

TYSON FOODS INC

FORM 10-K (Annual Report)

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Address	2200 DON TYSON PARKWAY SPRINGDALE, AR 72762-6999
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Industry	Food Processing
Sector	Consumer/Non-Cyclical
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934
For the fiscal year ended September 30, 2000

Transition Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934
For the transition period from _____ to _____

Commission File No. 0-3400

TYSON FOODS, INC.

(Exact Name of Registrant as specified in its Charter)

Delaware
(State or other jurisdiction of incorporation or organization)

71-0225165
(I.R.S. Employer Identification No.)

2210 West Oaklawn Drive, Springdale, Arkansas
(Address of principal executive offices)

72762-6999
(Zip Code)

Registrant's telephone number, including area code: (501) 290-4000

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class -----	Name of Each Exchange on Which Registered -----
Class A Common Stock, Par Value \$0.10	New York Stock Exchange, Inc.

Securities Registered Pursuant to Section 12(g) of the Act:
Not Applicable

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in part III of this Form 10-K or any amendment to this Form 10-K.

On September 30, 2000, the aggregate market value of the Class A Common and Class B Common voting stock held by non-affiliates of the registrant was \$1,124,625,160 and \$464,880, respectively.

On September 30, 2000, there were outstanding 121,899,309 shares of the registrant's Class A Common Stock, \$0.10 par value, and 102,645,048 shares of its Class B Common Stock, \$0.10 par value.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents or the indicated portions thereof are incorporated herein by reference into the indicated portions of this Annual Report on Form 10-K: (i) pages 20-52 of the registrant's Annual Report to Shareholders for fiscal year ended September 30, 2000 (the "Annual Report") which are filed as Exhibit 13 to this Form 10-K and (ii) the registrant's definitive Proxy Statement for the registrant's Annual Meeting of Shareholders to be held January 12, 2001 (the "Proxy Statement").

PART I

Item 1. Business

Pages 20 through 28 of the Annual Report under the caption "Management's Discussion and Analysis."

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

Pages 34, 48 and 51 of the Annual Report under the captions "Capital Stock", "Eleven-Year Financial Summary" and "Closing Price of Company's Common Stock."

Item 6. Selected Financial Data

Pages 48 of the Annual Report under the caption "Eleven-Year Financial Summary."

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Pages 20 through 28 of the Annual Report under the caption "Management's Discussion and Analysis."

Item 7A. Quantitative and Qualitative Disclosure About Market Risks

Pages 25 through 27 of the Annual Report under the caption "Market Risk."

Item 8. Financial Statements and Supplementary Data

Pages 29 through 45 and 47 of the Annual Report under the captions "Consolidated Statements of Income," "Consolidated Balance Sheets," "Consolidated Statements of Shareholders' Equity," "Consolidated Statements of Cash Flows," "Notes to Consolidated Financial Statements" and "Report of Independent Auditors."

Part III

Item 10. Directors and Executive Officers of the Registrant

The information set forth under the captions "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting" in the Proxy Statement.

Item 11. Executive Compensation

The information set forth under the caption "Executive Compensation and Other Information" in the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information set forth under the captions "Principal Shareholders" and "Security Ownership of Management" in the Proxy Statement.

Item 13. Certain Relationships and Related Transactions

The information set forth under the caption "Certain Transactions" in the Proxy Statement.

PART I

ITEM 1. BUSINESS

General

Tyson Foods, Inc. and its various subsidiaries (collectively, the "Company") produce, distribute and market chicken, Mexican foods, prepared foods, animal and pet food ingredients and live swine. Tyson has strengthened its focus on its core business, chicken. The Company's goal is to be the undisputed world leader in growing, processing and marketing chicken and chicken-based food products. Tyson is a totally integrated poultry company. As the owner of Cobb-Vantress, the number-one breeding stock supplier in the world, Tyson invests in breeding stock research and development. This allows the Company to breed into its flocks the natural characteristics found to be most desirable. The Company's integrated operations consist of breeding and rearing chickens, as well as the processing, further-processing and marketing of these food products. The Company's products are marketed and sold to national and regional grocery chains, regional grocery wholesalers, clubs and warehouse stores, military commissaries, industrial food processing companies, national and regional chain restaurants or their distributors, international export companies and domestic distributors who service restaurants, foodservice operations such as plant and school cafeterias, convenience stores, hospitals and other vendors. Sales are made by the Company's sales staffs located in Springdale, Arkansas, in regions throughout the United States and in several foreign countries. Additionally, sales to the military and a portion of sales to international markets are made through independent brokers and trading companies. The Company is a fully-integrated producer, processor and marketer of a variety of food products. The Company presently identifies segments based on the products offered and the nature of customers, resulting in four reported business segments: Food Service, Consumer Products, International and Swine. The Company commenced business in 1935, was incorporated in Arkansas in 1947, and was reincorporated in Delaware in 1986.

Description

Originally, the Company was a producer and distributor of fresh chicken. The Company developed a strategy to reduce the impact of the commodity market of the fresh chicken business through value-enhancement. As the industry leader in value-enhanced chicken products, the Company utilizes national and regional advertising, special promotions and brand identification, and meets the varying demands of its customers through capital expenditures and strategic acquisitions. With further-processed chicken products, grain costs as a percentage of total product costs are reduced because of the value added to the products by cutting, deboning, cooking, packaging and/or freezing the chicken.

The Company's vertically-integrated chicken process begins with the grandparent breeder flocks. Breeder farms specialize in producing the generations of male and female strains, with the broiler being the final progeny. The breeder flocks are raised to maturity in grandparent growing and laying farms where fertile eggs are produced. The fertile eggs are incubated at the grandparent hatchery and produce male and female pullets (i.e., the parents). The pullets are sent to breeder houses, and the resulting eggs are sent to Company hatcheries. Once the chicks have hatched, they are sent to broiler farms. There, contract growers care for and raise the chicks according to Company standards and under the supervision of Company technical service personnel until the broilers have reached the desired processing weight. The adult chickens are caught and hauled to processing plants. The finished products are sent to distribution centers and then transported to customers. Vertically-integrated poultry companies operate their own feed mills to produce scientifically-formulated feeds. Corn and soybean meal are major production costs in the poultry industry, representing roughly 70-75% of the cost of growing a chicken. The Company processed approximately 7 billion pounds of consumer chicken during fiscal 2000.

The Company's chicken business consists of the Food Service, Consumer Products and International segments. Food Service provides a full range of products from raw to fully-cooked, marinated, breaded, glazed or portioned. Food Service products are sold across the country to restaurants, institutional, industrial and supermarket deli customers. This group is responsible for almost half the Company's total sales and is the cornerstone of Tyson's value-added strategy. By selling more value-added products, Tyson somewhat insulates itself from the price volatility of commodity poultry, better meets its customers' needs and positions itself for sales growth. Consumer Products is composed of retail, club store and military commissary divisions. Tyson sells to every national grocery store chain and every wholesale club chain in the United States and to every U.S. military commissary in the world. Retail customers purchase Tyson products for the at-home consumption market. These customers include national and regional grocery chains and grocery wholesalers. Club stores offer products aimed at the consumer willing to buy in larger quantities to realize cost savings and to foodservice operators who prefer to purchase in smaller quantities from a club store rather than from a distributor. The Company's International segment is focused on growing from an exporter of low-valued products to a market-oriented, globalized division, building value through long-term brand establishment and value-added products. Exported value-added products include breaded, fully-cooked chicken, prepared meals and product lines created for specific foodservice and retail customers. Commodity chicken products include dark meat segments such as drumsticks, thighs and items with low domestic value such as feet, wing tips and necks. The international division exported to 73 countries in fiscal 2000. Major markets include China, Hong Kong, Japan, Mexico, Puerto Rico and Russia.

The Company's farrow to finish swine operations, which include genetic and nutritional research, breeding, farrowing and feeder pig finishing and the marketing of live swine to regional and national packers, are conducted in Arkansas, Missouri, North Carolina and Oklahoma. The Company sold approximately 2 million head of feeder pigs and market weight live swine in fiscal 2000.

The Company's other groups include Mexican Original, Culinary Foods and Mallard's Food Products which produce flour and corn tortilla products and specialty pasta and meat dishes, for restaurants, airlines and other major customers. The Company's wholly owned subsidiary, Cobb-Vantress, supplies chicken breeding stock. The Company's World Resources subsidiary trades agricultural goods worldwide. Additionally, the Company's by-products operations convert inedible chicken by-products into high-grade pet food and animal feed ingredients.

Sources of Revenue

The following table sets forth the relative sources of the Company's sales by segment for the last three fiscal years.

	For Fiscal Year Ended		
	2000	1999	1998
Food Service(1)	\$3,312	\$3,354	\$3,329
Consumer Products(2)	2,250	2,252	2,074
International(3)	657	645	593
Swine(4)	157	110	160
Seafood(5)	-	189	214
Other (6)	782	813	1,044
Total	\$7,158	\$7,363	\$7,414

(1) Includes products such as chicken patties and nuggets, pre-cooked chicken, individually-quick-frozen chicken segments, pre-packaged and pre-priced chicken, Cornish game hens and other chicken products to which certain processes are added to enhance their value to the Company's customers. Also includes fresh and frozen chicken products sold without value enhancements. These products are sold through domestic foodservice, specialty and commodity distributors who deliver to restaurants, schools and other foodservice accounts. Food Service products are sold under the following brands and registered trademarks: Tyson, Honey Stung, Tyson's Pride, HoneyBest, Wing Stingers, W.W. Flyers, Signature Specialties, Flavor- Redi, Lady Aster, Quality Cuisine, Our Finest, Mexican Original and McCarty Foods.

(2) Includes products such as chicken patties and nuggets, pre-cooked chicken, individually-quick-frozen chicken segments, pre-packaged and pre-priced chicken, Cornish game hens and other chicken products to which certain processes are added to enhance their value to the Company's customers. Also includes fresh and frozen chicken products sold without value enhancements. These products are sold through domestic retail markets for at-home consumption and through wholesale club markets targeted to small foodservice operators, individuals and small businesses. Tyson, Weaver, Tyson Holly Farms, Mexican Original and Mallard's are registered trademarks under which the Company sells Consumer Products.

(3) Includes the complete line of chicken products, including leg quarters, sold throughout the world.

(4) Includes feeder pig finishing and marketing of live swine to regional and national packers.

(5) Includes surimi-based products as well as breaded and battered seafood, filets and crab. The seafood business was sold on July 17, 1999.

(6) Other includes Mexican Original, Culinary Foods, Mallard's Food Products, the Company's wholly owned Cobb-Vantress and World Resources subsidiaries, as well as the Company's turkey and egg products facilities which were sold on December 31, 1998.

Marketing and Distribution

The Company seeks to develop and increase the demand for and market share of a product or product line through concentrated national and local advertising and other promotional efforts. These coordinated activities stress the quality and value proposition of the products while supporting and building brand awareness. The Company's principal marketing strategy is to identify target markets for value-enhanced food products consisting primarily of chicken based food products. The Company identifies distinct markets and business opportunities through extensive consumer and market research. The Company concentrates production, sales and marketing efforts in order to appeal to and enhance the demand from those markets. The Company utilizes its national distribution system and customer support services to achieve a dominant market position for its products.

The Company's nationwide distribution system utilizes a network of food distributors which is supported by cold storage warehouses owned or leased by the Company, by public cold storage facilities and by the Company's transportation system. The Company ships products from two Company-owned consolidated frozen food distribution centers having a storage capacity of approximately 58 million pounds, from a network of public cold storages, from other owned or leased facilities or directly from plants. The Company has a total frozen storage capacity in excess of 142 million pounds, excluding public or outside cold storage. The Company's distribution centers facilitate accumulating frozen products so that it can fill and consolidate less-than-truckload orders into full truckloads, thereby decreasing shipping costs while increasing customer service. In addition, customers are provided with a selection of products that do not require large volume orders. The Company's distribution system enables it to supply large or small quantities of products to meet customer requirements anywhere in the continental United States.

The Company continues to believe that Asia offers potential in terms of developing processing facilities. The Company recently entered into a joint venture in China to further process U.S. produced meat. The Company's joint venture, to create a commercial feed and swine operation in the Philippines, called Fil-Am Foods, Inc., with Aboitiz Equity Ventures, Inc. and PM Nutrition Company, Inc., a subsidiary of Purina Mills, Inc., has been operational since 1999. Meanwhile, the Company's subsidiary in Mexico continues to grow rapidly under improving economic conditions. The Mexico subsidiary suffered from an outbreak of the Exotic Newcastle disease during the year, reducing its sales and profits. By year end the disease had been eradicated from the Company's facilities and production volumes had recovered to normal levels. The Company has entered into a technical service agreement with Grupo Melo in Panama to assist Grupo Melo with the production of further processed products and allowing them to license the Tyson brand. Additionally, Cobb-Vantress, Inc., a wholly-owned subsidiary, has entered into a joint venture agreement with a company to build a 180 thousand capacity breeder farm in China.

Raw Materials and Sources of Supply

The primary raw materials used by the Company in its chicken operations consist of feed ingredients, cooking ingredients, packaging materials and cryogenic agents. The Company believes that its sources of supply for these materials are adequate for its present needs and the Company does not anticipate any difficulty in acquiring these materials in the future. While the Company produces substantially all of its inventory of breeder chickens and live broilers, it has the capability to purchase live, ice-packed or deboned chicken to meet production requirements.

Patents and Trademarks

The Company has registered a number of trademarks relating to its products which either have been approved or are in the process of application. Because the Company does a significant amount of brand name and product line advertising to promote its products, it considers the protection of such trademarks to be important to its marketing efforts. The Company has also developed non-public proprietary information regarding its production processes and other product-related matters. The Company utilizes internal procedures and safeguards to protect the confidentiality of such information, and where appropriate, seeks patent protection for the technology it utilizes.

Seasonal Demand

The demand for the Company's products generally increases during the spring and summer months and generally decreases during the winter months. Because of the somewhat seasonal character of the Company's business, the Company may increase its finished product inventories during the winter months in anticipation of increased spring and summer demands.

Industry Practices

The Company's agreements with its customers are generally short-term, verbal agreements due primarily to the nature of its products, industry practice and the fluctuation in demand and price for such products.

Customer Relations

No single customer of the Company accounts for more than ten percent of the Company's consolidated revenues. However, two customers represent approximately 19% of the Food Service segment's sales, three customers represent approximately 49% of the Consumer Products segment's sales and two customers represent approximately 59% of Swine sales. The Company believes the loss of any single customer would not have a material adverse effect on the Company's business. Although any extended discontinuance of sales to any major customer could, if not replaced, have an impact on the Company's operations, the Company does not anticipate any such occurrences due to the demand for its products and its ability to obtain new customers.

Backlog of Orders

There is no significant backlog of unfilled orders for the Company's products.

Competition

The Company's food products compete with those of other national and regional food producers and processors and certain prepared food manufacturers. Additionally, the Company's food products compete in international markets around the world. The Company's principal marketing and competitive strategy is to identify target markets for value-enhanced products, to concentrate production, sales and marketing efforts in order to appeal to and enhance the demand from those markets and, utilizing its national distribution system and customer support services, to achieve a dominant market position for its products. Past efforts have indicated that customer demand generally can be increased and sustained through application of the Company's marketing strategy, as supported by its distribution system.

Research and Development

The Company conducts continuous research and development activities to improve the strains of primary chicken breeding stock, the genetic qualities of swine, and finished product development. Additionally, a separate staff of research and development personnel is maintained to develop and provide for product needs. The annual cost of such research and development programs is less than one percent of total consolidated annual sales.

Regulation

The Company's facilities for processing chicken and for housing live chicken and swine are subject to a variety of federal, state and local laws relating to the protection of the environment, including provisions relating to the discharge of materials into the environment, and to the health and safety of its employees. The Company's chicken and Mexican Original processing and distribution facilities are also subject to extensive inspection and regulation by the United States Department of Agriculture. Additionally, the Company's chicken processing facilities are participants in the government's pilot Hazardous Analysis Critical Control Point (HACCP) program. The cost of compliance with such laws and regulations has not had a material adverse effect upon the Company's capital expenditures, earnings or competitive position and it is not anticipated to have a material adverse effect in the future.

Employees and Labor Relations

As of September 30, 2000, the Company employed approximately 68,000 persons. The Company believes that its relations with its workforce are good.

Set forth below is a listing of the Company facilities which have employees subject to a collective bargaining agreement together with the name of the union party to the collective bargaining agreement, the number of employees at the facility subject thereto and the expiration date of the collective bargaining agreement currently in effect.

Location	Union	No. of People	Expiration Date
-----	-----	-----	-----
Albertville, AL	UFCW	750	December 31, 2001
Ashland, AL	UFCW	775	February 24, 2002
Berlin, MD	UFCW	250	December 21, 2001
Berlin, MD	Teamsters	250	December 16, 2001
Buena Vista, GA	RWDSU	1,225	November 1, 2003
Carthage, TX	UFCW	700	November 8, 2003
Center, TX	UFCW	1,000	February 1, 2003
Chicago, IL	Truck Drivers	900	October 6, 2001
Cleveland, MS	RWDSU	450	February 22, 2004
Corydon, IN	UFCW	400	January 26, 2002
Corydon, IN	Steelworkers	50	October 12, 2002
Dardanelle, AR	UFCW	1,075	November 3, 2001
Gadsden/Blountsville, AL	Teamsters	25	March 31, 2001
Gadsden, AL	RWDSU	1,000	November 8, 2001
Glen Allen, VA	UFCW	975	November 1, 2001
Robards, KY	UFCW	800	April 21, 2001
Hope, AR	UFCW	1,350	March 2, 2003
Jackson, MS	UFCW	775	December 28, 2002
Jacksonville, FL	Teamsters	750	December 31, 2002
Noel, MO	UFCW	1,425	December 2, 2002
Pine Bluff, AR	UFCW	300	October 12, 2002
Shelbyville, TN	RWDSU	975	November 15, 2002
Shelbyville, TN	Teamsters	25	August 4, 2001
Wilkesboro, NC	Teamsters	50	November 4, 2001
Wilkesboro, NC	Teamsters	75	November 4, 2001
Wilkesboro, NC	Teamsters	100	November 4, 2001

UFCW - United Food and Commercial Workers Union RWDSU - Retail, Wholesale, Department Store Union

The Company has not experienced any strike or work stoppage which had a material impact on operations.

CAUTIONARY STATEMENTS RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

The Company and its representatives from time to time make written or oral forward-looking statements with respect to their current views and estimates of future economic circumstances, industry conditions, company performance and financial results. These forward-looking statements are subject to a number of factors and uncertainties which could cause the Company's actual results and experiences to differ materially from the anticipated results and expectations expressed in such forward-looking statements. The Company wishes to caution readers not to place undue reliance on any forward-looking statements, which speak only as of the date made.

Among the factors that may affect the operating results of the Company are the following: (i) fluctuations in the cost and availability of raw materials, such as feed grain costs; (ii) changes in the availability and relative costs of labor and contract growers; (iii) market conditions for finished products, including the supply and pricing of alternative proteins; (iv) effectiveness of advertising and marketing programs; (v) the ability of the Company to make effective acquisitions and to successfully integrate newly acquired businesses into existing operations; (vi) risks associated with leverage, including cost increases due to rising interest rates; (vii) risks associated with effectively evaluating derivatives and hedging activities (viii) changes in regulations and laws, including changes in accounting standards, environmental laws, occupational, health and safety laws; (ix) adverse results from on-going litigation; (x) access to foreign markets together with foreign economic conditions, including currency fluctuations; and (xi) the effect of, or changes in, general economic conditions.

ITEM 2. PROPERTIES

The Company currently has production and distribution operations in the following states: Alabama, Arkansas, California, Florida, Georgia, Illinois, Indiana, Kentucky, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, Pennsylvania, Tennessee, Texas and Virginia. Additionally, the Company, either directly or through its subsidiaries, has facilities in or participates in joint venture operations in Argentina, Brazil, China, Denmark, Indonesia, Japan, Korea, Malaysia, Mexico, the Philippines, Puerto Rico, Russia, Spain, the United Kingdom and Venezuela.

The principal chicken operations of the Company consist of 61 processing plants. These plants are devoted to various phases of slaughtering, dressing, cutting, packaging, deboning or further-processing. The total slaughter capacity is approximately 49 million head per week.

To support the above facilities the Company operates 38 feed mills and 77 broiler hatcheries with sufficient capacity to meet the needs of the chicken growout operations. In addition, the Company owns chicken cold storage facilities with a capacity of approximately 142 million pounds.

The Company's swine operations consist of 176 swine farrowing and nursery units and 554 swine finishing units. These swine growout operations are supported by 3 dedicated feed mills supplemented by the production from the chicken operations' feed mills. In addition, the Company operates a grain drying and 2 storage facilities in support of its swine feed mill operations.

The Company's other operations consist of 8 processing plants supported by 5 additional freezer storage facilities. Additionally, other operations include 12 rendering plants with the capacity to produce 28 million pounds of animal protein products per week supported by 3 freezer facilities. The Company also has 18 ground pet food processing operations in connection with chicken processing plants capable of producing 8 million pounds of product per week, as well as 2 blending mill operations.

