FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1994-05-17** | Period of Report: **1994-04-02**
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FILER

DOSKOCIL COMPANIES INC
CIK:**4960**| IRS No.: **132535513** | State of Incorp.:**DE** | Fiscal Year End: **0103**
Type: **10-Q** | Act: **34** | File No.: **000-07803** | Film No.: **94529056**
SIC: **2013** Sausages & other prepared meat products

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended April 2, 1994

OR

___ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____________ to _____________

Commission file number 0-7803

D O S K O C I L   C O M P A N I E S   I N C O R P O R A T E D

(Exact Name of Registrant as Specified in its Charter)

Delaware	13-2535513
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

2601 NW Expressway, Suite 1000W, Oklahoma City, Oklahoma 73112
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (405)879-5500

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

YES X NO

On May 13, 1994, the number of shares outstanding of the registrant's common stock, $.01 par value, was 7,940,168.

DOSKOCIL COMPANIES INCORPORATED

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

DOSKOCIL COMPANIES INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET
(Dollar amounts in thousands, except par value)

<CAPTION>

ASSETS	April 2, 1994 (Unaudited)	January 1, 1994
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	$ 6,920	$ 6,203
Receivables	33,307	36,283
Inventories	38,942	39,984
Other current assets	3,568	2,101
Total current assets	82,737	84,571
Property, plant and equipment, net of accumulated depreciation and amortization of $22,696 and $20,046	80,709	77,678
Trademarks and tradenames, net of accumulated amortization of $3,149 and $2,837	21,851	22,163
Deferred charges and other assets	42,475	44,907
Reorganization value in excess of amounts allocable to identifiable assets, net of accumulated amortization of $12,324 and and $11,090	86,328	87,562
	$314,100	$316,881

</TABLE>
<TABLE>
<CAPTION>

LIABILITIES AND STOCKHOLDERS' EQUITY		
<S>	<C>	<C>
Current liabilities:		
Current maturities of long-term debt	$ 2,745	$ 2,330
Accounts payable	10,892	10,357
Accrued liabilities	33,292	40,732
Total current liabilities	46,929	53,419
Long-term debt	131,654	127,906
Other long-term liabilities	80,070	79,987
Stockholders' equity:		

Common stock, $.01 par value, 20,000,000 shares authorized, 7,939,173 shares issued and outstanding (7,918,343 shares at January 1, 1994)	79	79
Capital in excess of par value	112,523	112,315
Retained earnings (deficit)	(55,388)	(54,910)
Minimum pension liability adjustment	(1,575)	(1,575)
	55,639	55,909
Unearned compensation	(192)	(340)
Total stockholders' equity	55,447	55,569
	$314,100	$316,881

<FN>
The accompanying notes are an integral part of the condensed consolidated financial statements.
</TABLE>

<TABLE>
DOSKOCIL COMPANIES INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS - UNAUDITED
(Dollar amounts in thousands, except per share figures)

<CAPTION>

	Three Months Ended	
	April 2, 1994	April 3, 1993
<S>	<C>	<C>
Net sales	$156,223	$144,555
Cost of sales	129,482	120,472
Gross profit	26,741	24,083
Operating expenses:		
Selling	16,114	14,321
General and administrative	6,605	6,556
Amortization of intangible assets	1,546	1,546
Total	24,265	22,423
Operating income	2,476	1,660
Other income (expense):		
Interest and financing costs	(3,579)	(3,017)
Other, net	(157)	(135)

Total	(3,736)	(3,152)
Income (loss) before income taxes	(1,260)	(1,492)
Income tax benefit (provision)	782	(38)
Income (loss) before cumulative effect of change in accounting principle	(478)	(1,530)
Cumulative effect of change in accounting for postretirement benefits other than pensions	-	(34,426)
Net income (loss)	$ (478)	$(35,956)
Earnings (loss) per share-primary and fully diluted:		
Income (loss) before cumulative effect of change in accounting principle	$(0.06)	$(0.25)
Cumulative effect of change in accounting for postretirement benefits other than pensions	-	(5.63)
Net income (loss)	$(0.06)	$(5.88)
Weighted average number of common and common equivalent shares outstanding - primary and fully diluted	7,921	6,115

<FN>
The accompanying notes are an integral part of the condensed consolidated financial statements.
</TABLE>

