

ConAgra, Inc. Fiscal 1991 Annual Report

ConAgra

FEEDING PEOPLE BETTER

ConAgra, Inc.

ConAgra is a diversified family of companies operating across the food chain. Our products range from convenient prepared foods for today's busy consumers to supplies farmers need to grow their crops.

We have major businesses in branded shelf-stable and frozen foods, processed meats, cheeses, potato products, beef, pork, lamb, chicken, turkey, seafood, specialty retailing, grain and pulse merchandising, worldwide trading, commodity futures, grain processing, crop protection chemicals, fertilizer and animal feed.

Feeding People Better

At ConAgra, our business is helping to feed people better.

Every day, ConAgrans help feed people better in many ways... developing new products to meet consumers' needs, ensuring quality in our products and services, serving our customers better, working in partnership with farmers and ranchers and doing our jobs efficiently and effectively.

This annual report discusses many of the ways we are working to help feed people better *today.*

But we also are deeply concerned about the *long-term* mission of feeding people better in our world. We believe worldwide economic growth is an essential prerequisite for giving our children and grandchildren a better future. The needs and aspirations of a world population projected to grow from 5.3 billion today to 8.5 billion by 2025 cannot be met without economic growth. We also must protect and nurture our environment in order to give our children and grandchildren a better future.

Consequently, industry needs to move toward more environmentally sustainable forms of economic progress. Sustainable growth and development will require production systems which maximize use of renewable resources and minimize non-usable waste. We intend to do our part. We believe there are ways to achieve the worldwide economic development required to feed, clothe and shelter billions more people on the planet *and* to produce a better quality of life for billions of people.

ConAgra is one of nine U.S. companies on the international Business Council for Sustainable Development. We are working with 44 other leading companies from around the world in an attempt to offer real solutions to the United Nations' Earth Summit in the summer of 1992.

At ConAgra, we are working to feed people better today – and tomorrow.

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Financial Highlights

Dollars in millions except per share amounts

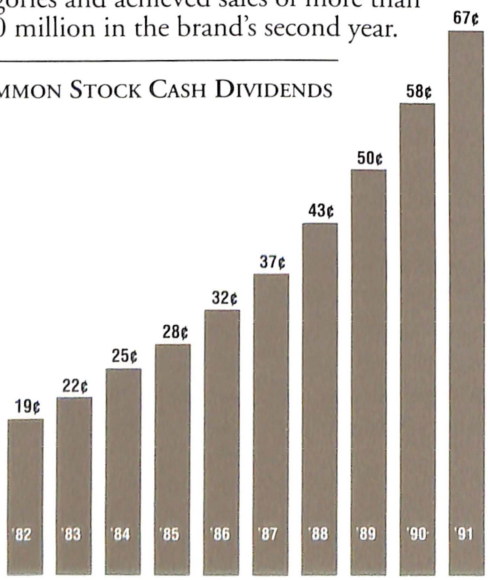
Fiscal Year Ended	May 26, 1991	May 27, 1990	% Increase
Net sales	$19,504.7	$15,501.2	25.8%
Income before income taxes	$515.2	$356.9	44.4%
Net income	$311.2	$231.7	34.3%
Income per share			
Net income	$2.13	$1.87	13.9%
Net income less nonrecurring items	$2.13	$1.85	15.1%
Cash dividends paid per share of common stock	$.67	$.58	15.5%
Return on year-beginning common stockholders' equity	20.2%	24.3%	
At Year End			
Annual dividend per share	$.69	$.60	15.0%
Invested capital	$5,332.9	$1,836.7	190.4%
Total assets	$9,420.3	$4,804.2	96.1%
Common stockholders' equity	$1,817.4	$1,095.8	65.9%
Shares of common stock outstanding	139,674,003	122,729,283	13.8%
Number of employees	74,718	58,369	28.0%

Note: Fiscal 1990 results include a first quarter pretax gain of $6 million from nonrecurring items. The net gain after tax was $2.1 million, or 2 cents per share.

Fiscal 1991 Highlights

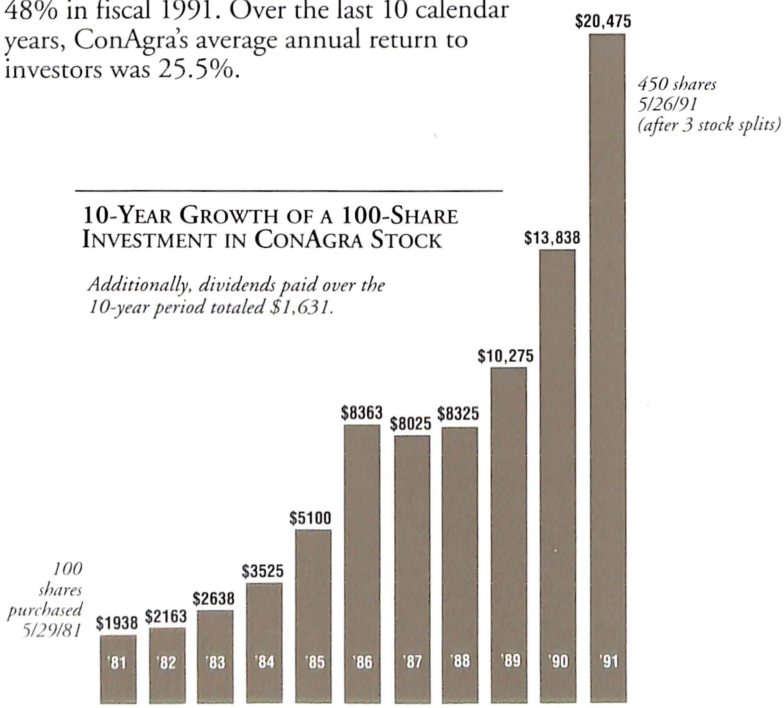
- Met or exceeded return on equity, trend line earnings growth and dividend growth objectives for 16th straight year – see pages 4 and 5.
- Reported record sales and earnings for 11th straight year.
- Increased dividend 15%. The common stock dividend per share has more than quadrupled over the last 10 years.
- Acquired Beatrice Company, a major food company with leading brands, strong sales and distribution systems and sales over $4 billion.
- Expanded Healthy Choice into new categories and achieved sales of more than $300 million in the brand's second year.
- Acquired the Elders malt and wool businesses and 50% of the Elders beef business, establishing an important new operating and export base in Australia.
- Early in fiscal 1992, acquired Golden Valley Microwave Foods, Inc., adding a strong presence in the snack food market, strength in vending sales and distribution and leadership in microwave technology.
- ConAgra's common stock price increased 48% in fiscal 1991. Over the last 10 calendar years, ConAgra's average annual return to investors was 25.5%.

Common Stock Cash Dividends



10-Year Growth of a 100-Share Investment in ConAgra Stock

Additionally, dividends paid over the 10-year period totaled $1,631.



To our Stockholders, Employees and Friends

Each year in this letter we try to explain what makes ConAgra tick. In other words: What are the keys to whatever long-term success our company has achieved and plans to achieve in the future?

First, however, it's important to review briefly in this letter the year behind us and the year in front of us. Let's do just that, then turn to ConAgra's enduring fundamentals.

Fiscal 1991: Record Results

Here are a few highlights of fiscal 1991:

- Net earnings per share from operations increased 15 percent.
- Fiscal 1991 was ConAgra's 11th straight year of record sales and earnings.
- The Beatrice acquisition surpassed the expectations we shared with you a year ago. The Beatrice businesses performed ahead of plan and added to ConAgra's earnings per share.
- We invested $332 million in our plants, equipment, technology and new product activity to build future earning power.
- Our stockholders enjoyed a 15-percent dividend increase and a 48-percent increase in ConAgra's stock price.

Fiscal 1992 Outlook: Record Earnings

We expect another year of record earnings in fiscal 1992. Earnings per share in the first quarter, when the Beatrice businesses are at their seasonal low point, could be at or under the prior year's results, but we expect to do very well for the full year. In fact, our operating plans indicate earnings growth in ConAgra's three major industry segments – Prepared Foods, Trading & Processing and Agri-Products – resulting in the earnings per share gain we anticipate in fiscal 1992.

ConAgra's Enduring Fundamentals

Now let's get back to "ConAgra 101," the basics that define and drive our company. ConAgra has been built on four enduring fundamental goals that have served us well for 15 years and will continue to serve us.

1. Establish leading positions across the food chain.

First, we have chosen to invest in growth across the food chain.

Our food chain strategy gives us far more room to grow than if we constrained ConAgra to a few sectors of the food industry. For example, even at $20 billion in sales, ConAgra still represents only about two percent of the U.S. food industry and .2 percent of the worldwide food industry. The rest represents opportunity.

ConAgra's diversified food chain business mix also helps us hedge uncertainty and balance earnings over time. As food industry and general economic factors change, often the same factor which affects one business negatively will help another.

Fifteen years ago, ConAgra didn't have a leadership position in any business or market – unless we defined the market narrowly enough. Today, ConAgra has about 25 major businesses with leading positions across the food chain. Yet, as I suggested earlier, we have plenty of room to grow and a far stronger platform from which to grow.

2. Structure for entrepreneurial, results-oriented leadership.

In 1976, we set down in a little booklet called "ConAgra's Philosophy" the pillars of the organizational climate we strive for, including openness, trust, freedom to challenge, freedom to act, freedom to fail, and responsibility for end results. Our organizational climate is geared to nourish ConAgra's IOC, or Independent Operating Company, structure and process.

The IOC structure empowers the leaders of ConAgra's individual businesses with real responsibility for planning, execution and, above all, results. The IOC structure fosters entrepreneurial behavior that comes with a sense of ownership. It helps us attract and retain the best food industry leaders – people who thrive on commitment, responsibility and results.

ConAgra's IOC structure simplifies and facilitates management of our many, diversified businesses. We don't have layers of corporate bureaucrats impeding IOC decision-making and action. However, ConAgra is not a holding company. We stay very close to our businesses, particularly through our planning process, controlling the input and withdrawal of capital, selecting key executives, and offering a little advice now and then.

3. COMMIT TO PREMIUM LONG-TERM FINANCIAL OBJECTIVES.

ConAgra's, and each IOC's, most important financial objective is to average more than a 20-percent return on year-beginning common stockholders' equity. Our return was 20.2 percent in fiscal 1991; the five-year average is 22.8 percent.

Our earnings growth objective is to increase trend line earnings per share, on average, more than 14 percent per year. ConAgra's trend line earnings per share growth has been running close to 17 percent as shown on pages 4 and 5 of this report where our financial objectives and results have been shared with you year after year.

Please note that we stress long-term results – premium returns, premium earnings growth and premium dividend growth over time. We will not short-term our businesses to achieve stairstep earnings and jeopardize ConAgra's long-term vitality.

ConAgra has met its return on equity, earnings growth and dividend growth objectives for 16 straight years. Importantly, our company has built this record by investing ConAgra's cash flows in real growth, not via major stock repurchases that were commonplace in the food industry during the past decade.

As I noted here last year, we would temporarily exceed our self-imposed balance sheet objective to acquire Beatrice, a major strategic opportunity serving our stockholders' long-term interests. We plan to meet our balance sheet objective within the next few years.

Beatrice also helped us sharply increase ConAgra's cash flows. Free cash flow (net income plus depreciation and amortization minus dividends) jumped 59 percent in fiscal 1991 to $463 million from $292 million. Substantially stronger cash flow will enhance our ability and flexibility to strengthen our balance sheet and invest in ConAgra's growth.

4. REWARD OUR STOCKHOLDERS.

As we meet our premium long-term financial objectives, ConAgra's stockholders will enjoy premium long-term returns.

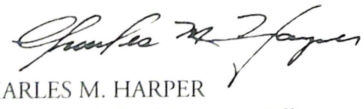
We have met our financial objectives, and it has worked out pretty well for our stockholders. I like to use an example which is very real for our readers who took the plunge or kept the faith as we began to build a new ConAgra.

Let's say you bought 10,000 shares of ConAgra stock, at $3 per share at the low in fiscal 1975. At the end of fiscal 1991, you would have owned 135,000 shares, due to stock splits, and your $30,000 investment would have grown to more than $6 million. Plus dividends along the way.

So that's us, really just four enduring fundamentals that make ConAgra tick. We'll stick to these four fundamentals and will contiue to count on the people who make it happen – 4,000 ConAgrans 15 years ago, 75,000 today, working to help feed people better.

I'd like to recognize some special people who retired from our family this past year. Claude Carter gave ConAgra nearly 50 years of extraordinary service, including duty as president, chief executive officer, vice chairman and more than 25 years as a board member. Senior vice president Tom Peters was ConAgra's Mr. Controller, contributing a wonderful blend of corporate conscience, keen insight and innovation. John Phillips successfully led and grew our Prepared Food Companies as their President and Chief Operating Officer, then rode herd on the design and construction of our Omaha headquarters campus. Vice President Marty Colladay brought purpose, vitality and values to ConAgra's government and community programs. Probably most important, their successors are prepared to do a great job for our shareholders. We also welcome new members of ConAgra's board of directors, Kevin Bousquette, Michael Tokarz and Stephen Wolf.

We usually close this letter with well-deserved thanks to all the people who support ConAgra. Instead, this year I'll ask our stockholders, employees, customers, suppliers and communities to join us in congratulating and expressing heartfelt gratitude to America's courageous military men and women of Desert Storm. We're proud of you!



CHARLES M. HARPER
Chairman and Chief Executive Officer

July 18, 1991

Left to right:
Phil Fletcher, *President and Chief Operating Officer*
Mike Harper, *Chairman and Chief Executive Officer*



Objectives & Results

ConAgra is committed to major financial performance objectives which guide us in fulfilling our responsibility to our stockholders.

Return on Common Equity

Objective

ConAgra's most important objective is to average more than a 20-percent after-tax return on year-beginning common stockholders' equity, and to earn more than a 15-percent return in any given year.

In the table below, the fiscal 1991 result includes a pro rata share ($348.1 million) of the common equity associated with the acquisition of Beatrice Company and a public offering of common stock. In fiscal 1990, excluding a nonrecurring gain, the return on year-beginning common equity was 24.0 percent.

Result

'87	**23.4%**
'88	**21.5%**
'89	**24.5%**
'90	**24.3%**
'91	**20.2%**

5-Year Average: 22.8%

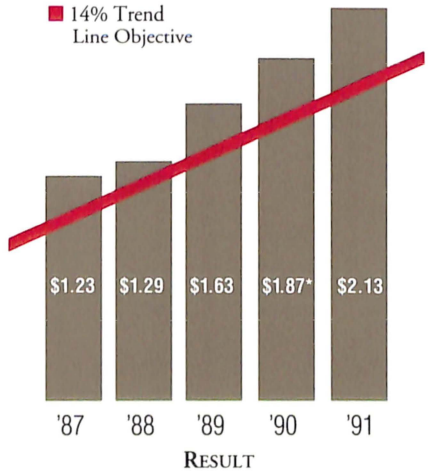
Earnings Growth

Objective

ConAgra's objective is to increase trend line earnings per share, on average, more than 14 percent per year. The cyclical nature of some of our basic food businesses does not always permit quarter-to-quarter, or sometimes year-to-year, increases in reported earnings. However, ConAgra expects to increase trend line earnings – what we would earn with average or normal industry conditions – more than 14 percent per year.

In the graphic below, "14% trend line objective" represents a compound annual growth rate of 14 percent from a base that is the 3-year average of earnings per share for fiscal years 1980, 1981 and 1982. The "result" percentages show actual compound annual growth rates from the base, for example 16.3 percent for the 10 years to fiscal 1991, 16.6 percent for the nine years to fiscal 1990, etc.

Result



Result

17.4% 15.5% 16.8% 16.6% 16.3%

5-year average: 16.5%

**Excluding nonrecurring items, fiscal 1990 earnings per share were $1.85*

Financing

Objective

ConAgra's primary financing objective is to maintain a conservative balance sheet. As explained below, ConAgra's long-term debt objective was updated in fiscal 1991.

Long-Term Debt

Fiscal 1991 and subsequent years: Basic Food Companies' senior long-term debt normally will not exceed 30 percent of Basic Food Companies' total long-term debt plus equity. Long-term subordinated debt is treated as equity due to its preferred stock characteristics.

Prior to fiscal 1991: Basic Food Companies' long-term debt normally will not exceed 35 percent of Basic Food Companies' total capitalization – long-term debt plus equity plus deferred taxes.

Short-Term Debt

Each ConAgra Basic Food business will normally eliminate at the end of its natural fiscal year short-term debt, net of cash, used to finance assets other than hedged commodity inventories. As is customary in their industries, the Finance Companies will have short-term debt at year end to finance notes receivable, livestock on feed and open customer transactions.

Natural year end occurs when inventories and receivables are at their annual low points – for example, the end of February in our crop protection chemicals and fertilizer businesses, and the end of May in many other businesses.

Result

	Long-Term Debt		*Net Short-Term Debt*
	Objective	*Result*	*Result*
	Maximum of: (as defined above)		
'87	**35%**	**34%**	0
'88	**35%**	**35%**	0
'89	**35%**	**35%**	0
'90	**35%**	**35%**	0
'91	**30%**	**40%**	0

ConAgra may temporarily exceed its long-term debt objective to accomplish a strategic acquisition benefiting our stockholders' long-term interests. The Beatrice acquisition was such an opportunity. ConAgra plans to meet its long-term debt objective within the next few years.

Dividend Growth

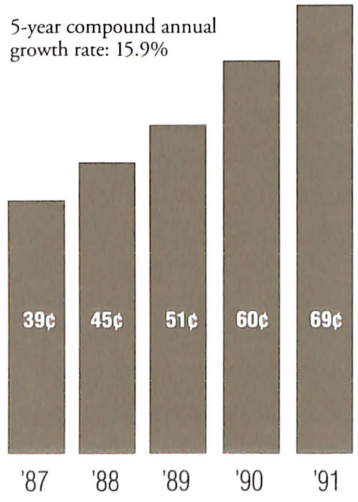
Objective

ConAgra's objective is to increase dividends consistent with growth in trend line earning power.

Over time, we expect dividend payments to average in the range of 30 to 35 percent of earnings.

Result

DIVIDEND RATE AT YEAR END

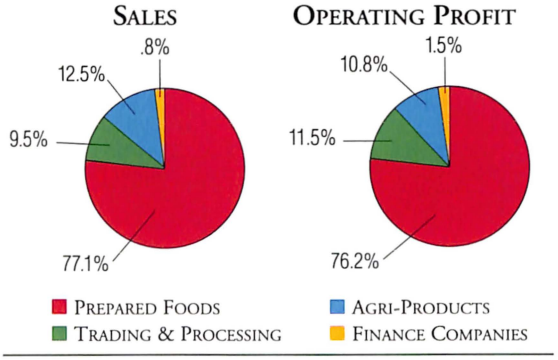


Over the last five years, dividends per share have averaged 31.3 percent of earnings per share.

Business Review

ConAgra is a family of independent operating companies. Our management process blends planning, financing and essential corporate controls with decentralized management teams fully responsible for ConAgra's independent operating companies.

Our independent operating companies are in two groups: Basic Food Companies and Finance Companies. The Basic Food Companies, which include most ConAgra businesses, operate in three industry segments of the food chain: Prepared Foods, Trading & Processing and Agri-Products. ConAgra has no objectives that relate to the balance between these segments. We intend to grow in all of them.



Prepared Foods

Prepared food products and services for consumer and foodservice markets. Our Prepared Foods businesses include:

- Branded shelf-stable foods – tomato products, cooking and salad oils, popcorn, peanut butter, puddings, cocoa mixes, sloppy joe sauce, Oriental products and Mexican products.
- Branded frozen foods – dinners, entrees, fried chicken, boneless chicken, breakfast products, meat pies and desserts.
- Beef, pork and lamb products.
- Branded chicken and turkey products.
- Branded processed meats – hot dogs, ham, bacon, lunch meats and sausage.
- Seafood products – shrimp, cod, ocean perch, crab, salmon, herring, pollack, halibut, scallops, oysters, flounder, farm-raised catfish and surimi.
- French fries and other frozen potato products.
- Cheeses and refrigerated dessert toppings.
- Delicatessen and foodservice products.
- Premium food products marketed by direct mail.
- Pet accessories, home sewing accessories.

Trading & Processing

Commodities, food ingredients and processed products primarily serving food industry customers in domestic and international markets. Our Trading & Processing businesses include:

- Flour milling – flour for commercial bakeries and pasta producers.
- Oat milling, dry corn milling and barley processing.
- Natural spices, seasonings, flavors and spray-dried food ingredients.
- Feed ingredient merchandising.
- Worldwide commodity trading (grains, oilseeds, edible beans and peas, food products and ingredients, wool, fishmeal, sulfur and other commodities).
- Food processing and distribution in Asia, Australia, Europe and Latin America.

Agri-Products

Products and services primarily for agricultural markets and communities. Our Agri-Products businesses include:

- Marketing and distribution of crop protection chemicals in the U.S. and Canada.
- Marketing, transportation and distribution of fertilizer products worldwide.
- Animal feeds and nutrient additives for animal feeds.
- Health care products for livestock.
- 189 retail stores principally in U.S. agricultural areas, selling merchandise for country living, fabrics and craft supplies.
- High-quality natural lactic acid, and degradable polylactides under development.

Finance Companies

Specialized, self-financed financial services related to the food industry. Borrowings of our Finance Companies are not guaranteed by the parent company. Our Finance Companies include:

- Commodity futures brokerage.
- Financing and ownership of livestock on feed.
- Truck financing and leasing and insurance services for red meat businesses.

Sales & Operating Profit by Segment

Dollars in millions

Fiscal Year	**1991**	1990	1989	1988	1987
Basic Food Companies					
Prepared Foods					
Sales	**$15,045.5**	$11,031.7	$7,084.9	$6,132.5	$5,854.2
Percent of total	**77.1%**	71.2%	62.5%	63.8%	64.0%
Operating profit	**663.0**	349.2	293.1	205.0	259.4
Percent of total	**76.2%**	63.5%	62.6%	59.7%	69.5%
	69% of sales and 68% of operating profit over these five years				
Trading & Processing					
Sales	**1,862.0**	1,959.2	1,869.0	1,379.9	1,469.1
Percent of total	**9.5%**	12.6%	16.5%	14.4%	16.1%
Operating profit	**100.1**	97.5	83.4	72.7	53.4
Percent of total	**11.5%**	17.7%	17.8%	21.2%	14.3%
	13% of sales and 16% of operating profit over these five years				
Agri-Products					
Sales	**2,443.6**	2,330.2	2,242.7	1,962.6	1,678.2
Percent of total	**12.5%**	15.0%	19.8%	20.4%	18.4%
Operating profit	**94.0**	87.2	82.1	55.9	54.9
Percent of total	**10.8%**	15.9%	17.5%	16.3%	14.7%
	16% of sales and 14% of operating profit over these five years				
Total Basic Food Companies					
Sales	**19,351.1**	15,321.1	11,196.6	9,475.0	9,001.6
Percent of total	**99.2%**	98.8%	98.7%	98.6%	98.4%
Operating profit	**857.1**	533.9	458.6	333.6	367.7
Percent of total	**98.5%**	97.1%	97.9%	97.1%	98.6%
	99% of sales and 98% of operating profit over these five years				
Finance Companies					
Sales	**153.6**	180.1	143.8	133.3	142.0
Percent of total	**.8%**	1.2%	1.3%	1.4%	1.6%
Operating profit	**13.1**	15.9	9.7	9.8	5.4
Percent of total	**1.5%**	2.9%	2.1%	2.9%	1.4%
	1% of sales and 2% of operating profit over these five years				
Total					
Sales	**19,504.7**	15,501.2	11,340.4	9,608.2	9,143.5
Operating profit*	**870.2**	549.8	468.3	343.3	373.1
Interest expense-Basic Food Cos.	**278.4**	146.2	113.2	67.4	52.8
General corporate expense	**76.6**	46.7	42.9	31.6	46.3
Income before income taxes	**$ 515.2**	$ 356.9	$ 312.2	$ 244.3	$ 274.0

*Operating profit is profit after the Finance Companies' interest expense and short-term interest expense incurred to finance hedged inventories, and before other interest expense, unallocated expense and income taxes.

Percentages may not add to 100 due to rounding.

