatives; other nonoperating items; items related to acquisitions, including transaction-related charges and amortization; items attributable to the business operations of any entity acquired by the Company during the performance period; items related to the disposal of a business or segment of a business; items related to discontinued operations that do not qualify as a segment of a business under US GAAP; taxes; stock-based compensation; noncash items; and any other items of significant income or expense which are determined to be appropriate adjustments.

Under the terms of the STIP, the maximum aggregate amount of all awards intended to constitute qualified performance-based compensation granted to a participant with regard to any fiscal year will not exceed $10,000,000.

Long-Term Incentive Plan and 2012 Long-Term Incentive Program

The Company maintains the LTIP. The LTIP is administered by the Board. The LTIP provides for the grant of a broad range of long-term equity-based and cash-based awards to the Company's officers and other employees, members of the Board and any consultants. The equity-based awards that may be granted under the LTIP include incentive stock options, within the meaning of the Code, nonqualified stock options, stock appreciation rights, restricted stock awards, restricted stock units (RSUs) and other stock based awards. As of December 30, 2012, the maximum number of shares reserved for issuance under the LTIP was 6,615,393 shares and the maximum number of shares with respect to which awards of any and all types may be granted during a calendar year to any participant is limited, in the aggregate, to 5,000,000 shares. The maximum amount that may be paid in cash during any fiscal year with respect to any award (including any performance bonus award) is $10,000,000. Except as may otherwise be provided in any applicable award agreement or other written agreement entered into between the Company and a participant in the LTIP, if a change in control occurs and the participant's awards are not converted, assumed, or replaced by a successor entity, then immediately prior to the change in control the awards will become fully exercisable and all forfeiture restrictions on the awards will lapse.

Under the LTIP, a change in control generally includes (i) a direct or indirect sale or other disposition of the Company and its subsidiaries taken as a whole as an entirety or substantially as an entirety in one transaction or series of transactions, (ii) the consummation of any transaction (including a merger) to which the Company is a party the result of which is that immediately after such transaction the stockholders of the Company immediately prior to such transaction hold less than 50.1% of the total voting power generally entitled to vote in the election of directors of the person surviving such transaction, (iii) any person or group becomes the ultimate beneficial owner (each as defined in Rule 13d-3 of the Exchange Act) of more than 50% of the total voting power generally entitled to vote in the election of directors of the Company on a fully diluted basis, (iv) subject to specified exceptions and qualifications, during any two consecutive years, individuals who at the beginning of such period constituted the members of the Board cease for any reason to constitute a majority of the members of the board then in office, or (v) the adoption of a plan for the liquidation or dissolution of the Company.

On September 6, 2012, the Board approved the Pilgrim's Pride Corporation 2012 Long-Term Incentive Program (the 2012 Program), which is a component of the LTIP. The purpose of the 2012 Program is to provide additional incentives to participants to grow the Company's business and improve the Company's profitability. Under the 2012 Program, participants receive target awards equal to a specified percentage of their base salary. The actual award value was then determined at the end of 2012 based upon the Company's profitability relative to a specified peer group of companies for 2012. The earned value was awarded in January 2013 to participants as a grant of RSUs. The number of RSUs granted was determined by dividing the earned award value by the average price of the Company's common stock over the trading days in the 60-day period ending on July 1, 2012, which was $7.61. RSUs granted to each participant will generally vest on December 31, 2014; provided, a participant shall immediately forfeit any outstanding RSUs if the participant's employment with the Company ends before the vesting date for any reason other than (i) a termination without cause (as defined in the 2012 Program) or (ii) the participant's death. If a participant's employment is terminated by the Company without cause or the participant dies while employed with the Company, the then outstanding RSUs granted to the participant will remain outstanding and will be paid to the participant (or, in the event of death, to the participant's estate) on January 15,

2015. Each vested RSU will entitle the participant to receive one share of Pilgrim's Pride common stock on January 15, 2015, although, in certain circumstances, vested RSUs may be settled in cash. If a change in control or privatization of the Company occurs, then RSUs that are not converted, assumed or replaced by a successor entity shall, if the date of the change in control or privatization occurs on or after the date such RSUs are granted, be converted to a cash amount on the date of the change in control or privatization and the Company shall pay such resulting cash amount to the participant in cash on January 15, 2015, subject to the vesting and forfeiture provisions set forth in the 2012 Program and the applicable award agreement. In the event of a change in control, the RSUs shall be converted to a cash amount based upon the highest price paid for a share of the Company's common stock in the change in control. In the event of a privatization, the RSUs will be converted to a cash amount on the date of privatization equal to the closing price (or average closing price) on the applicable stock exchange on which the Company's common stock is traded on a date (or dates) prior to the privatization, as specified by the Compensation Committee. Generally, a privatization means the acquisition by JBS S.A., alone or in combination with one of its affiliates, of 100% of the common stock of the Company.