<TABLE>

DOSKOCIL COMPANIES INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED
Increase (Decrease) in Cash and Cash Equivalents
(Dollar amounts in thousands)

<CAPTION>

	Three Months Ended	
	April 2, 1994	April 3, 1993
<S>	<C>	<C>
Cash flows from operating activities:		
Net income (loss)	$ (478)	$(35,956)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	4,367	3,823
Postretirement medical benefits	250	502
Income taxes	(949)	-
Cumulative effect of change in accounting for postretirement benefits other than pensions	-	34,426
Changes in:		
Receivables	2,935	(3,162)
Inventories	1,042	(3,716)
Other current assets	(517)	659
Deferred charges and other assets	(40)	(744)
Accounts payable and accrued liabilities	(7,305)	1,253
Other	(2)	40
Net cash provided (used) by operating activities	(697)	(2,875)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(2,654)	(2,574)
Change in deferred charges and other assets	123	191
Proceeds from sale of facilities	277	500
Net cash used by assets held for sale	-	(2,364)
Net cash provided (used) by investing activities	(2,254)	(4,247)
Cash flows from financing activities:		
Borrowings under revolving working capital facilities	55,000	21,011
Payments on revolving working capital facilities	(53,000)	(20,011)
Proceeds from other debt obligations	2,155	-
Payments on capital lease and other debt obligations	(487)	(21,570)
Issuance of common stock	-	26,883
Net cash provided (used) by financing activities	3,668	6,313
Increase (decrease) in cash and cash		

equivalents	717	(809)
Cash and cash equivalents, beginning of period	6,203	9,312
Cash and cash equivalents, end of period	$ 6,920	$ 8,503

<FN>
The accompanying notes are an integral part of the condensed consolidated financial statements.

</TABLE>

DOSKOCIL COMPANIES INCORPORATED AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

NOTE 1 GENERAL

The accompanying condensed consolidated financial statements include the accounts of Doskocil Companies Incorporated ("Doskocil") and all majority-owned subsidiaries (collectively, the "Company") and have been prepared without audit. The Balance Sheet at January 1, 1994, has been derived from financial statements which have been audited by Coopers & Lybrand, independent accountants.

In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments (adjustments are of a normal, recurring nature except for entries to record the cumulative effect on years prior to January 3, 1993 of change in accounting for postretirement benefits other than pensions) necessary for a fair presentation of the financial position as of April 2, 1994, and the results of operations and cash flows for the three months ended April 2, 1994 and April 3, 1993. Results for the three months ended April 2, 1994 are not necessarily indicative of the results which will be realized for the year ending December 31, 1994. The financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended January 1, 1994.

The Company adopted at the beginning of fiscal 1994 Statement of Financial Accounting Standards No. 112 "Employer's Accounting for Postemployment Benefits." This statement sets standards for employers' accounting for postemployment benefits after employment but before retirement. The Company generally does not provide such postemployment benefits, other than workers compensation payments, the costs of which are estimated and accrued as the events occur. Implementation of this statement has no effect on the Company's financial condition or results of operations.

NOTE 2 RECEIVABLES

Included in receivables of $33.3 million are trade accounts receivable of approximately $33.1 million and a note receivable from an officer due in one year without interest in the approximate amount of $0.2 million.

NOTE 3 INVENTORIES

Inventories at April 2, 1994 and January 1, 1994 are summarized as follows (in thousands):

	April 2, 1994	January 1, 1994
Raw materials and supplies	$11,395	$ 8,176
Work in process	6,512	6,254
Finished goods	21,035	25,554
	$38,942	$39,984

NOTE 4 INCOME TAXES

The provision (benefit) for income taxes consists of the following components (in thousands):

	Three Months Ended	
	April 2, 1994	April 3, 1993
Current:		
Federal	$ 17	$ -
State	150	38
	$ 167	$ 38
Deferred:		
Federal	$ (949)	$ -
State	-	-
	$ (949)	$ -

The deferred benefit has been recognized in the first quarter of 1994 based on the Company's projected realization of the benefit in the current year. The effective tax rate differs from the statutory rate due primarily to amortization of intangible assets which are not deductible for tax purposes. The effective tax rate was calculated based on the projected taxable income for the full fiscal year and the anticipated changes for fiscal 1994 in the deferred tax assets and related valuation allowance and the deferred tax liabilities.