BASIC FOOD COMPANIES:

PREPARED FOODS

HIGHLIGHTS

In millions

	1991	1990
Sales	$15,045.5	$11,031.7
Operating profit	663.0	349.2
Invested capital at year beginning	3,597.9*	1,129.5

** Includes pro rata share of Beatrice Company invested capital.*

Operating profit in our Prepared Foods segment increased 90 percent, and sales increased 36 percent. The Beatrice businesses (Hunt-Wesson, Swift-Eckrich and Beatrice Cheese) acquired late in the first quarter of fiscal 1991 were the major source of the large profit and sales increases. Led by Hunt-Wesson's sizeable contribution, Beatrice earnings exceeded plan significantly.

Spurred by new products including new Healthy Choice offerings, the consumer frozen foods business enjoyed strong unit volume growth and a significant increase in earnings. The fresh red meat business had a good operating profit gain paced by better pork and lamb results. Beef earnings declined moderately. Earnings in the chicken products business, although satisfactory, declined substantially from the prior year's excellent results due to excessive industry supply. Turkey products results, also constrained by industry oversupplies, improved somewhat.

Seafood operating profit increased, and Armour processed meats results improved meaningfully after the business became part of Armour Swift-Eckrich. Earnings declined in the frozen potato products joint venture due to potato crop conditions, and in pet accessories and a foodservice business.

Our plans for fiscal 1992 call for vigorous new product activity supported by substantial marketing investment, including roughly $200 million for consumer advertising. We expect significantly increased earnings in our Prepared Foods segment.

HUNT-WESSON, INC., which joined ConAgra as part of the Beatrice acquisition late in the first quarter of fiscal 1991, is one of the leading packaged food companies in the United States. Annual sales are close to $2 billion. Major brands and products are Hunt's tomato products, Wesson cooking and salad oils, Manwich sloppy joe sauce, Orville Redenbacher's popcorn, Peter Pan peanut butter, Snack Pack puddings, Swiss Miss puddings and cocoa mixes, La Choy Oriental products and Rosarita and Gebhardt Mexican products. These products are sold through retail stores and to the foodservice market. Hunt-Wesson also boasts one of the most advanced and cost-efficient shelf-stable grocery sales and distribution systems in the nation.

Growth in branded grocery sales slowed in the second half of fiscal 1991, as the recession motivated consumers to pull back on overall purchases and increase the percentage of private label products purchased. Hunt-Wesson performed well in this environment though, and fiscal 1991 earnings were substantially better than plan for the nine months Hunt-Wesson was part of ConAgra. The favorable results were helped by unit volume increases in spaghetti sauce, barbecue sauce, cocoa mixes and Mexican foods. Volumes also were strong in specialty and international channels. Overall lower expenses and administrative cost savings, including an eight-percent reduction in salaried payroll following an early retirement offer, contributed to the good results.

Hunt-Wesson introduced 41 new grocery products and 33 new foodservice products during fiscal 1991. Wesson became the first major American brand of olive oil marketed nationwide (Wesson Pure Olive Oil). Wesson also introduced Wesson Canola Oil (the oil with the lowest amount of saturated fat) and Wesson Lite No-Stick Cooking Spray. The introduction of Hunt's Ketchup in 24-ounce and 14-ounce plastic bottles gave Hunt's the most extensive line of ketchup in plastic containers. Shelf-stable Snack Pack Puddings were introduced in new "exposed cup" packaging that allows consumers to see the pudding through the package.

Hunt-Wesson's biggest business, Hunt's tomato products, increased earnings in fiscal 1991 despite large tomato surpluses that pressured margins. Good tomato products results were led by strong showings in spaghetti sauce and barbecue sauce. The Orville Redenbacher's popcorn business had a good year but saw slower growth in microwave popcorn, consistent with an industry slowdown in growth. Wesson oils volumes were fairly stable during the year; early results for the new canola and olive oils were encouraging. The Peter Pan peanut butter business increased earnings in spite of a weather-related peanut shortage that drove peanut prices up sharply.

Early in fiscal 1992, Hunt-Wesson purchased a tomato processing facility in California, bringing the total number of tomato canneries to five. Increased capacity will help Hunt-Wesson reduce processing costs and target new business opportunities in the years ahead. Late in fiscal 1991, Home Brands Company, a business that produces and markets preserves, jellies, peanut butter and syrups, was sold.

In fiscal 1992, Hunt-Wesson plans increases in earnings and volumes, further reductions in expenses and an assortment of new products.

"I've used Wesson for years. My husband and I have become more health-conscious so it makes sense to use the new Wesson Canola Oil. We really like it."

Ozzie Nogg
Consumer



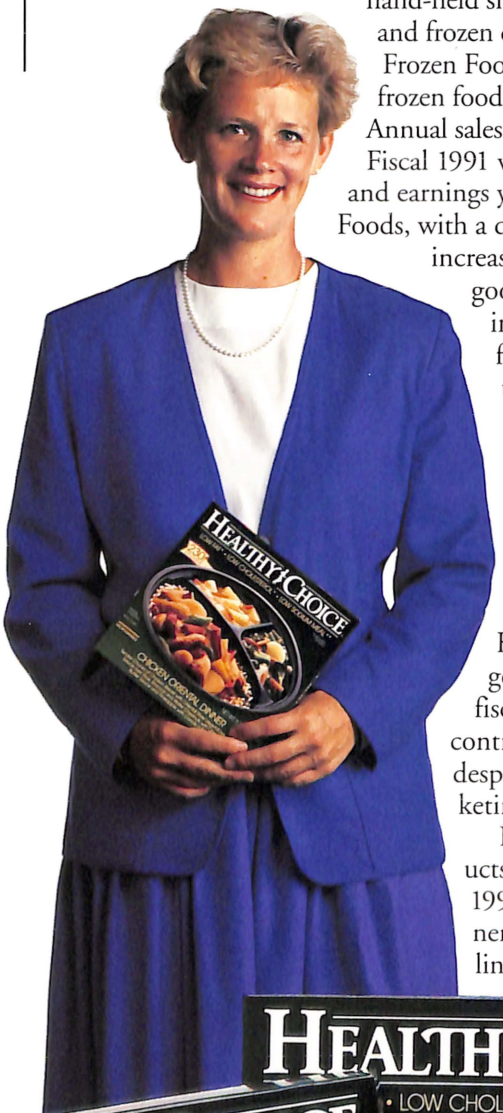
Frozen Foods

"Healthy Choice is quick, easy and comes in a lot of varieties. The fact that it's low in fat and sodium makes me feel good serving it to my family."

Roxanne Williams
Consumer

ConAgra Frozen Foods is a leading producer and marketer of frozen prepared foods. Principal brands are Banquet, Healthy Choice, Kid Cuisine, Morton, Patio, Chun King, La Choy, Armour Classics, Country Skillet and the new Ultra Slim•Fast frozen entrees.

ConAgra Frozen Foods is a market leader in its major product lines. Product categories include fried chicken, boneless chicken products, extra portion dinners, premium dinners, regular dinners, kids' meals, meat pies, family-size entrees, hand-held snacks, single-serving entrees and frozen dairy dessert. ConAgra Frozen Foods is one of the largest frozen food companies in the U.S. Annual sales exceed $1 billion.



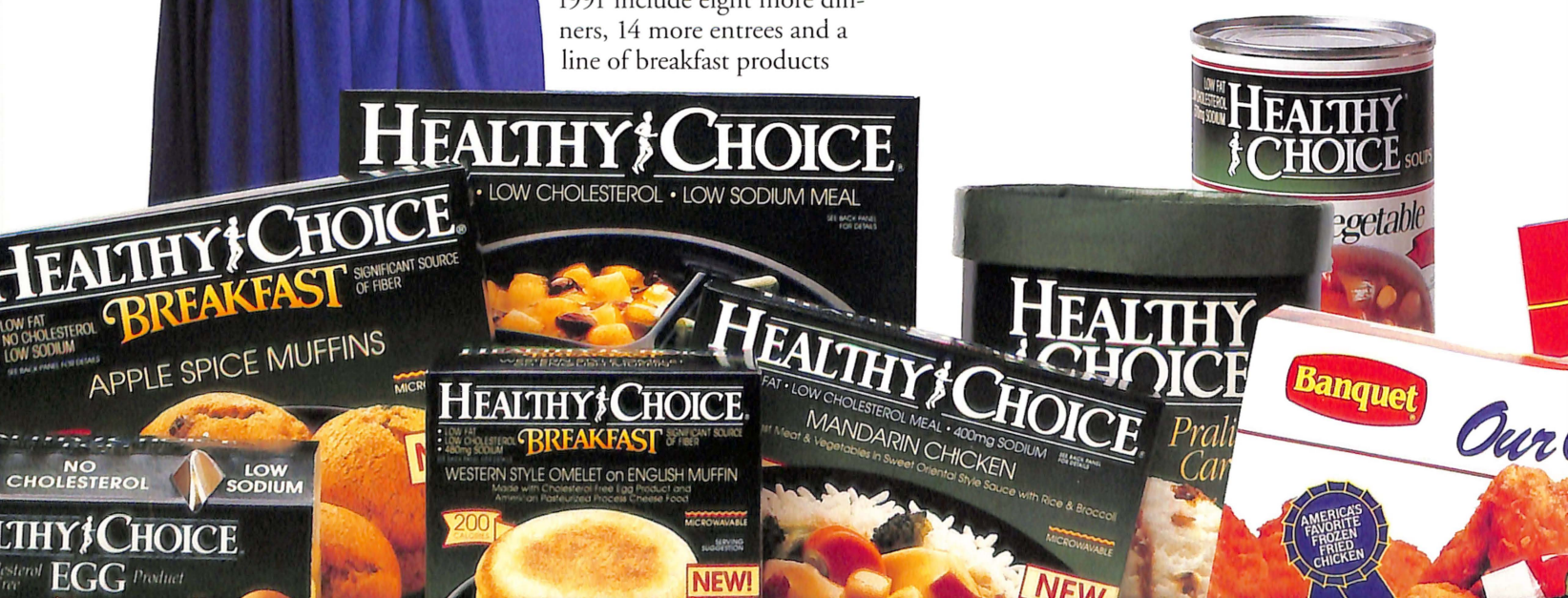
Fiscal 1991 was another record sales and earnings year for ConAgra Frozen Foods, with a dramatic unit volume increase for Healthy Choice and good increases for Banquet including Kid Cuisine and for Morton and Patio products. Market shares increased in the key categories of frozen meals, including dinners, entrees and frozen prepared chicken. Healthy Choice sales for fiscal 1991 exceeded $300 million. Healthy Choice made a good profit contribution in fiscal 1990 and a much higher contribution in fiscal 1991 despite continued heavy marketing spending.

New Healthy Choice products introduced during fiscal 1991 include eight more dinners, 14 more entrees and a line of breakfast products including sandwiches, muffins and cholesterol-free egg product. Healthy Choice frozen dairy dessert also was introduced and is expanding into national distribution. Late in fiscal 1991, ConAgra Frozen Foods entered a partnership with Dreyer's Grand Ice Cream, Inc. Dreyer's will distribute Healthy Choice frozen dairy dessert in markets served by their extensive direct store delivery system, currently about half the U.S. Wells Dairy of Le Mars, Iowa continues as a manufacturing partner for some regions of the U.S.

Healthy Choice soups, stews, pastas and chilis in cans and micro-cups also were tested. Early in fiscal 1992, Healthy Choice dinners and entrees were introduced in Canada. Every Healthy Choice product meets a rigid standard of great taste coupled with low cholesterol, fat and sodium content.

Overall, ConAgra Frozen Foods introduced 122 new products in fiscal 1991. In addition to Healthy Choice, new products included a line of Ultra Slim•Fast frozen entrees, Country Skillet frozen chicken products sold in grocery store meat cases, Banquet Family Pot Pies and four new Kid Cuisine meals. In the product's first full year on the market, Kid Cuisine frozen kids' meals achieved category leadership and strong sales growth.

The grocery store freezer case was the site of intense share battles, mushrooming new product introductions and a major step-up in trade spending during fiscal 1991, but ConAgra Frozen Foods brands held their own and then some. Fiscal 1992 will bring more of the same fierce competition, but ConAgra Frozen Foods plans aggressive and innovative new product introductions, improvements in existing product lines and significant advertising and promotional spending. We expect good increases in volumes and profit.



Poultry Products

ConAgra Poultry Company is a leading producer of chicken and turkey products for retail and foodservice markets. Principal brands are Country Pride, Country Skillet, Armour Golden Star, Turkey Selects by Armour and Water Valley Foods. Companies within ConAgra Poultry during fiscal 1991 were ConAgra Broiler Company, ConAgra Turkey Company, Longmont Foods, Mott's Inc. and Professional Food Systems.

ConAgra Poultry's fiscal 1991 sales exceeded $1.7 billion. Annual broiler chicken production volume was about 1.45 billion dressed pounds. ConAgra Poultry introduced 44 new chicken and turkey products in fiscal 1991.

Burdensome industry supplies of chickens and turkeys constrained market prices during fiscal 1991. Feed ingredient costs were slightly below the previous year's costs. Industry broiler production was up about seven percent; turkey production, more than 10 percent. Consumer demand showed continued strength, but supplies outpaced demand, especially in the turkey industry.

ConAgra Broiler Company performed well in a tough year. Earnings were on plan, but well under the strong levels of fiscal 1990. The company marketing strategy continued to focus on the Country Pride brand and to emphasize boneless, marinated, convenience-oriented products. Sales of Country Pride prepackaged convenience products increased 12 percent during the year. Country Pride ground chicken and Fresh & Ready single-serving marinated products were introduced in several markets with strong media support. Marketing spending increased moderately and will increase strongly in fiscal 1992. Multimedia advertising used the theme, "It's hard to be humble when you're serving Country Pride."

Construction began on a $32-million broiler complex in northern Louisiana. The new complex, which will open late in fiscal 1992, is designed to produce Country Pride prepackaged products for western U.S. markets.

ConAgra Turkey Company results improved modestly, but were still unsatisfactory. The Missouri Division showed good improvement in operating results and had a good year overall. In the California Division, good progress was made on the sale of new, convenience-oriented products under the Turkey Selects by Armour brand, but marketing spending and other cost increases delayed improvement in division results.

Early in fiscal 1992, ConAgra Turkey Company was merged with Butterball Poultry to form Butterball Turkey Company. This reorganization takes advantage of the two companies' complementary sales, marketing and production strengths, and better positions ConAgra to produce more of the convenient, value-added turkey products consumers are asking for.

Longmont Foods manufactures further-processed turkey products for national foodservice and regional retail customers. Fiscal 1991 results improved substantially over the previous year, mainly due to good cost reductions in the live turkey operations. However, margins for further-processed turkey products were under pressure all year, and earnings were unsatisfactory. With the completion of a major plant expansion and modernization and an expected easing of pressure on margins, Longmont should improve earnings significantly in fiscal 1992. (Longmont became an Armour Swift-Eckrich company early in fiscal 1992.)



MOTT'S INC. processes poultry products for national foodservice, retail and industrial markets. Mott's major brand is Water Valley Foods, and the major products are pulled and diced chicken. Mott's had a disappointing year and was unprofitable. Management has been strengthened, and a strategy is in place to increase the sale of value-added products. Early in fiscal 1992, Mott's was merged with Blue Coach, a similar company that was part of Armour Swift-Eckrich, to form Mott's-Blue Coach. The combination will allow management to take advantage of synergistic opportunities in these businesses and should lead to improved results and profitability in fiscal 1992.

PROFESSIONAL FOOD SYSTEMS (PFS) is ConAgra Poultry's sales and distribution business, which has good distribution coverage in major regions of the U.S. PFS had another year of record earnings, and we expect earnings to increase again in fiscal 1992.

Fiscal 1992 will be another challenging year for the broiler industry, with supply still ahead of demand and production expected to increase another five to six percent. In the turkey industry, slowed expansion should allow supplies to fall more in line with demand, and margins should improve. ConAgra Poultry will benefit again from a continuing shift to more stable-margin, value-added products.

ConAgra Red Meat Companies include Monfort, Inc., E.A. Miller Inc., ConAgra Fresh Meats Company and Cook Family Foods, Ltd. Annual sales of these businesses are about $7.5 billion.

MONFORT produces and markets beef, pork and lamb products for customers in domestic and international markets. Monfort also has a distribution business, **Mapelli Brothers Company**, and a cattle feeding operation. **E.A. Miller** is a producer of beef products principally for customers in western United States markets. **ConAgra Fresh Meats** produces and markets beef products to customers in retail, foodservice and institutional markets. **Cook Family Foods** is a leading processor and marketer of branded smoked bone-in ham products for retail customers nationwide.

Late in fiscal 1991, ConAgra acquired a 50-percent interest in Elders Meat Division, a leading Australian beef processor and exporter that was part of Foster's Brewing Group Limited (formerly Elders IXL Limited). This business is called Australia Meat Holdings (AMH).

In fiscal 1991, ConAgra Red Meat processed about 5.3 million head of cattle and 10.4 million head of hogs. Annually, ConAgra Red Meat produces approximately 3.8 billion pounds of beef products and 1.8 billion pounds of pork products. At 700,000 head, fiscal 1991 cattle feeding



operations represented only 13 percent of the needs for our U.S. plants.

In total, operating profit in the red meat businesses increased in fiscal 1991 on the strength of reasonably good beef results and improvement in pork and lamb results.

Beef profitability was fairly good in fiscal 1991 in light of tough industry conditions. A near 30-year low in the U.S. cattle herd resulted in record-high cattle prices, increased competition for a tight supply of livestock and squeezed margins. ConAgra beef processing results were ahead of plan and not far behind fiscal 1990. We expect some improvement in fiscal 1992 as cattle supplies expand gradually and ConAgra Red Meat continues its quest to develop and market new, value-added beef products.

Pork processing industry conditions were even more challenging than in fiscal 1990. Tight hog supplies, excess plant capacity and intense competition kept the pressure on margins. Monfort Pork improved results but was still unprofitable. We expect new production efficiencies and cost reductions to contribute to profitability in fiscal 1992. During the year ahead, Monfort Pork will introduce more convenient, value-added pork products and will initiate a new hog evaluation program to encourage farmers to produce leaner hogs.

Conditions in the lamb industry remained tough, but Monfort's lamb business improved in fiscal 1991, thanks in part to increased production efficiencies. Cook Family Foods had another good year, with earnings up moderately from the fiscal 1990 level. Cook opened a new ham processing plant in Kentucky during the year.

In fiscal 1992, ConAgra Red Meat expects another good year in the beef business, a good contribution from Australia Meat Holdings, and continued improvement in the pork and lamb businesses. The cattle shortage has already begun to ease, and Monfort will continue to focus on efficient production of beef products that meet consumer needs. Hog supplies also are easing, and Monfort Pork will benefit from improved pork industry conditions. Overall, ConAgra Red Meat plans a significant earnings gain in fiscal 1992.

"Monfort beef is top-quality and consistent. Monfort's been in the beef business for so long they really know the business. That's why they're one of the top beef producers in the country."

Tom O'Connor
Meat Manager
Baker's Supermarket



Processed Meats & Dairy Products

Armour Swift-Eckrich is a leading processor and marketer of high-quality refrigerated and frozen prepared meats. Brands include Armour, Swift Premium, Eckrich, Butterball, Golden Star, Decker and Webber Farms. Products include hot dogs, bacon, hams, sausages and cold cuts. Annual sales exceed $2 billion.

Armour Swift-Eckrich, formed in fiscal 1991 after Swift-Eckrich joined ConAgra as part of the Beatrice acquisition, is made up of several independent operating companies: Armour Food Company, Armour Swift-Eckrich Deli/Foodservice Company, Swift-Eckrich Prepared Foods and, through fiscal 1991, Butterball Foods. Longmont Foods, discussed in this report under Poultry Products, became an Armour Swift-Eckrich company early in fiscal 1992, and Butterball Turkey Company, also discussed under Poultry Products, was created from the merger of Butterball Poultry and ConAgra Turkey Company.

During fiscal 1991, Armour Swift-Eckrich combined some common functions of Armour and Swift-Eckrich to form an organization that preserves the independence of the independent operating companies; takes advantage of complementary marketing, sales and production strengths; and consolidates some administrative and operating functions where independence is not critical. The result was significant cost savings, stronger marketing businesses and improved performances across the board. Armour Swift-Eckrich introduced 61 new products in fiscal 1991.

Armour Food Company improved strongly during the year, becoming profitable in the fourth quarter of fiscal 1991. Good progress on production cost savings and a significant marketing commitment began to pay off. A strong focus on developing convenient, nutritious, good-tasting new products resulted in Leaner than Bacon (50 percent leaner); 90% fat-free, low-salt Armour Hot Dogs; 98% fat-free sliced, cooked ham; and a line of 90% fat-free turkey-based smoked sausage products. We expect continued improvement in fiscal 1992.

Swift-Eckrich Prepared Foods had a good year in fiscal 1991 with increased market shares in most categories, led by dramatic volume and share growth in the Butterball processed turkey products business. On the new product front, Swift-Eckrich introduced a number of products designed to provide consumers with convenience, nutrition and good taste: a complete line of Butterball Fresh from the Deli thin-sliced deli meats; Butterball Turkey Bacon; Butterball Heat & Serve precooked breakfast sausage; a complete line of Eckrich 90% fat-free smoked sausages, franks and cold cuts; a line of Eckrich Lean'n Fresh deli-thin-sliced products; and a line of Eckrich dinner sausages. We expect fiscal 1992 to be another good year for Swift-Eckrich Prepared Foods.

Armour Swift-Eckrich Deli/Foodservice Company was created from the combination of the Armour and Swift-Eckrich foodservice and deli businesses and ConAgra Deli Company. The new company markets deli products under the brands Armour, Butterball, Eckrich, Swift Premium and World's Fare. Armour Swift-Eckrich Deli/Foodservice had an excellent year, led by good volume increases in key deli categories. A number of new deli products were introduced to meet consumers' needs for more convenience, better nutrition and great taste. The foodservice business benefited from complementary production strengths of Armour and Swift-Eckrich. For example, an underutilized Armour plant allowed Swift-Eckrich to increase production of its successful prefried bacon business for foodservice customers.

An efficient new state-of-the-art deli products plant in Arkansas will go onstream early in fiscal 1992, and will contribute to lower production costs and improved ability to meet increased demand by retail deli operators for carryout meals, convenience foods and finger foods. Deli and foodservice earnings and volumes should increase again in fiscal 1992.



BUTTERBALL FOODS in fiscal 1991 included Butterball Poultry (primarily whole turkeys), Blue Coach Foods, sales and distribution units located in Panama and Puerto Rico and all export business for Armour Swift-Eckrich. Butterball Foods achieved plan in fiscal 1991 despite a very difficult year resulting from surplus turkey supplies.

Early in fiscal 1992, Butterball Turkey Company was created by combining Butterball Poultry with ConAgra Turkey Company. Blue Coach Foods was transferred to ConAgra Poultry, and a new company, Mott's-Blue Coach, was formed.

Overall, Armour Swift-Eckrich had a very good year in fiscal 1991 and expects a substantially better year in fiscal 1992 as the company continues to focus on responding to customers and consumers with creative and timely new products.

BEATRICE CHEESE COMPANY is one of the leading producers and marketers of cheese in the United States. Annual sales are about $800 million. Branded products include Treasure Cave blue cheese, County Line natural cheeses, Pauly cheeses for foodservice markets and Reddi-Wip refrigerated dessert topping. During fiscal 1991, an Armour cheese plant in Wisconsin became part of Beatrice Cheese, and the company acquired Mazza Cheese, a distribution and mozzarella manufacturing business in Oregon.

Fiscal 1991 was a depressed year for the dairy industry. Government support prices for milk and cheese dropped, milk and cheese prices fluctuated dramatically and cheese inventories grew to burdensome levels. Beatrice Cheese performed well in a difficult environment. Results were on plan but constrained by industry conditions. Volumes in branded cheese and refrigerated dessert toppings were up significantly in fiscal 1991. In fiscal 1992, we expect improved industry conditions, innovative new products and improved results for Beatrice Cheese.

ConAgra seafood companies are leaders in the U.S. seafood industry, with major businesses on the West, East and Gulf coasts. Total seafood sales, including two 50-percent-owned seafood companies, exceed $700 million. Sales of 50-percent-owned companies are not reported in ConAgra's consolidated results.