The Company owns its major operating facilities with the following exceptions: 2 chicken primary processing plants are leased until 2003, 1 chicken emulsified plant is leased month to month, 1 distribution center is leased until 2003 and 1 distribution center is leased year to year, 2 feedmills and 2 hatcheries are leased until 2003, 386 breeder farm houses are leased under agreements expiring at various dates through 2003 and four breeder farm houses are leased month to month, 82 swine farrowing and nursery units and 269 swine finishing units are leased under one to ten year renewable lease agreements, with the majority expiring in 2002.

Management believes that the Company's present facilities are generally adequate and suitable for its current purposes. In general, the Company's facilities are fully utilized. However, seasonal fluctuations in inventories and production may occur as a reaction to market demands for certain products. The Company regularly engages in construction and other capital improvement projects intended to expand capacity and improve the efficiency of its processing and support facilities.

ITEM 3. LEGAL PROCEEDINGS

On June 22, 1999, 11 current and former employees of the Company filed the case of M.H. Fox, et al. v. Tyson Foods, Inc. (Fox v. Tyson) in the U.S. District Court for the Northern District of Alabama claiming the Company violated requirements of the Fair Labor Standards Act. The suit alleges the Company failed to pay employees for all hours worked and/or improperly paid them for overtime hours. The suit generally alleges that

- (i) employees should be paid for time taken to put on and take off certain working supplies at the beginning and end of their shifts and breaks and
- (ii) the use of "mastercard" or "line" time fails to pay employees for all time actually worked. Plaintiffs seek to represent themselves and all similarly situated current and former employees of the Company. At filing 159 current and/or former employees consented to join the lawsuit and, to date, approximately 4,900 consents have been filed with the court. Discovery in this case is ongoing. A hearing was held on March 6, 2000, to consider the plaintiff's request for collective action certification and court-supervised notice. No decision has been rendered. The Company believes it has substantial defenses to the claims made and intends to vigorously defend the case; however, neither the likelihood of unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

Substantially similar suits have been filed against other integrated poultry companies. In addition, organizing activity conducted by representatives or affiliates of the United Food and Commercial Workers Union against the poultry industry has encouraged worker participation in Fox v Tyson and the other lawsuits.

On February 9, 2000, the Wage and Hour Division of the U.S. Department of Labor (DOL) began an industry-wide investigation of poultry producers, including the Company, to ascertain compliance with various wage and hour issues. As part of this investigation, the DOL inspected 14 of the Company's processing facilities. The Company has begun preliminary discussions with the DOL regarding its investigation to discuss a resolution of potential claims that might be asserted by the DOL.

The Company has been advised of an investigation by the Immigration and Naturalization Service (INS) and the U.S. Attorney's Office for the Eastern District of Tennessee into possible violations of the Immigration and Naturalization Act at several of the Company's locations. On October 5, 2000, the Company was advised that, in addition to a number of its employees, the Company itself is a subject of the investigation. The outcome of the investigation and any potential liability on the part of the Company cannot be determined at this time.

On January 20, 2000, McCarty Farms, Inc. (McCarty), a former subsidiary of the Company which has been merged into the Company, was indicted in the U.S. District Court for the Southern District of Mississippi, Jackson Division, for conspiracy to violate the federal Clean Water Act. The alleged conspiracy arose out of McCarty's partial ownership of Central Industries, Inc. (Central), which operates a rendering plant in Forest, Miss. On November 3, 2000, Central pled to 25 counts of knowing violations of the Act and one count of conspiracy pursuant to a plea agreement, which resulted in a \$14 million fine against Central payable over five years. The conspiracy indictment against McCarty and other Central shareholders was dismissed. A related civil proceeding by the United States arising from the same circumstances, and a state environmental administrative complaint were also fully resolved and dismissed as a part of Central's Plea Agreement.

The Company's Sedalia, Mo., facility is currently under investigation by the U.S. Attorney's office of the Western District of Missouri for possible violations of environmental laws or regulations. Neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this investigation can be determined at this time.

On October 17, 2000, a Washington County (Arkansas) Chancery Court jury awarded the Company approximately \$20 million in its lawsuit against ConAgra, Inc. and ConAgra Poultry Company. In its suit, the Company alleged that ConAgra, Inc. and ConAgra Poultry Company violated the Arkansas Trade Secrets Act when they improperly obtained and implemented Tyson's confidential feed nutrient profile. On December 4, 2000, as a result of an Arkansas Supreme Court opinion issued subsequent to the Chancery Court's October ruling, the Chancery Court reversed the \$20 million judgement and dismissed the case with prejudice. The Company plans to appeal the Chancery Court's decision.

Additionally, the Company is involved in various lawsuits and claims made by third parties on an ongoing basis as a result of its day-to-day operations. Although the outcome of such items cannot be determined with certainty, the Company's general counsel and management are of the opinion that the final outcome should not have a material effect on the Company's results of operations or financial position.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

Executive Officers of the Company

Officers of the Company serve one year terms from the date of their election, or until their successors are appointed and qualified. The name, title, age and year of initial election to executive office of the Company's executive officers are listed below:

Name ----	Title -----	Age ---	Year Elected -----
Don Tyson	Senior Chairman of the Board of Directors	70	1963
John H. Tyson	Chairman of the Board of Directors, President and Chief Executive Officer	47	1984
Greg Lee	Chief Operating Officer	53	1993
Mike Baker	President, Production Services	45	1999
Wayne Butler	President, Prepared Foods Group	46	1999
Greg Huett	President, International Group	39	2000
William W. Lovette	President, Food Service Group	40	1999
Les Baledge	Executive Vice President and General Counsel	43	1999
John D. Copeland	Executive Vice President, Ethics and Environmental Compliance	50	1999
Steven Hankins	Executive Vice President and Chief Financial Officer	42	1997
Carl G. Johnson	Executive Vice President, Administrative Services	47	1999
John S. Lea	Executive Vice President and Chief Marketing Officer	47	1999
Donnie Smith	Executive Vice President, Supply Chain Management	41	1999
Dennis Leatherby	Senior Vice President, Finance and Treasurer	40	1990
David L. Van Bebber	Senior Vice President, Legal Services	44	1990
Rodney S. Pless	Vice President, Controller and Chief Accounting Officer	39	2000
R. Read Hudson	Secretary and Corporate Counsel	42	1998

Louis C. Gottsponer, Jr. Assistant Secretary and 36 1998 Director of Investor Relations

John H. Tyson is the son of Don Tyson. No other family relationships exist among the above officers. Mr. Don Tyson was appointed Senior Chairman of the Board of Directors in 1995. Mr. John H. Tyson was appointed President and Chief Executive Officer in 2000 and Chairman of the Board of Directors in 1998 after serving as Vice Chairman of the Board of Directors since 1997 and President, Beef and Pork Division since 1993. Mr. Lee was appointed Chief Operating Officer in 1999 after serving as President of the Foodservice Group since 1998 and Executive Vice President, Sales, Marketing and Technical Services since 1995. Mr. Baker was appointed President, Production Services in 1999 after serving as Division Vice President since 1995. Mr. Butler was appointed President, Prepared Foods Group in 1998 after serving as President, Mexican Original since 1997 and Complex Manager since 1994. Mr. Huett was appointed President, International Group in 2000 after serving as Senior Vice President and General Manager, Club Stores since 1999, Vice President, Sales and Marketing, Wholesale Clubs since 1996 and Director, General Mexico Business Unit since 1994. Mr. Lovette was appointed President, Food Service Group in 2000 after serving as President, International Group since 1999 and Vice President, Operations since 1995. Mr. Baledge was appointed Executive Vice President and General Counsel in 2000 after serving as Executive Vice President and Associate General Counsel since 1999 upon joining Tyson. Prior to joining Tyson, Mr. Baledge was of counsel to the law firm of Kutak Rock LLP and a partner with the Rose Law Firm. Mr. Copeland was appointed Executive Vice President, Ethics and Environmental Compliance in 1999 after serving as Director of Corporate Ethics and Compliance since 1998. Mr. Hankins was appointed Executive Vice President and Chief Financial Officer in 1998 after serving as Senior Vice President, Financial Planning and Shared Services since 1997 and Vice President, Management Information Systems since 1993. Mr. Johnson was appointed Executive Vice President, Administrative Services in 1999 after serving as Vice President, Assets and Risk Management since 1994. Mr. Lea was appointed Executive Vice President and Chief Marketing Officer in 1999 after serving as Vice President, Retail Sales and Marketing since 1995. Mr. Smith was appointed Executive Vice President, Supply Chain Management in 1999 after serving as Vice President, Purchasing since 1995. Mr. Leatherby was appointed Senior Vice President, Finance and Treasurer in 1998 after serving as Vice President and Treasurer since 1997 and Treasurer since 1994. Mr. Van Bebber was appointed Senior Vice President, Legal Services in 2000 after serving as Vice President and Director of Legal Services since 1998 and Assistant Secretary since 1990. Mr. Pless was appointed Vice President, Controller and Chief Accounting Officer in 2000 upon joining Tyson. Prior to joining Tyson, Mr. Pless was Vice President, Controller and Chief Accounting Officer for TransMontaigne. Mr. Hudson was appointed Secretary and Corporate Counsel in 1998 after serving as Corporate Counsel since 1992. Mr. Gottsponer was appointed Assistant Secretary and Director of Investor Relations in 1998 after serving as Corporate Finance Manager since 1996 and Cash Manager since 1993.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company currently has issued and outstanding two classes of capital stock, Class A Common Stock (the "Class A Stock") and Class B Common Stock (the "Class B Stock"). Information regarding the voting rights and dividend restrictions are set forth on page 34 of the Annual Report under the caption "Capital Stock," which information is incorporated herein by reference.

On September 30, 2000, there were approximately 36,079 holders of record of the Company's Class A Stock and 17 holders of record of the Company's Class B Stock, excluding holders in the security position listings held by nominees. The Class A Stock is traded on the New York Stock Exchange under the symbol "TSN." No public trading market currently exists for the Class B Stock. Information regarding the high and low closing prices of the Class A Stock is set forth on pages 48 and 51 of the Annual Report under the captions "Eleven-Year Financial Summary" and "Closing Price of Company's Common Stock," which information is incorporated herein by reference.

The Company has paid uninterrupted quarterly dividends on its common stock each year since 1977. The annual dividend rate for Class A Stock is \$0.16 per share and the annual dividend rate for Class B Stock is \$0.144 per share.

ITEM 6. SELECTED FINANCIAL DATA

See the information reflected under the caption "Eleven-Year Financial Summary" on page 48 of the Annual Report, which information is incorporated herein by reference.

ITEM 7. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

See the information reflected under the caption "Management's Discussion and Analysis" on pages 20 through 28 of the Annual Report, which information is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISKS

See the information reflected under the caption "Market Risk" on pages 25 through 27 of the Annual Report, which information is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See the information on pages 29 through 45 and 47 of the Annual Report under the caption "Consolidated Statements of Income," "Consolidated Balance Sheets," "Consolidated Statements of Shareholders' Equity," "Consolidated Statements of Cash Flows," "Notes to Consolidated Financial Statements" and "Report of Independent Auditors," which information is incorporated herein by reference. Other financial information is filed under Item 14 of Part IV of this report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

See information set forth under the captions "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting" in the Proxy Statement, which information is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

Pursuant to general instruction G(3) of the instructions to Annual Report on Form 10-K, certain information concerning the Company's executive officers is included under the caption "Executive Officers of the Company" in Part I of this Report. See the information set forth under the captions "Executive Compensation and Other Information" and "Report of Compensation Committee" in the Proxy Statement, which information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

See the information included under the captions "Principal Shareholders" and "Security Ownership of Management" in the Proxy Statement, which information is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

See the information included under the caption "Certain Transactions" in the Proxy Statement, which information is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS, SCHEDULES, AND REPORTS ON FORM 8-K

(a) The following documents are filed as a part of this report:

1. The following consolidated financial statements of the registrant included on pages 29 through 45 in the Company's Annual Report for the fiscal year ended September 30, 2000, and the Report of Independent Auditors, on page 47 of such Annual Report are incorporated herein by reference. Page references set forth in the index below are to page numbers in

Exhibit 13 of this Form 10-K.	Pages -----
Consolidated Statements of Income for the three years ended September 30, 2000	58
Consolidated Balance Sheets at September 30, 2000 and October 2, 1999	59
Consolidated Statements of Shareholders' Equity for the three years ended September 30, 2000	60-61
Consolidated Statements of Cash Flows for the three years ended September 30, 2000	62
Notes to Consolidated Financial Statements	63-78
Report of Independent Auditors	80

2. The following additional information for the years 2000, 1999 and 1998 is submitted herewith. Page references are to the consecutively numbered pages of this Report on Form 10-K:

	Pages -----
Report of Independent Auditors	28
Schedule II Valuation and Qualifying Accounts for the three years ended September 30, 2000	29

All other schedules are omitted because they are neither applicable nor required.

3. The exhibits filed with this report are listed in the Exhibit Index at the end of this Item 14.

4. The Company did not file any current reports on Form 8-K during the quarter ended September 30, 2000.

EXHIBIT INDEX

The following exhibits are filed with this report or are incorporated by reference to previously filed material. Page references are to the cover page preceding each attached Exhibit.

Exhibit No. -----	Pages -----
3.1	Restated Certificate of Incorporation of the Company (previously filed as Exhibit 3.1 to the Company's Annual Report on Form 10-K for the fiscal year ended October 3, 1998, Commission File No. 0-3400, and incorporated herein by reference).
3.2	Second Amended and Restated Bylaws of the Company (previously filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended January 1, 2000, Commission File No. 0-3400, and incorporated herein by reference).
4.1	Form of Indenture between the Company and The Chase Manhattan Bank, N.A., as Trustee relating to the issuance of Debt Securities (previously filed as Exhibit 4 to Amendment No. 1 to Registration Statement on Form S-3, filed with the Commission on May 8, 1995, Registration No. 33-58177, and incorporated herein by reference).
4.2	Form of 6.75% \$150 million Note due June 1, 2005 (previously filed as Exhibit 4(b) to the Company's Quarterly Report on Form 10-Q for the period ended July 1, 1995, Commission File No. 0-3400, and incorporated herein by reference).
4.3	Form of Fixed Rate Medium-Term Note (previously filed as Exhibit 4.2 to the Company's Current Report on Form 8-K, filed with the Commission on July 20, 1995, Commission File No. 0-3400, and incorporated herein by reference).
4.4	Form of Floating Rate Medium-Term Note (previously filed as Exhibit 4.3 to the Company's Current Report
	on Form 8-K, filed with the Commission on July 20, 1995, Commission File No. 0-3400, and incorporated herein by reference).
4.5	Form of Calculation Agent Agreement (previously filed as Exhibit 4.4 to the Company's Current Report on Form 8-K, filed with the Commission on July 20, 1995, Commission File No. 0-3400, and incorporated herein by reference).

4.6 Amended and Restated Note Purchase Agreement, dated June 30, 1993, by and between the Company and various Purchasers as listed in the Purchaser Schedule attached to said agreement, together with the following documents:

(a) Form of Series A Note

(b) Form of Series D Note

(previously filed as Exhibit 4(a) to the Company's Quarterly Report on Form 10-Q for the period ended July 3, 1993, Commission File No. 0-3400, and incorporated herein by reference).

4.7 Amendment Agreement, dated November 1, 1994, to Amended and Restated Note Purchase Agreements, dated June 30, 1993, by and between the Company and various Purchasers as listed in the Purchaser Schedule attached to said agreement (previously filed as Exhibit 10(a) to the Company's Quarterly Report on Form 10-Q for the period ended December 31, 1994,

Commission File No. 0-3400, and incorporated herein by reference).

4.8 Second Amendment Agreement, dated as of June 29, 1996, to Amended and Restated Note Purchase Agreements, dated June 30, 1993, by and between the Company and various Purchasers as listed in the Purchaser Schedule

attached to said agreement (previously filed as Exhibit 4.8 to the Company's Annual Report on Form 10-K for the fiscal year ended September 28, 1996, Commission File No. 0-3400, and incorporated herein by reference).

4.9 Amended and Restated Note Agreement, dated June 30, 1993, by and between the Company and various Purchasers as listed in the Purchaser Schedule attached to said agreement, together with the following related documents:

(a) Form of Series E Note

(b) Form of Series F Note

(c) Form of Series G Note

(previously filed as Exhibit 4(b) to the Company's Quarterly Report on Form 10-Q for the period ended July 3, 1993, Commission File No. 0-3400, and incorporated herein by reference).

4.10 Amendment Agreement, dated November 1, 1994, to Amended and Restated Note Agreement, dated June 30, 1993, by and between the Company and various Purchasers as listed in the Purchaser Schedule attached to said agreement (previously filed as Exhibit 10(b) to the Company's Quarterly Report on Form 10-Q for the period ended December 31, 1994, Commission File No. 0-3400, and incorporated herein by reference).

4.11 Second Amendment Agreement, dated as of June 29, 1996, to Amended and Restated Note Agreement, dated June 30, 1993, by and between the Company and Purchasers as listed in the Purchaser Schedule attached to said agreement (previously filed as Exhibit 4.11 to the Company's Annual Report on Form 10-K for the fiscal year ended September 28, 1996, Commission File No. 0-3400, and incorporated herein by reference).

4.12 Form of 7.0% \$200 million Note due May 1, 2018 (previously filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 28, 1998, Commission File No. 0-3400, and incorporated herein by reference).

4.13 Form of 7.0% \$40 million Note due May 1, 2018 (previously filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the period ended March 28, 1998, Commission File No. 0-3400, and incorporated herein by reference).

10.1 Fourth Amended and Restated Credit Agreement, including all exhibits thereto, dated as of May 26, 1995, by and among the Company, as Borrower, The Chase Manhattan Bank N.A., Chemical Bank, Cooperative Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), Morgan Guaranty Trust Company of New York, National Westminster Bank Plc, Nationsbank of Texas, N.A., and Societe Generale, as Co-Agents, and Bank of America National Trust and Savings Association, as Agent (previously filed as Exhibit 4(f) to the Company's Quarterly Report on Form 10-Q for the period ended July 1, 1995, Commission File No. 0-3400, and incorporated herein by reference).

10.2 Amendment No. 1 to Fourth Amended and Restated Credit Agreement, dated as of May 24, 1996, by and among the Company, as Borrower, the banks party thereto, The Chase Manhattan Bank, N.A., Chemical Bank, Cooperative Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), Morgan Guaranty Trust Company of New York, National Westminster Bank Plc, Nationsbank of Texas, N.A., and Societe Generale as Co-Agents and Bank of America National Trust and Savings Association, as

Agent (previously filed as Exhibit 4(b) to the Company's Form 10-Q for the quarter ended June 29, 1996, Commission File No. 0-3400, and incorporated herein by reference).

10.3 Amendment No. 2 to Fourth Amended and Restated Credit Agreement, dated as of May 23, 1997, by and among the Company, as Borrower, the banks party thereto, The Chase Manhattan Bank, N.A., Chemical Bank, Cooperative Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), Morgan Guaranty Trust Company of New York, National Westminster Bank Plc, Nationsbank of Texas, N.A., and Societe Generale as Co-Agents and Bank of America National Trust and Savings Association, as

Agent (previously filed as Exhibit 4(b) to the Company's Form 10-Q for the quarter ended June 28, 1997, Commission File No. 0-3400, and incorporated herein by reference).

10.4 Issuing and Paying Agency Agreement dated July 1, 1993, between the Company and Morgan Guaranty Trust Company of New York, (previously filed as Exhibit 10(d) to the Company's Quarterly Report on Form 10-Q for the period ended July 3, 1993, Commission File No. 0-3400, and incorporated herein by reference).

10.5 Commercial Paper Dealer Agreement dated July 1, 1993, between the Company and Merrill Lynch Money Markets, Inc. (previously filed as Exhibit 10(e) to the Company's Quarterly Report on Form 10-Q for the period ended July 3, 1993, Commission File No. 0-3400, and incorporated herein by reference).

10.6 Commercial Paper Dealer Agreement dated July 1, 1993, between the Company and the First Boston Corporation (previously filed as Exhibit 10(g) to the Company's Quarterly Report on Form 10-Q for the period ended July 3, 1993, Commission File No. 0-3400, and incorporated herein by reference).

10.7 Commercial Paper Dealer Agreement dated July 1, 1993, between the Company and J.P. Morgan Securities, Inc. (previously filed as Exhibit 10(h) to the Company's Quarterly Report on Form 10-Q for the period ended July 3, 1993, Commission File No. 0-3400, and incorporated herein by reference).

- 10.8 Commercial Paper Dealer Agreement dated July 1, 1993, between the Company and Bank of America National Trust and Savings Association (previously filed as Exhibit 10(i) to the Company's Quarterly Report on Form 10-Q for the period ended July 3, 1993, Commission File No. 0-3400, and incorporated herein by reference).
- 10.9 Commercial Paper Dealer Agreement dated September 1, 1994, between the Company and Chase Securities, Inc. (previously filed as Exhibit 10(j) to the Company's Annual Report on Form 10-K for the fiscal year ended October 1, 1994, Commission File No. 0-3400, and incorporated herein by reference).
- 10.10 Tyson Foods, Inc. Senior Executive Performance Bonus Plan adopted November 18, 1994 (previously filed as

Exhibit 10(k) to the Company's Annual Report on Form 10-K for the fiscal year ended October 1, 1994, Commission File No. 0-3400, and incorporated herein by reference).

