FORM 424B3

Prospectus filed pursuant to Rule 424(b)(3)

Filing Date: **1994-10-24**
SEC Accession No. 0000950109-94-001904

FILER

GOLD KIST INC

CIK:**215994**| IRS No.: **580255560** | State of Incorp.:**GA** | Fiscal Year End: **0630**
Type: **424B3** | Act: **33** | File No.: **033-55563** | Film No.: **94554654**
SIC: **2015** Poultry slaughtering and processing

Business Address
244 PERIMETER CTR PKWY NE
ATLANTA GA 30346
4043935000

Filed pursuant to Rule 424(B)(3)
Registration Statement No.33-55563

GOLD KIST INC.

[LOGO OF GOLD KIST INC. APPEARS HERE]

$ 4,664,479--8.50%, FIFTEEN YEAR SUBORDINATED CAPITAL CERTIFICATES OF INTEREST (SERIES D)
$ 5,389,516--8.25%, TEN YEAR SUBORDINATED CAPITAL CERTIFICATES OF INTEREST (SERIES D)
$11,050,139--8.00%, SEVEN YEAR SUBORDINATED CAPITAL CERTIFICATES OF INTEREST (SERIES A)
$13,010,402--6.75%, FIVE YEAR SUBORDINATED CAPITAL CERTIFICATES OF INTEREST (SERIES C)
$13,470,942--6.25%, THREE YEAR SUBORDINATED CAPITAL CERTIFICATES OF INTEREST (SERIES A)
$13,484,192--6.00%, TWO YEAR SUBORDINATED CAPITAL CERTIFICATES OF INTEREST (SERIES A)
$29,096,776--5.65%, ONE YEAR SUBORDINATED LOAN CERTIFICATES (SERIES C)
$29,027,573--5.75%, ONE YEAR SUBORDINATED LARGE DENOMINATION LOAN CERTIFICATES (SERIES A)
$13,233,694--5.25%, SIX MONTH SUBORDINATED LARGE DENOMINATION LOAN CERTIFICATE (SERIES A)

- --

The Subordinated Capital Certificates of Interest, Subordinated Loan Certificates and Subordinated Large Denomination Loan Certificates are unsecured obligations of Gold Kist. The certificates of each series are redeemable, subject to certain limitations, by the holders, and the Five, Seven, Ten and Fifteen Year Certificates are subject to redemption at the call of Gold Kist. The Certificates of each series are subordinated, in case of liquidation of Gold Kist, to "Superior Indebtedness." As of June 25, 1994, Superior Indebtedness (as defined in the indenture under which each series will be issued) amounted to approximately $301,948,000. See Description of Subordinated Capital Certificates of Interest and Description of Subordinated Loan Certificates and Subordinated Large Denomination Loan Certificates.

- --

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. SEE "INVESTMENT CONSIDERATIONS."

- --
- --

<TABLE>
<CAPTION>

	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS (1)(2)	PROCEEDS TO GOLD KIST (2)
<S>	<C>	<C>	<C>
SUBORDINATED CAPITAL CERTIFICATES OF INTEREST			
Fifteen Year (Series D)--Per Unit (3)	$ 500		
Total	$ 4,664,479	$186,579	$ 4,477,900
Ten Year (Series D)--Per Unit (3)	$ 500		
Total	$ 5,389,516	$161,685	$ 5,227,831
Seven Year (Series A)--Per Unit (3)	$ 500		
Total	$11,050,139	$276,253	$10,773,886
Five Year (Series C)--Per Unit (3)	$ 500		
Total	$13,010,402	$260,208	$12,750,194
Three Year (Series A)--Per Unit (3)	$ 500		
Total	$13,470,942	$134,709	$13,336,233
Two Year (Series A)--Per Unit (3)	$ 500		
Total	$13,484,192	$101,131	$13,383,061
SUBORDINATED LOAN CERTIFICATES			
One Year (Series C)--Per Unit (3)	$ 500		
Total	$29,096,776	$145,485	$28,951,291
SUBORDINATED LARGE DENOMINATION LOAN CERTIFICATES			
One Year (Series A)--Per Unit (4)	$ 50,000		