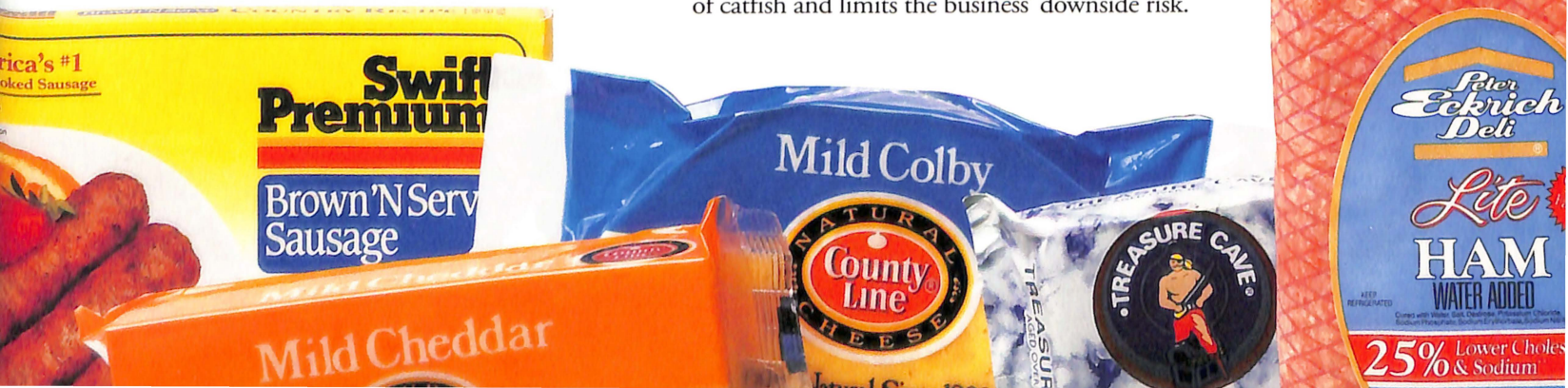
CONAGRA SHRIMP COMPANIES include Singleton Seafood Company, International Seafood Traders and Waldco Enterprises. Singleton is a leading shrimp processor, foodservice supplier and retail marketer of shrimp. Other products include scallops, oysters and flounder. International Seafood Traders is a processor and worldwide procurer, broker and marketer of commodity seafood. Waldco Enterprises is a shrimp import and trading business.

Fiscal 1991 was a tough year for the seafood industry. Prices of imported seafood were unstable, and the U.S. recession contributed to decreased consumption, particularly of higher-priced seafood and seafood served in upscale restaurants. Singleton performed well, but earnings were below the record level of fiscal 1990. International Seafood Traders improved significantly. Results for Waldco, caught in fluctuating prices for imported shrimp, were unsatisfactory. In total, ConAgra Shrimp Companies' results decreased from fiscal 1990.

Singleton continued to develop products to help foodservice operators meet consumer demand for lower-calorie, lower-fat seafood items. The company successfully introduced a new line of sauteed shrimp for foodservice customers and expanded convenient cooked shrimp offerings.

Fiscal 1992 will be another challenging year for ConAgra Shrimp Companies, but we expect earnings to exceed the fiscal 1991 level.

COUNTRY SKILLET CATFISH COMPANY processes and markets grain-fed, farm-raised catfish products for retail and foodservice customers. During fiscal 1991, Country Skillet and Fishco, a catfish farmers' cooperative, combined to create Confish, a 50-50 joint venture. The new structure provides Country Skillet with an assured supply of catfish and limits the business' downside risk.



Fiscal 1991 was another difficult year for the entire catfish industry, with processors squeezed by high live fish prices and processing overcapacity. Country Skillet was unprofitable.

Next year's results should be helped by new products introduced late in fiscal 1991, including baked, broiled and marinated catfish products, new formed products and products designed for school lunch programs. Country Skillet's new structure will allow the company much more flexibility to overcome industry conditions. We expect dramatically improved results in fiscal 1992.

O'Donnell-Usen Fisheries Corporation is a sourcer of Atlantic cod and ocean perch, operating eight trawlers in the waters off Nova Scotia and Prince Edward Island. Under the brand name Taste O'Sea, O'Donnell-Usen processes and markets more than 100 frozen seafood products, as well as an extensive line of private label products. The company also is a leading supplier of breaded cod portions to fast-food markets.

O'Donnell-Usen Canada, the fishing and initial processing business, had a strong year, thanks in part to plant improvements and rising cod prices. However, O'Donnell-Usen U.S.A., the further-processing, retail and foodservice business, was hurt by the cod prices and by the recession-related slowdown in seafood consumption. Overall, O'Donnell-Usen earnings decreased from the fiscal 1990 level.

A fiscal 1991 consolidation of U.S. processing and administrative functions and a planned launch of new, relatively low-priced retail seafood products should contribute to increased earnings in fiscal 1992.

Trident Seafoods Corporation, 50-percent owned by ConAgra, is a leader in the Northwest Pacific seafood industry. The company sources, processes and markets crab, salmon, herring and bottomfish – principally Pacific pollack, halibut and cod – for domestic and export markets. Trident operates one catcher processor and six floating processors in the Bering Sea and the North Pacific Ocean.

During fiscal 1991, the salmon industry was sluggish, but conditions improved in crab, pollack and cod markets. Expanded processing capacity from two plants that went onstream in fiscal 1990 contributed to 1991 earnings. Trident's results improved substantially over fiscal 1990, and we expect further improvement in fiscal 1992.

Foodservice & Specialty Channels

ConAgra Foodservice Companies offers foodservice operators center-of-the-plate choices in beef, frozen food and poultry under the brands Award, Armour, Banquet, Chun King, Healthy Choice, Monfort and Morton. During fiscal 1991, ConAgra Foodservice introduced a line of Healthy Choice entrees for foodservice, and volume exceeded expectations. ConAgra Foodservice also secured important new agreements to provide value-added, further-processed poultry products to leading quick-service restaurant chains and introduced a line of value-added beef products for club stores.

In fiscal 1991, ConAgra Foodservice and ConAgra Soviet Union developed and began operating a frozen foodservice system for major hotels and embassies in Moscow. In Singapore, ConAgra Foodservice developed a key breakfast product for a major quick-service restaurant customer.

In fiscal 1991, the success of new products and new distribution was more than offset by losses in the beef foodservice market stemming



from record-high beef prices, and results were below expectations. In fiscal 1992, ConAgra Foodservice will expand Healthy Choice into other menu categories, and important new customer agreements will be implemented. We expect improved results.

Lamb-Weston, Inc., a joint venture with Golden Valley Microwave Foods, which merged with ConAgra early in fiscal 1992, is a leading processor of frozen potato products, primarily for foodservice markets. Lamb-Weston supplies most of the leading restaurant chains and foodservice distributors in the U.S. Products include traditional french fries as well as fries in unique shapes and flavored potato products. Annual sales are about $500 million.

Lamb-Weston's margins were under pressure in fiscal 1991 from increased production costs resulting from a weather-related poor potato crop in the Washington State growing areas. Earnings were still good, but were down from the strong showing in fiscal 1990. We expect a good year in fiscal 1992 as Lamb-Weston continues to achieve production efficiencies and to introduce new value-added potato products.

Golden Valley Microwave Foods, Inc. joined ConAgra early in fiscal 1992. Golden Valley is a leader in the development of foods primarily for preparation in microwave ovens. Products include popcorn, french fries, breakfast foods and sandwiches distributed through the vending industry, mass merchandising outlets and grocery stores. Golden Valley's sales were about $172 million in calendar year 1990.

The merger with Golden Valley is an important strategic opportunity for ConAgra. We expect to capitalize better on the strengths of Lamb-Weston, we add strength in another important sales and distribution system – vending channels – and we gain a stronger presence in the snack food market. Additionally, Golden Valley's acknowledged leadership in microwave technology will enhance ConAgra's product development efforts in many areas.

ConAgra Pet Products Company markets a complete line of pet accessories to consumers for the care and enjoyment of their pets. Principal brands are Geisler and Sergeant's.

Sales for fiscal year 1991 increased slightly, but marketing costs and lower margins caused earnings to decline. ConAgra Pet Products plans increased sales and profit in fiscal 1992.

ConAgra Consumer Direct markets Pfaelzer Brothers steaks and Ace snacks directly to consumers via mail-order catalogs. Sales and earnings were disappointing in fiscal 1991. The bulk of these companies' sales and earnings results from business-to-business gifts during the holiday season. Recession fears and a generally poor business climate at that time had a negative effect on their performance during this critical period. Substantial improvement in both sales and earnings is expected in fiscal 1992.

Dyno Merchandise Corporation markets a full line of home sewing accessories under the brand name Singer for which Dyno is the exclusive licensee in the United States and Canada. Dyno sales for fiscal 1991 were up substantially over the prior year, and earnings reached record levels. Management was strengthened during the year, and we expect increased sales and earnings again in fiscal 1992.



BASIC FOOD COMPANIES:

TRADING & PROCESSING

HIGHLIGHTS

In millions

	1991	1990
Sales	$1,862.0	$1,959.2
Operating profit	100.1	97.5
Invested capital at year beginning	344.2	291.6

Operating profit in our Trading & Processing segment increased three percent, well below our planned gain and disappointingly low due mainly to losses in the edible bean business. Absent the bean business decline, the Trading & Processing segment would have shown excellent operating profit growth led by a strong gain in the flour milling business and a larger contribution from the European processing businesses. The grain merchandising business dropped below last year's record earnings as world grain trade turned sluggish during the year. Trading & Processing segment sales declined due to lower grain and edible bean volumes and lower processed grain selling prices as reduced ingredient costs were passed through to customers.

Toward the end of fiscal 1991, ConAgra established an important new operating and exporting base in Australia by acquiring assets of Elders malt and wool businesses and a 50-percent interest in Australia Meat Holdings, the Elders beef business. Total sales are about $1 billion, but sales of the beef business, the largest business, won't be reported in ConAgra's sales because it is 50-percent owned.

In fiscal 1992, a rebound in the edible bean business, earnings from the Elders businesses and earnings progress elsewhere are expected to bring a large operating profit gain in the Trading & Processing segment.

International

ConAgra International trades agricultural commodities and foodstuffs worldwide and operates food processing and distribution businesses that are primarily outside the continental U.S.

ConAgra International has trading offices in 23 nations, extensive merchandising facilities and transportation assets in the United States, and processing facilities in the U.S., Asia, Australia, Canada, Europe and Latin America. Annual invoiced sales of ConAgra International are about $7.5 billion, versus reported sales of about $1 billion. This is because in many trading transactions only gross margins, not invoiced sales, are included in reported sales.

ConAgra International consists of both trading companies and food processing and distribution companies. **ConAgra Trading Companies** and their primary trading products are **ConAgra Grain Companies** (grain), **ConAgra Wool Company** (Australian wool), **Berger and Company** (pulses, which are dry edible beans, peas and lentils), **Camerican International** (food products and ingredients), **Petrosul International Ltd.** (Canadian sulfur) and **Woodward & Dickerson** (industrial raw materials, bulk chemicals, machinery and wood products).

The largest trading company is ConAgra Grain Companies, a family of grain merchandising businesses. The largest U.S. business is Peavey Grain Company. Peavey's merchandising network includes more than 100 interior and export elevators in 18 states. Grain merchandising operations are supported by about 1100 barges, 20 line haul boats and more than 2000 rail cars.

ConAgra Wool Company (formerly the Elders International Wool Division) was acquired late in fiscal 1991. The company trades and processes wool in Australia and is a leading exporter of Australian wool. ConAgra Wool was profitable for the short time it was part of ConAgra in fiscal 1991.

ConAgra Trading Companies' earnings declined substantially during fiscal 1991, due largely to sizeable losses in the edible bean trading business. The business has been restructured, and management has been strengthened; we expect the business to return to profitability in fiscal 1992.

ConAgra Grain Companies performed well in the face of a downturn in grain industry conditions. Grain merchandising earnings dropped from the fiscal 1990 record level. Fiscal 1992 will be another tough year if world grain trade remains sluggish, and it will be a challenge for ConAgra Grain to match their fiscal 1991 performance.

Earnings were ahead of last year for Camerican International, Petrosul International and Woodward & Dickerson. Camerican and Woodward expect another earnings increase in fiscal 1992, but soft demand and lower sulfur prices will make it difficult for Petrosul to match its fiscal 1991 results.

The international food processing and distribution businesses are organized into four regional operating companies: ConAgra Asia-Pacific, ConAgra Eastern Europe /Soviet Union, ConAgra Europe and ConAgra Latin America.





ConAgra Asia-Pacific works with other ConAgra independent operating companies to market and distribute their products to retail and foodservice customers in the Far East, and operates food processing joint ventures in Australia and Thailand with local partners.

During fiscal 1991, ConAgra aquired a 50-percent interest in Elders Meat Division, called Australia Meat Holdings (AMH), a leading Australian beef processor and exporter. AMH is ConAgra's second meat processing joint venture in Australia. ConAgra Asia-Pacific was unprofitable in fiscal 1991, but we expect substantially improved results in fiscal 1992.

ConAgra Eastern Europe and **ConAgra Soviet Union** are working to grow ConAgra's presence in the rapidly changing economies in Eastern Europe and the Soviet Union. During fiscal 1991, ConAgra Soviet Union, working with ConAgra Foodservice Companies, began operating a frozen food distribution business in Moscow.

Early in fiscal 1992, ConAgra Soviet Union signed a definitive agreement to form a 50-50 joint venture with Chilewich Partners, called Chilewich Group. Chilewich Group is a worldwide trader of agricultural commodities and food products. Chilewich brings to ConAgra a network of experienced traders who are well-positioned to develop countertrade opportunities with the Soviet Union central government and individual state enterprises and republics. New businesses also are being developed in Hungary and other Eastern European countries. These investments should begin to pay off in fiscal 1992, and we expect ConAgra Eastern Europe/Soviet Union to become profitable.

ConAgra Europe includes basic food companies in Spain and Portugal and food distribution businesses based in France. In Spain, ConAgra owns Saprogal, S.A. and Bioter, S.A. In Portugal, ConAgra has a majority interest in Sapropor, S.A.R.L. These companies are involved in animal feed production, hog breeding, meat processing and broiler chicken production. In France, ConAgra owns half of Gelazur, S.A., a leading European seafood distributor, and has a majority interest in S.A.M.S., a distributor of processed meats and deli products.

During fiscal 1991, ConAgra acquired 20 percent and has an option to acquire another 30 percent of IDEA Industrie S.A., a leading French meat processor and distributor which sells to the major retail chains in France. ConAgra acquired 100 percent of Hyman Foods Limited, an English company that processes and distributes frozen meat products.

ConAgra Europe's earnings increased substantially in fiscal 1991. The poultry and processed meat businesses in Portugal became profitable, and the feed businesses in Spain and Portugal had record years. Gelazur and S.A.M.S. performed well despite difficult market conditions, but results in the poultry and meat businesses in Spain were unsatisfactory. ConAgra Europe expects increased earnings again in fiscal 1992.

ConAgra Latin America includes Puerto Rico Basic Foods Company, a leader in food processing and distribution in Puerto Rico. The company produces and markets poultry products, flour, processed corn products and formula feed. Since the acquisition of Beatrice, Swift-Eckrich's distribution company and ConAgra Latin America's have been merged to form one frozen, refrigerated and dry grocery products distribution company.

Fiscal 1991 was another good year for Puerto Rico Basic Foods. The company made meaningful progress in new product development, and earnings were up slightly. We expect an increase again in fiscal 1992.

Overall, ConAgra International's fiscal 1991 operating profit was down significantly from fiscal 1990 results. We expect a sharp earnings rebound in fiscal 1992.



Grain Processing

ConAgra Flour Milling Company is a leader in the U.S. flour milling industry with 28 mills in 15 states. ConAgra Flour Milling's customers are principally commercial bakeries and pasta producers. Annual flour volume is about 70 million hundredweights, or seven billion pounds. Milling capacity is about 270,000 hundredweights per day.

ConAgra Specialty Grain Products Company includes oat milling, dry corn milling and barley processing businesses. Annual oat processing capacity is about 3.8 million hundredweights, or 380 million pounds. Late in fiscal 1991, ConAgra Specialty Grain opened Westglen Milling Ltd., a joint venture oat and barley processing mill in western Canada, and added Barrett Burston International Pty Ltd., an Australian malt company acquired in the Elders transaction. Barrett Burston processes barley into malt and sells it to the brewing industry in Australia and worldwide. ConAgra Specialty Grain also is developing grain-based fat replacement technology and applications with significant potential in many food industry sectors.

Canadian Harvest U.S.A., a joint venture with Du Pont Company, manufactures and markets a full line of fibers, including corn bran, specialty oat fiber, white oat fiber and barley fiber, for customers in the food industry. Canadian Harvest fibers are used primarily in low-calorie breads and high-fiber foods.

During fiscal 1991, U.S. domestic flour consumption increased slightly, with exports generally flat. Per capita consumption of oats grew at a slower pace than last year, but was still strong.

ConAgra Flour Milling had a good year, with earnings well above the fiscal 1990 level. The oat processing business had a good year, but earnings declined from fiscal 1990's strong results due to an expected decline in margins. The Australian malt business made a contribution for the short time it was part of ConAgra. The corn milling and fiber businesses improved results significantly but still operated below expectations.

In fiscal 1992, we expect increased earnings in flour milling, corn milling and the fiber business, a modest reduction in oat processing earnings and good contributions from the new businesses in Australia and Canada.

ConAgra Feed Ingredient Merchandising Company merchandises animal feed ingredients to large feeders, wholesalers and exporters. This company had another good year, but earnings were down modestly from fiscal 1990's record level. We expect increased earnings in fiscal 1992.

United Specialty Food Ingredients Companies manufactures and markets a broad line of natural spices, blended seasonings, natural flavors, spray-dried food ingredients, food oils, lard and eggs. General Spice, in its first full year with ConAgra, successfully introduced natural meat-flavor gravies and soup bases and had an outstanding year. Other new products introduced by United Specialty Food Ingredients during fiscal 1991 include milk replacers and non-dairy, cholesterol-free soft-serve desserts. United Specialty Food Ingredients' fiscal 1991 earnings were over plan and well above the fiscal 1990 level. We expect increased earnings again in fiscal 1992 as this company continues to grow by helping its food industry customers develop and manufacture wholesome, appealing and nutritious prepared foods.

Overall, ConAgra Grain Processing earnings were on plan and substantially above fiscal 1990 earnings. We expect another profit increase in fiscal 1992.

"The quality of semolina flour determines the quality of our pasta products. We needed a supplier we had confidence in. ConAgra Flour Milling Company has gone the distance to meet our needs by consistently delivering high-quality semolina – day in and day out."

C. Mickey Skinner
President, Hershey Pasta Group



BASIC FOOD COMPANIES:

AGRI-PRODUCTS

HIGHLIGHTS

In millions

	1991	1990
Sales	$2,443.6	$2,330.2
Operating profit	94.0	87.2
Invested capital at year beginning	122.8	97.5

Operating profit in our Agri-Products segment increased eight percent. The crop protection chemical distribution business, the largest business in the Agri-Products segment, increased operating profit slightly – respectable results in light of unfavorable conditions during the planting season and new business investment. The fertilizer and specialty retailing businesses achieved significant operating profit gains in fiscal 1991. The feed businesses made a good contribution to fiscal 1991 operating profit growth.

In fiscal 1992, we will continue to invest in leveraging and extending agricultural distribution channels and building new businesses such as the Ecochem joint venture which has outstanding long-term potential. Our plans indicate a good gain in Agri-Products segment earnings in fiscal 1992.

Crop Protection Chemicals

United Agri Products (UAP) is the leading distributor of crop protection chemicals to North American markets, serving customers in most major agricultural areas in the U.S. and Canada. UAP distributes a broad line of pesticides manufactured by major chemical companies, and formulates and distributes its own products under the Clean Crop label. Annual sales are about $1.3 billion.

Three UAP companies – Hess & Clark Company, Omaha Vaccine and Wholesale Veterinary Supply – are national marketers of animal health care products.

During fiscal 1991, industrywide sales of crop protection chemicals in the U.S. and Canada were down. Despite relatively weak industry conditions and additional spending related to significant new business investment, UAP's sales and operating profit were modestly ahead of fiscal 1990 levels. UAP's geographic balance and strong emphasis on customer service contributed to UAP's eighth straight year of record results.

UAP's seed business, begun during fiscal 1990, made steady progress during fiscal 1991. Volumes improved, especially in the southern U.S., and continued progress is expected. Early in UAP's fiscal 1992, the Cropmate retail fertilizer business was transferred from ConAgra Fertilizer Company to UAP to strengthen service to retail customers.

UAP continued to promote environmental education in an extensive marketing program targeted to dealers and farmers. The "Environmental Excellence" program is a multimedia approach that covers such topics as groundwater protection, safety and judicious use of crop protection chemicals. UAP also will continue to invest in Ecochem – a new joint venture with major environmental implications, discussed later in this section.

Fiscal 1992 began with increased demand for crop protection chemicals in some regions of the U.S. Unusually wet conditions initially delayed plantings and pesticide demand, then caused weed pressure on Midwestern corn and soybean acres and insect pressure in Southern cotton fields. For fiscal 1992 as a whole, we expect another increase in sales and earnings.

"Finding a crop protection chemical dealer you can trust is top priority in a farming business. I've been working with UAP dealer Ron Osborne for 23 years. I can always count on Ron to be here when I need him."

Bill Markham
Berthoud, Colorado
Winner of a 1991 UAP Environmental Excellence Award

Fertilizer & Feed

ConAgra Fertilizer Company is a leading worldwide marketer of fertilizer products. Products are distributed in the United States via a system of strategically located warehouses that serve customers in the growing regions. Annual fertilizer volume exceeds four million tons.

International fertilizer markets returned to a more normal supply-and-demand balance in late fiscal 1991, after the product shortages that skewed markets late in fiscal 1990. The North American fertilizer industry suffered from an unusually wet spring in 1990 across the Midwestern U.S., resulting in a compressed fertilizer season and decreased volumes and margins.



ConAgra Fertilizer's international business was well ahead of plan but earnings were below the fiscal 1990 level that had benefited from opportunities created by market imbalances. The North American business operated below plan but well ahead of fiscal 1990. Blue Ribbon Energy, which markets propane, natural gas liquids and other energy-related products throughout the U.S., had another outstanding year. Overall, ConAgra Fertilizer's fiscal 1991 earnings increased significantly over the fiscal 1990 level.

Early in fiscal 1992, ConAgra Fertilizer sold four U.S. ammonia terminals and transferred its retail Cropmate fertilizer outlets to United Agri Products.

Fiscal 1992 will be another challenging year for ConAgra Fertilizer. Another wet spring compressed the 1991 fertilizer season in Midwestern and some Southern regions of the U.S. Business should be helped some, however, by an expected slight increase in U.S. planted acreage. ConAgra Fertilizer expects a good increase in operating earnings in fiscal 1992.

ConAgra Fertilizer Company continues to tell the story of fertilizers' contributions to the quality of life through increased quantity and quality of food and fiber products. Emphasis continues to be placed on stewardship of land and water resources.

ConAgra Feed Company produces and markets formula feeds for customers in the southeastern United States. Principal brands are Formax and Ponderosa.

ConAgra Feed's highest-volume product line is commercial dairy feed, and continued competitive pressure in the dairy industry kept tonnage slightly below the fiscal 1990 level. ConAgra Feed managed well in a tough environment, and earnings were on plan and ahead of the previous year.

ConAgra Feed Company is continuing to create new feed markets by developing new lines of business. For example, an operation that contracts with farmers to grow feeder pigs to market size will be expanded during fiscal 1992.

Dairy industry conditions should improve a little in fiscal 1992. ConAgra Feed expects another reasonably good year.

NutriBasics Company manufactures and markets nutrient additives for animal feeds. NutriBasics had an excellent year, exceeding plan and achieving record sales and unit volumes. Late in fiscal 1991, NutriBasics became a joint venture when Du Pont Company purchased 50 percent of the company. We expect fiscal 1992 to be another good year for NutriBasics.

DuCon, another ConAgra/Du Pont joint venture, is a leading producer of choline chloride, a B-complex vitamin added to animal feed. DuCon also sells additives to the food and pharmaceutical industries. DuCon had another good year, ahead of profit plans.

Specialty Retailing

ConAgra Retail Companies include 189 full-line country stores and fabric and craft stores, located principally in agricultural regions of the United States.

Country General Stores carry merchandise targeted for country living, including clothing, boots and other footwear, housewares, lawn and garden supplies, farm and ranch supplies, hardware, animal care products and sporting goods.

There are 91 stores in eight central states and California operating under the names Country General, Wheelers, S&S, Sandvig's and Peavey Ranch and Home. Work began during 1991 on an efficient new warehouse in Nebraska that will greatly improve inventory control and store replenishment systems



and enhance growth opportunities for Country General. One store closed during the year.

Country General had a good year, with sales and earnings well ahead of the fiscal 1990 level. At least two new stores will open in fiscal 1992, and another good profit increase is expected.