10.11 Tyson Foods, Inc. Restricted Stock Bonus Plan, effective August 21, 1989, as amended and restated on April 15, 1994; and Amendment to Restricted Stock Bonus Plan effective November 18, 1994 (previously filed as Exhibit 10(l) to the Company's Annual Report on Form 10-K for the fiscal year ended October 1, 1994, Commission File No. 0-3400, and incorporated herein by reference).

10.12 Tyson Foods, Inc. Amended and Restated Employee Stock Purchase Plan, dated as of December 13, 1999 (previously filed as Exhibit 10.12 to the Company's Form 10-K for the fiscal year ended October 2, 1999,

Commission File No. 0-3400, and incorporated herein by reference).

- 10.13 Second Amended and Restated Employment Agreement dated August 1, 1997, between the Company and Don Tyson, Senior Chairman of the Board of Directors of the Company (previously filed as Exhibit 10.21 to the Company's Form 10-K for the fiscal year ended September 27, 1997, Commission File No. 0-3400, and incorporated herein by reference).
- 10.14 Amended and Restated Retirement Savings Plan of Tyson Foods, Inc., qualified under Section 401(k) of the Internal Revenue Code of 1986, dated as of December 13, 1999, (previously filed as Exhibit 10.14 to the Company's Form 10-K for the fiscal year ended October 2, 1999, Commission File No. 0-3400, and incorporated herein by reference).

10.15	Amended and Restated Executive Savings Plan of Tyson Foods, Inc. effective October 1, 1997, and First Amendment to the Amended and Restated Executive Savings Plan of Tyson Foods, Inc. effective December 31, 1998 (previously filed as exhibit 10.15 to the Company's Form 10-K for the fiscal year ended October 2, 1999, Commission File No. 0-3400, and incorporated herein by reference).	
10.16	Tyson Foods, Inc. Non-statutory Stock Option Plan of 1982, as amended and restated on November 18, 1994, (previously filed as Exhibit 99 to the Company's Registration Statement of Form S-8 filed with the Commission on January 30, 1995, Commission File No. 33-54716, and incorporated herein by reference).	
10.17	Form of Indemnity Agreement between Tyson Foods, Inc. and its directors and certain of its executive officers (previously filed as Exhibit 10(t) to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1995, Commission File No. 0-3400, and incorporated herein by reference).	
10.18	Senior Executive Employment Agreement dated April 12, 2000 between the Company and Wayne Britt (previously filed as Exhibit 10 to the Company's Quarterly Report on Form 10-Q for the period ended April 1, 2000, Commission File No. 0-3400, and incorporated herein by reference).	
10.19	Tyson Foods, Inc. 2000 Stock Incentive Plan dated August 11, 2000.	30-45
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SIGNATURES

Pursuant to requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TYSON FOODS, INC.

By /s/ Steven Hankins December 8, 2000

Steven Hankins
Executive Vice President
and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

<i>/s/ Barbara Allen</i> ----- <i>Barbara Allen</i>	<i>Director</i>	<i>December 8, 2000</i>
<i>/s/ Neely Cassady</i> ----- <i>Neely Cassady</i>	<i>Director</i>	<i>December 8, 2000</i>
<i>/s/ Lloyd V. Hackley</i> ----- <i>Lloyd V. Hackley</i>	<i>Director</i>	<i>December 8, 2000</i>
<i>/s/ Steven Hankins</i> ----- <i>Steven Hankins</i>	<i>Executive Vice President and Chief Financial Officer</i>	<i>December 8, 2000</i>
<i>/s/ Gerald Johnston</i> ----- <i>Gerald Johnston</i>	<i>Director</i>	<i>December 8, 2000</i>
<i>/s/ David Jones</i> ----- <i>David Jones</i>	<i>Director</i>	<i>December 8, 2000</i>
<i>/s/ Jim Kever</i> ----- <i>Jim Kever</i>	<i>Director</i>	<i>December 8, 2000</i>
<i>/s/ Shelby D. Massey</i> ----- <i>Shelby D. Massey</i>	<i>Director</i>	<i>December 8, 2000</i>
<i>/s/ Rodney S. Pless</i> ----- <i>Rodney S. Pless</i>	<i>Vice President, Controller and Chief Accounting Officer</i>	<i>December 8, 2000</i>
<i>/s/ Joe F. Starr</i> ----- <i>Joe F. Starr</i>	<i>Director</i>	<i>December 8, 2000</i>
<i>/s/ Leland E. Tollett</i> ----- <i>Leland E. Tollett</i>	<i>Director</i>	<i>December 8, 2000</i>
<i>/s/ Barbara Tyson</i> ----- <i>Barbara Tyson</i>	<i>Vice President and Director</i>	<i>December 8, 2000</i>
<i>/s/ Don Tyson</i> ----- <i>Don Tyson</i>	<i>Senior Chairman of the Board of Directors</i>	<i>December 8, 2000</i>

/s/ John H. Tyson

John H. Tyson

*Chairman of the
Board of Directors,
President and
Chief Executive Officer*

December 8, 2000

/s/ Fred S. Vorsanger

Fred S. Vorsanger

Director

December 8, 2000

/s/ Donald E. Wray

Donald E. Wray

Director

December 8, 2000

REPORT OF INDEPENDENT AUDITORS

We have audited the consolidated financial statements of Tyson Foods, Inc. as of September 30, 2000 and October 2, 1999, and for each of the three years in the period ended September 30, 2000, and have issued our report thereon dated November 13, 2000. Our audits also included the financial statement schedule listed in Item 14(a) in this annual report (Form 10-K). This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits.

In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

Little Rock, Arkansas
November 13, 2000

/s/ERNST & YOUNG LLP

ERNST & YOUNG LLP

FINANCIAL STATEMENT SCHEDULE

TYSON FOODS, INC.
SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS
Three Years Ended September 30, 2000

(Dollars in Millions)

Balance at Charged to Charged Balance Beginning Costs and to Other Additions at End Description of Period Expenses Accounts (Deductions)
of Period

Allowance for
Doubtful Accounts

2000 \$22 \$25(1) 0 \$(30)(1) \$17

1999 \$85 \$16(2) 0 \$(79)(3) \$22

1998 \$4 \$2 0 \$79 (4) \$85

- (1) Includes \$24 million reserve related to the January 31, 2000, bankruptcy filing by AmeriServe Food Distribution, Inc.
- (2) Includes \$12 million reserve for international operations.
- (3) Write off of receivables against reserve related to 1998 allowance.
- (4) Includes \$48 million reserve for international currency devaluation.

TYSON FOODS, INC.
2000 STOCK INCENTIVE PLAN

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TYSON FOODS, INC.
2000 STOCK INCENTIVE PLAN

SECTION 1 - DEFINITIONS

1.1 Definitions. Whenever used herein, the masculine pronoun will be deemed to include the feminine, and the singular to include the plural, unless the context clearly indicates otherwise, and the following capitalized words and phrases are used herein with the meaning thereafter ascribed:

(a) "Affiliate" means (i) any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if, at the time of granting of the Option, each of the corporations (other than the Company) owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain, or (ii) any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of granting of the Option, each of the corporations, other than the last corporation in the unbroken chain, owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(b) "Board of Directors" means the board of directors of the Company.

(c) "Change in Control" means any one of the following events which may occur after the date hereof:

(1) the acquisition by any individual, entity or "group," within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act (a "Person"), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of voting securities of the Company where such acquisition causes any such Person to own twenty-five percent (25%) or more of the combined voting power of the then outstanding voting securities then entitled to vote generally in the election of directors (the "Outstanding Voting Securities"); provided, however, that for purposes of this Section, the following shall not be deemed to result in a Change in Control, (i) any acquisition directly from the Company, unless such a Person subsequently acquires additional shares of Outstanding Voting Securities other than from the Company, in which case any such subsequent acquisition shall be deemed to be a Change in Control; or (ii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company;

(2) a merger, consolidation, share exchange, combination, reorganization or like transaction involving the Company in which the stockholders of the Company immediately prior to such transaction do not own at least fifty percent (50%) of the value or voting power of the issued and outstanding capital stock of the Company or its successor immediately after such transaction;

(3) the sale or transfer (other than as security for the Company's obligations) of more than fifty percent (50%) of the assets of the Company in any one transaction or a series of related transactions occurring within a one (1) year period in which the Company, any corporation controlled by the Company or the stockholders of the Company immediately prior to the transaction do not own at least fifty percent (50%) of the value or voting power of the issued and outstanding equity securities of the acquiror immediately after the transaction;

(4) the sale or transfer of more than fifty percent (50%) of the value or voting power of the issued and outstanding capital stock of the Company by the holders thereof in any one transaction or a series of related transactions occurring within a one (1) year period in which the Company, any corporation controlled by the Company or the stockholders of the Company immediately prior to the transaction do not own at least fifty percent (50%) of the value or voting power of the issued and outstanding equity securities of the acquiror immediately after the transaction;

(5) within any twelve-month period the persons who were directors of the Company immediately before the beginning of such twelve-month period (the "Incumbent Directors") shall cease to constitute at least a majority of the Board of Directors; provided that no director whose initial assumption of office is in connection with an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) relating to the election of directors of the Company shall be deemed to be an Incumbent Director; or

(6) the dissolution or liquidation of the Company.

(d) "Code" means the Internal Revenue Code of 1986, as amended.

(e) "Committee" means the committee appointed by the Board of Directors to administer the Plan. The Board of Directors shall consider the advisability of whether the members of the Committee shall consist solely of at least two members of the Board of Directors who are both "outside directors" as defined in Treas. Reg. 1.162-27(e) as promulgated by the Internal Revenue Service and "non-employee directors" as defined in Rule 16b-3(b)(3) as promulgated under the Exchange Act.

(f) "Company" means Tyson Foods, Inc., a Delaware corporation.

(g) "Disability" has the same meaning as provided in the long-term disability plan or policy maintained or, if applicable, most recently maintained, by the Company or, if applicable, any Affiliate of the Company for the Participant. If no long-term disability plan or policy was ever maintained on behalf of the Participant or, if the determination of Disability relates to an incentive stock option, Disability means that condition described in Code Section 22(e)(3), as amended from time to time. In the event of a dispute, the determination of Disability will be made by the Committee and will be supported by advice of a physician competent in the area to which such Disability relates.

(h) "Dividend Equivalent Rights" means certain rights to receive cash payments as described in Section 3.5.

(i) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

- (j) "Fair Market Value" with regard to a date means the closing price at which Stock shall have been sold on that date or the last trading date prior to that date as reported by the New York Stock Exchange and published in The Wall Street Journal.
- (k) "Incentive Stock Option" means an incentive stock option contemplated by the provisions of Code Section 422 or any successor thereto.
- (l) "Nonqualified Stock Option" means an option that is not designated as, or otherwise intended to be, an Incentive Stock Option.
- (m) "Option" means a Nonqualified Stock Option or an Incentive Stock Option.
- (n) "Over 10% Owner" means an individual who at the time an Incentive Stock Option is granted owns Company stock possessing more than 10% of the total combined voting power of the Company or one of its Subsidiaries, determined by applying the attribution rules of Code Section 424(d).
- (o) "Participant" means an individual who receives a Stock Incentive hereunder.
- (p) "Performance Unit Award" refers to a performance unit award as described in Section 3.6.
- (q) "Phantom Shares" refers to the rights described in Section 3.7.
- (r) "Plan" means the Tyson Foods, Inc. 2000 Stock Incentive Plan.
- (s) "Stock" means the Company's Class A \$.10 par value common stock.
- (t) "Stock Appreciation Right" means a stock appreciation right described in Section 3.3.
- (u) "Stock Award" means a stock award described in Section 3.4.
- (v) "Stock Incentive Agreement" means an agreement between the Company and a Participant or other documentation evidencing an award of a Stock Incentive.
- (w) "Stock Incentive Program" means a written program established by the Committee, pursuant to which Stock Incentives are awarded under the Plan under uniform terms, conditions and restrictions set forth in such written program.
- (x) "Stock Incentives" means, collectively, Dividend Equivalent Rights, Options, Performance Unit Awards, Phantom Shares, Stock Appreciation Rights and Stock Awards.

(y) "Subsidiary" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, with respect to incentive stock options, at the time of the granting of the Option, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in the chain.

(z) "Termination of Employment" means the termination of the employee-employer relationship between a Participant and the Company and its Affiliates, regardless of whether severance or similar payments are made to the Participant for any reason, including, but not by way of limitation, a termination by resignation, discharge, death, Disability or retirement. The Committee will, in its absolute discretion, determine the effect of all matters and questions relating to a Termination of Employment, including, but not by way of limitation, the question of whether a leave of absence constitutes a Termination of Employment.

SECTION 2 - THE STOCK INCENTIVE PLAN

2.1 Purpose of the Plan. The Plan is intended to (a) provide incentive to officers, employees, directors, consultants and other service providers of the Company and its Affiliates to stimulate their efforts toward the continued success of the Company and to operate and manage the business in a manner that will provide for the long-term growth and profitability of the Company; (b) encourage stock ownership by officers, employees, directors, consultants and other service providers by providing them with a means to acquire a proprietary interest in the Company, acquire shares of Stock, or to receive compensation which is based upon appreciation in the value of Stock; and (c) provide a means of obtaining, rewarding and retaining such key personnel.

2.2 Stock Subject to the Plan. Subject to adjustment in accordance with Section 5.2, 7,000,000 shares of Stock (the "Maximum Plan Shares") are hereby reserved exclusively for issuance pursuant to Stock Incentives. At no time may the Company have outstanding under the Plan Stock Incentives subject to Section 16 of the Exchange Act and shares of Stock issued in respect of Stock Incentives under the Plan in excess of the Maximum Plan Shares. The shares of Stock attributable to the nonvested, unpaid, unexercised, unconverted or otherwise unsettled portion of any Stock Incentive that is forfeited or cancelled or expires or terminates for any reason without becoming vested, paid, exercised, converted or otherwise settled in full will again be available for purposes of the Plan.

2.3 Administration of the Plan. The Plan is administered by the Committee. The Committee has full authority in its discretion to determine the officers, employees, directors, consultants and service providers of the Company or its Affiliates to whom Stock Incentives will be granted and the terms and provisions of Stock Incentives, subject to the Plan. Subject to the provisions of the Plan, the Committee has full and conclusive authority to interpret the Plan; to prescribe, amend and rescind rules and regulations relating to the Plan; to determine the terms and provisions of the respective Stock Incentive Agreements and to make all other determinations necessary or advisable for the proper administration of the Plan. The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, awards under the Plan (whether or not such persons are similarly situated). The Committee's decisions are final and binding on all Participants.

2.4 Eligibility and Limits. Stock Incentives may be granted only to officers, employees, directors, consultants and other service providers of the Company, or any Affiliate of the Company; provided, however, that an Incentive Stock Option may only be granted to an employee of the Company or any Subsidiary. In the case of Incentive Stock Options, the aggregate Fair Market Value (determined as at the date an Incentive Stock Option is granted) of Stock with respect to which stock options intended to meet the requirements of Code Section 422 become exercisable for the first time by an individual during any calendar year under all plans of the Company and its Subsidiaries may not exceed \$100,000; provided further, that if the limitation is exceeded, the Incentive Stock Option(s) which cause the limitation to be exceeded will be treated as Nonqualified Stock Option(s).

SECTION 3 - TERMS OF STOCK INCENTIVES

3.1 Terms and Conditions of All Stock Incentives.

(a) The number of shares of Stock as to which a Stock Incentive may be granted will be determined by the Committee in its sole discretion, subject to the provisions of Section 2.2 as to the total number of shares available for grants under the Plan and subject to the limits on Options and Stock Appreciation Rights in the following sentence. To the extent required under Section 162(m) of the Code and the regulations thereunder for compensation to be treated as qualified performance-based compensation, subject to adjustment in accordance with Section 5.2, the maximum number of shares of Stock with respect to which Options or Stock Appreciation Rights may be granted during any calendar year to any employee may not exceed 1,000,000. In applying this limitation, if an Option or Stock Appreciation Right, or any portion thereof, granted to an employee is cancelled or repriced for any reason, then the shares of Stock attributable to such cancellation or repricing either shall continue to be counted as an outstanding grant or shall be counted as a new grant of shares of Stock, as the case may be, against the affected employee's 1,000,000 share limit for the appropriate calendar year.

(b) Each Stock Incentive will either be evidenced by a Stock Incentive Agreement in such form and containing such terms, conditions and restrictions as the Committee may determine to be appropriate, or be made subject to the terms of a Stock Incentive Program, containing such terms, conditions and restrictions as the Committee may determine to be appropriate. Each Stock Incentive Agreement or Stock Incentive Program is subject to the terms of the Plan and any provisions contained in the Stock Incentive Agreement or Stock Incentive Program that are inconsistent with the Plan are null and void.

(c) The date a Stock Incentive is granted will be the date on which the Committee has approved the terms and conditions of the Stock Incentive and has determined the recipient of the Stock Incentive and the number of shares covered by the Stock Incentive, and has taken all such other actions necessary to complete the grant of the Stock Incentive.

(d) Any Stock Incentive may be granted in connection with all or any portion of a previously or contemporaneously granted Stock Incentive. Exercise or vesting of a Stock Incentive granted in connection with another Stock Incentive may result in a pro rata surrender or cancellation of any related Stock Incentive, as specified in the applicable Stock Incentive Agreement or Stock Incentive Program.

(e) Unless otherwise permitted by the Committee, Stock Incentives are not transferable or assignable except by will or by the laws of descent and distribution and are exercisable, during the Participant's lifetime, only by the Participant; or in the event of the Disability of the Participant, by the legal representative of the Participant; or in the event of death of the Participant, by the legal representative of the Participant's estate or if no legal representative has been appointed, by the successor in interest determined under the Participant's will. Notwithstanding the foregoing, the Committee shall not permit Incentive Stock Options to be transferred or assigned beyond the limitations set forth in this Section 3.1(e).

3.2 Terms and Conditions of Options. Each Option granted under the Plan must be evidenced by a Stock Incentive Agreement. At the time any Option is granted, the Committee will determine whether the Option is to be an Incentive Stock Option described in Code Section 422 or a Nonqualified Stock Option, and the Option must be clearly identified as to its status as an Incentive Stock Option or a Nonqualified Stock Option. Incentive Stock Options may only be granted to employees of the Company or any Subsidiary. At the time any Incentive Stock Option granted under the Plan is exercised, the Company will be entitled to legend the certificates representing the shares of Stock purchased pursuant to the Option to clearly identify them as representing the shares purchased upon the exercise of an Incentive Stock Option. An Incentive Stock Option may only be granted within ten

(10) years from the earlier of the date the Plan is adopted or approved by the Company's stockholders.

(a) Option Price. Subject to adjustment in accordance with Section 5.2 and the other provisions of this Section 3.2, the exercise price (the "Exercise Price") per share of Stock purchasable under any Option must be as set forth in the applicable Stock Incentive Agreement, but in no event may it be less than the Fair Market Value on the date the Option is granted with respect to an Incentive Stock Option. With respect to each grant of an Incentive Stock Option to a Participant who is an Over 10% Owner, the Exercise Price may not be less than 110% of the Fair Market Value on the date the Option is granted.

(b) Option Term. Any Incentive Stock Option granted to a Participant who is not an Over 10% Owner is not exercisable after the expiration of ten (10) years after the date the Option is granted. Any Incentive Stock Option granted to an Over 10% Owner is not exercisable after the expiration of five (5) years after the date the Option is granted. The term of any Nonqualified Stock Option must be as specified in the applicable Stock Incentive Agreement.

(c) Payment. Payment for all shares of Stock purchased pursuant to the exercise of an Option will be made in any form or manner authorized by the Committee in the Stock Incentive Agreement or by amendment thereto, including, but not limited to, cash or, if the Stock Incentive Agreement provides:

(1) by delivery to the Company of a number of shares of Stock which have been owned by the holder for at least six (6) months prior to the date of exercise having an aggregate Fair Market Value of not less than the product of the Exercise Price multiplied by the number of shares the Participant intends to purchase upon exercise of the Option on the date of delivery;

(2) in a cashless exercise through a broker; or

(3) by having a number of shares of Stock withheld, the Fair Market Value of which as of the date of exercise is sufficient to satisfy the Exercise Price.

In its discretion, the Committee also may authorize (at the time an Option is granted or thereafter) Company financing to assist the Participant as to payment of the Exercise Price on such terms as may be offered by the Committee in its discretion. Payment must be made at the time that the Option or any part thereof is exercised, and no shares may be issued or delivered upon exercise of an option until full payment has been made by the Participant. The holder of an Option, as such, has none of the rights of a stockholder.

(d) Conditions to the Exercise of an Option. Each Option granted under the Plan is exercisable by whom, at such time or times, or upon the occurrence of such event or events, and in such amounts, as the Committee specifies in the Stock Incentive Agreement; provided, however, that subsequent to the grant of an Option, the Committee, at any time before complete termination of such Option, may accelerate the time or times at which such Option may be exercised in whole or in part, including, without limitation, upon a Change in Control and may permit the Participant or any other designated person to exercise the Option, or any portion thereof, for all or part of the remaining Option term, notwithstanding any provision of the Stock Incentive Agreement to the contrary.