401(k) Salary Deferral Plan

Our executive officers receive no special employee benefits. During 2012, our executive officers were eligible to participate on the same basis as other employees in the Company's 401(k) Plan. Contributions to the 401(k) Plan are made up of a 30% matching contribution on the first 6% of pay to the extent such contributions are not in excess of the Code limits on contributions to 401(k) plans. Under the 401(k) Plan, the Company may make additional matching contributions or other profit sharing contributions at its discretion. There were no discretionary contributions in 2012. All full-time employees in the U.S. are eligible to participate in the 401(k) Plan. We do not have any other pension plan for our executive officers. In 2012, neither of our Named Executive Officers participated in the Company's 401(k) Plan.

2012 Potential Payments Upon Termination or Change-in-Control

The information below describes certain compensation that would be paid to William W. Lovette, our Chief Executive Officer, and Fabio Sandri, our Chief Financial Officer, in the event of a termination of their respective employment with the Company or in the event of a change in control of the Company. The Company has no arrangements under which the Named Executive Officers would receive any payments or benefits upon a change in control of the Company other than the vesting of restricted stock granted to Mr. Sandri under the LTIP. The amounts shown in the table below assume that such a termination of employment occurred on December 30, 2012.

Executive Officer / Element of Compensation	Termination for Cause ($)	Termination due to Death or Disability ($) [c][d]	Termination Other than for Cause, Death or Disability ($)	Change-in-Control ($) [e]
William W. Lovette				
Severance payment[a]			2,000,000	
Accrued vacation amount	11,538	11,538	11,538	
Self-insured payments		346,000		
Total for Mr. Lovette	11,538	357,538	2,011,538	
Fabio Sandri				
Severance payment [b]			129,808	
Accrued vacation amount	14,423	14,423	14,423	
Self-insured payments		130,000		
Immediate vesting of restricted stock [e]				522,533
Total for Mr. Sandri	14,423	144,423	144,231	522,533

(a) Under the Lovette Employment Agreement, the Company can terminate the agreement at any time. If the Company terminates Mr. Lovette other than for cause , as described above, during the term of his agreement, the Company will continue to pay him his base salary for two years following such termination, subject to certain requirements, including the delivery of a customary release. Under the Lovette Employment Agreement, no other severance or termination payments or benefits will be payable to Mr. Lovette as a result of his termination or resignation of employment, including under the Severance Plan, as described above.

(b) Calculated pursuant to the Severance Plan (as defined below).

(c) For termination due to death , Mr. Lovette and Mr. Sandri would also receive $500,000 and $375,000, respectively, from third party insurers.

(d) Mr. Lovette would also receive approximately $15,000 per month in long-term disability payments from third party insurers.

(e) Mr. Sandri received a grant of 72,675 shares of restricted stock under the LTIP. The shares of the restricted stock will vest immediately if a "change-in-control" occurs and the restricted stock is not converted, assumed or replaced by the successor entity. These amounts are calculated assuming that the market price per share of the Company's common stock on the date of the event was equal to the closing price of the Company's common stock on the last trading day of the fiscal year ended December 30, 2012 ($7.19).

Severance Plan

During 2012, we maintained the Pilgrim's Pride Corporation Severance Plan (the Severance Plan), pursuant to which we provided severance payments to eligible employees, including certain Named Executive Officers, if their employment was terminated without cause. For the purposes of the Severance Plan, termination for cause means termination of employment because of (i) negligence or misconduct by the individual in the performance of his/her duties for the Company, (ii) non-performance by the individual of his/her duties for the Company, (iii) the individual's conviction for or admission of a felony offense, or the individual's indictment for a criminal offense involving or relating to the business of the Company, (iv) excessive tardiness or absenteeism pursuant to Company policies, (v) act of fraud, dishonesty, or embezzlement by the individual with respect to the Company, or (vi) misconduct by the individual, which, in the judgment of the Company, brings the reputation of the Company into disrepute or causes the individual to be unable to perform his/her duties.

The Severance Plan does not cover termination due to death, disability or retirement, termination for cause or termination at the end of the leave of absence that exceeded the maximum permitted by the Company. Under the Severance Plan, in exchange for signing an enforceable waiver and release agreement, upon termination without cause, a Named Executive Officer was entitled to receive as severance pay an amount equal to: one week per year of service with the Company, plus a minimum of 16 supplemental weeks (in addition to years of service amount),

with a total maximum of 52 weeks of pay. In addition, if the Company provided less than two weeks notice of termination without cause, an executive officer would have been entitled up to two additional weeks of severance in lieu of notice. Additional benefits available to eligible employees under the Severance Plan included career transition services as determined by the Company, including without limitation, written materials, company sponsored training and job fairs. Under the Lovette Employment Agreement, Mr. Lovette is not entitled to any severance or termination payments or benefits under the Severance Plan.