Northwest Fabrics & Crafts stores are complete fabric and craft stores, with home sewing as the predominant department. There are 98 stores in 17 states. Eleven new stores opened during fiscal 1991, including the first southern U.S. store in Amarillo, Texas. Two stores were closed during the year.

Northwest Fabrics & Crafts continues to see good results from their mix of fabrics and craft supplies, and customer response to the 11 new stores was excellent. The company opened a larger and more efficient warehouse and distribution center in Charlotte, North Carolina, and plans to move its headquarters to Charlotte in fiscal 1992.

Northwest Fabrics & Crafts had another excellent year, with sales and earnings significantly ahead of plan and fiscal 1990. At least seven new stores will open in fiscal 1992, and another good earnings increase is planned.

Overall, ConAgra Retail Companies had a good year, with sales up and earnings significantly ahead of fiscal 1990. We expect sales and earnings to increase again in fiscal 1992.

Ecochem

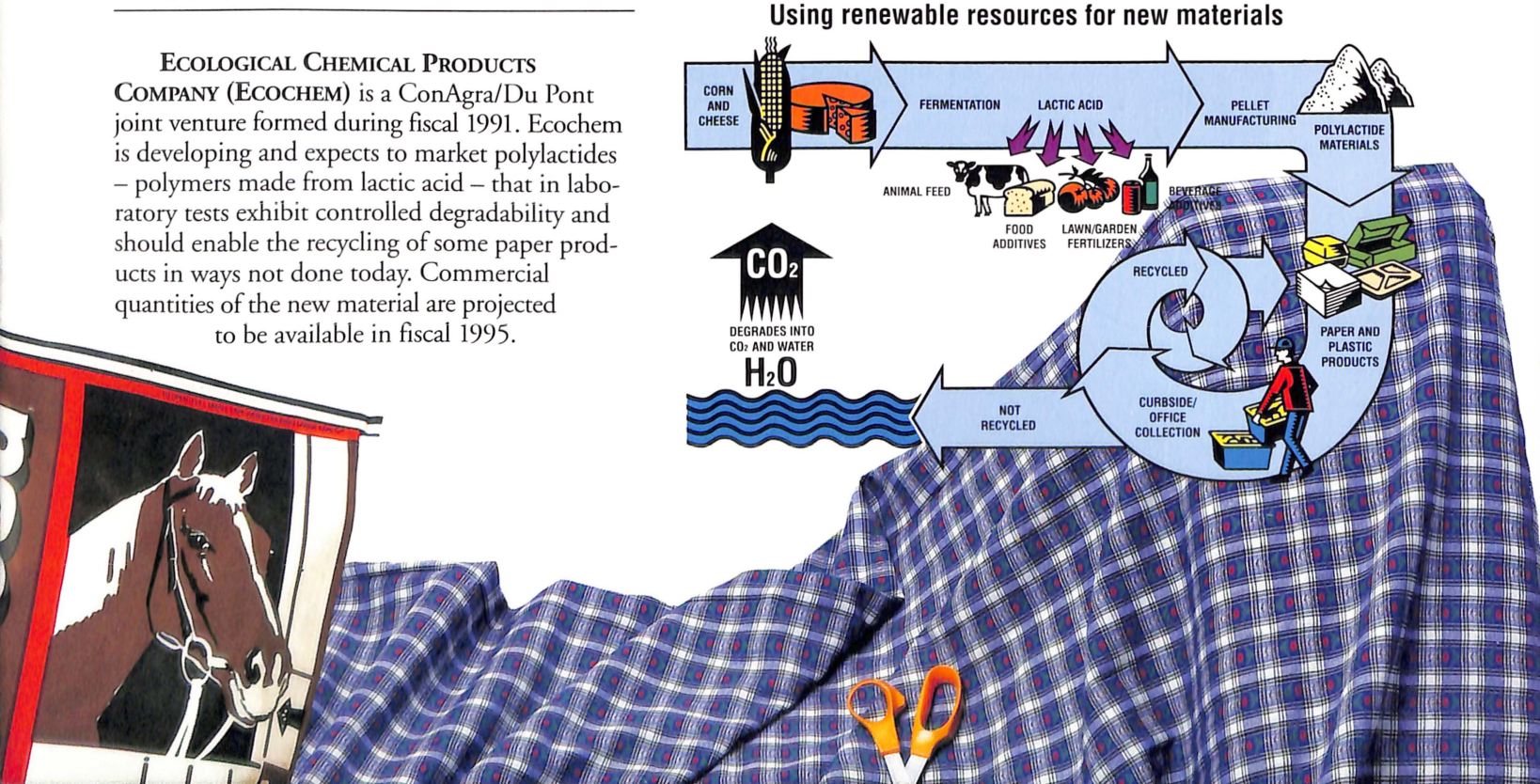
Ecological Chemical Products Company (Ecochem) is a ConAgra/Du Pont joint venture formed during fiscal 1991. Ecochem is developing and expects to market polylactides – polymers made from lactic acid – that in laboratory tests exhibit controlled degradability and should enable the recycling of some paper products in ways not done today. Commercial quantities of the new material are projected to be available in fiscal 1995.

ConAgra is especially interested in potential polylactide uses in the fast food industry and in grocery products packaging, in applications such as insulated drink cups, insulated fast food containers and frozen food packages.

Ecochem also will market high-quality lactic acid and derivative products to the food additives, preservatives, animal feed and lawn and garden fertilizer markets starting in the first half of fiscal 1993. Ecochem is currently constructing a $20 million lactic acid manufacturing facility in Wisconsin.

Ecochem's natural lactic acid technology originated with developments by United Agri Products and the University of Wisconsin. At the close of fiscal 1991, Ecochem had filed more than 20 patent applications covering key product areas and proprietary low-cost processes required to produce the polylactides. A polylactide pilot plant is scheduled for start-up in fiscal 1992, and a world-scale commercial plant is targeted to be on line in fiscal 1995.

Ecochem is developing versatile, socially responsible materials based on renewable natural resources and biotechnology. The company has the potential to generate significant revenues and earnings after calendar year 1994 if current expectations are fulfilled. We expect Ecochem's polylactides to have a major impact in the future on the food industry and other industries.



HIGHLIGHTS

In millions

	1991	1990
Sales	$153.6	$180.1
Operating profit	13.1	15.9
Invested capital at year beginning	116.4	108.2

ConAgra's Finance Companies are reported separately because of their different financial characteristics. These companies are self-financed, with no parent company guarantees to support borrowings.

Operating profit in our Finance Companies decreased 18 percent in fiscal 1991. Earnings were up in Monfort Finance Company, but down in the Geldermann futures brokerage business due to an industry-related volume slowdown.

We expect increased earnings for the Finance Companies in fiscal 1992.

"I've been dealing with Geldermann for a long time, and the reason is simple: they have a good feel for the market, they generate good trading ideas and they have good execution."

Charles Piermarini
Vice President, Money and Capital Markets
Household International

GELDERMANN, INC., a leading U.S. futures brokerage firm, serves customers internationally through more than 100 branches and affiliated brokerage offices. ConAgra does not guarantee any obligations of Geldermann. Through its full-service securities subsidiary, Geldermann Securities, Inc., the company is able to offer execution and clearing services for professional traders on all U.S. exchanges, focusing on options-driven products. Geldermann's Heinold Asset Management, Inc. subsidiary is a leading commodity fund general partner, managing 28 public commodity futures funds, including one offshore.

Geldermann has continued to aggressively pursue institutional clientele for foreign exchange and bullion trading business and to lay the groundwork for expanding its customer base in Pacific Rim countries. Business relationships with Asian customers increased this past year, as the company built its reputation through sales and training seminars and meetings. Through offices in London, Rotterdam and Brussels, Geldermann is establishing a stronger foothold in European markets as well.

Fiscal 1991 was a difficult year for the futures industry, with the economic slowdown causing fall-offs in futures trading activities and general woes for financial industries. Geldermann managed well and had a profitable year, but earnings were down from fiscal 1990. We expect improved results in fiscal 1992.

MONFORT FINANCE COMPANY is a self-financed subsidiary which provides short-term financing, typically four to five months, primarily for cattle in ConAgra Red Meat Companies' feedlots. Monfort Finance Company's debt is not guaranteed by ConAgra. This business finances cattle it owns and will sell to ConAgra Red Meat Companies for processing. It also finances cattle owned by third parties while these cattle are on feed in ConAgra Red Meat Companies' feedlots.

Monfort Finance also includes Weld Agricultural Credit, Inc., a small truck financing company, and Weld Insurance Company, Inc., a small captive insurance subsidiary.

Monfort Finance Company had a good year, with earnings ahead of the fiscal 1990 level. Fiscal 1992 should be another good year.



In millions

	1991	1990	1989
Sales	$19,504.7	$15,501.2	$11,340.4
Operating profit	870.2	549.8	468.3
Invested capital			
Year beginning	1,836.7	1,626.7	1,392.1
Year end	5,332.9	1,836.7	1,626.7

INTRODUCTION

In this part of the business review we discuss ConAgra's financial condition and overall operating results.

This discussion relates to information contained in other sections of this annual report, including the financial statements and notes to the financial statements. The financial statements are presented in three formats: Basic Food Companies, Finance Companies and Consolidated. Unless otherwise indicated, this discussion pertains to ConAgra's Consolidated financial condition and operations.

FINANCIAL CONDITION

Capital Resources

ConAgra's earnings are generated principally by its capital investment. Capital investment consists of working capital (current assets less current liabilities) plus all noncurrent assets. This capital investment is financed with stockholders' equity, long-term debt and other noncurrent liabilities.

CAPITAL INVESTMENT

Dollars in millions

	1991	1990	% Increase (Decrease)
Working capital	$ 255.5	$ 380.2	(32.8) %
Property, plant & equipment	1,941.5	1,034.7	87.6
Intangible assets	2,720.9	253.5	973.3
Other noncurrent assets	415.0	168.3	146.6
Total noncurrent assets	5,077.4	1,456.5	248.6
Capital investment	$5,332.9	$1,836.7	190.4

During fiscal 1991, capital investment nearly tripled to $5.3 billion from $1.8 billion. Working capital declined 33 percent to $255.5 million from $380.2 million, while noncurrent assets grew 249 percent to $5.1 billion from $1.5 billion after depreciation and amortization of $250.8 million in fiscal 1991. ConAgra's acquisition of Beatrice Company on August 14, 1990 was the primary factor in the changes in capital investment components.

Within noncurrent assets, the Beatrice transaction added to intangible assets approximately $2.5 billion in goodwill at the time of acquisition. The goodwill represents valuable assets such as respected brands with significant marketplace acceptance. Over time, these assets are amortized and decline from an accounting standpoint, while their real economic value should appreciate if they continue to be managed well. Their amortization timeframe is lengthy, typically 40 years, so the negative effect on reported annual earnings is not substantial. Also, amortization is a non-cash charge which increases the effective tax rate but does not penalize cash flow.

The Beatrice transaction also added approximately $765 million to noncurrent assets in property, plant and equipment at the time of the transaction. Moreover, during fiscal 1991 ConAgra invested $331.8 million in additions to property, plant and equipment of ongoing businesses, an increase of 69 percent versus $196.3 million in fiscal 1990.

Internally generated cash flow is the primary source of ConAgra's capital investment growth over the long term. In fiscal 1991, cash flow from net income, depreciation and amortization totaled $562 million, an increase of 56 percent from $361.4 million in fiscal 1990. Free cash flow (net income plus depreciation and amortization minus dividends) grew 59 percent to $462.7 million in fiscal 1991 from $291.6 million in fiscal 1990. Including all cash flows from operating, investing and financing activities, ConAgra's cash and cash equivalents increased $595.2 million to $715.7 million at the end of fiscal 1991.

In fiscal 1992, ConAgra plans to invest approximately $310 million in additions to property, plant and equipment of present businesses. Cash flow from depreciation and amortization of approximately $295 million plus net income is expected to be sufficient for this investment and dividend requirements, with a surplus for other potential uses.

ConAgra financed the fiscal 1991 increase in capital investment as shown in the "Capitalization" table.

CAPITALIZATION

Dollars in millions

	1991	1990	% Increase
Senior long-term debt	$1,663.0	$ 605.4	174.7%
Other noncurrent liabilities	1,066.4	103.3	932.3
Subordinated long-term debt	430.0	30.0	NM
Preferred stockholders' equity	356.1	2.2	NM
Common stockholders' equity	1,817.4	1,095.8	65.9
Total capitalization	$5,332.9	$1,836.7	190.4

NM = *Not Meaningful*

During fiscal 1991, ConAgra arranged $1.2 billion of new long-term financing as part of a financing plan established in conjunction with the acquisition of Beatrice Company. This financing was accomplished on terms more favorable than the original plan.

ConAgra completed two public offerings of senior notes: 7-year, $300 million, 9.75 percent, and 15-year, $100 million, 9.875 percent. ConAgra also completed a public offering of 30-year subordinated notes for $400 million at 9.75 percent. Proceeds of these issues were used primarily to help finance the Beatrice acquisition and replace expensive Beatrice debt. For example, the replacement of two issues of Beatrice debt of $251 million due in 1997 with interest at about 13 percent will reduce interest expense by more than $50 million over seven years.

ConAgra also completed agreements to sell, for up to five years, undivided participation interests in designated receivables not to exceed $400 million. Proceeds of approximately $379 million, net of discount and fees, were used to reduce debt on the company's balance sheet.

The other noncurrent liabilities added during fiscal 1991 consist principally of estimated liabilities and reserves of Beatrice Company for income taxes and interest thereon, post-retirement health care, pensions and various litigation, environmental and other matters. It will require many years for issues relating to these liabilities to be resolved. Resolution over time will use cash, but will not affect earnings if the reserves are appropriate.

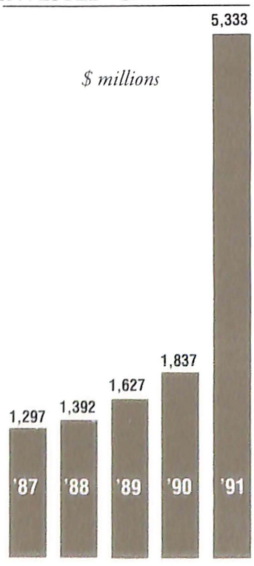
Preferred stockholders' equity increased due to $354.9 million of preferred stock issued in the Beatrice acquisition. The principal sources of the increase in common stockholders' equity were 11.1 million common shares valued at $354.9 million issued in the Beatrice acquisition, a public offering of 4.4 million common shares with proceeds of $144 million used primarily for the Elders acquisition (see Note 2 on page 51), and net income.

Financing Objective

ConAgra's primary financing objective is to maintain a conservative balance sheet. Equity, long-term debt and other noncurrent liabilities are used to finance noncurrent assets and permanent working capital needs. Short-term debt is used to finance liquid and seasonal asset requirements.

As of fiscal 1990, ConAgra's long-term debt objective for the Basic Food Companies was that long-term debt normally would not exceed 35 percent of total capitalization. ConAgra met its long-term debt objective every year from 1976, when it was established, through 1990.

INVESTED CAPITAL



ConAgra's policy has long been that we would temporarily exceed our self-imposed capitalization ratio objective for a major strategic acquisition that benefits stockholders' long-term interests. In management's view, Beatrice Company was such an opportunity. As reviewed in this report a year ago, we intentionally exceeded our long-term debt objective in fiscal 1991 to acquire Beatrice.

The Beatrice acquisition and our associated financing plan prompted us to evaluate and adjust our long-term debt objective. For fiscal 1991 and subsequent years, our objective for the Basic Food Companies is that senior long-term debt normally will not exceed 30 percent of total long-term debt plus equity. Subordinated long-term debt is excluded from the numerator and included in the denominator because it provides an additional layer of financial protection to both short-term and long-term senior lenders for a long time – 30 years in the case of our $400 million subordinated debt issue. This far exceeds the final maturity of all other long-term debt; its preference over common stock and its cash flow characteristics are similar to preferred stock, while the interest expense is tax-deductible.

At the end of fiscal 1991, ConAgra's Basic Food Companies' senior long-term debt was 40 percent of long-term debt plus equity. We plan to reach the 30-percent objective within the next few years.

ConAgra's short-term debt objective for the Basic Food Companies is to eliminate year-end net short-term debt (short-term debt less cash) used to finance assets other than hedged commodity inventories. Hedged commodity inventories include, for example, grain hedged in futures markets or by firm forward sales contracts. ConAgra met its short-term debt objective in fiscal 1991 and every year since an objective was established in 1976.

At the end of fiscal 1991, Basic Food Companies' cash and hedged commodity inventories totaled $1.19 billion, while short-term debt was zero. Current installments of long-term debt were $538 million, an unusually high amount as a result of Beatrice pre-acquisition debt. However, this one-time high amount was exceeded by $666 million in cash. Current installments of long-term debt will drop to a more normal level of approximately $90 million by the end of fiscal 1992.

The Finance Companies' debt is not guaranteed by ConAgra. They had long-term debt of $30 million at the end of fiscal years 1991 and 1990. Short-term debt of $257 million at the end of fiscal 1991 and $198 million at the end of fiscal 1990 financed assets such as cattle on feed, notes receivable and open customer transactions.

ConAgra relies primarily on the sale of commercial paper to provide short-term financing, although the company also borrows from commercial banks. Commercial paper borrowings are backed by bank credit facilities. During fiscal 1991, short-term borrowing continued at interest rates below prime. Short-term indebtedness averaged $1.27 billion in fiscal 1991, while the highest period-end level was $2.17 billion, compared to $1.33 billion and $1.74 billion, respectively, in fiscal 1990.

ConAgra uses operating leases primarily for transportation equipment and selected facilities. In fiscal 1991, the company's non-cancelable operating lease rentals were $110 million compared to $81 million in fiscal 1990. Earnings before tax, rent or interest on long-term debt covered non-cancelable rent plus interest on long-term debt by a factor of 2.6 times in fiscal 1991 and 3.4 times in fiscal 1990.

To maintain a conservative financial position, ConAgra focuses on cash flow as well as our balance sheet. We develop plans so that cash flow will be sufficient to meet financing obligations, maintain plant and equipment and pay stockholder dividends even if a severe and unexpected decline in earnings occurs. In our view, this approach provides meaningful assurance that leverage does not become excessive.

Asset Liquidity

Many of ConAgra's businesses are current asset intensive. At the end of fiscal 1991, inventory and accounts receivable were 1.7 times property, plant and equipment. Substantial portions of ConAgra's inventories such as grain, flour and major feed ingredients are fungible. These inventories are hedged to the extent practicable to protect inventory value against major price fluctuations.

ConAgra's reported net sales understate the degree to which current assets turn over during the year. For fiscal 1991, total sales invoiced to customers were approximately $26 billion versus $19.5 billion net sales. This is because grain and feed ingredient merchandising transactions include only gross margins in reported sales.

During fiscal 1991, current assets increased 30 percent to $4.34 billion, while current liabilities increased 38 percent to $4.09 billion. These increases were caused primarily by the addition of Beatrice's businesses.

ConAgra's current ratio (current assets divided by current liabilities) was 1.06 to 1 at the end of fiscal 1991 and 1.13 to 1 at the end of fiscal 1990. ConAgra's low current ratio is a composite of various current ratios appropriate for our individual businesses. They participate in different sectors of the food industry. For example, in our Agri-Products segment, where trade payables commonly finance most

current assets of crop protection chemical and fertilizer distribution businesses, a current ratio of about 1 to 1 would be appropriate. Businesses in ConAgra's Trading & Processing segment typically have highly liquid, hedged inventories. Consequently, a current ratio near 1 to 1 also is sound. In ConAgra's Prepared Foods segment, fresh beef, pork and lamb businesses quickly convert purchased raw materials to marketed products, turning over inventories very rapidly. On the other hand, some Prepared Foods businesses are more typical of a manufacturing industry where a current ratio of 1.5 or greater would be expected.

OPERATING RESULTS

ConAgra's management considers return on common stockholders' equity the single most significant measure of operating performance. The company's objective is to average in excess of a 20-percent after-tax return on year-beginning common stockholders' equity and earn in excess of a 15-percent return in any given year. The return was 20.2 percent in fiscal 1991, including a pro rata share ($348.1 million) of the common equity used to acquire Beatrice and the public offering of common stock. The return has averaged 22.8 percent over the last five years. See pages 4 and 5 of this report for a full review of ConAgra's financial objectives and results.

Through the "Changes in Earnings Components" table and the discussion that follows, ConAgra's total operating results for the most recent fiscal years are reviewed in terms of changes in the components of earnings. Operating results by ConAgra's industry segments were discussed in considerable detail in earlier pages of this report.

Fiscal 1991 Compared to 1990

The results of Beatrice Company's businesses (Hunt-Wesson, Swift-Eckrich and Beatrice Cheese) were included in ConAgra's results starting with the last two weeks of fiscal 1991's first quarter. These businesses accounted for approximately three-fourths of the $4 billion sales increase in fiscal 1991. Other sources of the sales increase included ConAgra Red Meat, ConAgra Frozen Foods and United Agri Products, principally due to unit volume growth. Sales declined in the Trading & Processing businesses due to lower grain and edible bean unit volumes and lower processed grain selling prices as reduced ingredient costs were passed through to customers. Revenues decreased in ConAgra Finance Companies due to lower Geldermann volumes.

The increases in cost of goods sold and selling, administrative and general expense were associated mainly with the sales increase. Gross margin (net sales minus cost of goods sold) increased 55 percent mainly due to added gross margin from the Beatrice businesses plus higher gross margin contributions from ConAgra Frozen Foods, ConAgra Grain Processing, United Agri Products, ConAgra Red Meat and ConAgra Retail. Some businesses, particularly ConAgra Poultry and Berger, had lower gross margins in fiscal 1991. The largest sources of the increase in selling, administrative and general expense were the Beatrice businesses, ConAgra Frozen Foods, ConAgra Grain Processing and United Agri Products.

Gross margin as a percent of net sales increased from 10.7 percent in fiscal 1990 to 13.2 percent in fiscal 1991. Selling, administrative and general expense as a percent of net sales increased from 7.4 percent to 9.1 percent. This shift was caused mainly by the addition of Beatrice and ConAgra Frozen Foods' growth. These businesses have higher relative margins and marketing expense.

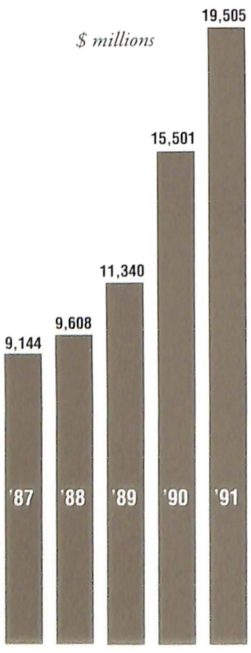
Net interest expense increased mainly due to the addition of Beatrice's long-term debt and financing of the cash portion of the acquisition price.

Pretax earnings increased as a consequence of Hunt-Wesson's and Swift-Eckrich's contribution and earnings growth in ConAgra Grain Processing, ConAgra Red Meats, ConAgra Frozen Foods, Armour, ConAgra Fertilizer and other businesses. The contribution of unconsolidated subsidiaries to pretax earnings increased 30 percent to $23.6 million from $18.1 million as Trident and ConAgra Europe earnings gains more than compensated for a Lamb-Weston decrease. These increases were partially offset by lower pretax earnings in ConAgra Poultry, Berger and, to a lesser extent, other businesses.

On a percentage change basis, income taxes exceeded pretax earnings, and net income trailed pretax earnings, due to a higher effective tax rate – 39.6 percent in fiscal 1991 versus 35.1 percent in fiscal 1990. This was principally because Beatrice-related goodwill expense is non-deductible for income tax purposes.

Income per share increased less than net income because weighted average shares outstanding increased 11.1 percent mostly due to common shares used for acquisitions and higher preferred dividends as a result of the preferred stock issued in the Beatrice acquisition. The difference between the increases in operating income per share and net income per share is related to the fiscal 1990 nonrecurring gain described below. Excluding the fiscal 1990 nonrecurring gain, fiscal 1991 pretax earnings increased 46.8 percent, and net income increased 35.5 percent.

NET SALES



Fiscal 1990 Compared to 1989

The major source of ConAgra's fiscal 1990 sales increase was the consolidation of SIPCO. No SIPCO sales were included in ConAgra's results during fiscal 1989 when ConAgra owned 50 percent of the business. ConAgra acquired the remaining 50 percent of SIPCO effective the beginning of fiscal 1990, and all SIPCO sales – more than $3 billion – were included in fiscal 1990 results. Other significant sources of the fiscal 1990 sales increase included Monfort, ConAgra Frozen Foods, United Agri Products and ConAgra Fresh Meats, all mainly due to higher unit volumes.