(e) Termination of Incentive Stock Option. With respect to an Incentive Stock Option, in the event of Termination of Employment of a Participant, the Option or portion thereof held by the Participant which is unexercised will expire, terminate, and become unexercisable no later than the expiration of three (3) months after the date of Termination of Employment; provided, however, that in the case of a holder whose Termination of Employment is due to death or Disability, one (1) year will be substituted for such three (3) month period; provided, further that such time limits may be exceeded by the Committee under the terms of the grant, in which case, the Incentive Stock Option will be a Nonqualified Stock Option if it is exercised after the time limits that would otherwise apply. For purposes of this Subsection (e), Termination of Employment of the Participant will not be deemed to have occurred if the Participant is employed by another corporation (or a parent or subsidiary corporation of such other corporation) which has assumed the Incentive Stock Option of the Participant in a transaction to which Code Section 424(a) is applicable.

(f) Special Provisions for Certain Substitute Options. Notwithstanding anything to the contrary in this Section 3.2, any Option issued in substitution for an option previously issued by another entity, which substitution occurs in connection with a transaction to which Code Section 424(a) is applicable, may provide for an exercise price computed in accordance with such Code Section and the regulations thereunder and may contain such other terms and conditions as the Committee may prescribe to cause such substitute Option to contain as nearly as possible the same terms and conditions (including the applicable vesting and termination provisions) as those contained in the previously issued option being replaced thereby.

3.3 Terms and Conditions of Stock Appreciation Rights. Each Stock Appreciation Right granted under the Plan must be evidenced by a Stock Incentive Agreement. A Stock Appreciation Right entitles the Participant to receive the excess of (1) the Fair Market Value of a specified or determinable number of shares of the Stock at the time of payment or exercise over (2) a specified or determinable price which, in the case of a Stock Appreciation Right granted in connection with an Option, may not be less than the Exercise Price for that number of shares subject to that Option. A Stock Appreciation Right granted in connection with a Stock Incentive may only be exercised to the extent that the related Stock Incentive has not been exercised, paid or otherwise settled.

(a) Settlement. Upon settlement of a Stock Appreciation Right, the Company must pay to the Participant the appreciation in cash or shares of Stock (valued at the aggregate Fair Market Value on the date of payment or exercise) as provided in the Stock Incentive Agreement or, in the absence of such provision, as the Committee may determine.

(b) Conditions to Exercise. Each Stock Appreciation Right granted under the Plan is exercisable or payable at such time or times, or upon the occurrence of such event or events, and in such amounts, as the Committee specifies in the Stock Incentive Agreement; provided, however, that subsequent to the grant of a Stock Appreciation Right, the Committee, at any time before complete termination of such Stock Appreciation Right, may accelerate the time or times at which such Stock Appreciation Right may be exercised or paid in whole or in part.

3.4 Terms and Conditions of Stock Awards. The number of shares of Stock subject to a Stock Award and restrictions or conditions on such shares, if any, will be as the Committee determines, and the certificate for such shares will bear evidence of any restrictions or conditions. Subsequent to the date of the grant of the Stock Award, the Committee has the power to permit, in its discretion, an acceleration of the expiration of an applicable restriction period with respect to any part or all of the shares awarded to a Participant. The Committee may require a cash payment from the Participant in an amount no greater than the aggregate Fair Market Value of the shares of Stock awarded determined at the date of grant in exchange for the grant of a Stock Award or may grant a Stock Award without the requirement of a cash payment.

3.5 Terms and Conditions of Dividend Equivalent Rights. A Dividend Equivalent Right entitles the Participant to receive payments from the Company in an amount determined by reference to any cash dividends paid on a specified number of shares of Stock to Company stockholders of record during the period such rights are effective. The Committee may impose such restrictions and conditions on any Dividend Equivalent Right as the Committee in its discretion shall determine, including the date any such right shall terminate and may reserve the right to terminate, amend or suspend any such right at any time.

(a) Payment. Payment in respect of a Dividend Equivalent Right may be made by the Company in cash or shares of Stock (valued at Fair Market Value on the date of payment) as provided in the Stock Incentive Agreement or Stock Incentive Program, or, in the absence of such provision, as the Committee may determine.

(b) Conditions to Payment. Each Dividend Equivalent Right granted under the Plan is payable at such time or times, or upon the occurrence of such event or events, and in such amounts, as the Committee specifies in the applicable Stock Incentive Agreement or Stock Incentive Program; provided, however, that subsequent to the grant of a Dividend Equivalent Right, the Committee, at any time before complete termination of such Dividend Equivalent Right, may accelerate the time or times at which such Dividend Equivalent Right may be paid in whole or in part.

3.6 Terms and Conditions of Performance Unit Awards. A Performance Unit Award shall entitle the Participant to receive, at a specified future date, payment of an amount equal to all or a portion of the value of a specified or determinable number of units (stated in terms of a designated or determinable dollar amount per unit) granted by the Committee. At the time of the grant, the Committee must determine the base value of each unit, the number of units subject to a Performance Unit Award, the performance factors applicable to the determination of the ultimate payment value of the Performance Unit Award and the period over which Company performance shall be measured. The Committee may provide for an alternate base value for each unit under certain specified conditions.

(a) Payment. Payment in respect of Performance Unit Awards may be made by the Company in cash or shares of Stock (valued at Fair Market Value on the date of payment) as provided in the applicable Stock Incentive Agreement or Stock Incentive Program or, in the absence of such provision, as the Committee may determine.

(b) Conditions to Payment. Each Performance Unit Award granted under the Plan shall be payable at such time or times, or upon the occurrence of such event or events, and in such amounts, as the Committee may specify in the applicable Stock Incentive Agreement or Stock Incentive Program; provided, however, that subsequent to the grant of a Performance Unit Award, the Committee, at any time before complete termination of such Performance Unit Award, may accelerate the time or times at which such Performance Unit Award may be paid in whole or in part.

3.7 Terms and Conditions of Phantom Shares. Phantom Shares shall entitle the Participant to receive, at a specified future date, payment of an amount equal to all or a portion of the Fair Market Value of a specified number of shares of Stock at the end of a specified period. At the time of the grant, the Committee will determine the factors which will govern the portion of the rights so payable, including, at the discretion of the Committee, any performance criteria that must be satisfied as a condition to payment. Phantom Share awards containing performance criteria may be designated as Performance Unit Awards.

(a) Payment. Payment in respect of Phantom Shares may be made by the Company in cash or shares of Stock (valued at Fair Market Value on the date of payment) as provided in the applicable Stock Incentive Agreement or Stock Incentive Program, or, in the absence of such provision, as the Committee may determine.

(b) Conditions to Payment. Each Phantom Share granted under the Plan is payable at such time or times, or upon the occurrence of such event or events, and in such amounts, as the Committee may specify in the applicable Stock Incentive Agreement or Stock Incentive Program; provided, however, that subsequent to the grant of a Phantom Share, the Committee, at any time before complete termination of such Phantom Share, may accelerate the time or times at which such Phantom Share may be paid in whole or in part.

3.8 Treatment of Awards Upon Termination of Employment. Except as otherwise provided by Plan Section 3.2(e), any award under this Plan to a Participant who has experienced a Termination of Employment may be cancelled, accelerated, paid or continued, as provided in the applicable Stock Incentive Agreement or Stock Incentive Program, or, in the absence of such provision, as the Committee may determine. The portion of any award exercisable in the event of continuation or the amount of any payment due under a continued award may be adjusted by the Committee to reflect the Participant's period of service from the date of grant through the date of the Participant's Termination of Employment or such other factors as the Committee determines are relevant to its decision to continue the award.

SECTION 4 - RESTRICTIONS ON STOCK

4.1 Escrow of Shares. Any certificates representing the shares of Stock issued under the Plan will be issued in the Participant's name, but, if the applicable Stock Incentive Agreement or Stock Incentive Program so provides, the shares of Stock will be held by a custodian designated by the Committee (the "Custodian"). Each applicable Stock Incentive Agreement or Stock Incentive Program providing for transfer of shares of Stock to the Custodian must appoint the Custodian as the attorney-in-fact for the Participant for the term specified in the applicable Stock Incentive Agreement or Stock Incentive Program, with full power and authority in the Participant's name, place and stead to transfer, assign and convey to the Company any shares of Stock held by the Custodian for such Participant, if the Participant forfeits the shares under the terms of the applicable Stock Incentive Agreement or Stock Incentive Program. During the period that the Custodian holds the shares subject to this Section, the Participant is entitled to all rights, except as provided in the applicable Stock Incentive Agreement or Stock Incentive Program, applicable to shares of Stock not so held. Any dividends declared on shares of Stock held by the Custodian must as provided in the applicable Stock Incentive Agreement or Stock Incentive Program, be paid directly to the Participant or, in the alternative, be retained by the Custodian or by the Company until the expiration of the term specified in the applicable Stock Incentive Agreement or Stock Incentive Program and shall then be delivered, together with any proceeds, with the shares of Stock to the Participant or to the Company, as applicable.

4.2 Restrictions on Transfer. The Participant does not have the right to make or permit to exist any disposition of the shares of Stock issued pursuant to the Plan except as provided in the Plan or the applicable Stock Incentive Agreement or Stock Incentive Program. Any disposition of the shares of Stock issued under the Plan by the Participant not made in accordance with the Plan or the applicable Stock Incentive Agreement or Stock Incentive Program will be void. The Company will not recognize, or have the duty to recognize, any disposition not made in accordance with the Plan and the applicable Stock Incentive Agreement or Stock Incentive Program, and the shares so transferred will continue to be bound by the Plan and the applicable Stock Incentive Agreement or Stock Incentive Program.

SECTION 5 - GENERAL PROVISIONS

5.1 Withholding. The Company must deduct from all cash distributions under the Plan any taxes required to be withheld by federal, state or local government. Whenever the Company proposes or is required to issue or transfer shares of Stock under the Plan or upon the vesting of any Stock Award, the Company has the right to require the recipient to remit to the Company an amount sufficient to satisfy any federal, state and local withholding tax requirements prior to the delivery of any certificate or certificates for such shares or the vesting of such Stock Award. A Participant may pay the withholding tax in cash, or, if the applicable Stock Incentive Agreement or Stock Incentive Program provides, a Participant may elect to have the number of shares of Stock he is to receive reduced by, or with respect to a Stock Award, tender back to the Company, the smallest number of whole shares of Stock which, when multiplied by the Fair Market Value of the shares of Stock determined as of the Tax Date (defined below), is sufficient to satisfy the minimum required federal, state and local, if any, withholding taxes arising from exercise or payment of a Stock Incentive (a "Withholding Election"). A Participant may make a Withholding Election only if both of the following conditions are met:

(a) The Withholding Election must be made on or prior to the date on which the amount of tax required to be withheld is determined (the "Tax Date") by executing and delivering to the Company a properly completed notice of Withholding Election as prescribed by the Committee; and

(b) Any Withholding Election made will be irrevocable except on six months advance written notice delivered to the Company; however, the Committee may in its sole discretion disapprove and give no effect to the Withholding Election.

5.2 Changes in Capitalization; Merger; Liquidation.

(a) The number of shares of Stock reserved for the grant of Options, Dividend Equivalent Rights, Performance Unit Awards, Phantom Shares, Stock Appreciation Rights and Stock Awards; the number of shares of Stock reserved for issuance upon the exercise or payment, as applicable, of each outstanding Option, Dividend Equivalent Right, Performance Unit Award, Phantom Share and Stock Appreciation Right and upon vesting or grant, as applicable, of each Stock Award; the Exercise Price of each outstanding Option and the specified number of shares of Stock to which each outstanding Dividend Equivalent Right, Performance Unit Award, Phantom Share and Stock Appreciation Right pertains may be proportionately adjusted for any increase or decrease in the number of issued shares of Stock resulting from a subdivision or combination of shares or the payment of a stock dividend in shares of Stock to holders of outstanding shares of Stock or any other increase or decrease in the number of shares of Stock outstanding effected without receipt of consideration by the Company.

(b) In the event of any merger, consolidation, extraordinary dividend (including a spin-off), reorganization or other change in the corporate structure of the Company or its Stock or tender offer for shares of Stock, the Committee, in its sole discretion, may make such adjustments with respect to awards and take such other action as it deems necessary or appropriate to reflect or in anticipation of such merger, consolidation, extraordinary dividend (including a spin-off), reorganization, other change in corporate structure or tender offer, including, without limitation, the substitution of new awards, the termination or adjustment of outstanding awards, the acceleration of awards or the removal of restrictions on outstanding awards, all as may be provided in the applicable Stock Incentive Agreement or, if not expressly addressed therein, as the Committee subsequently may determine in the event of any such merger, consolidation, extraordinary dividend (including a spin-off), reorganization or other change in the corporate structure of the Company or its Stock or tender offer for shares of Stock. Any adjustment pursuant to this Section 5.2 may provide, in the Committee's discretion, for the elimination without payment therefor of any fractional shares that might otherwise become subject to any Stock Incentive.

(c) The existence of the Plan and the Stock Incentives granted pursuant to the Plan must not affect in any way the right or power of the Company to make or authorize any adjustment, reclassification, reorganization or other change in its capital or business structure, any merger or consolidation of the Company, any issue of debt or equity securities having preferences or priorities as to the Stock or the rights thereof, the dissolution or liquidation of the Company, any sale or transfer of all or any part of its business or assets, or any other corporate act or proceeding.

5.3 Cash Awards. The Committee may, at any time and in its discretion, grant to any holder of a Stock Incentive the right to receive, at such times and in such amounts as determined by the Committee in its discretion, a cash amount which is intended to reimburse such person for all or a portion of the federal, state and local income taxes imposed upon such person as a consequence of the receipt of the Stock Incentive or the exercise of rights thereunder.

5.4 Compliance with Code. All Incentive Stock Options to be granted hereunder are intended to comply with Code Section 422, and all provisions of the Plan and all Incentive Stock Options granted hereunder must be construed in such manner as to effectuate that intent.

5.5 Right to Terminate Employment or Service Relationship. Nothing in the Plan or in any Stock Incentive Agreement confers upon any Participant the right to continue as an officer, employee, director or service provider of the Company or any of its Affiliates or affect the right of the Company or any of its Affiliates to terminate the Participant's employment or service relationship at any time.

5.6 Non-alienation of Benefits. Other than as specifically provided with regard to the death of a Participant, no benefit under the Plan may be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge; and any attempt to do so shall be void. No such benefit may, prior to receipt by the Participant, be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the Participant.

5.7 Restrictions on Delivery and Sale of Shares; Legends. Each Stock Incentive is subject to the condition that if at any time the Committee, in its discretion, shall determine that the listing, registration or qualification of the shares covered by such Stock Incentive upon any securities exchange or under any state or federal law is necessary or desirable as a condition of or in connection with the granting of such Stock Incentive or the purchase or delivery of shares thereunder, the delivery of any or all shares pursuant to such Stock Incentive may be withheld unless and until such listing, registration or qualification shall have been effected. If a registration statement is not in effect under the Securities Act of 1933 or any applicable state securities laws with respect to the shares of Stock purchasable or otherwise deliverable under Stock Incentives then outstanding, the Committee may require, as a condition of exercise of any Option or as a condition to any other delivery of Stock pursuant to a Stock Incentive, that the Participant or other recipient of a Stock Incentive represent, in writing, that the shares received pursuant to the Stock Incentive are being acquired for investment and not with a view to distribution and agree that the shares will not be disposed of except pursuant to an effective registration statement, unless the Company shall have received an opinion of counsel that such disposition is exempt from such requirement under the Securities Act of 1933 and any applicable state securities laws. The Company may include on certificates representing shares delivered pursuant to a Stock Incentive such legends referring to the foregoing representations or restrictions or any other applicable restrictions on resale as the Company, in its discretion, shall deem appropriate.

5.8 Listing and Legal Compliance. The Committee may suspend the exercise or payment of any Stock Incentive so long as it determines that securities exchange listing or registration or qualification under any securities laws is required in connection therewith and has not been completed on terms acceptable to the Committee.

5.9 Termination and Amendment of the Plan. The Board of Directors at any time may amend or terminate the Plan without stockholder approval; provided, however, that the Board of Directors may condition any amendment on the approval of stockholders of the Company if such approval is necessary or advisable with respect to tax, securities or other applicable laws. No such termination or amendment without the consent of the holder of a Stock Incentive may adversely affect the rights of the Participant under such Stock Incentive.

5.10 Stockholder Approval. The Plan must be submitted to the stockholders of the Company for their approval within twelve (12) months before or after the adoption of the Plan by the Board of Directors of the Company. If such approval is not obtained, any Stock Incentive granted hereunder will be void.

5.11 Choice of Law. The laws of the State of Delaware govern the Plan, to the extent not preempted by federal law, without reference to the principles of conflict of laws.

IN WITNESS WHEREOF, the Company has executed this Plan on this 11th day of August, 2000.

TYSON FOODS, INC.

By:

Title:

**MANAGEMENT'S DISCUSSION AND ANALYSIS
 TYSON FOODS, INC. 2000 ANNUAL REPORT**

RESULTS OF OPERATIONS Earnings for fiscal 2000 were \$151 million or \$0.67 per share compared to \$230 million or \$1.00 per share in fiscal 1999. Earnings in fiscal 2000 were adversely affected by an oversupply of chicken and a \$33 million charge on non-recurring items including a bad debt writeoff related to AmeriServe and growout issues at Tyson de Mexico. The Company's accounting cycle resulted in a 52-week year for both 2000 and 1999 compared to a 53-week year for 1998.

2000 vs. 1999

Sales for 2000 decreased 2.8% from sales for 1999. This decrease is primarily due to the sale of the seafood business on July 17, 1999, and other divested non-core businesses. Comparable sales increased 0.6% on a volume increase of 0.3% compared to 1999. Additionally, the operating results for 2000 were negatively affected by a weak domestic market for chicken and reduced volume by the Company's Mexican subsidiary. In response to the oversupply of chicken, the Company maintained throughout fiscal 2000 a 3% cut in the number of chickens produced. Management anticipates this oversupply of chicken to continue into fiscal 2001.

The Company presently identifies segments based on the products offered and the nature of customers resulting in four reported business segments: Food Service, Consumer Products, International and Swine. The Company's seafood business, which was sold on July 17, 1999, is listed as a business segment for fiscal 1999 and 1998.

The following is an analysis of sales by segment:

millions	dollars in		
	2000	1999	Change
Food Service	\$3,312	\$3,354	\$(42)
Consumer Products	2,250	2,252	(2)
International	657	645	12
Swine	157	110	47
Seafood	-	189	(189)
Other	782	813	(31)
Total	\$7,158	\$7,363	\$(205)

Segment profit, defined as gross profit less selling expenses, by segment is as follows:

dollars in millions			
	2000	1999	Change
Food Service	\$197	\$311	\$(114)
Consumer Products	145	241	(96)
International	50	68	(18)
Swine	19	(63)	82
Seafood	-	22	(22)
Other	140	155	(15)
Total	\$551	\$734	\$(183)

Food Service sales decreased \$42 million or 1.3% compared to 1999, with a 1.4% decrease in average sales prices partially offset by a 0.2% increase in volume. Segment profit for Food Service decreased \$114 million or 36.7% from 1999 primarily due to lower market prices, product mix changes and higher grain costs. Food Service includes fresh, frozen and value-added chicken products sold through domestic food service, specialty and commodity distributors who deliver to restaurants, schools and other accounts.

Consumer Products sales decreased \$2 million or 0.1% compared to 1999, with a 0.6% decrease in average sales prices partially offset by a 0.6% increase in volume. Segment profit for Consumer Products decreased \$96 million or 39.7% from 1999 primarily due to lower market prices and higher grain costs, which more than offset the improved product mix. Consumer Products include fresh, frozen and value-added chicken products sold through domestic retail markets for at-home consumption and through wholesale club markets targeted to small foodservice operators, individuals and small businesses.

International sales increased \$12 million or 1.9% over 1999, with a 4.2% increase in average sales prices partially offset by a 2.3% decrease in volume. International segment profit decreased \$18 million or 26.5% from 1999 primarily due to losses incurred by the Company's Mexican subsidiary resulting from the outbreak of Exotic Newcastle disease and associated decreases in production. The Newcastle disease had been eradicated from our facilities by fiscal year end and production volumes had returned to normal levels. The Company's International segment markets and sells the full line of Tyson chicken products throughout the world.

Swine sales increased \$47 million or 42.7% over 1999, with a 56.5% increase in average sales prices partially offset by an 8.3% decrease in volume. Swine segment profit improved \$82 million or 130.2% over 1999 primarily due to the increase in average sales prices. The Company's swine segment includes feeder pig finishing and marketing of swine to regional and national packers.

Other sales decreased \$31 million or 3.8% from 1999 primarily due to non-core businesses sold during fiscal 1999. Other segment profit decreased \$15 million or 9.7% from 1999. The majority of revenue included in the Other segment is derived from the Company's Specialty Products and Prepared Foods groups and the Company's wholly owned subsidiary involved in supplying chicken breeding stock.