Total	$29,027,573	$145,139	$28,882,434
Six Month (Series A)--Per Unit (5)	$ 20,000		
Total	$13,233,694	$ 33,084	$13,200,610

</TABLE>

(1) Agvestments, Inc. ("Agvestments"), a wholly-owned subsidiary of Gold Kist, has been engaged by Gold Kist to solicit from the public on a best efforts basis offers to purchase the securities described herein. All offers to purchase are subject to acceptance by Gold Kist. Gold Kist has agreed to pay all of the expenses and disbursements of Agvestments, including the commissions of its associated persons and to furnish all facilities, financing and accounting, clerical and recordkeeping services necessary for the conduct of Agvestments' business. Gold Kist has also agreed to pay all liabilities incurred by Agvestments, including liabilities under the Securities Act of 1933. The commissions to be paid to Agvestments' associated persons will be established by Agvestments from time to time within the following ranges of percentage of the sales price of the certificates: Six Month Certificates-- 1/8- 1/4%; One Year Certificates-- 1/4- 1/2%; Two Year Certificates-- 1/2- 1/4%; Three Year Certificates-- 1/4-1%; Five Year Certificates--1-2%; Seven Year Certificates--1.5-2.5%; Ten Year Certificates--2-3%; and Fifteen Year Certificates--2-4%. Agvestments offers cash bonuses to its associated persons under an incentive program, but in no event can the total compensation to any associated person exceed 5% of the sales price of certificates. Assuming that all registered certificates are sold and that the maximum incentive bonuses are earned by Agvestments' associated persons on such sales, the maximum compensation to be paid to Agvestments on the sale of $132,427,713 in face amount of certificates would total $1,471,823.

Agvestments is a registered broker-dealer under the Securities Exchange Act of 1934 and a member of the National Association of Securities Dealers, Inc. ("NASD"). Agvestments' principal office is located at 244 Perimeter Center Parkway, N.E., Post Office Box 2210, Atlanta, Georgia 30301. This offering is being made in compliance with the terms of a partial exemption from the requirements of Schedule E of the NASD By-Laws. As a condition of this partial exemption, a minimum of 80 percent of the dollar amount of aggregate sales made in this offering must be to members, equity holders, producer-suppliers, non-member patrons or employees of Gold Kist, a subsidiary, franchisee or member association, or to holders of securities thereof within the past three years who were in one of the above categories at the time of purchase of such securities, or to family members or affiliates of one of the above.

(2) The proceeds to Gold Kist of $130,955,890 are before deducting the expenses to be borne by Gold Kist of an estimated amount of $110,190. The certificates are offered on a best efforts basis for an indeterminate period of time, not expected to be in excess of two years. There is no requirement that the minimum amount of the securities of any series offered hereby must be sold.

(3) All certificates are offered at par in minimum denominations of $500; however, certificates will be issued in any amount which is $500 or larger.

(4) All certificates are offered at par in minimum denominations of $50,000; however, certificates will be issued in any amount which is $50,000 or larger.

(5) All certificates are offered at par in minimum denominations of $20,000; however, certificates will be issued in any amount which is $20,000 or larger.

AGVESTMENTS, INC.

The Date of this Prospectus is October 25, 1994

AVAILABLE INFORMATION

Gold Kist is subject to the informational requirements of the Securities Exchange Act of 1934 and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). Reports and other information filed by Gold Kist can be inspected and copied at the public reference facilities of the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at its regional offices located at 75 Park Place, 14th Floor, New York, New York 10007; and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such material can be obtained by mail from the Public Reference Section of the Commission, 450 Fifth Street N.W., Washington, D.C. 20549 at prescribed rates.

Gold Kist has filed with the Securities and Exchange Commission Registration

Statements under the Securities Act of 1933 with respect to the securities offered hereby. This Prospectus does not contain all information set forth in the Registration Statements, certain portions of which have been omitted as permitted by the rules and regulations of the Commission. For further information with respect to Gold Kist and the securities offered hereby, reference is made to the Registration Statements, including the exhibits, consolidated financial statements and schedules filed as a part thereof. The Registration Statements may be inspected without charge at the principal offices of the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. Copies of the Registration Statements, or any part thereof, may be obtained from the Commission's principal office in Washington, D.C. upon payment of the fees prescribed by the Commission.