Compensation Risks

The Company has reviewed and assessed our compensation policies and practices to determine whether they are reasonably likely to have a material adverse effect on the Company. The Company's management reviews compensation policies for the presence of certain elements that could encourage employees to take unnecessary or excessive risks; the ratios and level of incentive to fixed compensation, annual to long-term compensation and cash to equity compensation; and the comparison of compensation expense to earnings of the Company. Management's assessment of the Company's compensation policies is reviewed by the Compensation Committee as part of its risk oversight function.

The Company believes that its compensation programs for employees and executive officers are appropriately tailored to encourage employees to grow our business, but not to encourage them to do so in a way that poses unnecessary or excessive material risk. In particular, in 2012, the Company's compensation programs were designed to provide the following:

- elements that reward short-term and long-term performance;
- for our executive officers, incentive compensation that rewards performance based on Company performance; and
- compensation with fixed and variable components.

As a result, the Company believes that executive officers and key employees receive a balance between competitive remuneration to encourage retention and compensation designed to provide opportunities to earn more by successfully executing our business strategy. The Company believes the design of these programs encourages our executive officers and key employees to perform at high levels and maximize Company performance without focusing exclusively on compensation performance metrics to the detriment of other important business metrics.

The Company also believes that its compensation program does not encourage excessive risk taking because the above compensation elements coupled with equity ownership in the Company provide a proper mix between long and short-term incentives. A significant portion of the Named Executive Officers' total compensation is performance-based and tied to the profitability of the Company. Specifically, in 2012, each of Mr. Lovette and Mr. Sandri were eligible to receive an annual cash bonus payable based on the Company's EBITDA. Additionally, Mr. Lovette and Mr. Sandri each has been granted equity awards and currently own a level of equity that the Company believes provides sufficient long-term incentives. The Company believes that the Named Executive Officers' beneficial ownership of Pilgrim's Pride common stock, which encourages long-term focus on sustainable performance, aligns their interests with those of our stockholders.

Overall, the Company concluded that there were no risks arising from our compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Compensation Committee Interlocks and Insider Participation

During 2012, the members of the Compensation Committee were Wesley Mendonça Batista, Michael L. Cooper and Wallim Cruz de Vasconcellos Junior. No member of the Committee was, during 2012, an officer, former officer or employee of the Company or any of our subsidiaries. We did not have any compensation committee interlocks in 2012.

2012 DIRECTOR COMPENSATION TABLE

The following table sets forth certain information with respect to our director compensation for the fiscal year ended December 30, 2012. Wesley Mendonça Batista, Joesley Mendonça Batista, Don Jackson and William W. Lovette did not receive any compensation solely for service as Directors.

Director	Fees Earned or Paid in Cash	Total
Marcus Vinicius Pratini de Moraes	$ 150,500	$ 150,500
Wallim Cruz Vasconcellos Junior	178,000	178,000
Michael L. Cooper	184,000	184,000
Charles Macaluso	167,500	167,500
David E. Bell	76,000	76,000

Under the Company's current compensation program for Directors (the Program), directors who are employed by the Company or any of its subsidiaries will not receive any additional compensation for their services as directors. The Program provides that each non-employee Director will receive an annual retainer of $140,000, paid quarterly in arrears, composed of $70,000 in cash with the remainder consisting of either cash or a combination of cash and equity awards to be determined by the Board. During 2012, the entire retainer was paid in cash. In addition, non-employee directors each receives $1,500 per Board meeting they attend in person, plus expenses. The Chairmen of the Audit Committee and Compensation Committee each receive $15,000 supplemental annual compensation, and other members of those committees each receive an additional $10,000 per year. The Chairmen of other Board committees each receive $10,000 supplemental annual compensation, with other members of such committees each receiving an additional $5,000 per year. Committee Chairmen and other committee members each also receive $1,500 and $1,000, respectively, per committee meeting they attend in person, plus expenses.