NOTE 5 SIGNIFICANT EVENT

On March 17, 1994 the Company entered into a stock purchase agreement with International Multifoods Corporation ("IMC") with respect to the Frozen Specialty Foods division ("Frozen Specialty Foods") of IMC. Pursuant to the stock purchase agreement, the Company will purchase all of the issued and outstanding capital stock of International Multifoods Foodservice Corp. ("IMFC") from IMC for approximately $138 million, subject to certain conditions and customary purchase price adjustments (the "IMFC Acquisition"). The Company has received a commitment from Chemical Bank, subject to completion of documentation and other requirements, to provide a $186 million senior secured credit facility for this transaction and to refinance the existing credit facility. Frozen Specialty Foods, with estimated revenues for the fiscal year ended February 26, 1994 of approximately $185 million, is a processor and marketer of prepared frozen food products primarily for the foodservice and consumer markets. Completion of the transaction is expected in the second quarter of fiscal 1994. Based on the Company's historical consolidated statement of operations for the year ended January 1, 1994 and Frozen Specialty Foods' historical operations for the twelve months ended November 21, 1993, the pro forma combined net sales, income before cumulative effect of changes in accounting and earnings per share before cumulative effect of changes in accounting are $831.5 million, $6.1 million and $0.82, respectively.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders
Doskocil Companies Incorporated

We have reviewed the condensed consolidated balance sheet of Doskocil Companies Incorporated and subsidiaries as of April 2, 1994, and the related condensed consolidated statements of operations for the three month periods ended April 2, 1994 and April 3, 1993, and the condensed consolidated statements of cash flows for the three month periods ended April 2, 1994 and April 3, 1993. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet as of January 1, 1994, and the related consolidated statements of operations, stockholders' equity and cash flows for the period ended January 1, 1994 (not presented herein), and in our report dated March 1, 1994, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of January 1, 1994, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

COOPERS & LYBRAND

Tulsa, Oklahoma
April 29, 1994

DOSKOCIL COMPANIES INCORPORATED

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Three Months ended April 2, 1994 compared with Three Months ended April 3, 1993. Net sales increased $11.6 million, or 8.0%, to $156.2 million for the first three months of 1994 over net sales of $144.6 million for the first three months of 1993. Volume increases generated approximately $6.7 million of the net sales increase and increases in selling price per pound contributed approximately $4.9 million of the overall increase. Sales volume in the Foodservice and Deli Divisions increased over the same period in fiscal 1993. Selling price per pound increased primarily due to the pass through of increased raw material costs.

In the first quarter of 1994, gross profit increased $2.6 million, or 10.8%, to $26.7 million from $24.1 million for the first quarter of 1993. Gross margin for the first quarter of 1994 was higher as a percentage of net sales than the first quarter of 1993 due primarily to certain cost reduction programs instituted in 1993.

During the first quarter of 1994, the Company's selling expenses increased $1.8 million, or 12.6%, over the 1993 period's amount of $14.3 million. Selling expenses increased primarily due to marketing costs associated with increased volume of sales and new product introductions in the Retail Division. General and administrative expenses totaled approximately $6.6 million in both the first quarters of 1994 and 1993. Amortization of intangible assets, which is a noncash element of operating expenses, was approximately $1.5 million in both the 1994 and the 1993 periods.

Interest and financing costs increased $0.6 million, or 20%, to $3.6 million for the first quarter of 1994 from $3.0 million for the first quarter of 1993. This increase is due to the higher fixed interest rates on the Company's long term financing entered into in the second quarter of 1993 compared to the variable rates on debt outstanding in the first quarter of 1993.

The provision for income taxes for the first quarter of 1994 was a benefit of $0.8 million primarily because, for financial reporting purposes, the Company generated losses during the period, the benefit of which is expected to be realized in the current fiscal year. The effective tax rate was calculated based on the projected taxable income for the full fiscal year and the anticipated changes for fiscal 1994 in the deferred tax assets and related valuation allowance and the deferred tax liabilities. No such benefit was recognized in the first quarter of 1993.