The summaries or descriptions of documents in this Prospectus do not purport to be complete, and where any such document is an exhibit to the Registration Statement, each such statement is qualified in all respects by the provisions of such exhibit, to which reference is hereby made for a full statement of its provisions.

INFORMATION INCORPORATED BY REFERENCE

The Annual Report on Form 10-K for the fiscal year ended June 25, 1994, which was filed by Gold Kist with the Securities and Exchange Commission, is incorporated into this Prospectus by reference.

Gold Kist will furnish without charge to each person to whom this Prospectus is delivered, on the request of such person, a copy of any and all of the information that has been incorporated by reference in the Registration Statement (not including exhibits to the information that is incorporated by reference unless such exhibits are specifically incorporated by reference into the information that the Registration Statement incorporates). Such request should be directed to Jack L. Lawing, Corporate Secretary, Gold Kist Inc., 244 Perimeter Center Parkway, N.E., Atlanta, Georgia 30346, whose telephone number is (404) 393-5000.

PROSPECTUS SUMMARY

The following summary highlights certain information about Gold Kist Inc. and is qualified in its entirety by the detailed information and financial statements and related notes appearing elsewhere in this Prospectus.

THE ASSOCIATION

Gold Kist Inc. is a diversified agricultural membership cooperative association, headquartered in Atlanta, Georgia. Gold Kist serves approximately 25,000 active farmer members and other cooperative associations located principally in the southeastern United States. Gold Kist both markets products and purchases supplies and equipment for its members. See Business.

THE OFFERING

The various classes of securities described below are offered for sale.

SECURITIES OFFERED

<TABLE>
<CAPTION>

DESCRIPTION OF SECURITIES	AGGREGATE FACE AMOUNT
<S>	<C>
Subordinated Capital Certificates of Interest	
15 year maturity, Series D (Interest as indicated on the front cover of this Prospectus)	$ 4,664,479
10 year maturity, Series D (Interest as indicated on the front cover of this Prospectus)	$ 5,389,516
7 year maturity, Series A (Interest as indicated on the front cover of this Prospectus)	$11,050,139
5 year maturity, Series C (Interest as indicated on the front cover of this Prospectus)	$13,010,402
3 year maturity, Series A (Interest as indicated on the front cover	

of this Prospectus)	$13,470,942
2 year maturity, Series A (Interest as indicated on the front cover of this Prospectus)	$13,484,192
Subordinated Loan Certificates	
1 year maturity, Series C (Interest as indicated on the front cover of this Prospectus)	$29,096,776
Subordinated Large Denomination Loan Certificates	
1 year maturity, Series A (Interest as indicated on the front cover of this Prospectus)	$29,027,573
6 month maturity, Series A (Interest as indicated on the front cover of this Prospectus)	$13,233,694

</TABLE>

Equivalent Subordination

The Subordinated Capital Certificates of Interest, the Subordinated Loan Certificates and the Subordinated Large Denomination Loan Certificates of each class rank equally under their respective subordination provisions. See Description of Subordinated Capital Certificates of Interest--Subordination, and Description of Subordinated Loan Certificates and Subordinated Large Denomination Loan Certificates--Subordination.

Redemption at Request of Certificateholder

The certificates of each class may be redeemed prior to maturity upon the death of a certificateholder or, subject to quarterly amount limitations except in the case of the Subordinated Loan Certificates and Subordinated Large Denomination Loan Certificates, at any time. Redemption prior to maturity, other than upon the death of a certificateholder, requires a substantial redemption penalty which, under certain circumstances, could exceed the amount of interest paid or accrued on the certificate to the date of

redemption, thus resulting in a redemption price which is less than the principal amount of the certificate. See Description of Subordinated Capital Certificates of Interest--Redemption at the Request of Certificateholder, and Description of Subordinated Loan Certificates and Subordinated Large Denomination Loan Certificates--Redemption at the Request of Certificateholder.