RELATED PARTY TRANSACTIONS

Related Party Transactions Policy

During 2012, in accordance with its Charter, our Audit Committee was responsible for reviewing and approving the terms and conditions of all proposed transactions between us and any of our officers or Directors, or relatives or affiliates of any such officers or Directors. Furthermore, we adopted a restated certificate of incorporation upon our emergence from Chapter 11 bankruptcy proceedings on December 28, 2009 which provides that all transactions required to be disclosed under Item 404 of Regulation S-K under the Exchange Act (related party transactions) must first be reviewed, evaluated and approved by the Audit Committee or other committee comprised solely of independent directors, such approval to be evidenced by a resolution stating that such committee has, in good faith, unanimously determined that such transaction complies with the provisions our certificate of incorporation governing related party transactions. Any Audit Committee or other independent body member who was or is not independent with respect to a related party transaction under review has been required by our Audit Committee Charter to disclose his or her lack of independence to the remaining committee members and abstain from the review and approval of that transaction.

Certain Transactions

During 2012, we have been a party to certain transactions with our current and former Directors and executive officers. These transactions, along with all other related party transactions, received the approval of the current Audit Committee or, in the case of transactions entered into prior to our emergence from bankruptcy, the Audit Committee in existence at that time. Company management analyzed the terms of all contracts entered into with related parties and believed that they were substantially similar to, and contained terms not less favorable to us than, those obtainable from unaffiliated parties.

On January 19, 2010, we entered into an agreement with JBS USA in order to allocate costs associated with JBS USA's procurement of SAP licenses and maintenance services for its combined companies. Under this agreement, the fees associated with procuring SAP licenses and maintenance services are allocated between the Company and JBS USA in proportion to the percentage of licenses used by each company. The agreement expires on the date of expiration, or earlier termination, of each underlying SAP license agreement.

On May 5, 2010, we also entered into an agreement with JBS USA in order to allocate the costs of supporting the business operations by one consolidated corporate team, which have historically been supported by their respective corporate teams. Expenditures paid by JBS USA on behalf of the Company will be reimbursed by the Company, and expenditures paid by the Company on behalf of JBS USA will be reimbursed by JBS USA. This agreement expires on May 5, 2015. During 2012, JBS USA incurred approximately $61,353,425 in expenditures paid on our behalf, including the procurement and maintenance of SAP licenses. During 2012, we incurred approximately $4,134,059 in expenditures paid on behalf of JBS USA.

We routinely enter transactions to purchase products from JBS USA and to sell our products to them. During 2012, our purchases from JBS USA totaled $69,109,403 and our sales to JBS USA totaled $206,719,519.

In connection with the bankruptcy court order approving and confirming our joint plan of reorganization, the Company and Lonnie Bo Pilgrim entered into the Consulting Agreement, which became effective on December 28, 2009, the effective date of our emergence from Chapter 11 bankruptcy. The terms of the Consulting Agreement include, among other things, the following:

- The Consulting Agreement has a five-year term that expires on December 28, 2014;
- Mr. Pilgrim will provide services to the Company that are comparable in the aggregate with the services provided by him to the Company prior to the effective date of the Consulting Agreement;
- Mr. Pilgrim will be appointed to the Board of Directors of the Company and during the term of the Consulting Agreement will be nominated for subsequent terms on the Board;
- Mr. Pilgrim will be compensated for services rendered to the Company at a rate of $1.5 million per year for the term of the Consulting Agreement;
- Mr. Pilgrim will be subject to customary non-solicitation and non-competition provision; and
- Mr. Pilgrim and his spouse will be provided with medical benefits (or will be compensated for medical coverage) that are comparable in the aggregate to the medical benefits afforded to employees of the Company.

On March 12, 2012, Lonnie "Bo" Pilgrim resigned from his position as the Founder Director. As a result, Mr. Pilgrim will not be nominated for subsequent terms on the Board of Directors during the remaining term of the Consulting Agreement.

We have entered into chicken grower contracts involving farms owned by Lonnie "Bo" Pilgrim, providing the placement of Company-owned flocks on his farms during the grow-out phase of production. These contracts are on terms substantially the same as contracts we enter into with unaffiliated parties and can be terminated by either party upon completion of the grow-out of each flock. The aggregate amount paid by us to Mr. Pilgrim under these grower contracts was $297,328 through March 12, 2012.

From time to time, the Company has purchased grain from Pat Pilgrim, a son of Lonnie Bo Pilgrim, in transactions pre-approved by the Audit Committee. We paid him $19,058 for such purchases through March 12, 2012. Pat Pilgrim also provided general and hauling services to us in 2012, for which he was paid $9,385 through March 12, 2012. On November 30, 2005, the Audit Committee pre-approved our entering into three contracts with Pat Pilgrim, a general services agreement, a transportation agreement and a lease. In February 2008, we entered into a new ground lease agreement, which was pre-approved by the Audit Committee, pursuant to which Pat Pilgrim rents land from the Company. The lease agreement, which was for a one year initial term, renews for an additional year at the end of each term, but the agreement can be terminated by either party without cause.