Cost of sales for 2000 decreased 0.2% as compared to 1999. This decrease is primarily the result of decreased sales. As a percent of sales, cost of sales was 84.4% for 2000 compared to 82.2% for 1999. The increase in cost of sales as a percent of sales was due to the weak domestic market for chicken, the reduction in volume associated with the Company's ongoing production cut, losses incurred by the Company's Mexican subsidiary and higher grain costs.

Operating expenses for 2000 decreased 6.8% from 1999, primarily due to impairment and other charges of \$77 million recorded in 1999 partially offset by a \$21 million increase in current year expenses, primarily general and administrative. As a percent of sales, selling expense increased to 7.9% in 2000 compared to 7.8% in 1999, primarily due to the decrease in sales. Selling expense decreased \$12 million in 2000 compared to 1999 due to a decrease in sales promotion expenses. General and administrative expense, as a percent of sales, was 2.4% in 2000 compared to 1.8% in 1999. The increase in general and administrative expense is primarily due to a \$24 million bad debt writeoff related to the January 31, 2000, bankruptcy filing by AmeriServe Food Distribution, Inc. and other increases related to ongoing litigation costs. Amortization expense, as a percent of sales, was 0.5% in both 2000 and 1999.

[BAR GRAPH]

EXPENSES AS A PERCENT OF SALES

	2000	1999	1998
General and Administrative	2.0%*	1.8%	1.8%
Selling	7.9%	7.8%	8.0%**

* Excludes \$24 million bad debt writeoff ** Excludes \$48 million impairment loss

Interest expense in 2000 decreased 7.3% compared to 1999. As a percent of sales, interest expense was 1.6% in 2000 compared to 1.7% in 1999. The Company had a lower level of borrowing in 2000, which decreased the Company's average indebtedness by 14.8% over the same period last year. The Company's short-term interest rates were slightly higher than the same period last year, and the net average effective interest rate on total debt was 6.9% for 2000 compared to 6.2% for 1999.

The effective tax rate for 2000 increased to 35.6% compared to 34.9% for 1999 primarily due to an increase in foreign subsidiary earnings effective tax rate.

Return on invested capital (ROIC), defined as earnings before interest and taxes divided by average total assets less current liabilities excluding current debt, was 8.2% for 2000 compared to 10.9% for 1999.

[BAR GRAPH]

RETURN ON INVESTED CAPITAL

2000	8.2% (WHITE)	8.7% (BLACK)
1999	10.9% (WHITE)	12.6% (BLACK)
1998	4.9% (WHITE)	9.9% (BLACK)

ROIC(WHITE)

ROIC excluding bad debt charge of \$24 million in 2000 and impairment and other charges of \$77 million in 1999 and \$211 million in 1998 (BLACK)

ACQUISITIONS On January 9, 1998, the Company completed the acquisition of Hudson Foods, Inc. (Hudson or Hudson Acquisition). At the effective time of the acquisition, the Class A and Class B shareholders of Hudson received approximately 18.4 million shares of the Company's Class A common stock valued at approximately \$364 million and approximately \$257 million in cash. The Company borrowed funds under its commercial paper program to finance the cash portion of the Hudson Acquisition and to repay approximately \$61 million under Hudson's revolving credit facilities. The Hudson Acquisition was accounted for as a purchase and the excess of investment over net assets acquired is being amortized straight-line over 40 years. The Company's consolidated results of operations include the operations of Hudson since the acquisition date.

DISPOSITIONS On July 17, 1999, the Company completed the sale of the assets of Tyson Seafood Group in two separate transactions. Under the terms of the agreements, the Company received net proceeds of approximately \$165 million, which was used to reduce indebtedness, and subsequently collected receivables totaling approximately \$16 million. The Company recognized a pretax loss of approximately \$19 million on the sale of the seafood assets.

Effective December 31, 1998, the Company sold Willow Brook Foods, its integrated turkey production and processing business, and its Albert Lea, Minn., processing facility which primarily produced sausages, lunch and deli meats. In addition, on December 31, 1998, the Company sold its National Egg Products Company operations in Social Circle, Ga. These facilities were sold for amounts that approximated their carrying values. These operations were acquired as part of the Hudson Acquisition.

IMPAIRMENT AND OTHER CHARGES In the fourth quarter of fiscal 1999, the Company recorded a pretax charge totaling \$35 million related to the anticipated loss on the sale and closure of the Pork Group assets. In the first quarter of fiscal 2000, the Company ceased negotiations for the sale of the Pork Group. Additionally, in the fourth quarter of fiscal 1999, the Company recorded pretax charges totaling \$23 million for impairment of property and equipment and write-down of related excess of investments over net assets acquired of Mallard's Food Products.

In the fourth quarter of fiscal 1998, as a result of the Company's restructuring plan, pretax charges totaling \$215 million were recorded. These charges were classified in the Consolidated Statements of Income as \$142 million asset impairment and other charges, \$48 million in selling expenses, \$21 million in cost of sales and \$4 million in other expense.

1999 vs. 1998

Sales for 1999 decreased 0.7% from sales for 1998. The operating results for 1999 were affected negatively by the excess supply of chicken and other meats during the last six months of the fiscal year, partially offset by the volume gained from the Hudson Acquisition and the inclusion of Tyson de Mexico on a consolidated basis.

The following is an analysis of sales by segment:

dollars in millions			
	1999	1998	Change
Food Service	\$3,354	\$3,329	\$ 25
Consumer Products	2,252	2,074	178
International	645	592	53
Swine	110	161	(51)
Seafood	189	214	(25)
Other	813	1,044	(231)
Total	\$7,363	\$7,414	\$ (51)

Segment profit, defined as gross profit less selling expenses, is as follows:

dollars in millions			
	1999	1998	Change
Food Service	\$311	\$232	\$ 79
Consumer Products	241	179	62
International	68	9	59
Swine	(63)	(21)	(42)
Seafood	22	3	19
Other	155	110	45
Total	\$734	\$512	\$222

Food Service sales for 1999 increased \$25 million or 0.8% compared 1998, with a 2.6% increase in volume primarily offset by a 1.8% decrease in average sales prices. Segment profit for Food Service increased \$79 million over 1998 primarily due to lower grain prices and a change in product mix.

Consumer Products sales for 1999 increased \$178 million or 8.6% compared to 1998. This increase was primarily due to a 10.5% increase in volume partially offset by a 1.8% decrease in average sales prices. Consumer Products segment profit increased \$62 million resulting from the increase in volume and lower grain costs.

International sales for 1999 increased \$53 million or 9% compared to 1998. This increase is primarily the result of a 29.6% increase in volume partially offset by a 15.9% decrease in average sales prices. Segment profit for International increased \$59 million. The increase in volume and segment profit for the International segment is primarily due to the consolidation of Tyson de Mexico.

Swine sales for 1999 decreased \$51 million or 31.7% compared to 1998. Swine segment loss increased \$42 million. The Swine business experienced a significant decrease in market prices during 1999 compared to 1998, resulting in a Swine group net loss of \$0.18 per share for 1999.

Seafood sales for 1999 decreased \$25 million or 11.7% compared to 1998. This decrease was primarily due to the sale of the seafood business at the beginning of the fourth quarter of 1999. Segment profit for Seafood increased \$19 million.

Other sales for 1999 decreased \$231 million or 22.1% compared to 1998, primarily due to the sale of non-core businesses at the end of the first quarter of 1999. Other segment profit increased \$45 million.

Cost of sales for 1999 decreased 3.3% compared to 1998. This decrease was primarily the result of decreased sales and lower grain costs. As a percent of sales, cost of sales was 82.2% for 1999 compared to 84.4% for 1998 primarily due to lower grain costs.

Operating expenses for 1999 decreased 13.5% from 1998, primarily due to impairment and other charges of \$77 million in 1999 compared to \$142 million in 1998. As a percent of sales, selling expense decreased to 7.8% in 1999 compared to 8.7% in 1998, primarily due to the \$48 million charge in 1998 for losses in the Company's export business to Russia. General and administrative expense, as a percent of sales, was 1.8% in both 1999 and 1998. Amortization expense, as a percent of sales, was 0.5% in 1999 compared to 0.4% in 1998.

Interest expense in 1999 decreased 10.9% compared to 1998. As a percent of sales, interest expense was 1.7% in 1999 compared to 1.9% in 1998. The Company had a lower level of borrowing in 1999, which decreased the Company's average indebtedness by 6.4% from 1998. The Company's short-term interest rates were slightly lower than in 1998, and the net average effective interest rate on total debt was 6.2% for 1999 compared to 6.6% for 1998.

The effective tax rate for 1999 was 34.9% compared to 64.7% for 1998. The 1998 effective tax rate was affected by certain costs related to asset impairment and foreign losses not deductible for tax purposes.

Return on invested capital for 1999 was 10.9% compared to 4.9% for 1998.

LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operations continues to be the Company's primary source of funds to finance operating needs and capital expenditures. In 2000, net cash of \$587 million was provided by operating activities, an increase of \$40 million from 1999. The Company's foreseeable cash needs for operations and capital expenditures will continue to be met primarily through cash flows from operations. At September 30, 2000, the Company had construction projects in progress that will require approximately \$121 million to complete.

[BAR GRAPH]

CASH PROVIDED BY OPERATING ACTIVITIES

dollars in millions

2000	\$587
1999	\$547
1998	\$496

Total debt at September 30, 2000, was \$1.5 billion, a decrease of \$262 million from October 2, 1999. The Company has an unsecured revolving credit agreement totaling \$1 billion that supports the Company's commercial paper program. This \$1 billion facility expires in May 2002. At September 30, 2000, \$260 million in commercial paper was outstanding under this \$1 billion facility. Additional outstanding debt at September 30, 2000, consisted of \$880 million of public debt, \$112 million of institutional notes, \$155 million of leveraged equipment loans, \$62 million of notes payable and \$73 million of other indebtedness.

[BAR GRAPH]

TOTAL CAPITALIZATION

dollars in billions

	2000	1999	1998
Debt	1.5	1.8	2.1
Equity	2.2	2.1	2.0

The revolving credit agreement and notes contain various covenants, the more restrictive of which require maintenance of a minimum net worth, current ratio, cash flow coverage of interest and a maximum total debt-to-capitalization ratio. The Company is in compliance with these covenants at fiscal year end.

Shareholders' equity increased 2.2% during 2000 and has grown at a compounded annual rate of 8.2% over the past five years.

IMPACT OF YEAR 2000

The Company has completed its Year 2000 Project as scheduled. The Company's products, computing and communications infrastructure systems have operated without Year 2000 related problems. The Company is not aware that any of its major customers or third-party suppliers has experienced significant Year 2000 related problems.

The Company believes all its critical systems are Year 2000 ready; however, there is no guarantee that the Company has discovered all possible failure points including all systems, non-ready third parties whose systems and operations affect the Company and other uncertainties.

As of September 30, 2000, the Year 2000 Project was considered complete and no further actions were required.

MARKET RISK

Market risks relating to the Company's operations result primarily from changes in commodity prices, interest rates and foreign exchange rates as well as credit risk concentrations. To address certain of these risks the Company enters into various hedging transactions as described below. Financial instruments that do not qualify for hedge accounting are marked to fair value and the gains or losses are recognized currently in earnings.

Commodities Risk The Company is a purchaser of certain commodities, primarily corn and soybeans. The Company periodically uses commodity futures and options for hedging purposes to reduce the effect of changing commodity prices and as a mechanism to procure these grains. Generally, contract terms of a hedge instrument closely mirror those of the hedged item providing a high degree of risk reduction and correlation. Contracts that effectively meet this risk reduction and correlation criteria are recorded using hedge accounting. Gains and losses on closed hedge transactions are recorded as a component of the underlying inventory purchase.

The following table provides information about the Company's corn, soybean and other feed ingredient inventory and financial instruments that are sensitive to changes in commodity prices. The table presents the carrying amounts and fair values at September 30, 2000, and October 2, 1999. Additionally, for puts and futures contracts, the latest of which expires or matures eight months from the reporting date, the table presents the notional amounts in units of purchase and the weighted average contract prices.

volume and dollars in millions, except per unit amounts

	Volume		Weighted avg strike price per unit		Fair value	
	2000	1999	2000	1999	2000	1999
Recorded Balance Sheet Commodity Position:						
Commodity inventory(book value of \$33 and \$34)	-	-	-	-	\$33	\$34
Hedging Positions						
Corn futures contracts (volume in bushels)						
Long (buy) positions	17	84	\$2.50	\$2.21	(9)	(8)
Short (sell) positions	-	1	-	2.32	-	-
Soybean oil futures contracts (volume in cwt)						
Long (buy) positions	9	-	0.16	-	-	-
Short (sell) positions	6	-	0.16	-	-	-
Trading Positions						
Corn puts	-	28	-	2.10	-	(3)

Interest Rate and Foreign Currency Risks The Company hedges exposure to changes in interest rates on certain of its financial instruments. Under the terms of various leveraged equipment loans, the Company enters into interest rate swap agreements to effectively lock in a fixed interest rate for these borrowings. The maturity dates of these leveraged equipment loans range from 2005 to 2008 with interest rates ranging from 4.7% to 6%.

The Company also periodically enters into foreign exchange forward contracts and option contracts to hedge some of its foreign currency exposure. At September 30, 2000, the Company did not have any outstanding instruments or transactions that are sensitive to foreign currency exchange rates. In 1999, the Company used such contracts to hedge exposure to changes in foreign currency exchange rates, primarily the Mexican peso, associated with debt denominated in U.S. dollars held by Tyson de Mexico. At October 2, 1999, the notional amount of these forward exchange contracts to sell Mexican pesos for U.S. dollars was \$7 million due in 2000, with a weighted average strike price of \$10.13 and a negative fair value of \$1 million. Gains and losses on these contracts are recognized as an adjustment of the subsequent transaction when it occurs. Forward and option contracts generally have maturities or expirations not exceeding 12 months.

The following tables provide information about the Company's derivative financial instruments and other financial instruments that are sensitive to changes in interest rates. The tables present the Company's debt obligations, principal cash flows and related weighted average interest rates by expected maturity dates and fair values. For interest rate swaps, the tables present notional amounts, weighted average interest rates or strike rates by contractual maturity dates and fair values. Notional amounts are used to calculate the contractual cash flows to be exchanged under the contract.

	dollars in millions							Fair Value
	2001	2002	2003	2004	2005	Thereafter	Total	9/30/00
As of September 30, 2000								
Liabilities								
Long-term debt								
including current portion								
Fixed rate	\$123	\$31	\$178	\$29	\$180	\$613	\$1,154	\$1,104
Average interest rate	8.23%	7.84%	6.18%	7.09%	6.80%	6.78%	6.88%	
Variable rate	-	\$276	-	-	-	\$50	\$326	\$326
Average interest rate	-	6.78%	-	-	-	5.64%	6.61%	
Interest rate derivative								
financial instruments								
related to debt								
Interest rate swaps								
Pay fixed	\$18	\$20	\$22	\$21	\$16	\$13	\$110	-
Average pay rate	6.72%	6.73%	6.73%	6.71%	6.44%	6.60%	6.66%	
Average receive rate-								
USD 6 month LIBOR								

dollars in millions

	2000	2001	2002	2003	2004	Thereafter	Total	Fair Value 10/2/99
As of October 2, 1999								
Liabilities								
Long-term debt								
Including current portion								
fixed rate	\$173	\$126	\$30	\$178	\$29	\$794	\$1,330	\$1,299
average interest rate	6.82%	8.18%	7.83%	6.18%	7.08%	6.78%	6.87%	
Variable rate	\$50	\$17	\$291	-	-	\$50	\$408	\$408
Average interest rate	5.51%	7.67%	5.85%	-	-	3.90%	5.65%	
Interest rate derivative								
Financial instruments								
Related to debt								
Interest rate swaps								
Pay fixed	\$17	\$18	\$20	\$22	\$21	\$29	\$127	\$(1)
Average pay rate	6.71%	6.69%	6.73%	6.73%	6.71%	6.50%	6.66%	
Average receive rate-								
USD 6 month LIBOR								

Concentrations of Credit Risk The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash equivalents and trade receivables. The Company's cash equivalents are in high quality securities placed with major banks and financial institutions. Concentrations of credit risk with respect to receivables are limited due to the large number of customers and their dispersion across geographic areas. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. No single group or customer represents greater than 10% of total accounts receivable.

RECENTLY ISSUED ACCOUNTING STANDARDS

On October 1, 2000, the Company adopted Financial Accounting Standards Board Statement (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS Nos. 137 and 138. This statement establishes accounting and reporting standards, which requires that all derivative instruments be recorded on the balance sheet at fair value. This statement also establishes "special accounting" for fair value hedges, cash flow hedges and hedges of foreign currency exposures of net investments in foreign operations. The Company has determined the business processes related to hedging activities mainly consist of grain procurement and certain financing activities. The adoption on October 1, 2000, resulted in the cumulative effect of an accounting change of approximately \$9 million being charged to other comprehensive loss.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin (SAB) No. 101, which provides guidance on the recognition, presentation and disclosure of revenue in financial statements filed with the Commission. SAB 101A was released on March 24, 2000, and delayed for one fiscal quarter the implementation date of SAB 101 for registrants with fiscal years beginning between December 16, 1999, and March 15, 2000. Since the issuance of SAB 101 and SAB 101A, the staff has continued to receive requests from a number of groups asking for additional time to determine the effect, if any, on registrant's revenue recognition practices. SAB 101B issued June 26, 2000, further delayed the implementation date of SAB 101 until no later than the fourth fiscal quarter of fiscal years beginning after December 15, 1999. The Company believes the adoption of SAB 101 in fiscal 2001 will not have a material impact on its financial position or results of operations.

SUBSEQUENT EVENT On October 17, 2000, a Washington County (Arkansas) Chancery Court jury awarded the Company approximately \$20 million in its lawsuit against ConAgra, Inc. and ConAgra Poultry Company. In its suit, the Company alleged that ConAgra, Inc. and ConAgra Poultry Company violated the Arkansas Trade Secrets Act when they improperly obtained and implemented Tyson's confidential feed nutrient profile. The court ruled that the Company's feed nutrient profile is a trade secret under the Arkansas Trade Secrets Act and that ConAgra, Inc. and ConAgra Poultry Company misappropriated the feed nutrient profile. The court's ruling and the award are subject to appeal; therefore, the Company has not recorded this award at September 30, 2000.

CAUTIONARY STATEMENTS RELEVANT TO FORWARD-LOOKING INFORMATION

This annual report and other written reports and oral statements made from time to time by the Company and its representatives contain forward-looking statements, including forward-looking statements made in this report, with respect to their current views and estimates of future economic circumstances, industry conditions, company performance and financial results. These forward-looking statements are subject to a number of factors and uncertainties that could cause the Company's actual results and experiences to differ materially from the anticipated results and expectations, expressed in such forward-looking statements. In light of these risks, uncertainties and assumptions, the Company wishes to caution readers not to place undue reliance on any forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward- looking statements based on the occurrence of future events, the receipt of new information or otherwise.

Among the factors that may affect the operating results of the Company are the following: (i) fluctuations in the cost and availability of raw materials, such as feed grain costs; (ii) changes in the availability and relative costs of labor and contract growers; (iii) market conditions for finished products, including the supply and pricing of alternative proteins; (iv) effectiveness of advertising and marketing programs; (v) the ability of the Company to make effective acquisitions and to successfully integrate newly acquired businesses into existing operations; (vi) risks associated with leverage, including cost increases due to rising interest rates; (vii) risks associated with effectively evaluating derivatives and hedging activities (viii) changes in regulations and laws, including changes in accounting standards, environmental laws, occupational, health and safety laws; (ix) adverse results from ongoing litigation; (x) access to foreign markets together with foreign economic conditions, including currency fluctuations; and (xi) the effect of, or changes in, general economic conditions.