The indentures governing the Subordinated Capital Certificates of Interest, the Subordinated Loan Certificates and the Subordinated Large Denomination Loan Certificates of each series do not contain additional redemption provisions requiring Gold Kist to repurchase the certificates at the request of the certificateholder upon the occurrence of a change in control of Gold Kist, nor do the indentures contain any provisions designed to afford protection to certificateholders in the event of a highly leveraged transaction involving Gold Kist.

Redemption at the Option of Gold Kist

In addition to redemptions at the request of the certificateholder, Gold Kist may, at its option, redeem all or, from time to time, any part of the certificates of five, seven, ten and fifteen year maturity on any date prior to maturity. In such event, the redemption price would be 100% of the principal amount redeemed, plus accrued but unpaid interest on that amount, plus a substantial redemption premium. See Description of Subordinated Capital Certificates of Interest--Redemption at the Option of Gold Kist.

METHOD OF SALE

The securities are offered for sale by Agvestments, Inc. on a best efforts basis.

SELLING PRICE

The securities are offered at par.

USE OF PROCEEDS

The proceeds from this offering of securities will be used primarily to repay a portion of the Association's other indebtedness and for general corporate purposes. See Use of Proceeds.

MATERIAL RISKS

Reference is made to the section of this Prospectus entitled Investment Considerations.

SUMMARY OF SELECTED FINANCIAL INFORMATION

	FOR FISCAL YEARS ENDED (000'S OMITTED)				
	JUNE 30, 1990	JUNE 29, 1991	JUNE 27, 1992	JUNE 26, 1993	JUNE 25, 1994
Consolidated Statement of Operations Data:					
Net sales volume.........	$1,184,610	1,259,033	1,300,906	1,400,566	1,561,034
Net margins (loss)(A)....	$ 42,119	32,933	(20,614)	27,238	39,404
Ratio of net margins (loss) to fixed charges(B)..............	3.8	2.5	1.4	3.2	3.8

	AS OF (000'S OMITTED)				
	JUNE 30, 1990	JUNE 29, 1991	JUNE 27, 1992	JUNE 26, 1993	JUNE 25, 1994
Consolidated Balance Sheet Data:					
Total assets.............	$ 616,741	671,756	676,698	665,102	716,432
Total liabilities........	$ 321,344	351,284	382,789	354,889	394,754
Patrons' and other equity..................	$ 273,183	296,940	271,456	285,620	296,662

- --------

A. See Note 6 and Note 7(b) of Notes to Consolidated Financial Statements.
B. See Selected Consolidated Financial Data, Note C.

GOLD KIST INC.

Gold Kist Inc. ("Gold Kist" or the "Association") is a diversified agricultural membership cooperative association, headquartered in Atlanta, Georgia. Gold Kist serves approximately 25,000 active farmer members located principally in the southeastern United States. In addition, other cooperative associations are members.

Gold Kist is both a marketing and purchasing cooperative; it markets products and commodities and purchases supplies and equipment for its members. The Association also engages in marketing and purchasing transactions with nonmembers. Transactions with its members are on a cooperative basis, and members are entitled to receive patronage refunds out of net margins earned on such business. See Business--Patronage Refunds. Patronage refunds are not paid to nonmembers. The Association also engages in non-cooperative activities through subsidiaries and partnerships.

Gold Kist conducts broiler and pork production operations, providing both marketing and purchasing services to producers. Gold Kist also purchases or manufactures feed, seed, fertilizers, pesticides, animal health products and other farm supply items for sale at wholesale and retail. Additionally, the Association serves as a contract procurement agent for, and stores, farm commodities such as soybeans and grain, and is a partner in a major peanut processing and marketing business, in a pecan processing and marketing business and in an agricultural fertilizer and chemical production, sales and distribution business.

The Association's principal office is located at 244 Perimeter Center Parkway, N.E., Atlanta, Georgia 30346, and its telephone number is (404) 393-5000.

INVESTMENT CONSIDERATIONS

LACK OF ESTABLISHED MARKET FOR SECURITIES OFFERED

There is no established market for the Subordinated Capital Certificates of Interest, Subordinated Loan Certificates and Subordinated Large Denomination Loan Certificates presently outstanding, and it is unlikely that a market will be available in which the certificates offered by this Prospectus can be sold.