Liquidity and Capital Resources

Management believes that cash flow from operations for the full fiscal year combined with the borrowing capacity available under the Company's revolving working capital facility will be sufficient to meet the Company's operating and debt service cash requirements for the foreseeable future. Management anticipates that the purchase price and working capital needs of the Frozen Specialty Foods acquisition discussed below, will be financed by borrowings under a new senior secured credit facility. The balance outstanding under the current revolving working capital facility at April 2, 1994 was $10.0 million and $30.0 million was available for borrowing at that date.

On March 17, 1994 the Company entered into a stock purchase agreement with International Multifoods Corporation ("IMC") with respect to the Frozen Specialty Foods division ("Frozen Specialty Foods") of IMC. Pursuant to the stock purchase agreement, the Company will purchase all of the issued and outstanding capital stock of International Multifoods Foodservice Corp. ("IMFC") from IMC for approximately $138 million, subject to certain conditions and customary purchase price adjustments (the "IMFC Acquisition"). The Company has received a commitment from Chemical Bank, subject to completion of documentation and other requirements, to provide a $186 million senior secured credit facility for this transaction and to refinance the existing credit facility. Frozen Specialty Foods, with estimated revenues for the fiscal year ended February 26, 1994 of approximately $185 million, is a processor and marketer of prepared frozen food products primarily for the foodservice and consumer markets. Completion of the transaction is expected in the second quarter of fiscal 1994.

Cash Flows and Capital Expenditures

First three months of 1994. For the first quarter of 1994, net cash used by operating activities was approximately $0.7 million. Decreases in cash resulted primarily from net decreases in accounts payable and accrued liabilities of $7.3 million due primarily to semiannual interest payments, payments related to prior plant closings and seasonal decreases in marketing programs. These decreases were offset partially by decreases in accounts receivable and inventories, responsible for increases of cash of $2.9 million and $1.0 million, respectively. The remaining increases in cash were principally provided by the results of operations during the quarter after adding back noncash items of depreciation, amortization and the provision for postretirement medical benefits and subtracting the deferred benefit for income taxes.

Expenditures for additions to property, plant and equipment were approximately $2.7 million for the first quarter of 1994. Of this total, approximately $1.2 million of these expenditures were attributable to construction of additional capacity and the remainder for replacements and modifications to existing facilities. The source of the funds for these expenditures was primarily from the receipt of escrowed funds related to construction in progress and increased borrowings under the 1993 Credit Agreement.

First three months of 1993. For the first quarter of 1993, net cash used by operating activities was approximately $2.9 million. Decreases in cash resulted primarily from increases during the period in receivables, responsible for a decrease in cash of $3.2 million, and inventories, responsible for a decrease in cash of $3.7 million. These decreases were offset somewhat by increases in accounts payable and accrued liabilities, resulting in an increase in cash of $1.4 million. The remaining increases in cash were provided by the results of operations during the period after adding back noncash items of depreciation, amortization and the provision for postretirement benefits other than pensions.

Expenditures for additions to property, plant and equipment were approximately $2.6 million during the first quarter of 1993. Approximately $1.3 million of these expenditures were attributable to the construction of additional capacity at the Company's South Hutchinson production facility to support growth of the Foodservice Division. In addition, expenditures of approximately $1.3 million were for replacement of and modifications to existing systems and production lines.

During the first quarter of 1993, the Company issued 2.0 million shares of common stock to JLL at $15.00 per share. The proceeds from this transaction, net of related expenses, were used to reduce bank borrowings. The Company made repayments during the quarter of $0.6 million on other long-term debt, including capital lease obligations. During the quarter, the Company increased net borrowings under the Existing Credit Agreement by $8.0 million. The resulting net increase in cash from these financing activities totaled $6.3 million.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits (the following exhibits are listed and numbered in accordance with Item 601 of Regulation S-K as of the date of this filing)

Exhibit Number	Description
10.1	Amendment to Separation

	Agreement and Release Dated March 31, 1994 between Doskocil and John Hanes
10.2	Amendment to Private Label Manufacturing Agreement dated April 15, 1994 between Wilson Foods Corporation and Farmland Foods, Inc.
11.1	Calculation of Earnings per Share
15.1	Letter from Coopers & Lybrand dated May 6, 1994, Regarding Unaudited Interim Financial Information