Under the Lovette Employment Agreement, the Company agreed to purchase Mr. Lovette's residence in Arkansas on reasonable and customary commercial terms and at a purchase price not to exceed approximately $2.13 million. Consequently, Mr. Lovette transferred all of his rights and the Company assumed all obligations relative to the property for the purchase price of $2.13 million. His home was resold on July 23, 2012. The Company was responsible for commissions and closing costs on the resale of the home.

On June 23, 2011, the Company entered into a Subordinated Loan Agreement with JBS USA (the Subordinated Loan Agreement), which provided an aggregate commitment of $100.0 million. On June 23, 2011, JBS USA made a term loan to the Company in the principal amount of $50.0 million. In addition, JBS USA agreed to make an additional one-time term loan in the principal amount of $50.0 million if the Company's availability under the revolving loan commitment in the Company's U.S. credit facility fell below $200.0 million. Pursuant to the terms of the Subordinated Loan Agreement, we also agreed to reimburse JBS USA up to $56.5 million for draws upon any letters of credit issued for JBS USA's account that support certain obligations of Mayflower Insurance Company, Ltd., a wholly owned subsidiary of the Company. Loans under the Subordinated Loan Agreement mature on June 28, 2015. The commitment under the Subordinated Loan Agreement terminated on the earliest to occur of (i) the date on which all amounts owing under our senior unsecured notes due 2018 and our U.S. credit facility are due and payable in accordance with its terms, (ii) the date the Company consummates a rights offering of its common stock of at least $200,000,000 on or before March 24, 2012 (unless such date is extended in accordance with the terms of our U.S. credit facility) or (iii) June 27, 2015. Further, our U.S. credit facility, as amended, also provides that if the rights offering occurs, then (i) the Company, at its option, is permitted to prepay the outstanding $50.0 million term loan under the Subordinated Loan Agreement and (ii) the existing commitment of JBS USA to make an additional $50.0 million term loan to the Company under the Subordinated Loan Agreement will be terminated. On March 7, 2012, the Company completed the rights offering, repaid to JBS USA the $50.0 million of principal plus $3.5 million of accrued interest under the Subordinated Loan Agreement and the remaining commitment under the Subordinated Loan Agreement was terminated. The Audit Committee of the Company's Board of Directors reviewed and approved the above arrangements and amendments.

JBS USA agreed to provide letters of credit in the amount of $56.5 million to an insurance company serving the Company in order to allow that insurance company to return cash it held as collateral against potential workers compensation, auto and general liability claims. In return for providing this letter of credit, the Company is reimbursing JBS USA for the cost of the letter of credit JBS USA would incur under its revolving credit agreement. The total amount paid by the Company for 2012 costs, to reimburse JBS USA, was $2.2 million. As of December 30, 2012, the Company has accrued an obligation of $0.2 million to reimburse JBS USA for letter of credit costs incurred on its behalf.

On October 26, 2011, the Company entered into an agreement with Swift Pork Company, a wholly owned subsidiary of JBS USA, LLC, to sell certain real property, tractor trailers, inventory, livestock, equipment, accounts receivable and other assets related to our pork business. The purchase price for these assets was $13.0 million, payable in cash, subject to adjustment based on the final accounting of the assets. The closing occurred on

December 2, 2011, but the final accounting of the assets took place during the second quarter of 2012 for which the company paid JBS USA, LLC $0.5 million based on the final adjustment of assets sold. Company management analyzed the terms of the contract and believe that they were substantially similar to and contain terms no less favorable to us than those obtainable from unaffiliated parties. Additionally, the Audit Committee of the Company's Board of Directors reviewed and approved the above agreement.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEE INFORMATION

Changes in Certifying Accountants

Effective March 14, 2012, the Company engaged KPMG LLP ("KPMG") as the Company's independent registered public accounting firm for the fiscal year ending December 30, 2012 and any interim periods. The decision to change auditors was approved by the Audit Committee and the result of a request for proposal process that involved multiple firms, including Ernst & Young LLP ("E&Y"), and was conducted as part of the Company's ongoing efforts to enhance its corporate governance practices.

KPMG has informed the Company that it completed the prospective client evaluation process on March 14, 2012. On March 8, 2012, the Audit Committee informed E&Y that it would be dismissed as the Company's independent registered public accounting firm.

The reports of E&Y on the Company's consolidated financial statements for the fiscal years ended December 25, 2011 and December 26, 2010 did not contain an adverse opinion or disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles.