SUBORDINATION OF SECURITIES OFFERED

Payment of the principal and interest on the Subordinated Capital Certificates of Interest, Subordinated Loan Certificates and Subordinated Large Denomination Loan Certificates of each series offered hereby is subordinated in right of payment, in case of liquidation of Gold Kist, to the prior payment in full of the principal of and interest on "Superior Indebtedness," as set forth in the indentures under which each series of Subordinated Capital Certificates of Interest, Subordinated Loan Certificates and Subordinated Large Denomination Loan Certificates will be issued. As of June 25, 1994, Superior Indebtedness (as defined in the indentures) amounted to approximately $301,948,000 and additional Superior Indebtedness, without limitation, may be created from time to time. See Description of Subordinated Capital Certificates of Interest--Subordination, and Description of Subordinated Loan Certificates and Subordinated Large Denomination Loan Certificates--Subordination.

AFFILIATED UNDERWRITER

Agvestments, Inc. is a wholly-owned subsidiary of Gold Kist. Under the terms of an agreement with Gold Kist, Agvestments' business is restricted to the offering and sale of securities issued by Gold Kist. This offering is being made in compliance with the terms of a partial exemption from the requirements of Schedule E of the NASD By-Laws; no persons other than associated persons of Gold Kist or Agvestments participated in determining the price and other terms of the securities offered hereby. The rate of interest borne by certificates of each series is determined from time to time by the Board of Directors of Gold Kist or its

delegates, who are officers of Gold Kist, but no change in the rate affects any certificates theretofore issued. The rates are reexamined weekly by officers of Gold Kist and Agvestments, and a pricing determination is made based upon the yields offered on debt securities of comparable maturities issued by the United States Government and other market factors.

USE OF PROCEEDS

The maximum net proceeds to Gold Kist from the sale of the certificates offered hereby are estimated to be $130,955,890 before deduction of expenses estimated to be $110,190. The proceeds will be used in the following order of priority. Approximately $34,976,000 of the proceeds will be used for the repayment or redemption of outstanding Gold Kist Certificates of Interest, Loan Certificates and Large Denomination Loan Certificates which will mature during the twelve-month period ending October 31, 1995. The rates of interest borne by such indebtedness are set forth in Note 4 of Notes to Consolidated Financial Statements. Any remaining proceeds will be used for general corporate purposes, including additional production and processing plant capacity expansion and additional working capital.

The Subordinated Capital Certificates of Interest, Subordinated Loan Certificates and Subordinated Large Denomination Loan Certificates are being offered as a continuous offering on a "best efforts" basis by Agvestments, Inc. Consequently, no assurance can be given as to the amount of Subordinated Capital Certificates of Interest, Subordinated Loan Certificates or Subordinated Large Denomination Loan Certificates that will be sold or as to the amount of net proceeds therefrom which will be available to Gold Kist from time to time. If substantially less than the maximum proceeds are obtained, to the extent that cash flow from future operations is not sufficient, Gold Kist would borrow necessary additional funds from banks and other lenders. See Note 4 of Notes to Consolidated Financial Statements.

SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated financial data presented below under the captions "Consolidated Statement of Operations Data" for each of the years in the five-year period ended June 25, 1994 and "Consolidated Balance Sheet Data" as of June 30, 1990, June 29, 1991, June 27, 1992, June 26, 1993, and June 25, 1994 are derived from the consolidated financial statements of Gold Kist Inc. and subsidiaries, which consolidated financial statements have been audited by KPMG Peat Marwick LLP, independent auditors. The consolidated financial statements as of June 26, 1993 and June 25, 1994 and for each of the years in the three-year period ended June 25, 1994, and the report thereon of KPMG Peat Marwick LLP, which is based partially upon the report of other auditors, are included elsewhere. The information set forth below should be read in conjunction with Management's Discussion and Analysis of Consolidated Results of Operations and Financial Condition and the aforementioned consolidated financial statements, the related notes and the audit report, which refers to changes in accounting for income taxes and postretirement benefits other than pensions, included elsewhere herein.