(b) Reports on Form 8-K

Current Report on Form 8-K, dated March 17, 1994, of Doskocil Companies Incorporated was filed with the SEC on April 1, 1994 with respect to the Company entering into an agreement to purchase the stock of International Multifoods Foodservice Corporation under Item 2 (acquisition and disposition of assets), Item 5 (other events) and Item 7 (financial statements, proforma financial information and exhibits).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

DOSKOCIL COMPANIES INCORPORATED

Dated: May 17, 1994

By:/s/ William L. Brady

____

William L. Brady

Vice President, Controller
and Assistant Secretary

EXHIBIT 10.1

AMENDMENT TO SEPARATION AGREEMENT AND RELEASE

This Amendment ("Amendment") to that certain Separation Agreement and Release dated December 31, 1993 (the "Agreement") is made and entered into this 31st day of March, 1994 by and between Doskocil Companies Incorporated, a Delaware corporation ("Company"), and John T. Hanes ("JH"), an individual.

WHEREAS, the Company and JH wish to amend the above referenced Agreement in certain respects.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and JH agree as follows:

1. Separation. The Effective Date shall be May 31st, 1994.

2. 2(b) Automobile and Club Allowance. 2(b) of the Agreement is amended by the addition of the following sentence:

In addition, a lump sum payment of $2,390 shall be payable on or about April 1, 1994.

3. 2(c) Medical Insurance. 2(c) of the Agreement is deleted and a new paragraph 2(c) shall read as follows:

Medical Insurance. Continued coverage equal to current coverage under the Company's group medical insurance plan for JH and his spouse until the beginning of the month following the date on which JH reaches, or would have reached, age 65.

4. 2(f) Bonus. 2(f) of the Agreement is deleted and is hereby amended to read as follows:

Bonus. If the relevant performance objectives described in the Doskocil Companies Incorporated Annual Incentive Plan (the "Annual Incentive Plan") are met with respect to the Company's 1994 fiscal year, then JH shall be entitled to receive, at the time incentive bonuses would ordinarily be paid to participants in the Annual Incentive Plan with respect to the 1994 plan year, an incentive bonus equal to that he would otherwise have received if he had been employed until December 31, 1994.

5. 2(i) Reimbursement for Professional Fees. The last sentence of paragraph 2(i) of the Agreement is hereby amended to read as follows:

Such payment by the Company shall not exceed $10,500.

All other provisions of the Agreement shall remain in full force and effect.

Doskocil Companies Incorporated

By: (Charles I. Merrick)

____

Charles I. Merrick
Vice President

Dated: March 31, 1994

(John T. Hanes)

____

John T. Hanes

Dated: March 31, 1994

EXHIBIT 10.2

AMENDMENT TO PRIVATE LABEL MANUFACTURING AGREEMENT

THIS AMENDMENT amends, changes and modifies that certain AGREEMENT dated as of the 13th day of May, 1992, (the "Agreement") by and between Wilson Foods Corporation, a corporation organized under the laws of the State of Delaware, having offices at 2601 N.W. Expressway, Suite 1000W, Oklahoma City, Oklahoma 73112 (hereinafter called "Wilson Foods") and Farmland Foods, Inc. a - Kansas corporation, having offices at P.O. Box 7527, Kansas City, Missouri 64116-0227 (hereinafter called "Farmland"),

WITNESSETH:

In consideration of the mutual covenants contained herein and other valuable consideration, the parties hereto agree as follows:

This Amendment amends, changes and modifies the Agreement as follows:

1. Section 5 of the Agreement is amended, changed and modified so that after April 12, 1994, it will read as follows:

> 5. Term-Termination. This Agreement may be terminated by either party hereto at any time 36 months after April 12, 1994, provided prior written notice has been given to the other party at least one hundred twenty (120) days prior to such termination, specifying the date of such termination.

2. Schedule 1 (Annual Volume Requirements) is amended to read as Revised Schedule 1 attached hereto and made a part hereof effective April 12, 1994. Annual Volume Requirements shall be reviewed annually.

3. Schedule 2 (Pricing Schedule) is amended to read as Revised Schedule 2 attached hereto and made a part hereof effective April 12, 1994.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Agreement on the date first above written.