During the fiscal years ended December 25, 2011 and December 26, 2010 and through March 14, 2012 there were no disagreements (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to Item 304 of Regulation S-K) with E&Y on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of E&Y, would have caused E&Y to make reference to the subject matter of the disagreement in its report on the consolidated financial statements for such years.

During the fiscal years ended December 25, 2011 and December 26, 2010 and through March 14, 2012, there were no reportable events (as defined in Item 304(a)(1)(v) of Regulation S-K).

In accordance with Item 304(a)(3) of Regulation S-K, the Company furnished a copy of the above disclosures to E&Y and requested that E&Y provide a letter addressed to the SEC stating whether or not it agrees with the statements made above. A copy of such letter is filed as Exhibit 16.1 to the Company s Form 8-K filed with the SEC on March 14, 2012.

During the fiscal years ended December 25, 2011 and December 26, 2010 and through March 14, 2012, neither the Company nor anyone on its behalf has consulted with KPMG with respect to either (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Company's consolidated financial statements, and neither written nor oral advice was provided to the Company that KPMG concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to Items 304 of Regulation S-K) or a reportable event (as defined in Item 304(a)(1)(v) of Regulation S-K).

We provided KPMG with a copy of the Company's Form 8-K filed with the SEC on March 14, 2012 and requested KPMG to provide a letter addressed to the SEC containing any new information, clarification of the expression of our views, or the respects in which it does not agree with the statements made by us. KPMG advised us that it had reviewed the disclosures in this report and had no basis upon which to submit such a letter to the SEC.

Audit Fees

Fees for audit services performed by KPMG in 2012 totaled $1,137,691 and fees for audit services performed by E&Y in 2011 totaled $1,393,440. Such fees included fees associated with the annual audit, the audit of internal controls over financial reporting (i.e., the Sarbanes-Oxley 404 Audit), the reviews of our quarterly reports on Form 10-Q, statutory audits required in Mexico and assistance with registration statements and accounting consultations.

Audit-Related Fees

We incurred no fees for audit-related services during 2012 or 2011. Audit-related services principally include transaction assistance, Sarbanes-Oxley 404 assistance and employee benefit plan audits.

Tax Fees

Fees for tax services, which included assistance from KPMG with a tax return for two of our captive insurance subsidiaries in 2012 and assistance from E&Y with a tax compliance audit of our Mexico operations in 2011, totaled $17,000 in 2012 and $28,000 in 2011.

All Other Fees

We incurred no fees for other services not included above during 2012 or 2011.

The Audit Committee pre-approved all audit and non-audit fees of the independent registered public accounting firm during 2012 and 2011.

Pre-Approval Policies and Procedures

In accordance with its Charter, our Audit Committee has established policies and procedures by which it approves in advance any audit and permissible non-audit services to be provided by our independent registered public accounting firm. Under these procedures, prior to the engagement of the independent registered public accounting firm for pre-approved services, requests or applications for the independent registered public accounting firm to provide services must be submitted to our Chief Financial Officer, or his designee, and the Audit Committee and must include a detailed description of the services to be rendered. The Chief Financial Officer, or his designee, and the independent registered public accounting firm must ensure that the independent registered public accounting firm is not engaged to perform the proposed services unless those services are within the list of services that have received the Audit Committee's pre-approval and must cause the Audit Committee to be informed in a timely manner of all services rendered by the independent registered public accounting firm and the related fees.

Requests or applications for the independent registered public accounting firm to provide services that require additions or revisions to the 2012 pre-approval will be submitted to the Audit Committee (or any Audit Committee members who have been delegated pre-approval authority) by the Chief Financial Officer or his designee. Each request or application must include:

- a recommendation by the Chief Financial Officer (or designee) as to whether the Audit Committee should approve the request or application; and
- a joint statement of the Chief Financial Officer (or designee) and the independent registered public accounting firm as to whether, in their view, the request or application is consistent with the SEC's regulations and the requirements for auditor independence of the Public Company Accounting Oversight Board.

The Audit Committee also will not permit the engagement to provide any services to the extent that the SEC has prohibited the provision of those services by independent registered public accounting firms.

The Audit Committee delegated authority to the Chairman of the Audit Committee to:

- pre-approve any services proposed to be provided by the independent registered public accounting firm and not already pre-approved or prohibited by this policy up to $25,000;
- increase any authorized fee limit for pre-approved services (but not by more than 30% of the initial amount that was pre-approved) before we or our subsidiaries engage the independent registered public accounting firm to perform services for any amount in excess of the fee limit; and
- investigate further the scope, necessity or advisability of any services as to which pre-approval is sought.