<TABLE>
<CAPTION>

	FOR FISCAL YEARS ENDED (000'S OMITTED)				
	JUNE 30, 1990	JUNE 29, 1991	JUNE 27, 1992	JUNE 26, 1993	JUNE 25, 1994
<S>	<C>	<C>	<C>	<C>	<C>
CONSOLIDATED STATEMENT OF OPERATIONS DATA:					
Net sales volume...........	$1,184,610	1,259,033	1,300,906	1,400,566	1,561,034
Interest expense...........	$ 18,106	18,437	18,545	17,163	13,924
Margins (loss) before cumulative effect of accounting changes........	$ 42,119	32,933	(1,643)	27,238	34,065
Cumulative effect of changes in accounting:					
Income taxes (A).........	$ --	--	--	--	5,339
Postretirement benefits other than pensions (net of $10,698 income tax benefit) (B)...........	$ --	--	(18,971)	--	--
Net margins (loss).........	$ 42,119	32,933	(20,614)	27,238	39,404
Ratio of net margins (loss) to fixed charges (C)......	3.8	2.5	1.4	3.2	3.8

<CAPTION>

	AS OF (000'S OMITTED)				
	JUNE 30, 1990	JUNE 29, 1991	JUNE 27, 1992	JUNE 26, 1993	JUNE 25, 1994
<S>	<C>	<C>	<C>	<C>	<C>
CONSOLIDATED BALANCE SHEET DATA:					
Working capital............	$ 123,888	114,652	108,045	140,629	139,847
Total assets...............	$ 616,741	671,756	676,698	665,102	716,432
Long-term liabilities......	$ 130,709	146,183	159,449	152,792	144,992
Total liabilities..........	$ 321,344	351,284	382,789	354,889	394,754
Patrons' and other equity..	$ 273,183	296,940	271,456	285,620	296,662
Current ratio..............	1.65	1.56	1.48	1.70	1.56
Long-term liabilities to total capitalization......	% 32.36	32.99	37.00	34.85	32.83

========== ========= ========= ========= =========
</TABLE>

- --------

Note:

(A) See Note 6 of Notes to Consolidated Financial Statements.

(B) See Note 7(b) of Notes to Consolidated Financial Statements.

(C) The ratio is calculated by dividing the sum of margins (loss) before cumulative effect of change in accounting principle, income tax expense (benefit), equity in the earnings (loss) of a partially-owned affiliate, minority interest in earnings (loss) of subsidiary, adjusted to exclude earnings not distributed of partially-owned affiliates, interest capitalized and fixed charges by fixed charges. Fixed charges consist of interest charges on all indebtedness and that portion of rentals considered to be the interest factor. The ratio computation does not include interest charges incurred by Golden Peanut Company of $10,803, $10,684, $8,151, $9,126 and $10,113 for 1990, 1991, 1992, 1993, and 1994, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
CONSOLIDATED RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The nature of the poultry industry and the agriculture (agribusiness) industry in general is such that supply and demand market forces exert a significant amount of influence over the operations of firms engaged in these businesses. Prices of commodities react directly to supply and demand. Additionally, demand for poultry and other agricultural products produced, processed and marketed by Gold Kist is often influenced by supplies and prices of alternative products.

As with other perishable commodity businesses, the integrated poultry industry has demonstrated a cyclical nature with varying levels of profits, and to a lesser extent, losses over its 35 year history. With the exception of a brief period during 1992, the past eleven years have been a period of continued profitability. The following addresses the various factors that have influenced poultry industry profitability during the past several years. After a year of weak broiler market prices in 1989, market prices increased during the winter of 1990 as a result of increased exports to the former Soviet Union. Broiler market prices declined again in 1991 and remained at low levels throughout 1992 as a result of the economic recession affecting the United States, the decline in poultry exports and excess industry supply. Improved market prices in 1993 and 1994 were the result of a general economic recovery in the United States and increased demand for poultry products. According to USDA estimates, the supply of broilers is expected to increase at a 5.6% rate in 1994 and a 4.7% rate in 1995 as compared to the 6.5% average annual increase between 1991 and 1993. In 1990 and 1991, feed grain prices, which represent approximately 50% of total broiler production costs, moderated as a result of the favorable United States grain harvests for those two years. The record 1992 United States corn harvest brought lower feed ingredient prices in 1993. In 1994, feed ingredient prices increased substantially as a result of the reduced corn harvest in 1993. Flooding in the Midwestern United States during the summer of 1993 severely impacted the 1993 United States grain harvest and boosted feed ingredient prices to near record levels. As a result of the increase in planted corn and soybean acreage and favorable growing conditions in the summer of 1994, market prices for feed ingredients are expected to decrease substantially in 1995. Management is unable to predict whether such conditions will continue in the future or to what extent cyclical pressures will affect the Association's operations.