The increases in cost of goods sold and selling, administrative and general expense were related principally to the sales increase. The largest gains in gross margin were achieved by Monfort including SIPCO, ConAgra Frozen Foods, United Agri Products, ConAgra Pet Products, ConAgra Foodservice, Cook Family Foods and ConAgra Retail. Their gains were partially offset by lower gross margins in businesses including Armour Food, E.A. Miller, ConAgra Grain Processing, ConAgra Poultry and Berger.

The largest sources of the increase in selling, administrative and general expenses were Monfort including SIPCO, ConAgra Frozen Foods, United Agri Products, ConAgra Pet Products and ConAgra Grain Processing. These increases were partially offset by declines in other businesses.

Gross margin and selling, administrative and general expense as a percent of net sales declined mainly because of the addition of SIPCO's business which has lower relative margins and marketing expense. The addition of SIPCO also was the principal source of higher interest expense.

The gain in pretax earnings had multiple, balanced sources, notably Monfort including SIPCO, Camerican, ConAgra Frozen Foods, ConAgra Europe, Lamb-Weston, ConAgra Foodservice, O'Donnell-Usen, United Agri Products and ConAgra Finance Companies. Increases in these and other businesses were partially offset by decreases in some businesses including ConAgra Poultry, ConAgra Grain Processing, Armour Food, Berger, Trident Seafoods and ConAgra Fertilizer.

Equity in earnings of unconsolidated subsidiaries was $18.1 million in fiscal 1990 versus a loss of $37,000 in fiscal 1989 as substantially higher contributions from ConAgra Europe and Lamb-Weston more than offset a decline in Trident Seafoods' results.

The upward swing in equity earnings also was the major cause of a lower effective tax rate, 35.1 percent in fiscal 1990 versus 36.6 percent in fiscal 1989, and a larger percentage increase in reported net income than reported pretax income. Most taxes on equity earnings are provided for before these earnings are included in ConAgra's income before income taxes.

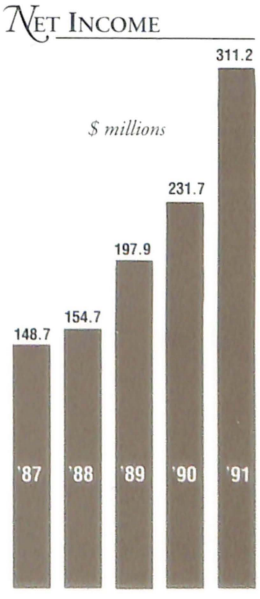
Income per share increased less than net income because weighted average shares outstanding increased 2.2 percent, principally due to common shares used for acquisitions and the conversion of preferred stock to common stock.

Fiscal 1990 results include two nonrecurring items. They were a $26.9 million after-tax gain from settlement of litigation related to Holly Farms Corporation and a $24.8 million after-tax provision for realigning processed meats operations. The net gain from these items was $6 million before tax and $2.1 million after tax or two cents per share.

Changes in Earnings Components

Dollars in millions except per share amounts

	Fiscal 1991 vs. 1990		Fiscal 1990 vs. 1989	
	$ Increase	% Increase	$ Increase	% Increase
Net sales	$4,003.5	25.8%	$4,160.8	36.7%
Cost of goods sold	3,085.7	22.3	3,972.6	40.2
Selling, administrative and general expense	631.6	54.9	129.3	12.6
Interest expense, net	127.4	74.7	38.3	28.9
Income before income taxes	158.3	44.4	44.7	14.3
Income taxes	78.8	62.9	10.9	9.6
Net income	79.5	34.3	33.8	17.1
Income per share				
Net income	$ .26	13.9	$ .24	14.7
Excluding nonrecurring items	$ .28	15.1	$ .22	13.5



Eleven-Year Results

Dollars in millions except per share amounts

Six-year results, shown first, include restatements in prior years.* Eleven-year results are shown as actually reported in all years.

Fiscal Year	**1991**	1990	1989
FOR THE YEAR (Restated)			
Net sales	**$19,504.7**	$15,501.2	$11,340.4
Income from continuing operations	**311.2**	231.7	197.9
Earnings per common and common equivalent share – continuing operations	**$2.13**	$1.87	$1.63
Cash dividends declared per share of common stock	**$.668**	$.578	$.497
AT YEAR END (Restated)			
Total assets	**$9,420.3**	$4,804.2	$4,278.2
Senior long-term debt (noncurrent)	**1,663.0**	605.4	530.1
Subordinated long-term debt (noncurrent)	**430.0**	30.0	30.0
Redeemable preferred stock	**356.1**	2.2	8.7

Fiscal Year	**1991**	1990	1989
FOR THE YEAR (As actually reported)			
Net sales	**$19,504.7**	$15,501.2	$11,340.4
Equity in earnings (loss) of unconsolidated subsidiaries	**23.6**	18.1	–
Income from continuing operations before income taxes	**515.2**	356.9	312.2
After-tax income from continuing operations	**311.2**	231.7	197.9
Net income	**311.2**	231.7	197.9
Earnings per common and common equivalent share			
Continuing operations	**$2.13**	$1.87	$1.63
Net income	**$2.13**	$1.87	$1.63
Cash dividends declared per share of common stock	**$.668**	$.578	$.497
Market price per share of common stock			
High	**$48.75**	$31.88	$23.83
Low	**$29.50**	$21.17	$18.00
Last	**$45.50**	$30.75	$22.83
Weighted average number of common and common equivalent shares outstanding (in millions)	**136.9**	123.2	120.6
Additions to property, plant and equipment, including acquisitions	**$1,159.9**	$349.3	$241.1
Depreciation and amortization	**250.8**	129.7	101.7
AT YEAR END (As actually reported)			
Total assets	**$9,420.3**	$4,804.2	$4,278.2
Current assets	**4,342.9**	3,347.7	3,160.4
Current liabilities	**4,087.4**	2,967.5	2,651.5
Working capital	**255.5**	380.2	508.9
Property, plant and equipment, net	**1,941.5**	1,034.7	825.5
Capital investment	**5,332.9**	1,836.7	1,626.7
Senior long-term debt (noncurrent)	**1,663.0**	605.4	530.1
Subordinated long-term debt (noncurrent)	**430.0**	30.0	30.0
Redeemable preferred stock	**356.1**	2.2	8.7
Common stockholders' equity	**1,817.4**	1,095.8	949.5
Stockholders' equity (all classes)	**2,173.5**	1,098.0	958.2
Common stockholders' equity per share	**$13.01**	$8.93	$7.87

* In the six-year table:
Fiscal 1986 was restated in fiscal 1987 to reflect two fiscal 1987 mergers accounted for on a pooling-of-interests basis.
Fiscal years 1986 through 1988 were restated in fiscal 1989 to reflect the required consolidation of ConAgra's Finance Companies.
Year-end numbers for fiscal years 1986 through 1988 were restated in fiscal 1989 to reflect a change in ConAgra Fertilizer Company's fiscal year end.

1988	1987	1986
$9,608.2	$9,143.5	$7,919.7
154.7	148.7	135.3
$1.29	$1.23	$1.12
$.432	$.373	$.323
$3,745.3	$2,939.0	$2,469.0
454.9	428.7	330.8
30.0	60.7	70.0
9.6	13.3	14.2

1988	1987	1986	1985	1984	1983	1982	1981
$9,475.0	$9,001.6	$5,911.0	$5,498.2	$3,301.5	$2,308.9	$1,709.6	$1,381.7
10.5	2.8	3.1	1.9	18.1	4.9	(1.2)	.3
240.1	271.5	180.3	151.6	89.7	79.7	52.2	38.2
154.7	148.7	105.3	91.7	65.2	50.4	32.9	27.1
154.7	148.7	105.3	91.7	62.6	47.8	32.9	27.1
$1.29	$1.23	$1.02	$.89	$.69	$.61	$.56	$.49
$1.29	$1.23	$1.02	$.89	$.66	$.57	$.56	$.49
$.432	$.373	$.323	$.281	$.246	$.215	$.185	$.162
$25.33	$22.67	$18.71	$11.46	$8.14	$7.19	$5.55	$5.17
$13.92	$16.54	$11.33	$ 7.56	$5.72	$3.78	$3.55	$1.89
$18.50	$17.83	$18.59	$11.33	$7.83	$5.86	$4.81	$4.31
118.8	119.3	101.8	101.3	91.8	79.7	58.2	54.3
$196.3	$178.3	$112.4	$97.5	$140.3	$199.0	$30.3	$35.9
89.5	77.4	53.6	45.9	34.0	24.1	14.3	12.3
$3,042.9	$2,482.5	$1,819.7	$1,547.1	$1,304.9	$901.5	$488.6	$500.2
2,076.2	1,707.1	1,283.5	1,062.9	840.9	593.3	345.5	370.7
1,636.1	1,236.6	926.2	755.3	619.0	390.0	222.6	275.9
440.1	470.5	357.3	307.6	222.0	203.3	122.9	94.8
696.1	601.9	427.1	373.8	331.2	253.2	122.9	108.5
1,406.8	1,245.9	893.5	791.9	685.9	511.5	266.0	224.4
489.9	428.7	309.0	261.9	237.7	203.4	96.8	89.4
–	–	–	–	–	–	–	–
9.6	13.3	14.2	23.6	30.3	26.5	8.2	8.7
814.4	722.5	510.5	458.3	405.5	273.3	156.5	123.3
824.0	735.8	524.8	481.8	435.8	299.8	164.7	132.0
$6.96	$6.17	$5.14	$4.61	$4.08	$3.30	$2.65	$2.23

Per share results reflect the following common stock splits: three-for-two in 1979, two-for-one in 1980, three-for-two in 1984, two-for-one in 1986 and three-for-two in 1989.

Corporate Citizenship

As a corporate citizen, ConAgra gives financial support to a long list of organizations for educational, civic, cultural, health and human service programs in our communities. Our policy is to contribute in cash the equivalent of one percent of pretax earnings, over time, to such programs.

In addition to cash donations, ConAgra consistently makes substantial in-kind donations of products, equipment and facilities. Our objective is to put our contributions to work where they will be most effective in improving the quality of life in our communities.

"With funding from Hunt-Wesson, we can provide a much-needed computer-assisted tutoring program for kids who normally couldn't afford year-round tutoring."

Merlyn Raco
Executive Director
Boys & Girls Club
Fullerton, California

Hunt-Wesson provided funds for the Boys & Girls Club of Fullerton, California to purchase new computer equipment and other teaching aids for its computer-assisted tutoring program. In the photo, instructor Beth Jahncke works with a group of club members.

"Our partnership with ConAgra is a model partnership between the arts and a corporation. It benefits everyone involved."

Carolyn Rutherford
Managing Director
Nebraska Theatre Caravan

The Nebraska Theatre Caravan is the professional touring wing of the Omaha Community Playhouse. Since 1988, ConAgra has supported the Caravan's annual tour, which brings top-quality performances and theatre workshops to more than 20 Nebraska communities. The photo is a scene from the Caravan's 1990-91 production of "Alice... A Curious Adventure," which ConAgra sponsored on tour and in a free performance in Omaha for low-income families.





We are especially proud of the personal community involvement of thousands of ConAgrans who give generously of their time, talents and money. Our people play leadership roles in making hundreds of communities better places to live and work.

This year, we highlight five of the many innovative ways that the financial support of ConAgra and our independent operating companies – and the imagination and commitment of ConAgra people – have made a difference.

"When starting a child-care facility in a rural area, it's hard to make ends meet. Butterball Foods' commitment to this facility allows us to have a consistent program."

Hallie Martin
Executive Director,
Northwest Arkansas
Child Care, Inc. and Head Start

The Butterball Foods plant in Huntsville, Arkansas teamed with Arkansas child care expert Hallie Martin (in photo) to build a day-care center for the children of plant employees and others in the community. Butterball donated the land adjacent to its plant for the building, helped fund construction and committed to fill half the center's openings. Paul's Place-Madison County Child Care Center is named for Butterball plant manager Paul Prudhomme.

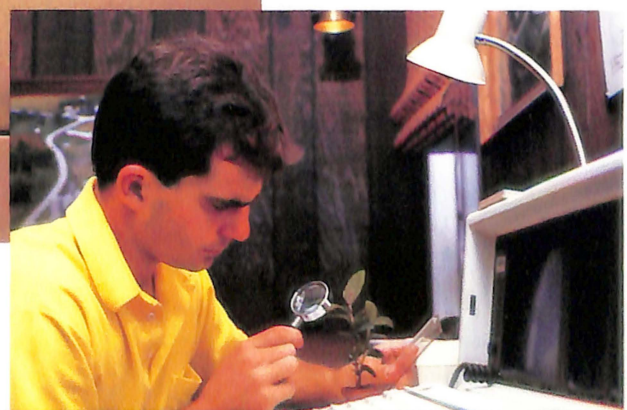
"If it weren't for ConAgra's sponsorship, there wouldn't be a Scouting for Food drive in the fall. The drive is critical for the Food Bank because food donations are sparse during the summer."

Chuck Raffensperger
Executive Director
Omaha Food Bank

ConAgra is the primary sponsor of Mid-America Boy Scout Council's annual Scouting for Food drive, which collects over 300,000 cans and packages of food for food banks in Nebraska and Iowa. In the photo, Omaha Food Bank Executive Director Chuck Raffensperger is shown with two scouts who worked on the drive.

Gary Todd, FFA member and University of Nebraska-Lincoln (UNL) agribusiness major, was one of the first FFA students to win a four-year ConAgra-sponsored scholarship to study agribusiness at UNL. ConAgra helped initiate the agribusiness degree program in 1981 to produce graduates better prepared for jobs in agribusiness and, since 1987, has awarded scholarships to the program. Todd, a senior, also was named the 1989 FFA Outstanding Agri-science Student for his projects that help farmers cut production costs and protect the environment.





Principal Officers

CHARLES M. HARPER, 63
Chairman and Chief Executive Officer
CEO since 1976, chairman since 1981. Joined ConAgra as chief operating officer in 1974 after 20 years with The Pillsbury Company, where his responsibilities at various times included the poultry and foodservice businesses, several venture companies, research, product and process development, and engineering. Also previously associated with General Motors.

PHILIP B. FLETCHER, 58
President and Chief Operating Officer
Named president and chief operating officer of ConAgra in 1989; named to the Office of the President in 1984. Joined ConAgra in 1982 as president of Banquet Foods Company. Thirty-three years of food industry experience; formerly associated with Heublein Company, H.J. Heinz, U.S.A. and Campbell Soup Company.

OFFICE OF THE PRESIDENT

ALBERT J. CROSSON, 60
President and Chief Operating Officer, Hunt-Wesson, Inc.
Named to the Office of the President in November 1990. Joined ConAgra in August 1990 when ConAgra acquired Beatrice Company. President of Beatrice/Hunt-Wesson, Inc. 1986-1990. Thirty-four years of food industry experience in sales, marketing and general management.

GEORGE R. HAEFNER, 58
President and Chief Operating Officer, ConAgra Poultry Company
Named to the Office of the President in 1986. Joined ConAgra in 1982 as president of Country Pride Foods. Thirty-four years of food and poultry industry experience; formerly associated with The Pillsbury Company and Imperial Foods.

LEROY O. LOCHMANN, 56
President and Chief Operating Officer, Armour Swift-Eckrich
Named to the Office of the President in November 1990. Joined ConAgra in August 1990 when ConAgra acquired Beatrice Company. President of Swift-Eckrich 1984-1990. Thirty-eight years of meat industry experience in operations and management.

FLOYD MCKINNERNEY, 54
President and Chief Operating Officer, ConAgra Agri-Products Companies
Named to the Office of the President in 1987. Joined ConAgra in 1978 as president of Mid Valley Chemicals. Thirty years of experience in the agricultural chemical industry; formerly co-owner of Dennison's Chemical Company, Weslaco, Texas.

RICHARD L. MONFORT, 37
President and Chief Operating Officer, ConAgra Red Meat Companies
Named to the Office of the President in 1989. Joined ConAgra in 1987 when Monfort of Colorado, Inc. merged with ConAgra. President of Monfort 1987-1989. Seventeen years of meat industry experience in purchasing, production, sales and management.



Office of the President, *standing from left to right: Floyd McKinnerney, Lee Lochmann, Truck Morrison, George Haefner, Dick Monfort, Al Crosson, Jim Tindall*
Inset: Jim Watkins

T. TRUXTUN MORRISON, 53
President and Chief Operating Officer, ConAgra International, and Chief Operating Officer, ConAgra Grain Processing Companies
Named to the Office of the President in 1987. Joined ConAgra in 1982 when Peavey Company merged with ConAgra. Thirty years of experience in the grain merchandising and commodity trading industries.

JAMES R. TINDALL, 45
President and Chief Operating Officer, ConAgra Prepared Food Companies
Named to the Office of the President when he joined ConAgra in 1990. Twenty-one years of food and consumer goods industry experience in general management, marketing, sales and product management; formerly associated with The Quaker Oats Company.

JAMES D. WATKINS, 43
President and Chief Operating Officer, Golden Valley and Lamb-Weston
Named to the Office of the President in August 1991 after Golden Valley Microwave Foods, Inc. merged with ConAgra. Twenty years of experience in the development and marketing of microwave food products. Founder of Golden Valley Microwave Foods in 1978; formerly associated with The Pillsbury Company.

CORPORATE

MANAGEMENT
EXECUTIVE COMMITTEE

CHARLES M. HARPER
Chairman and Chief Executive Officer

PHILIP B. FLETCHER
President and Chief Operating Officer

OFFICE OF THE PRESIDENT
(***The eight executives shown above.***)

L.B. THOMAS
Senior Vice President, Finance and Corporate Secretary

GERALD B. VERNON
Senior Vice President, Human Resources

CORPORATE STAFF

WALTER H. CASEY
Vice President, Corporate Communications

JOHN J. DILL
Vice President, Taxes

P. DAVID EPPENAUER
Vice President, Assistant Corporate Controller

RICHARD L. GADY
Vice President, Public Affairs and Chief Economist

C. WAYNE GANO, JR.
Vice President, Insurance and Loss Control

FRANCIS A. GIITTER
Vice President, Internal Audit

DWIGHT J. GOSLEE
Vice President and Controller

REEDER P. JONES
Vice President, Assistant Corporate Controller

L. JAMES KENNEDY
Vice President, Corporate Director of Marketing

PAUL A. KORODY
Vice President, Government Affairs

JAMES A. MORTENSEN
Vice President, Industrial Relations

JAMES P. O'DONNELL
Vice President, Corporate Treasurer

DAVID G. PEDERSON
Vice President, Compensation and Benefits

JOSEPH V. PETTY
Vice President, Management Information Systems

LYNN L. PHARES
Vice President, Public Relations and Community Affairs

SCOTT W. RAHN
Corporate Vice President, Internal Development

JANET M. RICHARDSON
Vice President, Corporate Facilities and Services

DONALD J. STONE
Vice President, Transportation

ROBERT J. WHITE
Vice President, Corporate Planning and Development

INDEPENDENT OPERATING COMPANIES

ARMOUR SWIFT-ECKRICH
LEROY O. LOCHMANN
President and Chief Operating Officer

- ARMOUR FOOD COMPANY
  JOHN D. LIKOVICH, *President*
- BUTTERBALL TURKEY COMPANY
  THOMAS E. HOWE, *President*
- LONGMONT FOODS
  MICHAEL P. STREAR, *President*
- SWIFT-ECKRICH PREPARED FOODS
  GREGG A. OSTRANDER, *President*

CONAGRA AGRI-PRODUCTS COMPANIES
FLOYD MCKINNERNEY
President and Chief Operating Officer

- CONAGRA FERTILIZER COMPANY
  MICHAEL T. LAPSYS, *President*
- CONAGRA RETAIL COMPANIES
  ANTHONY J. SEITZ, *President*
- ECOLOGICAL CHEMICAL PRODUCTS COMPANY (50-percent owned)
  MARK M. MONTGOMERY, *President*
- UNITED AGRI PRODUCTS COMPANIES
  PHILIP J. JAMES, *President*

CONAGRA GRAIN PROCESSING COMPANIES
T. TRUXTUN MORRISON
Chief Operating Officer

THOMAS L. MANUEL, *President*

- CONAGRA FEED COMPANY
  CLARENCE T. BARINOWSKI, *President*
- CONAGRA FEED INGREDIENT MERCHANDISING COMPANY
  GARY P. WHITE, *President*
- CONAGRA FLOUR MILLING COMPANY
  THOMAS L. MANUEL, *President*
- CONAGRA SPECIALTY GRAIN PRODUCTS COMPANY
  MICHAEL D. WALTER, *President*
- UNITED SPECIALTY FOOD INGREDIENTS COMPANIES
  BOB J. POWDRILL, *President*

CONAGRA INTERNATIONAL
T. TRUXTUN MORRISON
President and Chief Operating Officer

- CONAGRA ASIA-PACIFIC
  KENNETH C. DAVIS, *Managing Director, and Executive Vice President, Far East, ConAgra International*
- CONAGRA EASTERN EUROPE CONAGRA SOVIET UNION
  ROBERT H. PEYTON, *President, and Executive Vice President, ConAgra International*
- CONAGRA EUROPE
  RAYMOND R. DESTIN, *Managing Director, and Executive Vice President, Europe, ConAgra International*
- CONAGRA LATIN AMERICA
  NOEL L. ROBYN, *Managing Director, and Executive Vice President, Latin America, ConAgra International*
- CONAGRA TRADING COMPANIES
  THOMAS M. RACCIATTI, *President*
- GELDERMANN, INC.
  KEVIN D. MACK, *President and Chief Executive Officer*

CONAGRA POULTRY COMPANY
GEORGE R. HAEFNER
President and Chief Operating Officer

- CONAGRA BROILER COMPANY
  CLYDE M. SASSER, *President*
- MOTT'S-BLUE COACH
  JERRY R. NELSON, *President*
- PROFESSIONAL FOOD SYSTEMS
  KENNETH P. BROWN, *President*

CONAGRA PREPARED FOOD COMPANIES
JAMES R. TINDALL
President and Chief Operating Officer

- BEATRICE CHEESE COMPANY
  ROBERT H. BURNS, *President*
- CONAGRA DIRECT MARKETING COMPANIES
  PATRICK K. STEWART, *President*
- CONAGRA FOODSERVICE COMPANIES
  ANTHONY J. REBELLO, *President*
- CONAGRA FROZEN FOODS
  CHUCK D. WEIL, *President*
- CONAGRA SHRIMP COMPANIES SINGLETON SEAFOOD COMPANY
  JESSE GONZALEZ, *President*
- COUNTRY SKILLET CATFISH COMPANY
  RICHARD D. STEVENS, *President*
- O'DONNELL-USEN CANADA
  SAMUEL B. HANNAM, *Executive Vice President and General Manager*
- O'DONNELL-USEN U.S.A.
  THOMAS J. LAVAN, *Vice President and General Manager*
- TRIDENT SEAFOODS CORPORATION (50-percent owned)
  CHARLES H. BUNDRANT, *President*

CONAGRA RED MEAT COMPANIES
RICHARD L. MONFORT
President and Chief Operating Officer

- CONAGRA FRESH MEATS COMPANY
  ALAN E. GLUECK, *President*
- COOK FAMILY FOODS, LTD.
  EUGENE J. DEMBKOSKI, *President*
- E.A. MILLER INC.
  TED A. MILLER, *President*
- MAPELLI BROTHERS COMPANY
  DONALD D. MUELLER, *President*
- MONFORT FINANCE COMPANY
  R. LARRY EATON, *President*
- MONFORT, INC.
  MICHAEL L. SANEM, *President*
- MONFORT PORK DIVISION
  DAVID W. VAN WERT, *President*

GOLDEN VALLEY AND LAMB-WESTON
JAMES D. WATKINS, *President and Chief Operating Officer*

- GOLDEN VALLEY MICROWAVE FOODS, INC.
  GENE W. COOK, *President*
- LAMB-WESTON, INC.
  RICHARD A. PORTER, *President*

HUNT-WESSON, INC.
ALBERT J. CROSSON
President and Chief Operating Officer

ConAgra Locations

ARMOUR SWIFT-ECKRICH
Headquarters in Downers Grove, Illinois.

Product development facility in Downers Grove and 31 plants in 13 states serving –

Armour Food Company
Headquarters in Omaha, Nebraska.

Armour Swift-Eckrich Deli/Foodservice Company
Headquarters in Downers Grove, Illinois.