The Chairman of the Audit Committee is required to report any pre-approval or fee increase decisions to the Audit Committee at the next committee meeting.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee assists the Board in fulfilling its responsibilities for general oversight of the integrity of the Company's financial statements, our compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications and independence, the performance of our internal audit function and the independent registered public accounting firm, risk assessment and risk management. The Audit Committee manages the Company's relationship with its independent registered public accounting firm (who reports directly to the Audit Committee). The Audit Committee has the authority to obtain advice and assistance from outside legal, accounting or other advisors as the Audit Committee deems necessary to carry out its duties and to receive appropriate funding, as determined by the Audit Committee, from the Company for such advice and assistance.

The Company's management has primary responsibility for preparing our financial statements and for our financial reporting process. Our independent registered public accounting firm is responsible for expressing an opinion on the conformity of the Company's audited financial statements with accounting principles generally accepted in the United States.

In this context, the Audit Committee hereby reports as follows:

1. The Audit Committee has reviewed and discussed the audited financial statements with the Company's management.

2. The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Accounting Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU Section 380) as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

3. The Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent public accounting firm's communications with the Audit Committee concerning independence and has discussed with the independent registered public accounting firm the independent registered public accounting firm's independence.

4. Based on the review and discussions set forth above, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's annual report on Form 10- K for the year ended December 30, 2012 that was filed with the SEC and that accompanies this proxy statement.

The undersigned members of the Audit Committee have submitted this report to the Board of Directors.

Audit Committee

Michael L. Cooper, Chairman
Charles Macaluso
Wallim Cruz De Vasconcellos Junior

PROPOSAL 4. RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our Board of Directors recommends the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for fiscal 2013. If the stockholders fail to ratify the appointment, the Audit Committee will reconsider its selection.

Representatives of KPMG LLP are expected to be present at the Annual Meeting and to be available to respond to appropriate questions. They will be given the opportunity to make a statement if they wish to do so.

Our Board of Directors recommends that you vote FOR the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for fiscal 2013. Proxies will be so voted unless stockholders specify otherwise.

Financial Statements Available

Our annual report on Form 10-K for the fiscal year ended December 30, 2012 is being mailed concurrently with this proxy statement. The annual report does not form any part of the material for the solicitation of proxies. Upon written request of a stockholder, the Company will furnish, without charge, a copy of our annual report. If you would like a copy of the annual report, please contact Pilgrim's Pride Corporation, at: 1770 Promontory Circle, Greeley, Colorado 80634 Attn: Investor Relations. In addition, financial reports and recent filings with the SEC are available on the Internet at www.sec.gov. Company information is also available on the Internet at http://www.pilgrims.com. Information contained on the website is not part of this proxy statement.

SECURITY OWNERSHIP

The following table sets forth, as of March 22, 2013, certain information with respect to the beneficial ownership of our common stock by (i) each person known by us to own more than 5% of the outstanding shares of our common stock (the only class of voting securities outstanding); (ii) each of our Directors, including employee Directors; (iii) our Named Executive Officers; and (iv) all of our current Directors and executive officers as a group. Shares are beneficially owned when the person holding the shares has voting or investment power over the shares or the right to acquire voting or investment power within 60 days. Voting power is the power to vote the shares. Investment power is the power to direct the sale or other disposition of the shares.

Name and Beneficial Owner	Amount and Nature of Beneficial Ownership of Common Stock	Percent of Outstanding Common Stock	Percent of Voting Power
JBS USA Holdings, Inc.[a]	195,445,936	75.45%	75.45%
1770 Promontory Circle, Greeley, Colorado 80634			
Wesley Mendonça Batista[a]	195,445,936	75.45%	75.45%
1770 Promontory Circle, Greeley, Colorado 80634			
Joesley Mendonça Batista[a]	195,445,936	75.45%	75.45%
1770 Promontory Circle, Greeley, Colorado 80634			
Master Global Assets Limited [b]	13,000,000	5.02%	5.02%
171 Main Street, Round Town Tortola VG91110, British Virgin Islands			
Don Jackson	2,645,767	1.02%	1.02%
William W. Lovette	211,000	*	*
Fabio Sandri	75,075	*	*
Michael L. Cooper	45,317	*	*
David E. Bell	2,000	*	*
Charles Macaluso		*	*
Marcus Vinicius Pratini de Moraes		*	*
Wallim Cruz De Vasconcellos Junior		*	*
All executive officers and Directors as a group[a]	198,425,095	76.60%	76.60%

* Less than 1%.