CONSOLIDATED STATEMENTS OF INCOME
 TYSON FOODS, INC. 2000 ANNUAL REPORT
 Three years ended September 30, 2000 in millions, except per share data

	2000	1999	1998
Sales	\$7,158	\$7,363	\$7,414
Cost of Sales	6,044	6,054	6,260
	1,114	1,309	1,154
Operating Expenses:			
Selling	563	575	642
General and administrative	169	134	133
Amortization	34	36	33
Asset impairment and other charges	-	77	142
	766	822	950
Operating Income	348	487	204
Other Expense (Income):			
Interest	115	124	139
Foreign currency exchange	-	(3)	-
Other	(1)	(5)	(6)
	114	116	133
Income Before Taxes on Income and Minority Interest	234	371	71
Provision for Income Taxes	83	129	46
Minority Interest in Net Income of Consolidated Subsidiary	-	12	-
Net Income	\$ 151	\$ 230	\$ 25
Basic Earnings Per Share	\$0.67	\$ 1.00	\$ 0.11
Diluted Earnings Per Share	\$0.67	\$ 1.00	\$ 0.11

See accompanying notes

CONSOLIDATED BALANCE SHEETS
 TYSON FOODS, INC. 2000 ANNUAL REPORT

September 30, 2000 and October 2, 1999 in millions, except per share data

Assets	2000	1999
Current Assets:		
Cash and cash equivalents	\$ 43	\$ 30
Accounts receivable	520	603
Inventories	965	989
Assets held for sale	2	75
Other current assets	46	30
<hr style="border-top: 1px dashed black;"/>		
Total Current Assets	1,576	1,727
Net Property, Plant and Equipment	2,141	2,185
Excess of Investments Over Net Assets Acquired	937	962
Other Assets	200	209
<hr style="border-top: 1px dashed black;"/>		
Total Assets	\$4,854	\$5,083
<hr style="border-top: 3px double black;"/>		
Liabilities and Shareholders' Equity		
Current Liabilities:		
Notes payable	\$ 62	\$ 66
Current portion of long-term debt	123	223
Trade accounts payable	346	390
Accrued compensation and benefits	104	105
Other current liabilities	251	203
<hr style="border-top: 1px dashed black;"/>		
Total Current Liabilities	886	987
Long-Term Debt	1,357	1,515
Deferred Income Taxes	385	398
Other Liabilities	51	55
Shareholders' Equity:		
Common stock (\$0.10 par value):		
Class A-authorized 900 million shares:		
Issued 138 million shares in 2000 and 1999	14	14
Class B-authorized 900 million shares:		
Issued 103 million shares in 2000 and 1999	10	10
Capital in excess of par value	735	740
Retained earnings	1,715	1,599
Accumulated other comprehensive loss	(5)	(1)
	2,469	2,362
Less treasury stock, at cost-		
16 million shares in 2000 and		
12 million shares in 1999	284	232
Less unamortized deferred compensation	10	2
Total Shareholders' Equity	2,175	2,128
<hr style="border-top: 1px dashed black;"/>		
Total Liabilities and Shareholders' Equity	\$4,854	\$5,083
<hr style="border-top: 3px double black;"/>		
see accompanying notes		

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
 TYSON FOODS, INC. 2000 ANNUAL REPORT

Three years ended September 30, 2000

in millions, except per share data

	Class A		Class B		Capital In Excess Of Par Value	Retained Earnings	Treasury Stock	
	Shares	Amount	Shares	Amount			Shares	Amount
Balance-September 27, 1997	120	\$12	103	\$10	\$379	\$1,391	9	\$(166)
Comprehensive Income:								
Net income						25		
Other comprehensive income(loss)- net of tax of \$0.7 million								
Currency translation adjustment								
Total Comprehensive Income								
Purchase of Treasury Shares							1	(22)
Exercise of Options								3
Business Acquisitions	18	2			362			
Dividends Paid								
Balance-October 3, 1998	138	14	103	10	741	1,394	10	(185)
Comprehensive Income:								
Net income						230		
Other comprehensive income(loss)								
Total Comprehensive Income								
Purchase of Treasury Shares							3	(52)
Exercise of Options					(1)		(1)	6
Restricted Shares Cancelled								(1)
Dividends Paid						(25)		
Balance-October 2, 1999	138	14	103	10	740	1,599	12	(232)
Comprehensive Income:								
Net Income						151		
Other comprehensive income(loss)- net of tax of \$(1.3) million								
Currency translation adjustment								
Total Comprehensive Income								
Purchase of Treasury Shares							5	(69)
Exercise of Options								1
Restricted Shares Issued					(5)		(1)	16
Dividends Paid						(35)		
Amortization of Deferred Compensation								
Balance-September 30, 2000	138	\$14	103	\$10	\$735	\$1,715	16	\$(284)
See accompanying notes								

	Unamortized Deferred Compensation	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance-September 27, 1997	\$(2)	\$(3)	\$1,621
Comprehensive Income:			
Net Income			25
Other comprehensive income(loss)- net of tax of \$0.7 million			
Currency translation adjustment		2	2
Total Comprehensive Income			27
Purchase of Treasury Shares			(22)
Exercise of Options			3
Business Acquisitions			364
Dividends Paid			(22)
Balance-October 3, 1998	(2)	(1)	1,971
Comprehensive Income:			
Net income			230
Other comprehensive income(loss)			
Total Comprehensive Income			230
Purchase of Treasury Shares			(52)
Exercise of Options			5
Restricted Shares Cancelled			(1)
Dividends Paid			(25)
Balance-October 2, 1999	(2)	(1)	2,128
Comprehensive Income:			
Net Income			151
Other comprehensive income(loss)- net of tax of \$(1.3) million			
Currency translation adjustment		(4)	(4)
Total Comprehensive Income			147
Purchase of Treasury Shares			(69)
Exercise of Options			1
Restricted Shares Issued	(11)		-
Dividends Paid			(35)
Amortization of Deferred Compensation	3		3
Balance-September 30, 2000	\$(10)	\$(5)	\$2,175
See accompanying notes			

CONSOLIDATED STATEMENTS OF CASH FLOWS
 TYSON FOODS, INC. 2000 ANNUAL REPORT

Three years ended September 30, 2000

in millions

	2000	1999	1998
Cash Flows From Operating Activities:			
Net income	\$ 151	\$ 230	\$ 25
Adjustments to reconcile net income			
To cash provided by operating activities:			
Depreciation	257	255	243
Amortization	34	36	33
Amortization of deferred compensation	3	-	-
Provision for doubtful accounts	25	16	2
Asset impairment and other charges	-	77	215
Deferred income taxes	47	(13)	(145)
Minority interest	-	12	-
Foreign currency exchange loss	-	(3)	-
Loss (gain) on dispositions of property, plant and equipment	4	(1)	(2)
Decrease in accounts receivable	57	9	31
Decrease (increase) in inventories	84	(99)	80
(Decrease) increase in trade accounts payable	(46)	21	(7)
Net change in other current assets and liabilities	(29)	7	21
Cash Provided by Operating Activities	587	547	496
Cash Flows From Investing Activities:			
Net cash paid for acquisitions	-	-	(259)
Additions to property, plant and equipment	(196)	(363)	(310)
Proceeds from sale of assets	4	234	136
Net change in other assets and liabilities	(14)	(37)	(13)
Cash Used for Investing Activities	(206)	(166)	(446)
Cash Flows From Financing Activities:			
Decrease in notes payable	(4)	(19)	(74)
Proceeds from long-term debt	7	76	1,027
Repayments of long-term debt	(266)	(382)	(955)
Purchase of treasury shares	(69)	(52)	(22)
Other	(34)	(18)	(3)
Cash Used for Financing Activities	(366)	(395)	(27)
Effect of Exchange Rate Change on Cash	(2)	(2)	-
Increase (Decrease) in Cash and Cash Equivalents	13	(16)	23
Cash and Cash Equivalents at Beginning of Year	30	46	23
Cash and Cash Equivalents at End of Year	\$ 43	\$ 30	\$ 46

see accompanying notes

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
TYSON FOODS, INC. 2000 ANNUAL REPORT

NOTE 1: BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business: Tyson Foods, Inc., headquartered in Springdale, Ark., is the world's largest fully integrated producer, processor and marketer of chicken and chicken-based convenience foods, with 68,000 team members and 7,400 contract growers in 100 communities. Tyson has operations in 18 states and 15 countries and exports to 73 countries worldwide. Tyson is the recognized market leader in almost every retail and foodservice market it serves. Through its Cobb-Vantress subsidiary, Tyson is also a leading chicken breeding stock supplier. In addition, Tyson is the nation's second largest maker of corn and flour tortillas under the Mexican Original brand, as well as a leading provider of live swine.

Consolidation: The consolidated financial statements include the accounts of subsidiaries including the Company's majority ownership in Tyson de Mexico. All significant intercompany accounts and transactions have been eliminated in consolidation.

Fiscal Year: The Company utilizes a 52- or 53-week accounting period that ends on the Saturday closest to September 30.

Reclassifications: Certain reclassifications have been made to prior periods to conform to current presentations.

Cash and Cash Equivalents: Cash equivalents consist of investments in short-term, highly liquid securities having original maturities of three months or less, which are made as part of the Company's cash management activity. The carrying values of these assets approximate their fair market values. As a result of the Company's cash management system, checks issued, but not presented to the banks for payment, may create negative cash balances. Checks outstanding in excess of related cash balances totaling approximately \$126 million at September 30, 2000, and \$135 million at October 2, 1999, are included in trade accounts payable, accrued compensation and benefits and other current liabilities.

Inventories: Live chicken consists of broilers and breeders. Broilers are stated at the lower of cost (first-in, first-out) or market and breeders are stated at cost less amortization. Breeder costs are accumulated up to the production stage and amortized into broiler costs over the estimated production lives based on historical egg production. Live swine consist of breeding stock and finishing, which are carried at lower of cost (first-in, first-out) or market. The cost of live swine is included in cost of sales when the swine are sold. Additionally, dressed and further-processed products, hatchery eggs and feed and supplies are valued at the lower of cost (first-in, first-out) or market. At September 30, 2000, live swine inventory has been reclassified to inventory from assets held for sale.

	in millions	
	2000	1999
Dressed and further-processed products	\$460	\$549
Live chickens	291	291
Live swine	75	-
Hatchery eggs and feed	67	67
Supplies	72	82
Total inventory	\$965	\$989

Depreciation: Depreciation is provided primarily by the straight-line method using estimated lives for buildings and leasehold improvements of 10 to 39 years, machinery and equipment of three to 12 years and other of three to 20 years.

Excess of Investments Over Net Assets Acquired: Costs in excess of net assets of businesses purchased are amortized on a straight-line basis over periods ranging from 15 to 40 years. The Company reviews the carrying value of excess of investments over net assets acquired at each balance sheet date to assess recoverability from future operations using undiscounted cash flows based upon historical results and current projections of earnings before interest and taxes. If impairment is indicated by using undiscounted cash flows, the Company measures impairment using discounted cash flows of future operating results based upon a rate that corresponds to the Company's cost of capital. Impairments are recognized in operating results to the extent that carrying value exceeds fair value. At September 30, 2000, and October 2, 1999, the accumulated amortization of excess of investments over net assets acquired was \$256 million and \$225 million, respectively.

Other Current Liabilities: Insurance reserves totaling \$102 million and \$95 million at September 30, 2000, and October 2, 1999, respectively, are included in other current liabilities.

Capital Stock: Holders of Class B common stock (Class B stock) may convert such stock into Class A common stock (Class A stock) on a share-for-share basis. Holders of Class B stock are entitled to 10 votes per share while holders of Class A stock are entitled to one vote per share on matters submitted to shareholders for approval. Cash dividends cannot be paid to holders of Class B stock unless they are simultaneously paid to holders of Class A stock. The per share amount of the cash dividend paid to holders of Class B stock cannot exceed 90% of the cash dividend simultaneously paid to holders of Class A stock. The Company pays quarterly cash dividends to Class A and Class B shareholders. The Company paid Class A dividends per share of \$0.16, \$0.115 and \$0.10 and Class B dividends per share of \$0.144, \$0.104 and \$0.09 in 2000, 1999 and 1998, respectively.

Stock-Based Compensation: Stock-based compensation is recognized using the intrinsic value method. For disclosure purposes, pro forma net income and earnings per share impacts are provided as if the fair value method had been applied.

Financial Instruments: Periodically, the Company uses derivative financial instruments to reduce its exposure to various market risks. The Company does not regularly engage in speculative transactions, nor does the Company regularly hold or issue financial instruments for trading purposes. Generally, contract terms of a hedge instrument closely mirror those of the hedged item providing a high degree of risk reduction and correlation. Contracts that effectively meet the risk reduction and correlation criteria are recorded using hedge accounting. Financial instruments that do not meet the criteria for hedge accounting are marked to fair value with gains or losses reported currently in earnings. Interest rate swaps are used to hedge exposure to changes in interest rates under various leveraged equipment loans. Settlements of interest rate swaps are accounted for as an adjustment to interest expense. Commodity futures and options are used to hedge a portion of the Company's purchases of certain commodities for future processing requirements. Such contracts are accounted for as hedges, with gains and losses recognized as part of cost of sales, and generally have terms of less than 15 months. Foreign currency forwards and option contracts are used to hedge sale and debt transactions denominated in foreign currencies to reduce the currency risk associated with fluctuating exchange rates. Such contracts generally have terms of less than 12 months. Unrealized gains and losses are deferred as part of the basis of the underlying transaction.

Revenue Recognition: The Company recognizes sales revenue upon shipment of product. Certain international sales revenue and live swine sales revenue are recognized after transfer of title or delivery of product, which may occur after shipment.

Advertising and Promotion Expenses: Advertising and promotion expenses are charged to operations in the period incurred. Advertising and promotion expenses for 2000, 1999 and 1998 were \$280 million, \$301 million and \$294 million, respectively.

Use of Estimates: The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States which require management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Recently Issued Accounting Standards: On October 1, 2000, the Company adopted Financial Accounting Standards Board Statement (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, which is required to be adopted in years beginning after June 15, 2000. This Statement requires the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives will either be offset against the change in fair value of the hedged assets, liabilities or firm commitments through earnings, or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings.

The adoption on October 1, 2000, resulted in the cumulative effect of an accounting change of approximately \$9 million being charged to other comprehensive loss. The Company does not believe the adoption of SFAS No. 133 will cause a significant change in normal business practices.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin (SAB) No. 101, which provides guidance on the recognition, presentation and disclosure of revenue in financial statements filed with the Commission. SAB 101A was released on March 24, 2000, and delayed for one fiscal quarter the implementation date of SAB 101 for registrants with fiscal years beginning between December 16, 1999, and March 15, 2000. Since the issuance of SAB 101 and SAB 101A, the staff has continued to receive requests from a number of groups asking for additional time to determine the effect, if any, on registrant's revenue recognition practices. SAB 101B issued June 26, 2000 further delayed the implementation date of SAB 101 until no later than the fourth fiscal quarter of fiscal years beginning after December 15, 1999. The Company believes the adoption of SAB 101 in fiscal 2001 will not have a material impact on its financial position or results of operations.

NOTE 2: ACQUISITIONS

On January 9, 1998, the Company completed the acquisition of Hudson Foods, Inc. (Hudson or Hudson Acquisition). At the effective time of the acquisition, the Class A and Class B shareholders of Hudson received approximately 18.4 million shares of the Company's Class A common stock valued at approximately \$364 million and approximately \$257 million in cash. The Company borrowed funds under its commercial paper program to finance the cash portion of the Hudson Acquisition and repay approximately \$61 million under Hudson's revolving credit facilities. The Hudson Acquisition has been accounted for as a purchase and the excess of investment over net assets acquired is being amortized straight-line over 40 years. The Company's consolidated results of operations include the operations of Hudson since the acquisition date. The following unaudited pro forma information shows the results of operations as though the purchase of Hudson had been made at the beginning of fiscal 1997.

	in millions, except per share data	
	----- 1998	1997 -----
Sales	\$7,831	\$8,021
Net income	17	140
Basic earnings per share	0.07	0.60
Diluted earnings per share	\$ 0.07	\$ 0.59

The unaudited pro forma results are not necessarily indicative of the actual results of operations that would have occurred had the purchase actually been made at the beginning of 1997, or the results that may occur in the future.

NOTE 3: DISPOSITIONS

On July 17, 1999, the Company completed the sale of the assets of Tyson Seafood Group in two separate transactions. Under the terms of the agreements, the Company received proceeds of approximately \$165 million, which was used to reduce indebtedness, and subsequently collected receivables totaling approximately \$16 million. The Company recognized a pretax loss of approximately \$19 million on the sale of the seafood assets.

Effective December 31, 1998, the Company sold Willow Brook Foods, its integrated turkey production and processing business, and its Albert Lea, Minn., processing facility which primarily produced sausages, lunch and deli meats. In addition, on December 31, 1998, the Company sold its National Egg Products Company operations in Social Circle, Ga. These facilities were sold for amounts that approximated their carrying values. These operations were acquired as part of the Hudson Acquisition.

NOTE 4: IMPAIRMENT AND OTHER CHARGES

In the fourth quarter of fiscal 1999, the Company recorded a pretax charge totaling \$35 million related to the anticipated loss on the sale and closure of the Pork Group assets. In the first quarter of fiscal 2000, the Company ceased negotiations for the sale of the Pork Group.

Additionally, in the fourth quarter of fiscal 1999, the Company recorded pretax charges totaling \$23 million for impairment of property and equipment and write-down of related excess of investments over net assets acquired of Mallard's Food Products.

In the fourth quarter of fiscal 1998, as a result of the Company's restructuring plan, pretax charges totaling \$215 million were recorded. These charges were classified in the Consolidated Statements of Income as \$142 million asset impairment and other charges, \$48 million in selling expenses, \$21 million in cost of sales and \$4 million in other expense.

NOTE 5: ALLOWANCE FOR DOUBTFUL ACCOUNTS

On January 31, 2000, AmeriServe Food Distribution, Inc. (AmeriServe), a significant distributor of products to fast food and casual dining restaurant chains, filed for reorganization in Delaware under Chapter 11 of the federal Bankruptcy Code. The Company is a major supplier to several AmeriServe customers. In the second quarter of fiscal 2000, the Company recorded a \$24 million bad debt reserve to fully reserve the AmeriServe receivable. At September 30, 2000, and October 2, 1999, allowance for doubtful accounts, excluding the AmeriServe writeoff, was \$17 million and \$22 million, respectively.

NOTE 6: FINANCIAL INSTRUMENTS

Commodity and Foreign Currency Contracts: At September 30, 2000, and October 2, 1999, the Company held the following commodity and foreign currency contracts:

dollars in millions, except per unit contract/strike prices

	Units	Notional amount		Weighted average Contract/strike Price		Fair Value	
		2000	1999	2000	1999	2000	1999
Hedging positions:							
Long positions in corn	bushels	17	84	\$2.50	\$2.21	\$(9)	\$(8)
Short positions in corn	bushels	-	1	-	\$2.32	-	-
Long positions in soybean oil	cwt	9	-	0.16	-	-	-
Short positions in soybean oil	cwt	6	-	0.16	-	-	-
Foreign forward exchange contracts	dollars	-	\$7	-	\$10.13	-	(1)
Trading positions:							
Short positions in corn puts	bushels	-	28	-	2.10	-	(3)

Fair Value of Financial Instruments: The Company's significant financial instruments include cash and cash equivalents, investments and debt. In evaluating the fair value of significant financial instruments, the Company generally uses quoted market prices of the same or similar instruments or calculates an estimated fair value on a discounted cash flow basis using the rates available for instruments with the same remaining maturities. As of September 30, 2000, and October 2, 1999, the fair value of financial instruments held by the Company approximated the recorded value except for long-term debt. Fair value of long-term debt including current portion was \$1.4 billion and \$1.7 billion at September 30, 2000, and October 2, 1999, respectively.

Concentrations of Credit Risk: The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash equivalents and trade receivables. The Company's cash equivalents are in high quality securities placed with major banks and financial institutions. Concentrations of credit risk with respect to receivables are limited due to the large number of customers and their dispersion across geographic areas. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. No single group or customer represents greater than 10% of total accounts receivable.

Interest Rate Instruments: The Company uses interest rate swap contracts on certain borrowing transactions. Interest rate swaps with notional amounts of \$110 million and \$127 million were in effect at September 30, 2000, and October 2, 1999, respectively. Fair values of these swaps were \$500,000 and a negative \$1 million at September 30, 2000, and October 2, 1999, respectively. Fair values of interest rate instruments are estimated amounts the Company would receive or pay to terminate the agreements at the reporting dates. These swaps mature from 2005 to 2008.

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

The major categories of property, plant and equipment and accumulated depreciation, at cost, are as follows:

(IN MILLIONS)

	2000	1999
Land	\$ 61	\$ 57
Buildings and leasehold improvements	1,291	1,180
Machinery and equipment	2,219	2,033
Land improvements and other	110	112
Buildings and equipment under construction	103	224
	3,784	3,606
Less accumulated depreciation	1,643	1,421
Net property, plant and equipment	\$2,141	\$2,185

The Company capitalized interest costs of \$2 million in 2000, \$5 million in 1999 and \$2 million in 1998 as part of the cost of major asset construction projects. Approximately \$121 million will be required to complete construction projects in progress at September 30, 2000.

In fiscal 2000, the Company adopted American Institute of Certified Public Accountants Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." This statement provides guidance on the capitalization of certain costs incurred in developing or acquiring internal-use computer software. At September 30, 2000, the Company has capitalized \$25 million in software costs and recorded \$3 million of related software depreciation.

NOTE 8: CONTINGENCIES

The Company is involved in various lawsuits and claims made by third parties on an ongoing basis as a result of its day-to-day operations. Although the outcome of such items cannot be determined with certainty, the Company's general counsel and management are of the opinion that the final outcome should not have a material effect on the Company's results of operations or financial position.

