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FOR IMMEDIATE RELEASE

ARKANSAS CHICKEN GROWERS SUE PILGRIM'S PRIDE OVER COMPANY
DEMANDS THAT THEY RETROFIT TO INHUMANE, COST PROHIBITIVE
AND ENVIRONMENTALLY WASTEFUL BIRD HOUSES

DE QUEEN, ARKANSAS – Nearly fifty Arkansas chicken growers filed suit against Pilgrim's Pride Corporation last Friday for false representations made by Pilgrim's that induced the farmers to build, at great personal expense, commercial broiler chicken operations for the exclusive benefit of Pilgrim's.

The lawsuit, filed Friday, February 8, 2008 in Sevier County, alleges several counts of fraud, misrepresentation and claims Pilgrim's Pride induced them into investing hundreds of thousands of dollars and untold hours for the exclusive benefit of Pilgrim's only to now have Pilgrim's refuse to provide further flocks of birds to the growers, despite promises to the contrary. This is a result of Pilgrim's recent demand

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that the plaintiffs – all longtime broiler growers for Pilgrim’s – completely “retro-fit” their existing poultry houses to meet new specifications that the growers claim are inhumane to the birds, economically unworkable for the growers and environmentally wasteful in their design and operation.

Pilgrim’s is the largest chicken producer in the country, producing over six billion pounds of ‘broilers’ – or chickens raised for meat – per year. “Due to its size, wealth and market control, Pilgrim’s has and continues to be in a position to misuse its power over chicken growers”, says Clark W. Mason of Little Rock, one of the growers’ attorneys.

“We believe that Pilgrim’s has, in fact, misused that power by violating its representations to the plaintiffs and other Pilgrim’s growers in that, after growers made enormous investments in time, money and energy to become exclusive growers for Pilgrim’s, they were told by Pilgrim’s that in order to remain growers for Pilgrim’s they must invest substantial additional sums of money – in many cases hundreds of thousands of dollars – to completely retrofit their farms for Pilgrim’s own and exclusive benefit. Pilgrim’s total retrofit requirement does not conform with the original statements made by Pilgrim’s to the growers – the statements growers used when determining if their substantial investments would pay off – and is an attempt by Pilgrim’s to economically exploit the plaintiffs,” Mason said.

Pilgrim’s has now demanded, despite promising the plaintiffs that their facilities

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were appropriate and that they would continue to receive birds and that Pilgrim's would continue to provide the growers with broilers as long as these growers or their families wanted them, that the growers now completely renovate their poultry houses into "evaporative cooled-tunnel ventilated houses": pitch-dark, damp chicken houses that are much more expensive to operate, much more prone to disastrous die-offs in the event of a power failure and much more prone to the breeding and spread of poultry diseases and painful breast blisters on the birds.

Plaintiffs claim Pilgrim's and members of its upper management misrepresented to its growers the financial and other benefits of the tunnel houses in an effort to pressure them into retrofitting their traditional houses, which have performed at or above Pilgrim's required levels of production for years – and which were built based on the promises from Pilgrim's that the growers would always have broilers to grow in them as long as they continued to produce at or above the required production levels.

Despite Pilgrim's statements to the contrary, the Plaintiffs' allege the facts demonstrate that the now mandated "tunnel houses" are economically unviable for the growers, particularly when additional bird deaths, higher utility expenses and new building costs are taken into account. Lender and borrower analyses have shown that the cost of building tunnel houses cannot be repaid or recouped through Pilgrim's minimal payments to growers for mature birds, even over a very long pay out, resulting in what

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would be a loss to the growers.

In addition to the fact that retrofitting traditional grower houses to tunnel houses is economically impossible and contrary to the original statements Pilgrim's made to its growers, the Plaintiffs note the tunnel houses result in the inhumane treatment of the birds. Studies have shown the mandated tunnel houses result in the heightened spread of diseases and place the birds at high risk for massive bird die-offs, whether due to even a minor power failure or to the stress placed on the birds when removing them from the houses.

Respected industry watchdog groups such as United Poultry Concerns and People for the Ethical Treatment of Animals have long derided "tunnel" poultry houses as creating an inhumane and disease-promoting environment. As specified by Pilgrim's, tunnel houses are required to be completely dark 24 hours per day with no natural light. Instead, the birds are packed tightly together in a dark poultry house cooled with misty water and fan-blown air.

Besides asserting Pilgrim's required retrofit is contrary to the original promises that they relied upon when deciding to become growers for Pilgrim's and that the houses are highly energy inefficient and unworkable from a financial standpoint, the Plaintiffs note the tunnel houses have been shown to cause many additional problems for maturing chickens. "First, the birds sit in a cramped and much wetter environment than in open conventional houses, requiring the grower to run more heat, thus producing more

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ammonia and a need for excessive ventilation. The birds have no access to sunshine and develop breast blisters as a result of sitting in a dark, wet, ammonia-laden environment. For this reason they are also more prone to disease and any disease carries quickly to other birds in a tunnel house”, the Plaintiffs allege.

Also, any power outage or computer malfunction will typically result – within fifteen minutes or less– in the immediate death of the thousands of birds within a tunnel house; unlike a conventional house, a tunnel house requires constant power and computer functioning to keep poultry alive. Generators do not solve this problem because most power outages and computer malfunctions occur within the poultry house rather than as a result of an outside loss of power; and generators do not save birds in the event of an internal loss of power or improper computer function.

The Plaintiffs further allege Pilgrim’s has documented many massive bird die-offs as a result of tunnel house operations and higher instances of poultry disease and infection, but refuses to share these facts with its retailers, consumers, customers or growers; falsely and fraudulently representing that tunnel houses provide “the environment and conditions” for better performance and production.

Mason explained “Pilgrim’s has now cut off delivery of broiler chickens to the Plaintiffs. The plaintiffs are without chickens to grow, and most have now lost not only their investment, which is now worthless without birds to raise, but their retirement. These

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special individuals have now lost their source of income, their retirement, and in many cases have lost the opportunity to pass down their farms to their children and their children's children."

"These farmers, their families and their creditors were wronged when Pilgrim's demanded that, as a condition to continuing to receive birds, that they undergo an extensive and cost prohibitive retro-fit of their chicken houses. These families that Pilgrim's has now put out of business began their relationship based on trust. We hope this case will serve as an example of our legal system at work. Our forefathers had enormous foresight and courage when they wrote the Constitutions of the United States and Arkansas", Mason noted. "Those leaders knew that justice is for all, not just the powerful. The hardworking, tireless farmers of our state are exactly the kind of people our forefathers had in mind when they established the right to a trial by jury where every citizen of this State can stand on equal footing against the Pilgrim's Prides of the world."

The lawsuit seeks compensatory damages, including the substantial loss of value of the Plaintiffs' investment, reimbursement for the costs expended to build the plaintiffs' chicken houses and the operations of them, as well as damages for loss of income due to the defendants' actions. The Plaintiffs likewise seek punitive damages as allowable under Arkansas law, both to punish Pilgrim's for its fraudulent and egregious actions as well as to deter others from this type of intolerable corporate conduct that has devastated the lives of the plaintiffs, their families and their communities.

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