Historically, weather has had a significant impact on the farm economy and the operating results of the Association. Favorable weather conditions contributed to normal grain production in the United States, which contributed to lower commodity prices. Hot, dry weather conditions in the Southeast during the summer of 1990 negatively affected yields on row crop production of corn, soybeans and peanuts, thus lowering Southeastern farm income. Wet weather conditions in the Southeast during the 1991 spring planting season contributed to reduced planting of corn and soybean acreage. However, planted acreage of peanuts and cotton, although delayed by wet weather, increased in 1991 as compared to the prior year. Generally, favorable weather conditions throughout 1992 provided for a near perfect planting season in the Southeast, which contributed to improved 1992 operating results in the Agri-Services segment. Wet weather conditions in the Southeast during the 1993 spring planting season reduced corn and peanut acreage and were followed by early summer drought conditions. These inclement weather factors had a negative impact on 1993 Agri-Services operating results. Hot, dry weather conditions in the late summer of 1993 damaged pastures in the Southeast, which resulted in increased sales of agricultural products in 1994. In addition, favorable spring weather conditions contributed to increased planting activity in 1994.

Export sales for 1992, 1993 and 1994 were $29.8 million, $27.5 million and $37.7 million, respectively. In the two year period ending in 1993, export sales declined as a result of reduced sales activity with the former Soviet Union. However, in 1994, export sales increased as a result of a demand for poultry from the Commonwealth of Independent States, Far East and Mexico. Export sales of poultry products will be influenced by credit availability to foreign countries, particularly the Commonwealth of Independent States, Eastern European nations and the Far East, and the United States government's willingness to support the industry through export enhancements.

The Association's operations are classified into two reportable business segments. See Note 10 of Notes to Consolidated Financial Statements. The discussion of results of operations relates the effects of these significant economic factors on those segments for each of the years in the three-year period ended June 25, 1994.

RESULTS OF OPERATIONS

Fiscal 1993 Compared to Fiscal 1992

Net sales volume of $1.4 billion for 1993 increased 7.7% or $99.7 million from the prior fiscal year primarily due to increased sales of fresh and further-processed chicken products. The Association posted net margins from operations, before general corporate expenses and other income, of $45.1 million for 1993 as compared to net losses from operations, before general corporate expenses and other income, of $7.8 million for 1992. The Association's return to profitability was primarily due to improved operating margins in the Poultry segment resulting from higher market prices for poultry products and lower field production costs. The Association's margins before cumulative effect of change in accounting principle were $27.2 million for 1993 as compared to a $1.6 million loss before cumulative effect of accounting change for 1992.

In 1993, the Poultry segment had net sales volume of $1.1 billion as compared to $963.1 million for 1992. Net margins from operations were $43.3 million for 1993 as compared to a net loss from operations of $8.1 million for 1992. The increase in net sales volume and net margins was due to a 6% increase in pounds of broilers marketed, as well as a 5% increase in average selling prices. The sales tonnage increases resulted from production and processing expansion at three poultry complexes located in Alabama, South Carolina and Florida. In addition to the previous discussion regarding poultry market prices, average selling prices were positively influenced by reduced supplies of competing meats. The increase in operating margins during 1993 was also influenced by the decline in production costs related to a 5% decrease in poultry feed ingredient costs. The Pork production operation's 1993 net margins from operations were $1.2 million as compared to a net loss from operations of $121,000 for 1992. The increase was related to the strengthening of overall meat selling prices.