Butterball Turkey Company
Headquarters in Downers Grove, Illinois.

Swift-Eckrich Prepared Foods
Headquarters in Downers Grove, Illinois.

Longmont Foods
Headquarters, turkey hatchery, growing complex and processing plant in Longmont, Colorado.

CONAGRA AGRI-PRODUCTS COMPANIES
Headquarters in Greeley, Colorado.

ConAgra Fertilizer Company
Headquarters in Knoxville, Tennessee.
Facilities in 20 states include liquid and dry fertilizer processing operations and terminals, propane gas operations and a soil testing lab. Twenty-six U.S. sales offices and five international trading offices.

ConAgra Retail Companies
Headquarters in Grand Island, Nebraska.
Ninety-one stores under the Country General, Wheelers, S&S, Sandvig's and Peavey Ranch and Home names in eight central states and California; ninety-eight Northwest Fabrics & Crafts stores in 16 northern-tier states and Texas.

United Agri Products Companies
Headquarters in Greeley, Colorado.
Over 300 field sales, administration, warehouse and formulation locations in 39 states and Canada.

CONAGRA GRAIN PROCESSING COMPANIES
Headquarters in Omaha, Nebraska.

ConAgra Feed Company
Headquarters in Augusta, Georgia.
Facilities in three states include three formula feed plants, one warehouse and eight retail operations.

ConAgra Feed Ingredient Merchandising Company
Headquarters in Omaha, Nebraska.
Merchandising offices in Arizona, California, Colorado, Nebraska and Tennessee.

ConAgra Flour Milling Company
Headquarters in Omaha, Nebraska.
Twenty-eight flour mills in 15 states. Branded and private label flour and cornmeal products produced at plants in Alabama, Colorado and Texas.

ConAgra Specialty Grain Products Company
Headquarters in Omaha, Nebraska.
Four oat mills and two dry corn mills in four states, Canada and the United Kingdom. Seven barley malting facilities in Australia and one in the United Kingdom.

United Specialty Food Ingredients Companies
Headquarters in Omaha, Nebraska.
Two food ingredients plants and a research and development facility in Kentucky. A spice plant in Illinois and seasonings plants in Massachusetts, Michigan and New Jersey.

CONAGRA INTERNATIONAL
Headquarters in Omaha, Nebraska.
ConAgra International operates international trading offices in 23 countries, doing business as Australia Meat Holdings Ltd., Berger and Company, Camerican International, ConAgra International, ConAgra Grain Companies, ConAgra Wool Ltd., CTC, Geldermann, Inc., Kurt A. Becher GmbH & Co. KG, Peavey Grain Company, Pecom Agra and Woodward & Dickerson. ConAgra International also has processing businesses in Australia, Canada, Europe, Latin America, Thailand and the U.S.

ConAgra Asia-Pacific
Headquarters in Singapore.
Meat processing plants and trading offices in Australia, trading offices in Hong Kong, Singapore and Minneapolis and two joint venture food processing plants in Thailand.

ConAgra Eastern Europe ConAgra Soviet Union
Headquarters in Omaha, Nebraska.
Frozen prepared foods distribution operation in the Soviet Union.

ConAgra Europe
Headquarters in Brussels, Belgium.
Beef, poultry and ham processing plants, animal feed plants and a frozen seafood distribution center in France, Portugal, Spain and the United Kingdom.

ConAgra Latin America
Headquarters in Miami, Florida.
Three feed plants, a flour mill, a dry corn mill, a food distribution center and a broiler growing and processing complex in Puerto Rico; trading office in Mexico City.

ConAgra Trading Companies
Headquarters in Minneapolis, Minnesota.
International trading offices as described above. Wool processing plants and trading offices in Australia; an 18-state U.S. network of Peavey Grain merchandising offices and over 100 grain elevators, river loading facilities and export elevators; about 1100 Peavey barges and 20 line haul boats; about 45 Berger bean processing and packaging facilities in eight states, Canada, South America and Turkey; olive oil and soybean processing plants in Argentina; and Petrosul sulfur processing facilities in Canada.

Geldermann, Inc.
Headquarters in Chicago, Illinois.
More than 100 commodity futures brokerage offices, agencies and introducing brokers in the U.S., Canada and Europe.

CONAGRA POULTRY COMPANY

Headquarters in El Dorado, Arkansas.

ConAgra Broiler Company

Headquarters in El Dorado, Arkansas.
Nine broiler growing and processing divisions in Alabama, Arkansas, Delaware, Georgia, Louisiana and Maryland. One poultry further-processing plant in Maryland.

Mott's-Blue Coach

Headquarters in El Dorado, Arkansas.
Six poultry processing plants in Georgia, Illinois, Kentucky, Mississippi and Tennessee.

Professional Food Systems

Headquarters in El Dorado, Arkansas.
Twenty-two sales and distribution units in 14 states.

CONAGRA PREPARED FOOD COMPANIES

Headquarters in Omaha, Nebraska.

Beatrice Cheese Company

Headquarters in Waukesha, Wisconsin.
Twenty plants and distribution centers and an imported cheese division in 13 states.

ConAgra Direct Marketing Companies

Headquarters in Omaha, Nebraska.
Sales offices, manufacturing operations and distribution centers in California, Florida, Illinois, Nebraska, Oregon, Virginia, Canada and the United Kingdom.

ConAgra Foodservice Companies

Headquarters in Omaha, Nebraska.
Four processing plants in Alabama, Colorado, Louisiana and Tennessee. Warehousing operations in Louisiana and Tennessee. Product development facility in Omaha.

ConAgra Frozen Foods

Headquarters in Omaha, Nebraska.
Eight plants in Arkansas, California, Iowa, Missouri and Virginia. Two broiler growing and processing complexes in Arkansas. Product development facility in Omaha.

ConAgra Shrimp Companies

Headquarters in Tampa, Florida.
Main processing plant in Florida; waterfront unloading facilities and processing and freezing operations in Louisiana; sales offices in California, Florida, Louisiana, Mississippi and New York.

Country Skillet Catfish Company

Headquarters in Isola, Mississippi.
Processing operations in Isola and Belzoni, Mississippi.

O'Donnell-Usen Canada

Headquarters in Halifax, Nova Scotia.
Processing plants and fishing operations in Nova Scotia and Prince Edward Island.

O'Donnell-Usen U.S.A.

Headquarters and processing plant in Gloucester, Massachusetts.

Trident Seafoods Corporation

(50-percent owned)
Headquarters in Seattle, Washington.
Three plants in Alaska and two in Washington. One catcher processor and six floating processors in the Bering Sea and North Pacific Ocean.

CONAGRA RED MEAT COMPANIES

Headquarters in Greeley, Colorado.

ConAgra Fresh Meats Company

Headquarters in Greeley, Colorado.
Three plants in Idaho, Nebraska and Texas.

Cook Family Foods, Ltd.

Headquarters in Lincoln, Nebraska.
Two plants in Nebraska and Kentucky.

E.A. Miller Inc.

Headquarters in Hyrum, Utah.
Processing facilities in Utah and a feedlot in Idaho.

Mapelli Brothers Company

Headquarters in Greeley, Colorado.
Fifty-four sales and distribution branches in 29 states.

Monfort Finance Company

Headquarters in Greeley, Colorado.

Monfort, Inc.

Headquarters in Greeley, Colorado.
Thirteen plants in Colorado, Indiana, Iowa, Kansas, Kentucky, Minnesota, Missouri, Nebraska and Texas. Three feedlots in Colorado.

GOLDEN VALLEY AND LAMB-WESTON

Headquarters in Edina, Minnesota.

Golden Valley Microwave Foods, Inc.

Headquarters in Edina, Minnesota.
Nine plants in Illinois, Indiana, Iowa, Minnesota, Ohio and Washington. Popcorn storage warehouse in Nebraska and product development facility in Eden Prairie, Minnesota.

Lamb-Weston, Inc.

Headquarters in Kennewick, Washington.
Eight plants in Idaho, Oregon, Washington and the Netherlands. Product development facility in Richland, Washington.

HUNT-WESSON, INC.

Headquarters in Fullerton, California.
Facilities include 24 manufacturing plants, 12 distribution and customer service centers and 37 grocery and foodservice sales offices in 23 states and Canada. Product development facility in Fullerton.

Board of Directors

Kevin A. Bousquette, 34
New York, New York. Executive with Kohlberg Kravis Roberts & Co. (investments) and limited partner of KKR Associates, L.P. Director since 1990.

Robert B. Daugherty, 69
Omaha, Nebraska. Chairman of the board of Valmont Industries, Inc., Valley, Nebraska (irrigation equipment, metal fabricating and retail computer centers). Director since 1968.

Philip B. Fletcher, 58
Omaha, Nebraska. President and chief operating officer of ConAgra. Director since 1989.

Charles M. Harper, 63
Omaha, Nebraska. Chairman of the board and chief executive officer of ConAgra. Director since 1975.

Robert A. Krane, 57
Denver, Colorado. Consultant, Knight, Roth & Associates. Former president and chief executive officer of Central Bancorporation (financial services). Director since 1982.

L.D. McGehee, 69
Ruston, Louisiana. Chairman of the board of Northwest Louisiana Production Credit Association (agricultural financing). Director since 1974.

Kenneth W. Monfort, 62
Greeley, Colorado. Former president and chief operating officer of ConAgra Red Meat Companies. Director since 1989.

Gerald Rauenhorst, 63
Minneapolis, Minnesota. Chairman of the board and chief executive officer of Opus Corporation (architects, contractors and developers). Director since 1982.

Walter Scott, Jr., 60
Omaha, Nebraska. President and chairman of the board of Peter Kiewit Sons', Inc. (construction, mining and packaging). Director since 1986.

William G. Stocks, 64
Phoenix, Arizona. Former chairman of the board and chief executive officer of Peavey Company. Director since 1982.

Michael T. Tokarz, 41
New York, New York. Executive with Kohlberg Kravis Roberts & Co. (investments) and limited partner of KKR Associates, L.P. Director since 1990.

Frederick B. Wells, 63
Minneapolis, Minnesota. President of Asian Fine Arts (fine arts retailing). Director since 1982.

Thomas R. Williams, 62
Atlanta, Georgia. President and director of Wales Group, Inc. (investment management and counseling). Director since 1978.

Stephen M. Wolf, 50
Chicago, Illinois. Chairman, president and chief executive officer of UAL Corporation and president and chief executive officer of United Air Lines, Inc. Director since February 1991.

Board Committees

Executive Committee
Robert B. Daugherty, *Chairman*
Philip B. Fletcher
Charles M. Harper
Walter Scott, Jr.
William G. Stocks

Audit Committee
Thomas R. Williams, *Chairman*
Kevin A. Bousquette
Robert A. Krane
Kenneth W. Monfort
Frederick B. Wells

Compensation Committee
L.D. McGehee, *Chairman*
Robert B. Daugherty
Gerald Rauenhorst
Michael T. Tokarz
Stephen M. Wolf

Standing from top, left to right:
Michael T. Tokarz, Thomas R. Williams, Kevin A. Bousquette, Kenneth W. Monfort, Walter Scott, Jr., Charles M. Harper, Robert B. Daugherty, Gerald Rauenhorst, Stephen M. Wolf, Robert A. Krane, L. D. McGehee, William G. Stocks, Philip B. Fletcher, Frederick B. Wells



Responsibilities

The Conduct of Our Affairs

The major objectives of the company are expressed in terms of return on stockholders' equity, growth in earnings and growth in dollar volume. As we conduct ourselves in the pursuit of our existing businesses and in the growth of our businesses in an ethical and moral way, we must also fulfill our commitments to our government, to our society and to ourselves as individuals. In one sense, ethics involves the point of view that suggests we live in a glass bowl, and we should feel comfortable with any actions we take, if they were shared publicly. Further, we will conduct our affairs within the law.

Should there be evidence of possible malfeasance on the part of any officer or member of management, each person must feel the responsibility to communicate that to the appropriate party. This is a commitment that each of us must undertake and not feel that it is a high-risk communication, but that it is expected and, indeed, an obligation.

– from *ConAgra's Philosophy*, page 4
(originally published in 1976)

Principal Officers

The principal officers of the company include, among others, those listed on pages 36 and 37 of this report. The principal officers are responsible for maintaining throughout the company a system of internal controls which protect the assets of the company on a reasonable and economic basis. They also are responsible for maintaining records which permit the preparation of financial statements that fairly present the financial condition and results of operations of the company in accordance with generally accepted accounting principles.

Audit Committee of the Board

The Audit Committee of ConAgra's Board of Directors is composed entirely of outside directors and recommends the appointment of the company's independent public accountants. The Audit Committee meets regularly, and when appropriate separately, with the independent public accountants, the internal auditors and financial management. Both the independent public accountants and the internal auditors have unrestricted access to the Audit Committee.

Independent Auditors' Report

The Stockholders and Board of Directors
ConAgra, Inc.

We have audited the accompanying consolidated balance sheets of ConAgra, Inc. and subsidiaries, ConAgra Basic Food Companies and ConAgra Finance Companies, as of May 26, 1991 and May 27, 1990, and the related statements of earnings, common stockholders' equity and cash flows for each of the three years in the period ended May 26, 1991. 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 generally accepted auditing standards. 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of ConAgra, Inc. and subsidiaries, ConAgra Basic Food Companies and ConAgra Finance Companies, as of May 26, 1991 and May 27, 1990, and the results of their operations and their cash flows for each of the three years in the period ended May 26, 1991 in conformity with generally accepted accounting principles.

Deloitte & Touche

July 18, 1991
Omaha, Nebraska

ConAgra, Inc. and Subsidiaries

Consolidated Statements of Earnings

In millions except per share amounts

For the fiscal years ended May	CONSOLIDATED 1991	1990	1989
Net sales	**$19,504.7**	**$15,501.2**	**$11,340.4**
Costs and expenses			
Cost of goods sold	16,932.2	13,846.5	9,873.9
Selling, administrative and general expenses	1,782.9	1,151.3	1,022.0
Interest expense (Note 9)	298.0	170.6	132.3
Nonrecurring items, net (Note 19)	–	(6.0)	–
	19,013.1	15,162.4	11,028.2
Income before equity in earnings of unconsolidated subsidiaries and income taxes	491.6	338.8	312.2
Equity in earnings (loss) of unconsolidated subsidiaries (Note 5)	23.6	18.1	–
Income before income taxes	515.2	356.9	312.2
Income taxes (Note 8)	204.0	125.2	114.3
Net income	**311.2**	**231.7**	**197.9**
Less preferred dividends	19.5	1.3	.9
Net income available for common stock	$ 291.7	$ 230.4	$ 197.0
Income per common and common equivalent share	**$ 2.13**	**$ 1.87**	**$ 1.63**
Weighted average number of common and common equivalent shares outstanding	136.9	123.2	120.6

BASIC FOOD COMPANIES			FINANCE COMPANIES		
1991	1990	1989	1991	1990	1989
$19,351.1	**$15,321.1**	**$11,196.6**	**$153.6**	**$180.1**	**$143.8**
16,932.2	13,846.5	9,873.9	–	–	–
1,661.1	1,010.0	906.4	121.8	141.3	115.6
278.4	146.2	113.2	19.6	24.4	19.1
–	(6.0)	–	–	–	–
18,871.7	14,996.7	10,893.5	141.4	165.7	134.7
479.4	324.4	303.1	12.2	14.4	9.1
23.7	17.8	(.3)	(.1)	.3	.3
503.1	342.2	302.8	12.1	14.7	9.4
198.2	118.5	110.5	5.8	6.7	3.8
304.9	**223.7**	**192.3**	**6.3**	**8.0**	**5.6**
19.5	1.3	.9	–	–	–
$ 285.4	$ 222.4	$ 191.4	$ 6.3	$ 8.0	$ 5.6

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Balance Sheets

May 26, 1991 and May 27, 1990

Dollars in millions except per share amount

ASSETS	CONSOLIDATED 1991	CONSOLIDATED 1990	BASIC FOOD COMPANIES 1991	BASIC FOOD COMPANIES 1990	FINANCE COMPANIES 1991	FINANCE COMPANIES 1990
Current assets						
Cash	$ 92.1	$ 43.0	$ 86.0	$ 38.8	$ 6.1	$ 4.2
Cash equivalents	623.6	77.5	580.2	2.8	43.4	74.7
Receivables, less allowance for doubtful accounts of $41.1 and $32.8 (Note 3)	1,228.9	1,305.7	996.3	1,015.7	232.6	290.0
Margin deposits and segregated funds	250.8	212.9	–	–	250.8	212.9
Inventories (Note 4)						
Hedged commodities	520.2	586.8	520.2	586.8	–	–
Other	1,499.6	1,062.0	1,374.1	902.0	125.5	160.0
Total inventory	2,019.8	1,648.8	1,894.3	1,488.8	125.5	160.0
Prepaid expenses	127.7	59.8	116.6	53.4	11.1	6.4
Total current assets	4,342.9	3,347.7	3,673.4	2,599.5	669.5	748.2
Other assets						
Investments in unconsolidated subsidiaries (Notes 2 and 5)	228.0	136.1	228.0	133.1	–	3.0
Sundry investments, deposits and noncurrent receivables	140.7	32.2	132.4	19.4	8.3	12.8
Deferred income taxes (Note 8)	46.3	–	46.3	–	–	–
Total other assets	415.0	168.3	406.7	152.5	8.3	15.8
Property, plant and equipment (Note 9)						
Cost (Note 6)	2,740.1	1,703.6	2,726.8	1,690.0	13.3	13.6
Less accumulated depreciation	798.6	668.9	789.2	659.7	9.4	9.2
Property, plant and equipment, net	1,941.5	1,034.7	1,937.6	1,030.3	3.9	4.4
Unamortized finance expense	10.0	2.0	10.0	2.0	–	–
Brands, trademarks and goodwill, at cost less accumulated amortization of $104.8 and $41.7	2,710.9	251.5	2,698.9	236.3	12.0	15.2
	$9,420.3	**$4,804.2**	**$8,726.6**	**$4,020.6**	**$693.7**	**$783.6**

LIABILITIES AND STOCKHOLDERS' EQUITY	CONSOLIDATED		BASIC FOOD COMPANIES		FINANCE COMPANIES	
	1991	1990	1991	1990	1991	1990
Current liabilities						
Notes payable (Note 7)	$ 256.9	$ 331.5	$ –	$ 134.0	$ 256.9	$ 197.5
Current installments of long-term debt	537.7	51.4	537.7	51.4	–	–
Accounts payable and accrued liabilities	2,363.4	1,390.0	2,324.2	1,346.4	39.2	43.6
Advances on sales	581.3	704.7	581.3	704.7	–	–
Payable to customers, clearing associations, etc.	274.8	426.1	–	–	274.8	426.1
Dividends payable	28.2	18.4	28.2	18.4	–	–
Income taxes (Note 8)	45.1	45.4	45.1	45.4	–	–
Total current liabilities	4,087.4	2,967.5	3,516.5	2,300.3	570.9	667.2
Senior long-term debt, excluding current installments (Note 9)	1,663.0	605.4	1,663.0	605.4	–	–
Deferred income taxes (Note 8)	–	103.3	–	103.3	–	–
Commitments and contingencies (Notes 14 & 15)						
Other noncurrent liabilities (Note 10)	1,066.4	–	1,066.4	–	–	–
Subordinated debt (Note 9)	430.0	30.0	400.0	–	30.0	30.0
Preferred shares subject to mandatory redemption (Notes 11 & 13)	356.1	2.2	356.1	2.2	–	–
Common stockholders' equity (Notes 11 & 12)						
Common stock of $5 par value, authorized 600,000,000 shares; issued 139,789,287 and 122,852,450	698.9	614.3	698.9	614.3	.5	.5
Additional paid-in capital	439.3	–	439.3	–	69.7	69.7
Retained earnings	692.5	490.6	692.5	490.6	21.8	15.5
Foreign currency translation adjustment	(.4)	1.3	(.4)	1.3	.8	.7
	1,830.3	1,106.2	1,830.3	1,106.2	92.8	86.4
Less treasury stock, at cost – common shares 115,284 and 123,167	(3.6)	(2.4)	(3.6)	(2.4)	–	–
Less unearned restricted stock	(9.3)	(8.0)	(9.3)	(8.0)	–	–
Less equity of Finance Companies	–	–	(92.8)	(86.4)	–	–
Total common stockholders' equity	1,817.4	1,095.8	1,724.6	1,009.4	92.8	86.4
	$9,420.3	**$4,804.2**	**$8,726.6**	**$4,020.6**	**$693.7**	**$783.6**

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Common Stockholders' Equity

Columnar dollars in millions

	Common Stock	Additional Paid-In Capital	Retained Earnings	Foreign Currency Translation Adjustment	Treasury Stock	Unearned Restricted Stock	Total
Balance at May 29, 1988	$395.0	$ .9	$434.6	$1.5	$(27.3)	$ –	**$ 804.7**
684,821 shares issued in connection with employee stock option plan	–	–	(8.8)	–	13.4	–	4.6
278,339 shares issued in connection with incentive plans	–	.1	–	–	5.3	–	5.4
504,000 shares issued in connection with the executive stock purchase plan	–	–	(7.9)	–	9.5	–	1.6
Conversion of 38,822 shares of preferred stock into 179,363 shares of common stock	–	–	(2.5)	–	3.4	–	.9
Purchase of 1,025,715 shares for treasury	–	–	–	–	(20.9)	–	(20.9)
2,955,669 shares issued in connection with the acquisition of Cook Family Foods, Ltd	9.8	(1.0)	7.8	–	–	–	16.6
Foreign currency translation adjustment	–	–	–	(.9)	–	–	(.9)
Cash dividends declared							
Preferred stock	–	–	(.9)	–	–	–	(.9)
Common stock, $.50 per share	–	–	(59.5)	–	–	–	(59.5)
Net income	–	–	197.9	–	–	–	197.9
Balance at May 28, 1989	404.8	–	560.7	.6	(16.6)	–	**949.5**
641,706 shares issued in connection with employee stock option plans	–	–	(8.7)	–	15.3	–	6.6
697,869 shares issued in connection with incentive plans	–	1.7	–	–	14.4	(8.0)	8.1
1,160,983 shares issued in connection with acquisitions	4.8	(1.8)	.9	–	–	–	3.9
Conversion of 259,408 shares of preferred stock into 1,198,740 shares of common stock	1.2	.1	(19.1)	–	24.3	–	6.5
Purchase of 1,578,946 shares for treasury	–	–	–	–	(39.8)	–	(39.8)
Three-for-two stock split	203.5	–	(203.5)	–	–	–	–
Foreign currency translation adjustment	–	–	–	.7	–	–	.7
Cash dividends declared							
Preferred stock	–	–	(1.3)	–	–	–	(1.3)
Common stock, $.58 per share	–	–	(70.1)	–	–	–	(70.1)
Net income	–	–	231.7	–	–	–	231.7
Balance at May 27, 1990, carried forward	$614.3	$ –	$490.6	$1.3	$ (2.4)	$(8.0)	**$1,095.8**

Columnar dollars in millions

	Common Stock	Additional Paid-In Capital	Retained Earnings	Foreign Currency Translation Adjustment	Treasury Stock	Unearned Restricted Stock	Total
Balance at May 27, 1990, brought forward . . .	$614.3	$ –	$490.6	$1.3	$(2.4)	$(8.0)	**$1,095.8**
1,051,307 shares issued in connection with employee stock option plan	5.1	10.6	(.2)	–	.5	–	16.0
340,043 shares issued in connection with incentive plans	1.2	7.2	–	–	2.0	(1.3)	9.1
11,080,124 shares issued in connection with acquisitions	55.4	299.5	–	–	–	–	354.9
Conversion of 38,021 shares of preferred stock into 175,682 shares of common stock	.9	–	–	–	–	–	.9
Purchase of 102,850 shares for treasury.	–	–	–	–	(3.7)	–	(3.7)
Sale of 4,400,000 common shares	22.0	122.0	–	–	–	–	144.0
Foreign currency translation adjustment	–	–	–	(1.7)	–	–	(1.7)
Cash dividends declared							
Preferred stock	–	–	(19.5)	–	–	–	(19.5)
Common stock, $.67 per share	–	–	(89.6)	–	–	–	(89.6)
Net income	–	–	311.2	–	–	–	311.2
Balance at May 26, 1991	$698.9	$439.3	$692.5	$ (.4)	$(3.6)	$(9.3)	**$1,817.4**

