

# Saved: 1,300 jobs

## Pilgrim's Pride agrees to sell Union chicken plant

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The News Star

Published: March 21, 2009

Pilgrim's Pride has accepted Foster Farms of California's \$80 million offer for its Farmerville chicken processing complex, saving 1,300 direct jobs and perhaps as many as 300 independent growers' farms.

Gov. Bobby Jindal, who has feverishly been trying to broker a deal for the complex since bankrupt Pilgrim's Pride announced it would close the facility and supporting infrastructure on Feb. 27, called the sale "the best of all possible outcomes."

"It was less than three weeks ago that we came to Farmerville and made a commitment to do everything legally possible to save the plant," Jindal said in a telephone interview with The News-Star late Friday afternoon. "I'm thrilled that after three weeks of hard negotiations we found a way."

Foster Farms put up \$40 million and the state put up \$40 million to close the deal. Foster Farms will also invest \$10 million in capital improvements to the complex, which the state has pledged to match with \$10 million.

The deal is subject to the companies entering into a purchase agreement, as well as the expiration or termination of the waiting period under the Hart-Scott Rodino Improvements Act and approval by the U.S. Bankruptcy Court. Pilgrim's expects the deal to be complete within 30 days of signing the purchase agreement.

"Consistent with what we have said from the beginning, we would consider selling the complex if we received a meaningful offer reflective of the value for these assets," said Don Jackson, Pilgrim's president and chief executive officer. "We believe this sale at this price is in the best interests of all parties involved, including our employees, growers, the Farmerville community and our creditors."

"We appreciate the support and efforts of Louisiana Gov. Bobby Jindal and his staff working to bring this process to a satisfactory conclusion for everyone involved."

Pilgrim's Pride had rejected two previous offers of \$40 million and \$60 million for the complex.

"Foster Farms is pleased to have reached an agreement with Pilgrim's Pride for the purchase of their Farmerville chicken production complex," said Foster Farms chief executive Ron Foster. "An Asset Purchase Agreement is in development and, consequently, no further details are available at this time. This purchase represents a significant opportunity for the Farmerville community and for our family-owned poultry company."

"We take great pride in the quality of our products, the dedication and skills of our employees and look forward to many decades of shared success in this new venture."

Jindal said Foster Farms not only committed to keep the employment intact, but also to invest in equipment upgrades. Foster Farms will invest \$10 million in capital improvements to the complex, which the state will match with \$10 million.

"That ensures this isn't just a short-term fix, but solid investment in the long-term future of this operation," Jindal said.

Pilgrim's northeastern Louisiana operation includes a processing facility, cook plant, hatchery, feed mill, protein conversion plant and any associated inventory.

The governor said that he will provide more details of the deal at Saturday's meeting at First Baptist Church's Family Life Center in Farmerville.

"To go from zero to where we finished Friday is miraculous," said state Sen. Mike Walsworth, R-West Monroe.

Louisiana will draw the \$40 million for its investment from the state's \$350 million economic development fund, which will require legislative approval, but Walsworth, who sits on the Senate Finance Committee, doesn't believe that will be an issue.

"Did we get our money's worth?" Walsworth asked. "If you understand how big this is to northeastern Louisiana, that it could have rocked the very foundation of our economy, I don't think there's any question that we're getting our money's worth."

Union Parish Sheriff Bob Buckley summed up the feeling of relief that washed over Union and the surrounding parishes on Friday.

"It's a salvation if there ever was one," Buckley said. "An absolute salvation."

Additional Facts

## **ABOUT FOSTER FARMS**

Foster Farms is a private, family-owned company that was founded in 1939 by Max and Verda Foster and headquartered in Livingston, Calif.

The company has 10,000 employees with operations in California, Alabama, Arkansas, Colorado, Oregon, Washington and now Louisiana.

For more information about the company go to [www.fosterfarms.com](http://www.fosterfarms.com).

*Reprinted from Article written by Greg Hilburn [ghilburn@thenewsstar.com](mailto:ghilburn@thenewsstar.com) and published in The News Star, Monroe, Louisiana on March 21, 2009*

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## **ADDITIONAL FACTS FROM MOREHOUSE ECONOMIC DEVELOPMENT CORPORATION**

About 500 employees at Pilgrim's Pride are residents of Morehouse Parish. Morehouse Parish is greatly affected by the job losses and jobs saved in Union Parish.