ATTEST: Wilson Foods Corporation

(Darian B. Andersen)	By: (James J. Krause)
_____________________	______________________
Secretary	Name: James J. Krause Title: Vice President
ATTEST:	Farmland Foods, Inc.
(Patsy Grieb)	By: (Christopher B. Hodges)
______________	____________________________
Secretary	Name: Christopher B. Hodges Title: Vice President Marketing

SCHEDULE 1
Revised 4/12/94

Annual Volume Requirements

Wilson will purchase the following volumes on an annual basis effective with such date as shall be mutually agreed in writing by the parties.

PRODUCT CATEGORY	ANNUAL PURCHASE VOLUME	
Sliced Cold Cuts	19.2 Mil Lbs	-10%/+20%
Smoked Sausage	4.4 Mil Lbs	-10%/+20%
Stick Sausage Products	1.0 Mil Lbs	-10%/+20%
Pork Sausage	.75 Mil Lbs	-10%/+20%
Total Volume	25.350 Mil Lbs	

The loss of any major customer that accounts for at least 5% of Wilson's business of any product category or product within a product category, will at the option of Wilson reduce the Annual Purchase Volume in proportion to such loss.

Approved By:

Wilson Foods Corporation	Farmland Foods, Inc.
By: (James J. Krause)	By:(Christopher B. Hodges)
______________________	__________________________
Date April 15, 1994	Date April 17, 1994

SCHEDULE 2
Revised 4/12/94

This Amendment, changes and modifies the Schedule as follows:

1. Section 2(c) of the Schedule is amended, changed and modified so that after April 12, 1994, it will read as follows:

> 2(c) For the term of the Agreement, Farmland will priceTrace Lean Pork Trimmings in the standard cost at $15.00 plus $1.50/cwt. for freight.

2. Section 3 of the Schedule is amended, changed and modified so that after April 12, 1994, it will read as follows:

> Labor and benefit costs are indicated in the standard cost details of each product. Labor cost may be modified for operational changes by mutual agreement, but will not be increased from the original base. Labor and benefit costs will be updated when contractual agreements between Farmland and their unions cause the actual rates to change.

Approved By:

Wilson Foods Corporation	Farmland Foods, Inc.
By: (James J. Krause)	By:(Christopher B. Hodges)
______________________	___________________________
Date April 15, 1994	Date April 17, 1994

<TABLE>

EXHIBIT 11.1

DOSKOCIL COMPANIES INCORPORATED AND SUBSIDIARIES

CALCULATION OF EARNINGS PER SHARE - UNAUDITED
(Dollar amounts in thousands, except per share figures)

<CAPTION>

	Three Months Ended	
	April 2, 1994	April 3, 1993
<S>	<C>	<C>
Income (loss) before cumulative effect of change in accounting principal	$ (478)	$ (1,530)
Cumulative effect of change in accounting for postretirement benefits other than pensions	-	(34,426)
Net income (loss)	$ (478)	$(35,956)
Primary earnings per share:		
Weighted average number of common shares outstanding	7,921	6,115
Common stock equivalents:		
Dilutive options and warrants	-	-
Weighted average number of common and common equivalent shares outstanding	7,921	6,115
Income (loss) before cumulative effect of change in accounting principal	$(0.06)	$(0.25)
Cumulative effect of change in accounting for postretirement benefits other than pensions	-	(5.63)
Net income (loss) per share	$(0.06)	$(5.88)
Fully diluted earnings per share:		
Weighted average number of common shares outstanding	7,921	6,115
Common stock equivalents:		

Dilutive options and warrants	-	-
Weighted average number of common and common equivalent shares outstanding	7,921	6,115
Income (loss) before cumulative effect of change in accounting principal	$(0.06)	$(0.25)
Cumulative effect of change in accounting for postretirement benefits other than pensions	-	(5.63)
Net income (loss) per share	$(0.06)	$(5.88)

</TABLE>

EXHIBIT 15.1

May 6, 1994

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

RE: Doskocil Companies Incorporated
Registration on Form S-8

We are aware that our report dated April 29, 1994 on our review of interim financial information of Doskocil Companies Incorporated for the period ended April 2, 1994, and included in the Company's quarterly report on Form 10-Q for the quarter then ended is incorporated by reference in the Registration Statement on Form S-8 (File No. 33-45974). Pursuant to Rule 436(c) under the Securities Act of 1933, this report should not be considered a part of the Registration Statement prepared or certified by us within the meaning of Sections 7 and 11 of that Act.

COOPERS & LYBRAND