On June 22, 1999, 11 current and former employees of the Company filed the case of M.H. Fox, et al. v. Tyson Foods, Inc. (Fox v. Tyson) in the U.S. District Court for the Northern District of Alabama claiming the Company violated requirements of the Fair Labor Standards Act. The suit alleges the Company failed to pay employees for all hours worked and/or improperly paid them for overtime hours. The suit generally alleges that

(i) employees should be paid for time taken to put on and take off certain working supplies at the beginning and end of their shifts and breaks and

(ii) the use of "mastercard" or "line" time fails to pay employees for all time actually worked. Plaintiffs seek to represent themselves and all similarly situated current and former employees of the Company. At filing 159 current and/or former employees consented to join the lawsuit and, to date, approximately 4,900 consents have been filed with the court. Discovery in this case is ongoing. A hearing was held on March 6, 2000, to consider the plaintiff's request for collective action certification and court-supervised notice. No decision has been rendered. The Company believes it has substantial defenses to the claims made and intends to vigorously defend the case; however, neither the likelihood of unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time. Substantially similar suits have been filed against other integrated poultry companies. In addition, organizing activity conducted by representatives or affiliates of the United Food and Commercial Workers Union against the poultry industry has encouraged worker participation in Fox v. Tyson and the other lawsuits. On February 9, 2000, the Wage and Hour Division of the U.S. Department of Labor (DOL) began an industry-wide investigation of poultry producers, including the Company, to ascertain compliance with various wage and hour issues. As part of this investigation, the DOL inspected 14 of the Company's processing facilities. The Company has begun preliminary discussions with the DOL regarding its investigation to discuss a resolution of potential claims that might be asserted by the DOL. The Company has been advised of an investigation by the Immigration and Naturalization Service (INS) and the U.S. Attorney's Office for the Eastern District of Tennessee into possible violations of the Immigration and Naturalization Act at several of the Company's locations. On October 5, 2000, the Company was advised that, in addition to a number of its employees, the Company itself is a subject of the investigation. The outcome of the investigation and any potential liability on the part of the Company cannot be determined at this time.

On January 20, 2000, McCarty Farms, Inc. (McCarty), a former subsidiary of the Company which has been merged into the Company, was indicted in the U.S. District Court for the Southern District of Mississippi, Jackson Division, for conspiracy to violate the federal Clean Water Act. The alleged conspiracy arose out of McCarty's partial ownership of Central Industries, Inc. (Central), which operates a rendering plant in Forest, Miss. On November 3, 2000, Central pled to 25 counts of knowing violations of the Act and one count of conspiracy pursuant to a plea agreement, which resulted in a \$14 million fine against Central payable over five years. The conspiracy indictment against McCarty and other Central shareholders was dismissed. A related civil proceeding by the United States arising from the same circumstances, and a state environmental administrative complaint were also fully resolved and dismissed as a part of Central's Plea Agreement.

The Company's Sedalia, Mo., facility is currently under investigation by the U.S. Attorney's office of the Western District of Missouri for possible violations of environmental laws or regulations. Neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this investigation can be determined at this time.

On October 17, 2000, a Washington County (Arkansas) Chancery Court jury awarded the Company approximately \$20 million in its lawsuit against ConAgra, Inc. and ConAgra Poultry Company. In its suit, the Company alleged that ConAgra, Inc. and ConAgra Poultry Company violated the Arkansas Trade Secrets Act when they improperly obtained and implemented Tyson's confidential feed nutrient profile. The court ruled that the Company's feed nutrient profile is a trade secret under the Arkansas Trade Secrets Act and that ConAgra, Inc. and ConAgra Poultry Company misappropriated the feed nutrient profile. The court's ruling and the award are subject to appeal; therefore, the Company has not recorded this award at September 30, 2000.

NOTE 9: COMMITMENTS

The Company leases certain farms and other properties and equipment for which the total rentals thereon approximated \$66 million in 2000, \$64 million in 1999 and \$47 million in 1998. Most farm leases have terms ranging from one to 10 years with various renewal periods. The most significant obligations assumed under the terms of the leases are the upkeep of the facilities and payments of insurance and property taxes.

Minimum lease commitments under noncancelable leases at September 30, 2000, total \$124 million composed of \$54 million for 2001, \$34 million for 2002, \$18 million for 2003, \$9 million for 2004, \$5 million for 2005 and \$4 million for later years. These future commitments are expected to be offset by future minimum lease payments to be received under subleases of approximately \$12 million.

The Company assists certain of its swine and chicken growers in obtaining financing for growout facilities by providing the growers with extended growout contracts and conditional operation of the facilities should a grower default under their growout or loan agreement. The Company also guarantees debt of outside third parties of \$41 million.

NOTE 10: LONG-TERM DEBT

The Company has an unsecured revolving credit agreement totaling \$1 billion that supports the Company's commercial paper program. This \$1 billion facility expires in May 2002. At September 30, 2000, \$260 million in commercial paper was outstanding under this facility.

At September 30, 2000, the Company had outstanding letters of credit totaling approximately \$99 million issued primarily in support of workers' compensation insurance programs, industrial revenue bonds and the leveraged equipment loans.

Under the terms of the leveraged equipment loans, the Company had restricted cash totaling approximately \$49 million which is included in other assets at September 30, 2000. Under these leveraged loan agreements, the Company entered into interest rate swap agreements to effectively lock in a fixed interest rate for these borrowings.

Annual maturities of long-term debt for the five years subsequent to September 30, 2000, are: 2001-\$123 million; 2002-\$307 million; 2003-\$178 million; 2004-\$29 million and 2005-\$180 million.

The revolving credit agreement and notes contain various covenants, the more restrictive of which require maintenance of a minimum net worth, current ratio, cash flow coverage of interest and fixed charges and a maximum total debt-to-capitalization ratio. The Company is in compliance with these covenants at fiscal year end.

Industrial revenue bonds are secured by facilities with a net book value of \$64 million at September 30, 2000. The weighted average interest rate on all outstanding short-term borrowing was 6.8% at September 30, 2000, and 5.5% at October 2, 1999.

Long-term debt consists of the following:

(IN MILLIONS)

	Maturity	2000	1999
Commercial paper (6.7% effective rate at 9/30/00)	2002	\$ 260	\$ 291
Debt securities:			
6.75% notes	2005	149	150
6.625% notes	2006	149	150
6.39-6.41% notes	2001	-	50
6% notes	2003	149	148
7% notes	2028	147	146
7% notes	2018	237	236
Institutional notes:			
10.61% notes	2001	-	53
10.84% notes	2002-2006	50	50
11.375% notes	1999-2002	4	8
Leveraged equipment loans (rates ranging from 4.7% to 6.0%)	2005-2008	138	154
Other	various	74	79
Total long-term debt		\$1,357	\$1,515

NOTE 11: STOCK OPTIONS AND RESTRICTED STOCK

The Company has a nonqualified stock option plan that provides for granting options for shares of Class A stock at a price not less than the fair market value at the date of grant. The options generally become exercisable ratably over three to eight years from the date of grant and must be exercised within 10 years of the grant date.

On May 4, 2000, the Company cancelled approximately 4.3 million option shares and granted approximately 1 million restricted shares of Class A common stock. The restriction expires over periods through December 1, 2003. At September 30, 2000, the Company had outstanding 1,146,900 restricted shares of Class A common stock with restrictions expiring over periods through July 1, 2020. The unearned portion of the restricted stock is classified on the Consolidated Balance Sheets as deferred compensation in shareholders' equity.

A summary of the Company's stock option activity for the nonqualified stock option plan is as follows:

	Shares Under Option	Weighted Average Exercise Price Per Share

Outstanding, September 27, 1997	8,342,334	\$15.99
Exercised	(178,467)	14.18
Canceled	(313,019)	15.84
Granted	504,700	18.00

Outstanding, October 3, 1998	8,355,548	16.15
Exercised	(359,999)	14.23
Canceled	(631,717)	16.35
Granted	4,722,500	15.00

Outstanding, October 2, 1999	12,086,332	15.74
Exercised	(88,332)	14.23
Canceled	(5,199,995)	15.17
Granted	-	-

Outstanding, September 30, 2000	6,798,005	\$16.19
=====		

The number of options exercisable was as follows: September 30, 2000- 2,926,980; October 2, 1999-1,870,893 and October 3, 1998-1,202,498. The remainder of the options outstanding at September 30, 2000, are exercisable ratably through November 2007. The number of shares available for future grants was 7,568,614 and 2,368,619 at September 30, 2000 and October 2, 1999, respectively.

The following table summarizes information about stock options outstanding at September 30, 2000:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Shares Outstanding	Weighted Average Remaining Contractual Life(in years)	Weighted Average Exercise Price	Shares Exercisable	Weighted Average Exercise Price
\$14.33-14.50	2,057,730	3.9	\$14.40	1,807,110	\$14.40
14.58-15.17	1,566,050	6.0	15.04	552,825	15.04
17.92-18.00	3,174,225	6.1	17.93	567,045	17.92
	6,798,005			2,926,980	

The Company did not grant any options during 2000. The weighted average fair value of options granted during 1999 was approximately \$5.06. The fair value of each option grant is established on the date of grant using the Black-Scholes option-pricing model. Assumptions include an expected life of 5.5 years, risk-free interest rates ranging from 5.5% to 6.4%, expected volatility of 0.2% and dividend yield of 0.5% in 1999.

The Company applies Accounting Principles Board Opinion No. 25 and related Interpretations in accounting for its employee stock option plans. Accordingly, no compensation expense was recognized for its stock option plans. Had compensation cost for the employee stock option plans been determined based on the fair value method of accounting for the Company's stock option plans, the tax-effected impact would be as follows:

(In millions, except per share data)

	2000	1999	1998
Net Income			
As reported	\$151	\$230	\$25
Pro forma	148	226	21
Earnings Per Share			
As reported			
Basic	0.67	1.00	0.11
Diluted	0.67	1.00	0.11
Pro forma			
Basic	0.66	0.98	0.09
Diluted	0.65	0.98	0.09

Pro forma net income reflects only options granted after 1997. Additionally, the pro forma disclosures are not likely to be representative of the effects on reported net income for future years.

NOTE 12: BENEFIT PLANS

The Company has defined contribution retirement and incentive benefit programs for various groups of Company personnel. Company contributions totaled \$32 million, \$33 million and \$32 million in 2000, 1999 and 1998, respectively.

NOTE 13: TRANSACTIONS WITH RELATED PARTIES

The Company has operating leases for farms, equipment and other facilities with the Senior Chairman of the Board of Directors of the Company and certain members of his family, as well as a trust controlled by him, for rentals of \$7 million in 2000, \$7 million in 1999 and \$5 million in 1998. Other facilities have been leased from other officers and directors for rentals totaling \$3 million in 2000, 1999 and 1998. Certain officers and directors are engaged in chicken and swine growout operations with the Company whereby these individuals purchase animals, feed, housing and other items to raise the animals to market weight. The total value of these transactions amounted to \$11 million in 2000, \$10 million in 1999 and \$12 million in 1998.

Certain unimproved real property was sold by the Company in June 2000 to an entity controlled by the daughter and son-in-law of the Senior Chairman of the Board for approximately \$5 million. The purchase price was in excess of the market value as determined by a current independent appraisal.

NOTE 14: INCOME TAXES

Detail of the provision for income taxes consists of:

(IN MILLIONS)

	2000	1999	1998
Federal	\$78	\$121	\$ 50
State	5	8	(4)
	\$83	\$129	\$ 46
Current	\$36	\$143	\$ 81
Deferred	47	(14)	(35)
	\$83	\$129	\$ 46

The reasons for the difference between the effective income tax rate and the statutory U.S. federal income tax rate are as follows:

	2000	1999	1998
U.S. federal income tax rate	35.0%	35.0%	35.0%
Amortization of excess of investments over net assets acquired	4.3	5.3	23.6
State income taxes (benefit)	1.4	1.6	(3.8)
Foreign (benefit) losses	(5.2)	(6.3)	10.9
Other	0.1	(0.7)	(1.0)
	35.6%	34.9%	64.7%

The Company follows the liability method in accounting for deferred income taxes which provides that deferred tax liabilities are recorded at current tax rates based on the difference between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes referred to as temporary differences.

The tax effects of major items recorded as deferred tax assets and liabilities are:

	2000		1999	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Property, plant and equipment	\$5	\$200	\$ -	\$238
Suspended taxes from conversion to accrual method	-	121	-	128
Inventory	2	91	2	40
Employee benefits	25	9	31	7
All other	26	82	53	71
	\$58	\$503	\$86	\$484
Net deferred tax liability		\$445		\$398

Net deferred tax liabilities are included in other current liabilities and deferred income taxes on the Consolidated Balance Sheets.

The suspended taxes from conversion to accrual method represents the 1987 change from the cash to accrual method of accounting and is currently being paid down over 20 years through 2017.

NOTE 15: EARNINGS PER SHARE

The weighted average common shares used in the computation of basic and diluted earnings per share were as follows:

(In millions, except per share data)

	2000	1999	1998
	----	----	----
Numerator:			
Net Income	\$151	\$230	\$ 25
	====	====	====
Denominator:			
Denominator for basic earnings per share-weighted average shares	225	230	227
Effect of dilutive securities: Stock options and restricted stock	1	1	1
	----	----	----
Denominator for diluted earnings per share-adjusted weighted average shares and assumed conversions	226	231	228
	=====	=====	=====
Basic earnings per share	\$0.67	\$ 1.00	\$ 0.11
	=====	=====	=====
Diluted earnings per share	\$0.67	\$ 1.00	\$ 0.11
	=====	=====	=====

The Company had approximately seven million option shares outstanding at September 30, 2000, that were not included in the dilutive earnings per share calculation because they would be antidilutive.

NOTE 16: SEGMENT REPORTING

The Company presently identifies segments based on the products offered and the nature of customers, resulting in four reported business segments: Food Service, Consumer Products, International and Swine. Food Service includes fresh, frozen and value-added chicken products sold through domestic foodservice, specialty and commodity distributors who deliver to restaurants, schools and other accounts. Consumer Products includes fresh, frozen and value-added chicken products sold through domestic retail markets for at-home consumption and through wholesale club markets targeted to small foodservice operators, individuals and small businesses. The Company's International segment markets and sells the full line of Tyson chicken products throughout the world. The Company's Swine segment includes feeder pig finishing, and marketing of swine to regional and national packers. The Company's seafood business, which was sold on July 17, 1999, is listed as a business segment for fiscal 1999 and 1998. The Company measures segment profit as gross profit less selling expenses. The majority of revenue included in the other category is derived from the Company's Specialty Products and Prepared Foods groups, the Company's wholly-owned subsidiaries involved in supplying chicken breeding stock and trading agricultural goods worldwide, as well as the Company's turkey and egg products facilities, which were sold on December 31, 1998. Sales between reportable segments are recorded at cost. The majority of identifiable assets in the other category include excess of investments over net assets acquired, investments and other assets and other corporate unallocated assets.

Information on segments and a reconciliation to income before taxes on income and minority interest are as follows:

	Food Service	Consumer Products	International	Swine	Seafood	Other	Consolidated
Fiscal year ended September 30, 2000							
Sales	\$3,312	\$2,250	\$ 657	\$157	-	\$ 782	\$7,158
Gross profit less selling expenses	197	145	50	19	-	140	551
Other operating expenses							203
Other expense							114
Income before taxes on income and minority interest							234
Depreciation	113	65	8	3	-	68	257
Identifiable assets	1,745	1,111	166	102	-	1,730	4,854
Additions to property, plant and equipment	42	68	8	-	-	78	196

Fiscal year ended October 2, 1999							
Sales	\$3,354	\$2,252	\$ 645	\$110	\$189	\$ 813	\$7,363
Gross profit less selling expenses	311	241	68	(63)	22	155	734
Other operating expenses							247
Other expense							116
Income before taxes on income and minority interest							371
Depreciation	114	57	1	4	29	50	255
Asset impairment and other charges	-	-	-	35	19	23	77
Identifiable assets	1,925	1,161	194	70	-	1,733	5,083
Additions to property, plant and equipment	153	130	16	4	6	54	363

Fiscal year ended October 3, 1998							
Sales	\$3,329	\$2,074	\$ 593	\$160	\$214	\$1,044	\$7,414
Gross profit less selling expenses	232	179	9	(21)	3	110	512
Other operating expenses							308
Other expense							133
Income before taxes on income and minority interest							71
Depreciation	108	62	1	4	23	45	243
Asset impairment and other charges	51	39	48	-	47	30	215
Identifiable assets	1,822	1,038	188	128	221	1,845	5,242
Additions to property, plant and equipment	154	69	-	5	27	55	310

The majority of the Company's operations are domiciled in the United States. Approximately 97% of sales to external customers for the fiscal years ended 2000, 1999 and 1998 were sourced from the United States. Approximately \$3 billion of long-lived assets were located in the United States at fiscal years ended 2000, 1999 and 1998. Approximately \$74 million, \$74 million and \$64 million of long-lived assets were located in foreign countries, primarily Mexico, at fiscal years ended 2000, 1999 and 1998, respectively.

The Company sells certain of its products in foreign markets, primarily China, Hong Kong, Japan, Mexico, Puerto Rico and Russia. The Company's export sales for 2000, 1999 and 1998 totaled \$550 million, \$546 million and \$687 million, respectively. Substantially all of the Company's export sales are transacted through unaffiliated brokers, marketing associations and foreign sales staffs. Foreign sales were less than 10% of total consolidated sales for 2000, 1999 and 1998, respectively.

NOTE 17: SUPPLEMENTAL INFORMATION

	in millions		
	2000	1999	1998

Supplemental Cash Flow Information			
Cash paid during the period for:			
Interest	\$116	\$128	\$160
Income taxes	73	125	197

NOTE 18: QUARTERLY FINANCIAL DATA (UNAUDITED)

	in millions, except per share data			
2000	First Quarter	Second Quarter	Third Quarter	Fourth Quarter

Sales	\$1,779	\$1,791	\$1,807	\$1,781
Gross margin	313	297	269	235
Net income	57	36	40	18
Basic earnings per share	0.25	0.16	0.18	0.08
Diluted earnings per share	0.25	0.16	0.18	0.08
=====				
1999				

Sales	\$1,825	\$1,841	\$1,881	\$1,816
Gross margin	306	322	350	331
Net income	56	65	68	41
Basic earnings per share	0.24	0.28	0.30	0.18
Diluted earnings per share	0.24	0.28	0.30	0.18
=====				

REPORT OF MANAGEMENT
TYSON FOODS, INC. 2000 ANNUAL REPORT

The management of Tyson Foods, Inc., (the Company) has the responsibility of preparing the accompanying financial statements and is responsible for their integrity and objectivity. The statements were prepared in conformity with accounting principles generally accepted in the United States applied on a consistent basis. Such financial statements are necessarily based, in part, on best estimates and judgments.

The Company maintains a system of internal accounting controls, and a program of internal auditing designed to provide reasonable assurance that the Company's assets are protected and that transactions are executed in accordance with proper authorization, and are properly recorded. This system of internal accounting controls is continually reviewed and modified in response to changing business conditions and operations and to recommendations made by the independent auditors and the internal auditors. The Company has a code of conduct and an experienced full-time compliance officer. The management of the Company believes that the accounting and control systems provide reasonable assurance that assets are safeguarded and financial information is reliable.

The Audit Committee of the Board of Directors meets regularly with the Company's financial management and counsel, with the Company's internal auditors, and with the independent auditors engaged by the Company. These meetings include discussions of internal accounting controls and the quality of financial reporting. The Audit Committee has discussed with the independent auditors matters required to be discussed by Statement of Auditing Standards No. 61 (Communication with Audit Committees). In addition, the Committee has discussed with the independent auditors, the auditors' independence from the Company and its management, including the matters in the written disclosures required by the Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees). The independent auditors and the Internal Audit Department have free and independent access to the Audit Committee to discuss the results of their audits or any other matters relating to the Company's financial affairs.

Ernst & Young LLP, independent auditors, have audited the accompanying consolidated financial statements.