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Cash Flows

Dollars in millions

For the fiscal years ended May	CONSOLIDATED		
Increase (Decrease) in Cash and Cash Equivalents	1991	1990	1989
Cash flows from operating activities			
Net income	$ 311.2	$ 231.7	$ 197.9
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	250.8	129.7	101.7
Provision for deferred income taxes	102.7	(10.8)	8.7
Provision for losses on accounts receivable	16.6	18.1	19.7
Writedown of property, plant and equipment in connection with realignment of processed meats operations	–	13.6	–
Undistributed (earnings) loss of unconsolidated subsidiaries	(23.6)	(18.1)	–
Issuance of common stock in connection with the management incentive plans	9.1	8.1	5.4
Other noncash items, primarily interest	62.9	–	–
Change in assets and liabilities before effects from business acquisitions			
Receivables	(93.4)	(94.9)	112.1
Inventories	252.5	(187.2)	(133.7)
Prepaid expenses	(.6)	10.9	(11.9)
Accounts payable and other liabilities	(232.6)	180.5	101.6
Interest and income taxes payable	31.1	29.4	(1.5)
Noncurrent deferred income taxes	5.1	5.6	5.8
Net cash flows from operating activities	**691.8**	**316.6**	**405.8**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	70.3	8.7	21.8
Additions to property, plant and equipment	(331.8)	(196.3)	(163.5)
(Increase) decrease in investment in unconsolidated subsidiaries	(24.5)	(24.7)	(35.4)
Change in equity of Finance Companies	–	–	–
Payment for business acquisitions	(769.9)	(17.6)	(149.6)
Other items	(.6)	(6.6)	(20.7)
Net cash flows from investing activities	**(1,056.5)**	**(236.5)**	**(347.4)**
Cash flows from financing activities			
Net short-term borrowings	(158.4)	(111.7)	68.6
Proceeds from issuance of long-term debt	1,354.7	73.9	116.8
Proceeds from sale of accounts receivable	400.0	–	–
Proceeds from exercise of employee stock options	16.0	6.6	4.6
Redemption of SIPCO preferred stock	–	(28.2)	–
Cash dividends paid	(99.3)	(69.8)	(58.4)
Repayment of long-term debt	(552.4)	(174.5)	(32.4)
Treasury stock purchases	(3.7)	(39.8)	(20.9)
Common stock sale	144.0	–	–
Other items, primarily payments on other noncurrent liabilities	(141.0)	3.5	.9
Net cash flows from financing activities	**959.9**	**(340.0)**	**79.2**
Net increase (decrease) in cash and cash equivalents	**595.2**	**(259.9)**	**137.6**
Cash and cash equivalents at beginning of year	120.5	380.4	242.8
Cash and cash equivalents at end of year	**$ 715.7**	**$ 120.5**	**$ 380.4**

BASIC FOOD COMPANIES			FINANCE COMPANIES		
1991	1990	1989	1991	1990	1989
$ 304.9	$ 223.7	$ 192.3	$ 6.3	$ 8.0	$ 5.6
246.1	124.7	97.7	4.7	5.0	4.0
102.7	(10.8)	8.7	–	–	–
14.0	14.6	14.6	2.6	3.5	5.1
–	13.6	–	–	–	–
(23.7)	(17.8)	.3	.1	(.3)	(.3)
9.1	8.1	5.4	–	–	–
62.9	–	–	–	–	–
(110.3)	(99.5)	(29.7)	16.9	4.6	141.8
218.0	(207.4)	46.4	34.5	20.2	(180.1)
4.1	1.3	4.1	(4.7)	9.6	(16.0)
(77.2)	124.0	138.0	(155.4)	56.5	(36.4)
31.4	29.4	(1.6)	(.3)	–	.1
5.1	5.6	5.8	–	–	–
787.1	**209.5**	**482.0**	**(95.3)**	**107.1**	**(76.2)**
68.6	8.5	21.5	1.7	.2	.3
(328.9)	(195.5)	(162.0)	(2.9)	(.8)	(1.5)
(27.5)	(25.4)	(36.0)	3.0	.7	.6
(.1)	(.1)	(10.4)	.1	.1	10.4
(769.9)	(17.6)	(149.6)	–	–	–
(5.0)	(2.6)	(13.2)	4.4	(4.0)	(7.5)
(1,062.8)	**(232.7)**	**(349.7)**	**6.3**	**(3.8)**	**2.3**
(218.0)	(13.2)	(4.4)	59.6	(98.5)	73.0
1,354.7	73.9	116.8	–	–	–
400.0	–	–	–	–	–
16.0	6.6	4.6	–	–	–
–	(28.2)	–	–	–	–
(99.3)	(69.8)	(58.4)	–	–	–
(552.4)	(174.5)	(32.4)	–	–	–
(3.7)	(39.8)	(20.9)	–	–	–
144.0	–	–	–	–	–
(141.0)	3.5	.9	–	–	–
900.3	**(241.5)**	**6.2**	**59.6**	**(98.5)**	**73.0**
624.6	**(264.7)**	**138.5**	**(29.4)**	**4.8**	**(.9)**
41.6	306.3	167.8	78.9	74.1	75.0
$ 666.2	**$ 41.6**	**$ 306.3**	**$ 49.5**	**$ 78.9**	**$ 74.1**

The accompanying notes are an integral part of the consolidated financial statements.

Notes to Consolidated Financial Statements

Years ended May 26, 1991, May 27, 1990 and May 28, 1989
Columnar dollar amounts in millions except per share amounts

1. Summary of Significant Accounting Policies

Consolidation and Financial Statement Presentation

The consolidated financial statements include nonhomogeneous financial companies. In order to present more meaningful financial statements, management believes that the balance sheets, results of operations, and cash flows of the consolidated company should be further grouped and separately presented as follows:

Basic Food Companies: Except for the elimination of investment and equity in earnings of the Finance Companies, these financial statements include all consolidated operations on the same basis as reported prior to the adoption in fiscal 1989 of Statement of Financial Accounting Standards No. 94, "Consolidation of All Majority-Owned Subsidiaries."

Finance Companies: Primarily includes a commodity brokerage business, Geldermann, Inc., and a finance company, Monfort Finance Company. No parent company guarantees have been issued supporting borrowings of the Finance Companies.

Thus, the consolidated financial statements include the accounts of ConAgra, Inc. and all majority-owned subsidiaries, except certain foreign companies that are not material to the Company. All significant intercompany investments, accounts and transactions have been eliminated.

The investments in and the operating results of 50-percent-or-less-owned companies and the foreign companies referred to above are included in the financial statements on the basis of the equity method of accounting.

The accounts of two wholly owned subsidiaries, ConAgra Fertilizer Company and United Agri Products, Inc., have been consolidated on the basis of a year ending in February. Such fiscal period corresponds with those companies' natural business year.

Inventories

Grain, flour and major feed ingredient inventories are hedged to the extent practicable and are generally stated at market including adjustment to market of open contracts for purchases and sales. Short-term interest expense incurred to finance hedged inventories is included in cost of sales in order to properly reflect gross margins on hedged transactions. Except for certain food products and livestock inventories which are stated at the lower of last-in, first-out (LIFO) cost or market, inventories not hedged are priced at the lower of average cost or market.

Property and Depreciation

Property, plant and equipment are carried at cost. Depreciation has been calculated using primarily the straight-line method over the estimated useful lives of the related assets.

Amortization of Intangibles

Unamortized finance expense is being amortized over the life of the related obligations.

Brands and goodwill arising from the excess of cost of investment over equity in net assets at date of acquisition and trademarks are being amortized using the straight-line method, principally over a period of 40 years.

Net Sales

Gross margins earned from grain and feed ingredients merchandised are included in net sales.

Income Taxes

The parent company and all eligible wholly owned subsidiaries subject to United States income taxes file a consolidated federal income tax return.

Deferred income taxes are provided for temporary differences between financial and tax reporting in accordance with Statement of Financial Accounting Standards No. 96, including estimated recoverable deferred tax assets.

The aforementioned Statement No. 96 was adopted at the beginning of fiscal 1989, and had no material effect on the net income or financial position of the Company.

Retirement Benefits

The Company and its subsidiaries have retirement plans covering substantially all salaried and hourly employees. Total pension expense includes provisions for retirement benefits, interest on unfunded past service costs, and amortization of past service costs over a 30-year period. The Company has adopted a policy of funding accrued pension costs to the extent deductible for tax purposes.

Beginning in fiscal 1985, the estimated costs of medical benefits to retiring employees are accrued at retirement and are not funded. The estimated costs of medical benefits to be provided to retired employees which have not been accrued at May 26, 1991 are approximately $88.4 million. The costs of medical benefits provided for all retired employees (including companies acquired) for 1991, 1990 and 1989 amounted to $24.9 million, $5.2 million and $2.7 million, respectively.

Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," was issued in December 1990 and requires implementation by the Company by fiscal 1994. The Company has not determined the method of adoption and has not estimated the impact that adoption is expected to have on its financial statements.

EARNINGS PER SHARE

Earnings per common and common equivalent share are calculated on the basis of the weighted average outstanding common shares and, when applicable, those outstanding options that are dilutive and after giving effect to the preferred stock dividend requirements. Fully diluted earnings per share did not differ significantly from primary earnings per share in any period presented.

CASH FLOWS

For purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

RECLASSIFICATIONS

Certain items in the financial statements have been reclassified to conform to 1991 classifications.

2. BUSINESS COMBINATIONS

SUBSEQUENT EVENT

On July 11, 1991, Golden Valley Microwave Foods, Inc. (Golden Valley) merged with ConAgra through an exchange of .5676 of a share of ConAgra common stock for each share of Golden Valley common stock. On a fully diluted basis ConAgra issued approximately 10.7 million shares of common stock for Golden Valley's 18.8 million shares of common stock. In addition, outstanding warrants for 600,000 shares of Golden Valley stock will be converted to 340,560 rights to buy ConAgra stock at $60.48 per share. The transaction is being accounted for as a pooling of interests.

Golden Valley is a leader in the development and marketing of foods specifically for preparation in microwave ovens. Products include popcorn, french fries, breakfast foods and sandwiches distributed through the vending industry, mass merchandising outlets and grocery stores. Golden Valley's sales were $172.3 million in the fiscal year ended December 1990.

The following selected unaudited pro forma information combines ConAgra, Golden Valley and Lamb-Weston (see Note 5) assuming the merger was consummated as of May 30, 1988:

	1991	1990	1989
Net sales	$20,183	$16,165	$11,891
Net income	333	256	216
Income per common & common equivalent share	$ 2.13	$ 1.91	$ 1.64

1991

On August 14, 1990, Beatrice Company became a wholly owned subsidiary of ConAgra. Beatrice is a producer and marketer of a wide range of food products for retail, foodservice and industrial markets. The purchase price consisted of 11,076,151 shares of ConAgra common stock, 141,955 shares of ConAgra Class E $2,500 cumulative convertible voting preferred stock Series 1, and approximately $628 million cash (net of certain warrant exercise proceeds), for an aggregate of $1,362 million (including estimated expenses of $24 million). ConAgra and certain former stockholders of Beatrice are parties to a Registration Rights and Standstill Agreement dated June 7, 1990 with respect to the common stock and the convertible preferred stock.

ConAgra has accounted for the Beatrice acquisition as a purchase. Beatrice's net assets are included in the accompanying consolidated balance sheet at values representing a preliminary allocation of the purchase price to such net assets. The excess of purchase price over the preliminary valuation of the net tangible assets is reflected as Brands, Trademarks and Goodwill and is being amortized over 40 years using the straight-line method. The preliminary purchase price allocation is subject to change when additional information concerning asset and liability valuations is obtained. Therefore, the final allocation may differ from the preliminary allocation. The preliminary allocation is summarized as follows:

Current assets (net of warrant exercise proceeds)	$ 953
Current liabilities	(989)
Working capital	(36)
Other assets	380
Property, plant and equipment	765
Brands, trademarks and goodwill	2,516
Long-term debt	(1,105)
Other noncurrent liabilities*	(1,158)
	$ 1,362

*Preliminarily consists of the following estimated liabilities:

Income taxes and interest thereon	$ 740
Post retirement health care and pensions	240
Other	328
	1,308
Less estimated current portion	150
	$ 1,158

In May 1991, ConAgra completed the acquisition from Foster's Brewing Group Limited (formerly Elders IXL Limited) and various related entities, of certain assets of Elders Brewing Materials and Elders International Wool Division and a 50-percent interest in Elders Meat Division. The acquisition of the Brewing Materials and Wool Divisions occurred April 8, 1991 while the acquisition of the Meat Division occurred May 24, 1991. ConAgra's cash investment in the transaction of approximately $125 million was made from the proceeds of the November 29, 1990 sale of common stock (see Note 11).

Elders Meat is an Australian beef processor. Elders Brewing Materials manufactures malt for brewers in Australia, the United Kingdom and international markets. Elders International Wool is a trader, processor and exporter of Australian wool. Combined annual sales of the three businesses are approximately U.S. $1 billion, of which approximately $750 million is in the Meat Division which is not consolidated (see Note 5).

1990

At May 28, 1989, the Company had a 50-percent equity interest in the parent of SIPCO, Inc. and Val-Agri, Inc. (SIPCO/Val-Agri). In July 1989, the Company purchased the remaining 50-percent interest from Elkhorn Enterprises, Inc., effective May 29, 1989. The consideration for the purchase was the assumption by the Company of $51.5 million of long-term debt owed by Elkhorn Enterprises, Inc. In addition, long-term debt and preferred stock of SIPCO totaling $160.0 million was assumed.

On May 31, 1989, the Company purchased the Sergeant's Pet Care Division of A. H. Robins Company for approximately $18.0 million in cash.

1989

In June 1988, L. W. Acquisition, Inc. (LWA), a joint venture company owned equally by the Company and Golden Valley acquired all of the outstanding capital stock of Lamb-Weston, Inc. (Lamb-Weston) from Amfac Foods, Inc. Lamb-Weston is a major processor of frozen potato products in the United States. Its major product line is french fries which are marketed primarily to fast food restaurants and other foodservice markets. The purchase price was approximately $280 million. The Company and Golden Valley each made $25 million cash investments in LWA. LWA obtained $262 million of senior debt bank financing, which is collateralized by the assets and capital stock of Lamb-Weston.

In October 1988, ConAgra acquired all of the outstanding capital stock of Cook Family Foods, Ltd. (Cook) in exchange for 3,267,000 shares of ConAgra common stock, including option shares for Cook employees, in a transaction which has been accounted for as a pooling of interests. Cook produces branded ham products and markets them nationally through retail channels. Financial information for periods prior to this transaction have not been restated because of immateriality and, accordingly, results of operation have been included since the date of acquisition.

In February 1989, the Company acquired the grain merchandising division of The Pillsbury Company (including receivables and grain inventories) for approximately $153 million in cash plus the assumption of approximately $4 million in long-term debt. The acquired business operates grain handling and storage facilities in the Midwest.

Except for Cook, all of these transactions have been recorded as purchases. Results of operations of all of these acquired companies have been included in the financial statements since the effective dates of acquisition.

The following unaudited summary, prepared on a pro forma basis, combines the consolidated results of operations of the Company for the years ended May 26, 1991 and May 27, 1990, with those of companies acquired through May 26, 1991 described above, as if such acquisitions had occurred May 29, 1989:

	1991	1990
Net sales	$ 20,542	$ 20,066
Net income	301	223
Income per common and common equivalent share	$ 1.98	$ 1.47

During fiscal 1991, 1990 and 1989, the Company acquired certain other businesses, the revenues and net earnings of which did not significantly affect the consolidated results.

3. Receivables

During September 1990, the Company entered into agreements to sell, for a period of up to five years, undivided participation interests in designated pools of receivables, with limited recourse, in an amount not to exceed $400 million at any one time. Participation interests in new receivables may be sold as collections reduce previously sold participation interests. The participation interests are sold at a discount which is included in Selling, Administrative and General Expenses in the consolidated statement of earnings. Proceeds from the sales, net of applicable discount and fees, were approximately $379 million as of May 26, 1991.

Receivables of Monfort Finance Company include notes receivable of approximately $141 million and $50 million at May 26, 1991 and May 27, 1990, respectively.

4. Inventories

The major classes of inventories are as follows:

	1991	1990
BASIC FOOD COMPANIES		
Hedged commodities	$ 520.2	$ 586.8
Food products	738.6	435.7
Agricultural chemicals, fertilizer and feed	186.9	201.1
Retail merchandise	118.8	99.9
Other, principally ingredients and supplies	329.8	165.3
	1,894.3	1,488.8
FINANCE COMPANIES		
Livestock	125.5	160.0
	$2,019.8	$1,648.8

The cost of certain food products and livestock inventories stated under the last-in, first-out (LIFO) method is $187.4 million and $203.3 million at May 26, 1991 and May 27, 1990, respectively. Had these inventories been stated at lower of principally first-in, first-out (FIFO) costs or market, they would have been $67.0 million and $64.5 million greater than reported at May 26, 1991 and May 27, 1990, respectively.

5. Investments in and Advances to Unconsolidated Subsidiaries

At the beginning of fiscal 1989, the Company had equity interests in Saprogal and Sapropor, food companies operating in Spain and Portugal, respectively; Trident Seafoods Corporation, a company operating in the Northwest Pacific seafood industry; and a 50-percent interest in a corporation which controls SIPCO/Val-Agri. During fiscal 1989, the Company acquired a 50-percent interest (decreased to 47.5 percent by the end of fiscal 1991) in the parent of Lamb-Weston. Golden Valley also owns a 47.5-percent interest in the parent of Lamb-Weston (see Note 2).

During fiscal 1990, the Company acquired the remaining 50-percent interest in the parent of SIPCO/Val-Agri and the accounts of this company were included in the consolidated financial statements beginning in fiscal 1990 (see Note 2).

During fiscal 1991, the Company acquired a 50-percent interest in Australia Meat Holdings, a corporation formed to acquire the assets of Elders Meat Division (see Note 2). Thus, at May 26, 1991, the Company had equity interests in Saprogal (100 percent), Sapropor (75 percent), Trident Seafoods (50 percent), Lamb-Weston (47.5 percent), and Australia Meat Holdings (50 percent), all included as investments in unconsolidated subsidiaries under the equity method of accounting.

Summary financial information of these companies and certain other individually insignificant businesses, as of the end of each year presented, is set forth below and includes amounts since date of acquisition of each respective equity interest:

	1991	1990
Current assets	$ 512.2	$ 413.1
Noncurrent assets	590.0	406.9
Total assets	1,102.2	820.0
Current liabilities	399.8	306.8
Noncurrent liabilities	287.4	282.0
Total liabilities	687.2	588.8
Net assets	$ 415.0	$ 231.2
ConAgra's investment	$ 228.0	$ 136.1

	1991	1990	1989
Net sales	$1,563.2	$1,233.5	$4,293.5
Net income	$ 41.9	$ 30.6	$ 17.2
ConAgra's equity in earnings	$ 23.6	$ 18.1	$ –

6. Property, Plant and Equipment

Following is a detail of property, plant and equipment cost :

	CONSOLIDATED		BASIC FOOD COMPANIES		FINANCE COMPANIES	
	1991	1990	1991	1990	1991	1990
Land	$ 66.2	$ 41.8	$ 66.2	$ 41.8	$ –	$ –
Buildings, machinery and equipment	2,370.7	1,480.0	2,366.4	1,475.9	4.3	4.1
Autos, trucks, trailers, etc.	64.8	48.9	64.6	47.6	.2	1.3
Furniture and fixtures	100.5	65.4	91.8	57.5	8.7	7.9
Construction in progress	137.9	67.5	137.8	67.2	.1	.3
	$2,740.1	$1,703.6	$2,726.8	$1,690.0	$13.3	$13.6

7. Short-Term Credit Facilities and Borrowings

At May 26, 1991, the Finance Companies had $256.9 million of short-term borrowings outstanding, of which $250.3 million was attributable to Monfort Finance Company (MFC). Monfort Finance Company has uncompensated credit facilities totaling $400 million. ConAgra does not guarantee Monfort Finance Company borrowings. The Company (exclusive of MFC) has short-term credit lines from banks which totaled approximately $3.3 billion including a $520.0 million revolving credit and term loan commitment (see Note 9); a $255.0 million revolver, which matures on November 1, 1995; a $1.0 billion revolving credit agreement which matures on August 15, 1993 and uncompensated bankers' acceptance and money market loan facilities approximating $1.6 billion. Borrowings under the revolver agreements are at or below prime rate and may be prepaid without penalty. The Company pays fees for its revolving credit facilities.

ConAgra finances its short-term needs with bank borrowings, commercial paper borrowings and bankers' acceptances. The average short-term borrowings outstanding under these facilities for the 1991 fiscal year were $1,267.1 million. This excludes $394.6 million of short-term borrowings which were classified as long-term throughout the fiscal year (see Note 9). The highest period-end short-term indebtedness was $2,169.3 million. Short-term borrowings were at rates below prime.

8. Income Taxes

Income taxes computed by applying the statutory rates to income before income taxes are reconciled to the provision for income taxes set forth in the financial statements as follows:

	1991	1990	1989
Computed U.S. federal income taxes	$175.1	$121.4	$106.1
State income taxes, net of federal tax benefit	18.7	10.9	9.5
Nondeductible amortization of goodwill and other intangibles	19.9	3.2	1.0
Equity in earnings of unconsolidated subsidiaries	(6.4)	(4.7)	–
Other	(3.3)	(5.6)	(2.3)
Income taxes provided	$204.0	$125.2	$114.3

The provision for income taxes includes the following:

	1991	1990	1989
Current			
Federal	$ 55.7	$104.5	$ 81.6
State	28.2	19.5	16.2
Foreign	17.4	12.0	7.8
	101.3	136.0	105.6
Deferred	102.7	(10.8)	8.7
	$204.0	$125.2	$114.3

Deferred tax expense (benefit) results from temporary differences in the recognition of revenue and expenses and basis of assets and liabilities for tax and financial statement purposes. The sources of these differences and the tax effect of each were as follows:

	1991	1990	1989
Depreciation and amortization	$ 10.1	$ 7.3	$9.7
Accrued expenses	23.2	(12.0)	(4.3)
Other noncurrent liabilities	39.9	–	–
Compensatory stock options of acquired company	31.3	–	–
Other	(1.8)	(6.1)	3.3
Total deferred taxes	$102.7	$(10.8)	$8.7

9. Senior Long-Term Debt, Subordinated Debt and Loan Agreements

	1991	1990
BASIC FOOD COMPANIES		
Senior Debt		
Long-term revolving credit and term loan agreements from banks (unsecured)	$ –	$118.0
Commercial paper backed by long-term revolving credit agreements	620.0	–
9.75% senior debt due in 1998	300.0	–
9.875% senior debt due in 2006	100.0	–
8.31% to 9.8% publicly issued unsecured medium-term notes due in various amounts in 1993 through 2004	210.7	220.7
9.43% unsecured note due in 1993	51.5	51.5
9% unsecured note due in 1997	50.0	50.0
7.75% notes due in 1994, at imputed rate of 10.5%	80.9	–
Industrial Development Revenue Bonds (collateralized by plant and equipment) due various dates through 2014 at an average rate of 7.24% and 7.06%	61.2	43.0
Miscellaneous unsecured	188.7	122.2
Total senior debt	1,663.0	605.4
9.75% subordinated debt due in 2021	400.0	–
Total excluding current installments-Basic Food Companies	2,063.0	605.4
FINANCE COMPANIES		
Geldermann, Inc. subordinated notes due in 1993	30.0	30.0
Consolidated long-term debt, excluding current installments	$2,093.0	$635.4

The aggregate minimum principal maturities of the long-term debt for each of the five years following May 26, 1991 are as follows:

	BASIC FOOD COMPANIES	FINANCE COMPANIES
1992	$537.7	$ –
1993	89.6	30.0
1994	135.9	–
1995	112.3	–
1996	138.6	–

Under the terms of an unsecured revolving credit and term loan agreement with seventeen banks, the Company can borrow up to $520 million extending to August 23, 1995, when the borrowings may be converted to a term loan payable in three equal annual installments. Borrowings are at or below prime rate and may be prepaid without penalty. In addition, the Company has a $255 million revolver which matures on November 1, 1995 and a $1 billion revolver which matures on August 15, 1993.

Geldermann's subordinated notes are placed with banks and are subordinated to the claims of present and future general creditors. The loans bear interest on a floating rate basis (9.125% at May 26, 1991) and mature on July 31, 1992. This is at a premium over the bank certificates of deposit rate. The loan agreements stipulate that these loans cannot be repaid if such repayment would cause Geldermann, Inc. not to meet its regulatory capital requirements.