(a) JBS USA Holdings, Inc. is a subsidiary of JBS Hungary Holdings Kft., a wholly owned, indirect subsidiary of JBS S.A. JBS S.A. is ultimately controlled by the Batista family, which is comprised of José Batista Sobrinho, the founder of JBS S.A., Flora Mendonça Batista, and their six children, José Batista Júnior, Valéria Batista Mendonça Ramos, Vanessa Mendonça Batista, Wesley Mendonça Batista, Joesley Mendonça Batista and Vivianne Mendonça Batista. The Batista family indirectly owns 100.0% of the issued and outstanding shares of J&F Participações S.A., a Brazilian corporation which owns 44.0% of the outstanding capital of JBS S.A., and, except for Mr. José Batista Sobrinho and Mrs. Flora Mendonça Batista, directly owns 100% of the equity interests in ZMF Fundo de Investimento em Participações, a Brazilian investment fund which owns 6.1% of the outstanding capital of JBS S.A. Wesley Mendonça Batista and Joesley Mendonça Batista are members of our board of directors. Through J&F Participações S.A. and FB Participações S.A, Wesley Mendonça Batista and Joesley Mendonça Batista are members of the Batista family and each beneficially own all shares of our common stock through their controlling interest in JBS S.A. As a result of the ownership structure and other relationships described above, each of JBS USA Holdings, Inc., Wesley Mendonça Batista and Joesley Mendonça Batista is the beneficial owner, with shared voting and dispositive power, of 176,066,229 shares of our common stock.

(b) Based solely on information set forth in Schedule 13G dated January 17, 2013, as filed with the SEC. According to the filing, Master Global Assets Limited (Global) has sole voting power for zero shares, shared voting power for 13,000,000 shares, sole dispositive power for zero shares, and shared dispositive power for 13,000,000 shares. In addition, according to the filing, each of Michael Daher, the Chairman and co-owner of Global, and Abdallah Daher, a Director and co-owner of Global, may be deemed to beneficially own and hold shared voting and dispositive power with respect to the shares of the Company's common stock owned by Global.

Equity Compensation Plan Information

The following table provides certain information about our common stock that may be issued under our equity plans, as of December 30, 2012.

Plan Category	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Option, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity compensation plans approved by securities holders			6,615,393 (a)
Equity compensation plans not approved by securities holders			
Total			6,615,393 (a)

(a) Represents shares of our common stock that may be issued under the LTIP. The restricted stock award of 72,675 shares to Fabio Sandri on August 27, 2012 was granted under the LTIP. As of December 30, 2012, no other awards have been issued under the LTIP. Subsequent to December 30, 2012 the Company has granted 815,494 restricted stock units under the LTIP. For additional information concerning terms of the LTIP, see Compensation Discussion and Analysis - Components of Compensation - Long Term Incentive Plan and "Executive Compensation - Long Term Incentive Plan."

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's officers and Directors, and persons who own more than ten percent of our common stock, to file reports of ownership and changes in ownership with the SEC and the stock exchange in which our common stock is listed. Officers, Directors and persons who own more than ten percent of our common stock are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based on our review of the copies of such forms, we believe that all other filing requirements applicable to our officers, Directors and persons who own more than ten percent of our common stock were complied with for 2012.

HOUSEHOLDING OF STOCKHOLDER MATERIALS

Some banks, brokers and other nominee record holders may be participating in the practice of householding proxy statements and annual reports. This means that only one copy of this proxy statement or annual report to stockholders may have been sent to multiple stockholders in the same household. We will promptly deliver a separate copy of either document to any stockholder who requests by writing to our Investor Relations Department at the following address: 1770 Promontory Circle, Greeley, Colorado 80634 or by telephoning (970) 506-8192. Any stockholder who currently is receiving multiple copies and would like to receive only one copy for his or her household should contact his or her bank, broker or other nominee record holder.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 3, 2013

This proxy statement and the Company's 2012 Annual Report are also available electronically on our hosted website. You may view these directly at: www.envisionreports.com/PPC.

To access and review the materials made available electronically:

1. Go to www.envisionreports.com/PPC.
2. Enter the 12-digit control number located on the proxy card.
3. Click View 2013 Stockholder Material.

We encourage you to review all of the important information contained in the proxy materials before voting.

OTHER BUSINESS

The Board of Directors is not aware of, and it is not anticipated that there will be presented at the Annual Meeting, any business other than the proposal regarding the election of the Directors, a stockholder advisory vote on executive compensation, a stockholder advisory vote on the frequency of conducting the advisory voting to approve executive compensation and the ratification of the appointment of KPMG LLP as our independent registered public accounting firm described above. If other matters properly come before the Annual Meeting, the persons named on the accompanying proxy card will vote the returned proxies as the Board of Directors recommends.

By order of the Board of Directors,

/s/ William W. Lovette
WILLIAM W. LOVETTE
President and
Chief Executive Officer

Greeley, Colorado
April 2, 2013