November 13, 2000

/s/John Tyson

John Tyson
Chairman of the Board,
President and
Chief Executive Officer

/s/Steven Hankins

Steven Hankins
Executive Vice President and
Chief Financial Officer

**REPORT OF INDEPENDENT AUDITORS
TYSON FOODS, INC. 2000 ANNUAL REPORT**

BOARD OF DIRECTORS AND SHAREHOLDERS

We have audited the accompanying consolidated balance sheets of Tyson Foods, Inc., as of September 30, 2000, and October 2, 1999, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended September 30, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tyson Foods, Inc., at September 30, 2000, and October 2, 1999, and the consolidated results of its operations and its cash flows for each of the three years in the period ended September 30, 2000, in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young LLP

Ernst & Young LLP

Ernst & Young LLP
Little Rock, Arkansas
November 13, 2000

ELEVEN-YEAR FINANCIAL SUMMARY
 TYSON FOODS, INC. 2000 ANNUAL REPORT

in millions except per share data

	2000	1999	1998	1997	1996	1995	1994
Summary of Operations							
Sales	\$7,158	\$7,363	\$7,414	\$6,356	\$6,454	\$5,511	\$5,110
Cost of sales	6,044	6,054	6,260	5,318	5,506	4,423	4,149
Gross profit	1,114	1,309	1,154	1,038	948	1,088	961
Operating expenses	766	822	950	638	679	616	766
Interest expense	115	124	139	110	133	115	86
Provision for income taxes	83	129	46	144	49	131	121
Net income (loss)	\$ 151	\$ 230	\$ 25	\$ 186	\$ 87	\$ 219	\$ (2)
Year end shares outstanding	225	229	231	213	217	217	218
Diluted average shares outstanding	226	231	228	218	218	218	222
Diluted earnings (loss) per share	\$ 0.67	\$ 1.00	0.11	0.85	0.40	1.01	(0.01)
Basic earnings (loss) per share	0.67	1.00	0.11	0.86	0.40	1.01	(0.01)
Dividends per share:							
Class A	0.160	0.115	0.100	0.095	0.080	0.053	0.047
Class B	0.144	0.104	0.090	0.086	0.072	0.044	0.039
Depreciation and amortization	\$294	\$291	\$276	\$230	\$239	\$205	\$188
Balance Sheet Data							
Capital expenditures	\$ 196	\$ 363	\$ 310	\$ 291	\$ 214	\$ 347	\$ 232
Total assets	4,854	5,083	5,242	4,411	4,544	4,444	3,668
Net property, plant and equipment	2,141	2,185	2,257	1,925	1,869	2,014	1,610
Total debt	1,542	1,804	2,129	1,690	1,975	1,985	1,455
Shareholders' equity	\$2,175	\$2,128	\$1,970	\$1,621	\$1,542	\$1,468	\$1,289
Other Key Financial Measures							
Return on sales	2.2%	3.1%	0.3%	2.9%	1.4%	4.0%	0.0%
Annual sales growth (decline)	(2.8)%	(0.7)%	16.7%	(1.5)%	17.1%	7.9%	8.6%
Gross margin	15.6%	17.8%	15.6%	16.3%	14.7%	19.7%	18.8%
Return on invested capital	8.2%	10.9%	4.9%	10.2%	6.8%	13.3%	6.5%
Return on beginning shareholders' equity	7.1%	11.7%	1.5%	12.1%	5.9%	17.0%	(0.2)%
Effective tax rate	35.6%	34.9%	64.7%	43.6%	37.0%	38.1%	101.8%
Total debt to capitalization	41.5%	45.9%	51.9%	51.0%	56.2%	57.5%	53.0%
Book value per share	\$ 9.67	\$ 9.31	\$ 8.53	\$ 7.60	\$ 7.09	\$ 6.76	\$ 5.92
Closing stock price high	18.00	25.38	24.44	23.63	18.58	18.17	16.67
Closing stock price low	8.56	15.00	16.50	17.75	13.83	13.83	12.50

	1993	1992	1991	1990
Summary of Operations				
Sales	\$4,707	\$4,169	\$3,922	\$3,825
Cost of sales	3,797	3,390	3,148	3,082
Gross profit	911	779	775	744
Operating expenses	535	447	441	423
Interest expense	73	77	96	129
Provision for income taxes	129	101	97	80
Net income (loss)	\$ 180	161	\$ 146	\$ 120
Year end shares outstanding	221	206	206	205
Diluted average shares outstanding	223	208	207	199
Diluted earnings (loss) per share	0.81	0.77	0.70	0.60
Basic earnings (loss) per share	0.82	0.78	0.71	0.61
Dividends per share:				
Class A	0.027	0.027	0.020	0.013
Class B	0.022	0.022	0.017	0.011
Depreciation and amortization	\$177	\$149	\$136	\$123
Balance Sheet Data				
Capital expenditures	\$ 225	\$ 108	\$ 214	\$ 164
Total assets	3,254	2,618	2,646	2,501
Net property, plant and equipment	1,435	1,142	1,162	1,071
Total debt	1,024	826	984	1,021
Shareholders' equity	\$1,361	\$ 980	\$ 823	\$ 663
Other Key Financial Measures				
Return on sales	3.8%	3.9%	3.7%	3.1%
Annual sales growth (decline)	12.9%	6.3%	2.5%	50.7%
Gross margin	19.4%	18.7%	19.8%	19.4%
Return on invested capital	14.8%	14.8%	15.4%	15.0%
Return on beginning shareholders' equity	18.4%	19.5%	22.0%	26.8%
Effective tax rate	41.8%	38.5%	40.0%	40.0%
Total debt to capitalization	42.9%	45.7%	54.5%	60.6%
Book value per share	\$ 6.16	\$ 4.75	\$ 3.99	\$ 3.24
Closing stock price high	18.08	15.08	15.58	11.79
Closing stock price low	12.83	10.17	8.46	7.17

1. Return on invested capital is defined as earnings before interest and taxes divided by average total assets less current liabilities excluding current debt.
2. The results for 2000 include a \$24 million pretax charge for bad debt writeoff related to the January 31, 2000, bankruptcy filing of AmeriServe Food Distribution, Inc. and a \$9 million pretax charge related to Tyson de Mexico losses.
3. The results for 1999 include a \$77 million pretax charge for loss on sale of assets and impairment write-downs.
4. Significant business combinations accounted for as purchases: Hudson Foods, Inc. and Arctic Alaska Fisheries Corporation on January 9, 1998 and October 5, 1992, respectively. See Footnote 2 to the Consolidated Financial Statements for acquisitions during the three-year period ended September 30, 2000.
5. The results for 1998 include a \$215 million pretax charge for asset impairment and other charges.
6. The results for 1997 include a \$41 million pretax gain (\$4 million aftertax) from the sale of the beef division assets.
7. The results for 1994 include a \$214 million pretax charge (\$205 million aftertax) due to the write-down of certain long-lived assets of Arctic Alaska Fisheries Corporation.

BOARD OF DIRECTORS
TYSON FOODS, INC. 2000 ANNUAL REPORT

DON TYSON, 70, senior chairman of the board of directors, served as chairman of the board until April 1995 when he was named senior chairman. Mr. Tyson served as chief executive officer until March 1991 and has been a member of the board since 1952.1

JOE STARR, 67, a private investor, served as a vice president of Tyson until 1996. Mr. Starr has been a member of the board since 1969.

NEELY CASSADY, 72, is chairman of the board and president of Cassady Investments, Inc. and served as a senator in the Arkansas General Assembly from 1983 to 1996. Mr. Cassady has been a member of the board since 1974.2,3,4

FRED VORSANGER, 72, is a private business consultant, manager of Bud Walton Arena and vice president emeritus of finance and administration at the University of Arkansas. Mr. Vorsanger has been a member of the board since 1977.2,3,4

LELAND TOLLETT, 63, served as chairman of the board and chief executive officer from 1995 to 1998. A Tyson team member since 1959, Mr. Tollett was president and chief executive officer from 1991 to 1995. He has been a member of the board since 1984.1

JOHN TYSON, 47, was named chairman of the board of directors in 1998 and assumed responsibilities as president and chief executive officer in April 2000. He had served as vice chairman since 1997. Previously he was president of the beef and pork division and director of governmental, media and public relations. Mr. Tyson has been a member of the board since 1984.1

SHELBY MASSEY, 67, is a farmer and a private investor. He served as senior vice chairman of the board of directors from 1985 to 1988 and has been a member of the board since 1985.3,4

BARBARA TYSON, 51, is vice president of the company. She has served in related capacities since 1988. Ms. Tyson has been a member of the board since 1988.

LLOYD HACKLEY, 60, is president and chief executive officer of Lloyd V. Hackley and Associates, Inc. He was president of the North Carolina Community College System from 1995 to 1997 and was chancellor and a tenured professor of political science at Fayetteville State University, Fayetteville, N.C., from 1988 to 1995. Mr. Hackley has been a member of the board since 1992. 2,4

DONALD WRAY, 63, retired as president in March 2000 after 39 years with the Company. He served as president and chief operating officer from 1995 to 1999 after serving as chief operating officer since 1991. Mr. Wray has been a member of the board since 1994.

GERALD JOHNSTON, 58, a private investor, was executive vice president of finance for Tyson from 1981 to 1996 when he stepped down and became a consultant to the Company. Mr. Johnston has been a member of the board since 1996.

JIM KEVER, 48, is a director of Quintiles Transnational and has served as CEO of Envoy Corporation, a subsidiary of Quintiles, since Envoy was acquired by Quintiles in March 1999. He served as president and Co-CEO of Envoy from August 1995 until March 1999 and as a director from Envoy's incorporation in August 1994 until March 1999. Mr. Kever has been a member of the board since 1999.2

DAVID JONES, 51, has been chairman of the board and chief executive officer of Rayovac Corp. since 1996. Before joining Rayovac, Mr. Jones served as president, CEO and chairman of Thermoscan, Inc. and as president, CEO and chairman of the Regina Company. He was previously with Electrolux Corporation and General Electric Co. Mr. Jones was elected to the board in August 2000. 2

BARBARA ALLEN, 48, is president and COO of Paladin Resources. Previously Ms. Allen was president of corporate supplier solutions for Corporate Express. She was with Quaker Oats Co. for 23 years where she held several senior positions including executive vice president of international foods, vice president of corporate strategic planning, president of the frozen foods division and vice president of marketing. Ms. Allen was elected to the board in November 2000.

- 1Executive Committee
- 2Audit Committee
- 3Compensation Committee
- 4Special Committee

**CORPORATE AND EXECUTIVE OFFICERS
TYSON FOODS, INC. 2000 ANNUAL REPORT**

Mike Baker
President, Production Services

Les R. Baledge
Executive Vice President and General Counsel

James Bell
President, Cobb-Vantress, Inc.

LaDonna Bornhoft
Senior Vice President, Asset and Risk Management

Ellis Brunton
Senior Vice President, Food Safety and Quality Assurance

Wayne B. Butler
President, Prepared Foods Group

Jim Cate
President, Specialty Products Group

Gary D. Cooper
Vice President and Chief Information Officer

John D. Copeland
Executive Vice President, Ethics and Environmental Compliance

Bob Corscadden
Senior Vice President, Corporate Advertising and Marketing Services

Michelle D. Eisner
Senior Vice President, Human Resources

Louis C. Gottsponer, Jr.
Assistant Secretary and Director of Investor Relations

Steven Hankins
Executive Vice President and Chief Financial Officer

R. Read Hudson
Secretary and Corporate Counsel

Greg Huett
President, International Group

Clark Irwin
Senior Vice President and General Manager, Food Service Distribution

Carl G. Johnson
Executive Vice President, Administrative Services

Donnie King
Senior Vice President and General Manager, Food Service Commodities

John S. Lea
Executive Vice President and Chief Marketing Officer

Dennis Leatherby
Senior Vice President, Finance and Treasurer

Greg W. Lee
Chief Operating Officer

Bernard Leonard
Senior Vice President and General Manager, Food Service QSR Chain Division

Bob E. Love
Vice President, Research and Development

William W. Lovette
President, Food Service Group

Joe Moran
Senior Vice President and General Manager, Food Service Refrigerated and Deli Division

Wes Morris
Senior Vice President and General Manager, Wholesale Clubs

Rodney S. Pless
Vice President, Controller and Chief Accounting Officer

Cary D. Richardson
Senior Vice President and General Manager, Retail Division

Donnie Smith
Executive Vice President, Supply Chain Management

Randy Smith
Senior Vice President and General Manager, Food Service QSR Chain Division

John Thomas
President, The Pork Group, Inc.

John H. Tyson
Chairman, President and Chief Executive Officer

David L. Van Bebber
Senior Vice President, Legal Services

William E. Whitfield III
Senior Vice President and General Manager of Accounting, Poultry Operations

James Young
Senior Vice President, Live Production Services

CORPORATE INFORMATION
TYSON FOODS, INC. 2000 ANNUAL REPORT

Closing Price of Company's Common Stock

	Fiscal Year 2000		Fiscal Year 1999	
	High	Low	High	Low
First Quarter	\$18.00	\$15.25	\$25.38	\$19.56
Second Quarter	17.19	9.00	21.75	18.56
Third Quarter	11.13	8.56	23.56	19.19
Fourth Quarter	10.00	8.88	23.31	15.00

As of September 30, 2000, the Company had 36,079 Class A common shareholders of record and 17 Class B common shareholders of record.

DIRECTSERVICE SHAREHOLDER INVESTMENT PROGRAM

Tyson has authorized First Chicago Trust Company to implement its program for dividend reinvestment and direct purchase of shares for current as well as new investors of Tyson Class A Common Stock. This program provides alternatives to traditional retail brokerage methods of purchasing, holding and selling Tyson stock. All inquiries concerning this program should be directed to:

DirectSERVICE Program for Shareholders of Tyson Foods, Inc. c/o First Chicago Trust Company P.O. Box 2598
Jersey City, NJ 07303-2598
1-800-317-4445 (current shareholders) 1-800-822-7096 (non-shareholders)

CHANGE OF ADDRESS

If your Tyson stock is registered in your own name(s), send change of address information to First Chicago Trust Company.

MULTIPLE DIVIDEND CHECKS AND DUPLICATE MAILINGS

If your Tyson stock is registered in similar but different names (e.g. Jane A. Doe and J.A. Doe) we are required to create separate accounts and mail dividend checks and proxy materials separately, even if the mailing addresses are the same. To consolidate accounts, contact First Chicago Trust Company.

LOST OR STOLEN STOCK CERTIFICATES OR LEGAL TRANSFERS

If your stock certificates are lost, stolen, or in some way destroyed, or if you wish to transfer registration, notify First Chicago Trust Company in writing. Include the exact name(s) and Social Security or tax identification number(s) in which the stock is registered and, if possible, the numbers and issue dates of the certificates.

STOCK EXCHANGE LISTINGS

The Class A common stock of the Company is traded on the New York Stock Exchange under the symbol TSN.

CORPORATE HEADQUARTERS

2210 West Oaklawn Drive
Springdale, Arkansas 72762-6999
Telephone (501) 290-4000

AVAILABILITY OF FORM 10-K

A copy of the Company's Form 10-K, as filed with the Securities and Exchange Commission for fiscal 2000, may be obtained by Tyson shareholders by writing to:

Director of Investor Relations
Tyson Foods, Inc.
P.O. Box 2020
Springdale, Arkansas 72765-2020
Telephone (501) 290-4826
Fax (501) 290-6577
E-mail: tysonir@tyson.com

ANNUAL MEETING

The Annual Meeting of Shareholders will be held at 10 a.m. Friday, January 12, 2001, at the Walton Arts Center, Fayetteville, Ark. A live audio webcast will be available at www.tyson.com/investorrel. To listen via telephone, call (800) 450-0785. Outside the United States, call (612) 332- 0418. Shareholders who cannot attend the meeting are urged to exercise their right to vote by proxy on the Internet, by phone or by mail.

DIVIDENDS

Tyson currently pays dividends four times a year on March 15, June 15, September 15 and December 15. The dividend is paid to everyone who holds shares on the record date.

INDEPENDENT AUDITORS

Ernst & Young LLP
425 West Capitol, Suite 3600
Little Rock, AR 72201
Telephone (501) 370-3000

TRANSFER AGENT

First Chicago Trust Company of New York, a division of EquiServe
P.O. Box 2500
Jersey City, NJ 07303
Telephone (800) 317-4445
Hearing Impaired Telephone TDD (201) 222-4955

Shareholders also may contact First Chicago Trust Company via the Internet at www.equiserve.com.

INVESTOR RELATIONS

Financial analysts and others seeking investor-related information should contact:

Louis C. Gottsponer, Jr.

Director of Investor Relations

Tyson Foods, Inc.

P.O. Box 2020

Springdale, AR 72765-2020

Telephone (501) 290-4826

Fax (501) 290-6577

E-mail: tysonir@tyson.com

MEDIA RELATIONS

Members of the news media seeking information about Tyson Foods should contact:

Ed Nicholson

Director of Media & Community Relations

Tyson Foods, Inc.

P.O. Box 2020

Springdale, AR 72765-2020

Telephone (501) 290-4591

Fax (501) 290-7984

E-mail: nicholsone@tyson.com

NEWS RELEASES

News releases concerning Tyson Foods can be received by fax by calling PR Newswire at (800) 758-5804, ext. 113769.

TYSON ON THE INTERNET

Information about Tyson Foods is available on the Internet at www.tyson.com.

REGISTERED TRADEMARKS

Tyson, Weaver, Mexican Original, Delightful Farms, Prospect Farms, Tastybird, Mallard's, Lady Aster, McCarty Foods, Wings of Fire, Specialties, Chicken 2Go, Extreme Chicken, Chik Ribs, Tyson. It's what your family deserves., Tyson For Families, Food Wise, Cooking Smart

USE OF TERMS

The term "Tyson" and such terms as "the Company," "our," "we" and "us" may refer to Tyson Foods, Inc., to one or more of its consolidated subsidiaries or to all of them taken as a whole. These terms are used for convenience only and are not intended as a precise description of any of the separate companies, each of which manages its own affairs.

EXHIBIT 21 - SUBSIDIARIES OF TYSON FOODS, INC.

Name	Jurisdiction of Incorporation	Names Under Which Subsidiary Does Business
-----	-----	-----
Cobb-Vantress, Inc.	Delaware	Cobb-Vantress, Inc.
Cobb Breeding Company Limited	United Kingdom	Cobb Breeding Company Limited
Hudson Foods, Inc.	Delaware	Hudson Foods, Inc.
The Pork Group, Inc.	Delaware	The Pork Group, Inc.
Tyson Breeders, Inc.	Delaware	Tyson Breeders, Inc.
Tyson Farms, Inc.	North Carolina	Tyson Farms, Inc.
Tyson Farms of Texas, Inc.	Texas	Tyson Farms of Texas, Inc.
Tyson Foreign Sales, Inc.	Barbados	Tyson Foreign Sales, Inc.
Tyson International Company, Ltd.	Bermuda	Tyson International Company, Ltd.
Tyson International Holding Company	Delaware	Tyson International Holding Company
Tyson Mexican Original, Inc.	Delaware	Tyson Mexican Original, Inc.
Tyson Poultry, Inc.	Delaware	Tyson Poultry, Inc.
Tyson Shared Services, Inc.	Delaware	Tyson Shared Services, Inc.
World Resource, Inc.	Delaware	World Resource, Inc.
Tyson Sales & Distribution, Inc	Delaware	Tyson Sales & Distribution, Inc.

The Company considers the foregoing to be its primary operating subsidiaries. Certain other subsidiaries which do not meet in the aggregate the definition of a significant subsidiary as defined in Rule 1-02 (w) of Regulation S-X are as follows:

AAFC International, Inc.	U.S. Virgin Islands
Benton Sales, Ltd.	British Virgin Islands
Breeder Master, Inc.	Philippine
Cobb Denmark A/S	Denmark
Cobb-Espanola, S.A.	Spain
Cobb-Poland B.V.	Poland
Cobb-Vantress Brazil LTDA	Brazil
Gen Ave, S.A.	Argentina
Global Employment Services Inc.	Delaware
Gorges Foodservice, Inc.	Texas
Hudson Foods Foreign Sales, Inc.	U.S. Virgin Islands
Hudson Midwest Foods, Inc.	Nebraska
Meat Products Exports, Inc.	U.S. Virgin Islands
National Comp Care, Inc.	Delaware
Oaklawn Capital Corporation	Delaware
Oaklawn Capital-Mississippi, LLC	Mississippi
Oaklawn Sales, Ltd.	British Virgin Islands
Ping Shan Cobb-Vantress, Ltd.	Hong Kong
Progenitores Avicola, C.A.	Venezuela
P.T. Cobbindonasa Nunggal	Indonesia
Matsusaka Farm Co. Ltd.	Japan
Reproductores Cobb	Argentina
TPM Holding Company	Delaware
TyNet Corporation	Delaware
Tyson Export Sales, Inc.	U.S. Virgin Islands
Tyson Marketing, Ltd.	Ontario, Canada
Tyson Seafood Group-Japan, Inc.	Japan
Universal Plan Investments, Ltd.	Hong Kong
Venco Research and Breeding Farm, Ltd.	India

Exhibit 23

Consent of Ernst & Young LLP, Independent Auditors

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Tyson Foods, Inc. of our report dated November 13, 2000, included in the 2000 Annual Report to Shareholders of Tyson Foods, Inc.

We also consent to the incorporation by reference in the Registration Statements (Form S-8 Nos. 33-30680; 333-02135; 2-81928; 2-44550; 33-53028; 333-22883; 333-22881; 33-54716; and 33-53026, as amended by 33- 57515) pertaining to certain employee benefit plans of Tyson Foods, Inc. and the Registration Statement (Form S-3 No. 333-53171) and in the related Prospectus of our report dated November 13, 2000, with respect to the consolidated financial statements and schedule of Tyson Foods, Inc. included or incorporated by reference in this Annual Report (Form 10-K) for the year ended September 30, 2000.

December 8, 2000
Little Rock, Arkansas

/s/ Ernst & Young LLP

Ernst & Young LLP

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FISCAL 2000 ANNUAL REPORT TO SHAREHOLDERS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

CIK: 0000100493

NAME: TYSON FOODS, INC.

MULTIPLIER: 1,000,000

PERIOD TYPE	YEAR
FISCAL YEAR END	SEP 30 2000
PERIOD END	SEP 30 2000
CASH	43
SECURITIES	0
RECEIVABLES	520
ALLOWANCES	0
INVENTORY	965
CURRENT ASSETS	1,576
PP&E	2,141
DEPRECIATION	0
TOTAL ASSETS	4,854
CURRENT LIABILITIES	886
BONDS	1,357
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	24
OTHER SE	2,151
TOTAL LIABILITY AND EQUITY	4,854
SALES	7,158
TOTAL REVENUES	7,158
CGS	6,044
TOTAL COSTS	6,044
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	115
INCOME PRETAX	234
INCOME TAX	83
INCOME CONTINUING	151
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	151
EPS BASIC	.67
EPS DILUTED	.67

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