The most restrictive note agreements (the three revolving credit facilities and certain privately placed long-term debt) provide that the lenders have the option to put the debt back to the Company if long-term debt exceeds 60% of Consolidated Capital Base or if two national rating agencies rate the company below investment grade.

The 9.75% and 9.875% senior notes are non-callable and were issued at par. The senior notes were sold in November 1990.

The $400 million of 9.75% subordinated notes due March 1, 2021, were sold in March 1991. The notes were issued at par and are non-callable.

Net interest expense consists of:

	1991	1990	1989
BASIC FOOD COMPANIES			
Long-term debt	$212.2	$ 63.0	$ 52.3
Short-term debt	89.0	100.5	73.6
Finance expense	2.1	.4	.5
Bank service and facility fees	6.5	3.4	3.4
Interest income	(25.0)	(16.4)	(14.6)
Interest capitalized	(6.4)	(4.7)	(2.0)
Total Basic Food Companies	278.4	146.2	113.2
FINANCE COMPANIES			
Long-term debt	3.3	3.9	4.7
Short-term debt	16.3	20.5	14.4
Total Finance Companies	19.6	24.4	19.1
Consolidated net interest expense	$298.0	$170.6	$132.3

Short-term debt interest expense of $19.3 million, $19.5 million and $22.0 million in 1991, 1990 and 1989, respectively, incurred to finance hedged inventories, has been charged to cost of goods sold.

In August 1990, the Company entered into interest rate swap agreements which effectively fixes the interest rate on $400 million principal of floating-rate debt at 9.4% for five years.

10. Other Noncurrent Liabilities

Other noncurrent liabilities consist of the following estimated liabilities of Beatrice Company (see Note 2) at May 26, 1991:

Income taxes and interest thereon	$ 712
Post retirement health care and pensions	227
Other	277
	1,216
Less estimated current portion	150
	$1,066

11. Capital Stock

The Company has authorized shares of preferred stock as follows:

Class B - $50 par value; 150,000 shares
Class C - $100 par value; 250,000 shares
Class D - without par value; 1,100,000 shares
Class E - without par value; 2,500,000 shares

All classes are cumulative, nonparticipating and shall be issued in series with such designations, preferences, rights and limitations as the Board of Directors may establish. Such designation shall distinguish the shares of each series from the shares of all other series and classes.

Each class of preferred stock is prohibited from having a priority over all previously issued classes of preferred stock as designated by alphabetical class.

On September 28, 1989, the Company's stockholders approved an amendment to the Certificate of Incorporation increasing the authorized common stock from 300,000,000 to 600,000,000 shares, $5 par value.

Effective December 1,1989, the Company issued 40,694,791 shares of common stock, including 123,914 shares added to treasury stock, in connection with a three-for-two stock split. All references in the financial statements with regard to number of shares of common stock and related dividends and per share amounts have been restated to reflect the stock split.

In conjunction with the acquisition of Beatrice Company (see Note 2), ConAgra issued 141,955 shares of Class E $2,500 cumulative convertible voting preferred stock Series 1 totaling $354.9 million and 11,076,151 shares of common stock at a fair value of approximately $354.9 million.

On November 29, 1990, the Company completed the sale of 4.4 million shares of ConAgra common stock. The issue was priced at $33.25 per share. The net proceeds to the Company of approximately $144 million were used primarily for acquisitions (including the Elders acquisition) and also for general corporate purposes.

12. Stock Options and Rights

Stock option plans approved by the stockholders provide for the granting of options to employees for the purchase of common stock at prices equal to the fair market value at the time of the grant, and for the issuance of restricted or bonus stock without direct cost or at reduced cost to the employee. During fiscal 1991 and 1990, 76,000 and 390,000 shares of restricted stock were issued. The value of the restricted and bonus stock, equal to fair market value at the time of the grant, is being amortized as compensation expense or will be paid by a reduction in current and future incentive compensation liabilities to the employee. The compensation expense for fiscal 1991 and 1990 was $1.2 million and $1.0 million. For the most part, options granted are exercisable in five equal annual installments and expire ten years after date of grant. For participants under the long-term senior management incentive plan, options are not exercisable for three to five years from the date of grant. The option shares are subject to changes in capitalization.

The changes in the outstanding stock options during the three years ended May 26, 1991 are summarized below:

	SHARES	OPTION PRICE PER SHARE - RANGE
Balance at May 29, 1988	4.1	$ 1.91 - 20.75
Granted	1.5	3.74 - 20.75
Exercised	(.6)	1.91 - 20.67
Canceled	(.2)	4.78 - 20.67
Balance at May 28, 1989	4.8	4.11 - 20.75
Granted	1.3	20.25 - 29.13
Exercised	(.6)	4.11 - 26.00
Canceled	(.2)	6.78 - 26.00
Balance at May 27, 1990	5.3	4.39 - 29.13
Granted	1.5	31.88 - 44.75
Exercised	(1.1)	4.39 - 31.88
Canceled	(.2)	6.78 - 31.88
Balance at May 26, 1991	5.5	$ 4.78 - 44.75
Exercisable at May 26, 1991	3.1	

At May 26, 1991, 6,570,599 shares were reserved for granting additional options and restricted or bonus stock awards.

Each share of common stock carries with it a Right which entitles the holder thereof until the earlier of July 24, 1996, or the redemption of the Rights, to buy one share of common stock at an exercise price of $66.67. The Rights will be represented by the common stock certificates and will not be exercisable or transferable apart from the common stock until the earlier of ten days after announcement that a person or group (Acquiring Person) has acquired beneficial ownership of 20 percent or more of the Company's common stock or ten days after a person commences, or announces an intention to commence, an offer for 30 percent or more of the Company's common stock. In the event that (i) any person or group becomes an Acquiring Person, or (ii) the Company is acquired in a merger or other business combination transaction or 50 percent or more of the Company's assets or earning power is sold, each holder of a Right (other than the Acquiring Person) will thereafter have the right to receive, upon exercise, shares of common stock (of the Company under (i) and of the acquiring company under (ii)) having a value of twice the exercise price of the Right. The Company may redeem the Rights at $.0167 per Right at any time before a person becomes an Acquiring Person.

At May 26, 1991, 139,674,003 shares of common stock were reserved for exercise of the Rights.

13. Preferred Shares Subject to Mandatory Redemption

	1991	1990
Outstanding – Class D $2.50 cumulative convertible, outstanding 48,991 shares in 1991 and 86,904 shares in 1990	$ 1.2	$2.2
Outstanding – Class E, Series 1 $2,500 cumulative convertible, outstanding 141,955 shares in 1991	354.9	–

Annually, on July 20, the Company shall call for redemption a number of shares of Class D preferred stock equal to 5 percent of the aggregate number of shares issued by paying in cash $25.00 per share plus accrued dividends. All or any portion of the Class D preferred stock may be called for redemption by the Company at any time at a price of $25.00 plus accrued dividends. The holders of the Class D preferred stock have the option at any time to convert their shares to common stock at the rate of 4.62 shares of common stock for each share of Class D preferred stock. Conversions are applied against redemption requirements.

The Class E $2,500 cumulative convertible preferred stock has a dividend rate of 6.75%, is convertible into ConAgra common stock at the rate of 67.8485 shares of common stock for each share of preferred, is entitled to 17 votes per share voting as a single class with the common stock, and is subject to mandatory redemption on August 14, 2002.

At May 26, 1991, 226,296 and 9,631,433 shares of common stock were reserved for conversion of Class D and Class E preferred stock, respectively.

14. Commitments

Certain facilities and transportation equipment are leased under agreements expiring at various dates during the next seventeen years. Management expects that in the normal course of business, leases that expire will be renewed or replaced by other leases. Substantially all leases require payment of property taxes, insurance and maintenance costs in addition to rental payments.

A summary of rent expense charged to operations follows:

	1991	1990	1989
Cancelable	$ 71.3	$ 60.5	$ 51.4
Noncancelable	110.4	81.4	73.5
	$181.7	$141.9	$124.9

A summary of noncancelable operating lease commitments follows:

FISCAL YEARS ENDING IN	TYPE OF PROPERTY: REAL AND OTHER PROPERTY	TYPE OF PROPERTY: TRANSPORTATION EQUIPMENT
1992	$69.2	$34.4
1993	60.7	31.5
1994	52.2	28.6
1995	41.2	25.0
1996	27.4	20.5
Later Years	88.6	67.8

For the most part, the Company's operations in Puerto Rico are supplied from the United States by ocean transportation under terms of a time charter. Charter fees are considered cost of product on an as-delivered basis and are not reflected as rent expense. The current charter, which expires December 31, 2000, includes a provision for standby charges as defined of approximately $9,000 per day when the equipment is not in use. Since the Company's demand for shipping is substantially in excess of the capacity of the equipment under charter, standby charges have not been incurred.

In connection with its trading activities, the Company had letters of credit and performance bonds outstanding at May 26, 1991, aggregating approximately $455 million.

15. Contingencies

With respect to operations of the Company excluding the transaction discussed below, there was no litigation at May 26, 1991 which, in the opinion of management, would have a material adverse effect on the financial position of the Company.

On August 14, 1990, ConAgra acquired Beatrice Company (see Note 2). Beatrice and its subsidiaries are engaged in various litigation proceedings incident to their respective businesses and in various environmental and other matters. Beatrice and various of its subsidiaries have agreed to indemnify divested businesses or the purchasers thereof for various legal proceedings and tax matters. The federal income tax returns of Beatrice and its predecessors for the fiscal years ended 1985 through 1987 are currently under audit by the Internal Revenue Service. Beatrice is currently negotiating with the Appellate Division of the Internal Revenue Service proposed deficiencies previously claimed for fiscal years prior to 1985 (principally fiscal years ended 1982 through 1984). Additionally, the federal income tax returns of Norton Simon, Inc. ("NSI"), a wholly owned subsidiary of Beatrice, have been audited by the Internal Revenue Service for the fiscal years ended 1982 and 1983 and a report has been issued. NSI has timely protested the findings contained in the examining agent's report and is negotiating with the Appellate Division of the Internal Revenue Service in an attempt to resolve disputed items. Various state tax authorities are also examining tax returns of Beatrice and its predecessors for prior taxable years, including, in the case of one state, years back to fiscal 1978. Beatrice expects that additional claims will be asserted for additional taxes. It is not possible at this time to determine the ultimate liabilities that may arise from these matters which at any given point in time will be at various stages of administrative and legal proceedings and will aggregate hundreds of millions of dollars. Beatrice has established substantial reserves for these matters which are reflected as liabilities on its consolidated balance sheet. The liabilities include interest accrued for tax claims.

After taking into account liabilities that have been recorded and possible recoveries from third parties, management is of the opinion that the disposition of the above matters will not have a material adverse effect on ConAgra's consolidated financial condition.

16. Retirement Plans

The Company and its subsidiaries have defined benefit retirement plans (Plan) for eligible salaried and hourly employees. Benefits are based on years of credited service and average compensation or stated amounts for each year of service.

Consolidated pension costs consisted of the following:

	1991		1990		1989
	Plan Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Plan Assets	Plan Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Plan Assets	
Service cost	$ 24.2	$ 1.5	$13.6	$ 1.0	$ 11.7
Interest cost	37.8	11.6	14.7	10.8	13.8
Actual return on plan assets	(69.9)	(10.0)	(29.6)	(10.6)	(17.9)
Net amortization and deferral	25.6	.5	12.6	1.4	1.1
Mergers and settlements	.5	–	–	–	(.2)
Net pension costs	$ 18.2	$ 3.6	$11.3	$ 2.6	$ 8.5

The funded status of the plans at February 28, 1991, and February 28, 1990, dates of the most recent actuarial reports, was as follows:

	1991		1990	
	Plan Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Plan Assets	Plan Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Plan Assets
Plan assets at fair value	$ 626.2	$ 123.7	$ 229.4	$ 116.6
Projected benefit obligation				
Actuarial present value of vested benefits	446.2	144.9	151.5	131.4
Actuarial present value of nonvested benefits	14.8	1.7	7.2	1.7
	461.0	146.6	158.7	133.1
Additional obligation of projected compensation increases	101.0	1.4	40.9	.7
	562.0	148.0	199.6	133.8
Plan assets in excess of (less than) projected benefit obligations	$ 64.2	$(24.3)	$ 29.8	$(17.2)
Consisting of				
Unrecognized transition asset	$ 32.2	$ (.5)	$ 34.2	$ (.3)
Unrecognized prior service cost	(10.3)	1.1	(8.9)	(1.8)
Unrecognized net gain (loss)	85.9	5.9	9.6	(.1)
Adjustment to recognize minimum liability	–	3.2	–	3.2
Accrued pension cost on consolidated balance sheet	(43.6)	(34.0)	(5.1)	(18.2)
	$ 64.2	$(24.3)	$ 29.8	$(17.2)

Plan assets are primarily invested in equity securities, corporate and government debt securities and common trust funds. In fiscal 1989, plans with accumulated benefits exceeding plan assets were not material. Included in plan assets are 853,314 shares of the Company's common stock at a fair market value of $31.6 million at February 28, 1991.

The actuarial projected benefit obligation was determined using an assumed discount rate of 8.5% (9.0% with respect to Beatrice in 1991) and long-term rate of compensation increases of 5.5% to 6.0%. Pension costs were determined using a long-term rate of return of 8.5% (9.5% with respect to Beatrice in 1991).

The Company and its subsidiaries are also participants in multi-employer pension plans covering certain hourly employees. Costs associated with these plans for 1991 were $4.7 million. Costs in prior years were not significant.

17. Business Segments

The Company has four business segments with operations principally limited to the United States. Intersegment sales have been recorded at amounts approximating market. Operating profit for each of the segments is based on net sales less all identifiable operating expenses and includes the related equity in earnings of companies included on the basis of the equity method of accounting. General corporate expense, interest expense (except Finance Companies segment) and income taxes have been excluded from segment operations. All assets other than cash (except Finance Companies segment) and those assets related to the corporate office have been identified with the segments. For the Finance Companies segment, operating profit includes the effect of interest, which is a large element of its operating costs.

	1991	1990	1989
Sales to unaffiliated customers			
Basic Food Companies			
Agri-Products	$ 2,443.6	$ 2,330.2	$ 2,242.7
Trading & Processing	1,862.0	1,959.2	1,869.0
Prepared Foods	15,045.5	11,031.7	7,084.9
	19,351.1	15,321.1	11,196.6
Finance Companies	153.6	180.1	143.8
Total	$19,504.7	$15,501.2	$11,340.4
Intersegment sales			
Basic Food Companies			
Agri-Products	$ 20.4	$ 22.6	$ 28.0
Trading & Processing	118.4	100.0	65.6
Prepared Foods	16.9	18.2	24.4
	155.7	140.8	118.0
Intersegment elimination	(155.7)	(140.8)	(118.0)
Total	$ –	$ –	$ –
Net sales			
Basic Food Companies			
Agri-Products	$ 2,464.0	$ 2,352.8	$ 2,270.7
Trading & Processing	1,980:4	2,059.2	1,934.6
Prepared Foods	15,062.4	11,049.9	7,109.3
	19,506.8	15,461.9	11,314.6
Intersegment elimination	(155.7)	(140.8)	(118.0)
	19,351.1	15,321.1	11,196.6
Finance Companies	153.6	180.1	143.8
Total	$19,504.7	$15,501.2	$11,340.4

	1991	1990	1989
Operating profit			
Basic Food Companies			
Agri-Products	$ 94.0	$ 87.2	$ 82.1
Trading & Processing	100.1	97.5	83.4
Prepared Foods	663.0	349.2	293.1
	857.1	533.9	458.6
Finance Companies	13.1	15.9	9.7
Total operating profit	870.2	549.8	468.3
General corporate expenses	76.6	46.7	42.9
Interest expense – Basic Food Companies	278.4	146.2	113.2
Total	$ 515.2	$ 356.9	$ 312.2
Identifiable assets			
Basic Food Companies			
Agri-Products	$ 560.8	$ 561.0	$ 562.3
Trading & Processing	1,366.2	1,324.8	1,059.8
Prepared Foods	6,279.0	2,059.3	1,490.6
Corporate	520.6	75.5	348.2
	8,726.6	4,020.6	3,460.9
Finance Companies	693.7	783.6	817.3
Total	$ 9,420.3	$4,804.2	$4,278.2
Additions to property, plant, and equipment (including businesses acquired)			
Basic Food Companies			
Agri-Products	$ 13.7	$ 9.6	$ 8.0
Trading & Processing	89.4	55.0	96.3
Prepared Foods	1,036.2	282.8	134.5
Corporate	17.7	1.1	.8
	1,157.0	348.5	239.6
Finance Companies	2.9	.8	1.5
Total	$ 1,159.9	$ 349.3	$ 241.1
Depreciation and amortization			
Basic Food Companies			
Agri-Products	$ 14.3	$ 14.4	$ 12.8
Trading & Processing	28.0	25.2	21.4
Prepared Foods	201.6	83.2	60.2
Corporate	2.2	1.9	3.3
	246.1	124.7	97.7
Finance Companies	4.7	5.0	4.0
Total	$ 250.8	$ 129.7	$ 101.7

18. Supplemental Cash Flow Information

	1991	1990	1989
Cash paid during the year for			
Interest (net of amount capitalized)			
Basic Food Companies	$ 230.1	$144.3	$107.5
Finance Companies	19.9	24.3	19.0
	$ 250.0	$168.6	$126.5
Income taxes			
Basic Food Companies	$ 107.3	$ 96.3	$103.3
Finance Companies	5.8	6.7	3.8
	$ 113.1	$103.0	$107.1
Noncash investing and financing activities – Basic Food Companies			
Issuance of common stock for conversion of preferred stock	$ .9	$ 6.5	$ .9
Long-term debt, other noncurrent liabilities and preferred stock assumed in business acquisitions	2,263.8	211.5	8.6
Common and preferred stock issued in business acquisitions accounted for as a purchase	709.8	–	–
Common stock issued in business acquisitions accounted for as a pooling of interests	–	3.9	16.6
Payment for business acquisitions – Basic Food Companies			
Receivables, inventories and prepaid expenses	$ 981.0	$ 193.4	$ 196.2
Accounts payable and accrued liabilities	(905.5)	(95.6)	(101.5)
Short-term notes payable and current maturities	(99.6)	(115.2)	(4.5)
Increase in investment in unconsolidated subsidiary	43.7	–	–
Property, plant and equipment	828.1	153.0	77.6
Goodwill	2,517.1	138.6	10.1
Long-term debt	(1,105.6)	(183.3)	(8.6)
Deferred taxes	257.3	–	–
Other noncurrent liabilities	(1,158.2)	–	–
Preferred stock	(354.9)	(28.2)	–
Common stock	(354.9)	–	–
Other, net	121.4	9.2	(19.7)
Reduction in investment in unconsolidated subsidiary upon acquisition of previously 50-percent-owned company	–	(54.3)	–
	$ 769.9	$ 17.6	$ 149.6

19. Nonrecurring Items

The fiscal 1990 first quarter earnings include two nonrecurring items: a $26.9 million after-tax gain, net of expenses, from settlement of litigation related to Holly Farms Corporation and a $24.8 million after-tax provision for realigning processed meats operations. The net gain from these items is $2.1 million after tax (two cents per share). Additional information is as follows:

Amount received in settlement of litigation related to Holly Farms, net of expenses	$ 43.5
Provisions for realignment of processed meats operations	
Writedown of property, plant and equipment	(13.6)
Plant consolidation costs	(23.9)
	(37.5)
Net nonrecurring items before tax	6.0
Provision for income taxes	3.9
Net nonrecurring items after tax	$ 2.1

20. Quarterly Results (Unaudited)

	Net Sales	Gross Profit	Net Income		Stock Market Price		Dividends Declared Per Share
Fiscal 1991			Amount	Per Share	High	Low	
First	$ 4,487.4	$ 454.5	$ 58.0	$ .45	$ 35.50	$ 29.50	$ .1500
Second	5,328.3	723.3	88.2	.60	36.63	30.25	.1725
Third	4,874.2	684.5	65.6	.42	42.88	33.13	.1725
Fourth	4,814.8	710.2	99.4	.65	48.75	39.75	.1725
Year	**$19,504.7**	**$2,572.5**	**$311.2**	**$2.13**	**$48.75**	**$29.50**	**$.6675**
Fiscal 1990							
First	$ 4,006.0	$ 400.4	$ 50.0	$ .40	$ 26.08	$ 21.17	$ .1283
Second	3,857.1	412.2	63.9	.52	27.83	21.33	.1500
Third	3,623.8	397.5	44.3	.36	30.25	22.75	.1500
Fourth	4,014.3	444.6	73.5	.59	31.88	24.88	.1500
Year	**$15,501.2**	**$1,654.7**	**$231.7**	**$1.87**	**$31.88**	**$21.17**	**$.5783**

Quarterly per share numbers may not add to annual total due to rounding.

Investor Information

ConAgra Stockholders

At the end of fiscal 1991, approximately 139.7 million shares of ConAgra common stock were outstanding. There were about 16,800 stockholders of record and an estimated 35,000 beneficial holders whose shares are held in names other than their own. (These figures do not include the large number of employees holding stock through the ConAgra Retirement Income Savings Plan, the Employee Stock Ownership Plan, or the Employee Payroll Stock Purchase Plan.)

ConAgra stockholders reside in all 50 states, the District of Columbia and a number of overseas locations.

Dividend Increases

ConAgra's dividend objective and a five-year record of results are on page 5 of this report. The common stock dividend was increased 15 percent, effective December 1, 1990. The two previous increases were 17 percent in December 1989 and 15 percent in December 1988. The common stock annual dividend rate has more than quadrupled in the last 10 years, from about 17¢ at the end of fiscal 1981 to 69¢ at the end of fiscal 1991.

Stock Listing and Performance

ConAgra's common stock is listed on the New York Stock Exchange. The ticker symbol is CAG. Current share price and related information can be found in the financial section of most daily newspapers. On page 32 of this report is an eleven-year summary giving the high, low and closing prices of ConAgra shares each fiscal year. For the two most recent fiscal years, the high and low prices for each quarter are shown on page 60.

During fiscal 1991, 58.6 million shares were traded, a daily average of 232,523 shares. During fiscal 1990, 46.4 million shares were traded, a daily average of 184,087 shares.

Dividend Reinvestment Plan

ConAgra's stockholders of record may elect to have common and/or preferred dividends automatically reinvested in ConAgra common stock. Participating stockholders also may invest from $25 to $5000 a calendar quarter to purchase additional shares of common stock. Both services are free... stockholder participants pay no brokerage commissions or bank fees to purchase stock.

If you are interested in this plan, please request a copy of ConAgra's dividend reinvestment brochure and enrollment card from Manufacturers Hanover Trust Company, P.O. Box 24935, Church Street Station, New York, New York 10249-0007, or the Corporate Secretary, ConAgra, Inc., One ConAgra Drive, Omaha, Nebraska 68102-5001. Or, simply return the prepaid postcard included with each quarterly dividend check.

Annual Meeting of Stockholders

The annual meeting of ConAgra's stockholders will be held on Thursday, September 26, 1991 at 2 p.m. at the Red Lion Inn, 1616 Dodge Street, Omaha, Nebraska.

We encourage stockholders to participate in this meeting in person or by proxy. We invite stockholders who attend in person to come for a reception with light product sampling from 1 until 1:45 p.m. Stockholder registration also begins at 1 p.m.

Availability of 10K Report

The Form 10K is an annual filing with the Securities and Exchange Commission. Stockholders may obtain a copy of the Form 10K annual report for fiscal 1991 by calling or writing to the Corporate Communications Department, ConAgra, Inc., One ConAgra Drive, Omaha, Nebraska 68102-5001, (402)595-4157.

Corporate Headquarters

ConAgra, Inc.
One ConAgra Drive
Omaha, Nebraska 68102-5001
(402)595-4000

Stock Transfer Agent and Registrar

Manufacturers Hanover Trust Co., 450 West 33rd Street, New York, New York 10001, (212)613-7147 or 800-MH-SHARE. The stock transfer agent can help stockholders with questions about their ConAgra shares.

Auditors

Deloitte & Touche

Legal Counsel

McGrath, North, Mullin & Kratz, P.C.,
Omaha, Nebraska
General Counsel: Bruce C. Rohde
Assistant General Counsel: David L. Hefflinger

Stockholder Relations

ConAgra maintains an active investor relations program to keep stockholders and potential investors informed about company activities. We welcome comments and questions from our stockholders. Anytime you would like information about ConAgra, we encourage you to call or write to Walt Casey or Lynn Phares in our Corporate Communications Department, ConAgra, Inc., One ConAgra Drive, Omaha, Nebraska 68102-5001, (402)595-4154 or 4153.


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