Net sales volume in the Agri-Services segment for 1993 was $322.6 million, down approximately 4.5% from $337.8 million in 1992, as a result of reduced fertilizer and animal feed sales. The Agri-Services segment had net margins from operations of $1.9 million as compared to $253,000 for 1992. Although the year to year net margin comparison was favorable, results of operations for 1992 included a $2.8 million loss associated with closed operations. The results of operations in 1993 were negatively affected by wet weather conditions in the early spring and late spring drought conditions that hampered and reduced planting activity in the Southeast.

In 1993, the Association's distribution, administrative and general expenses were $111.5 million as compared to $103.7 million in 1992, an increase of 7.5%. The increase reflects higher incentive compensation expense related to the increase in margins and general expense increases related to expansion in the Poultry segment. Distribution, general and administrative expenses as a percentage of net sales were 8.0% for 1992 and 1993.

Other income (deductions) totaling $4.2 million for 1993 decreased $5.5 million from $9.7 million for 1992. The reduction of $6.7 million in the Association's pro rata share of Golden Peanut Company's net income accounted for the overall decline in other income (deductions). See Note 9(b) of Notes to Consolidated Financial Statements. The decline in Golden Peanut Company's net income in 1993 was the result of lower market prices for shelled peanuts related to the large crop harvested in 1992. Interest income of $7.5 million declined approximately $3.6 million for 1993. The 1992 year included $3.1 million in interest received on income tax refunds for the 1984 through 1986 years. Miscellaneous, net in 1993 includes income of $1.6 million that represents the Association's equity in the earnings of a partially-owned foreign affiliate as

compared to equity in the loss of the affiliate in 1992 of $2.7 million. The affiliate's principal activities include marketing, purchasing and resale of edible peanuts. The 1992 operating loss sustained by the affiliate was primarily due to low market prices for foreign sourced peanuts and the poor quality of a significant portion of the peanuts traded. In addition, miscellaneous, net for 1992 and 1993 includes patronage refunds from other cooperatives and dividends of $3.8 million and $2.9 million, respectively, and rental income of $1.9 million and $1.7 million, respectively.

Fiscal 1994 Compared to Fiscal 1993

Net sales volume of $1.6 billion for 1994 increased 11.5% or $160.5 million from the prior fiscal year as a result of increased sales of poultry products, as well as increased sales of agricultural production inputs. The Association had net margins from operations, before general corporate expenses and other deductions, of $60.6 million for 1994 as compared to $45.1 million in 1993. The 34.3% increase resulted primarily from higher selling prices for poultry products and increased sales of agricultural products in the Southeast. The Association's margins before the cumulative effect of accounting changes were $34.1 million for 1994 as compared to $27.2 million in 1993.

The Poultry segment had record setting net sales volume of $1.2 billion for 1994, which represented a 9.8% increase from the previous fiscal year. Net margins from operations for 1994 were $52.2 million, a 20.6% increase as compared to 1993. The increase in net sales volume resulted from an 6.7% increase in pounds of poultry marketed and a 6.3% increase in average selling prices. The impact of these factors on net sales volume was partially offset by lower sales of non-poultry items. As previously discussed, the increase in market prices for poultry products reflected the general economic recovery in the United States and the increase in poultry exports during 1994. The increase in poultry net margins was partially offset by increased feed ingredient prices which averaged approximately 10.0% above the prior year. Market prices for corn and soybean meal increased 21.0% and 8.7%, respectively, over the prior year due to the weather reduced crop in 1993. Market prices for competing meats in late 1994 declined as a result of heavy cattle and pork processing. As a result, net margins in the pork production operation declined to $775,000 for 1994 as compared to $1.2 million in 1993.

Net sales volume in the Agri-Services segment for 1994 was $377.3 million, an increase of $54.7 million or 16.9% as compared to 1993. Net operating margins for 1994 were $8.5 million which represented a $6.6 million increase from 1993. The improvements were due primarily to increased sales of agricultural production inputs such as fertilizers, chemicals, seed and animal feeds through the Association's farm supply stores and independent dealers. Hot, dry weather conditions in 1993 damaged pastures in the Southeast, which resulted in increased sales of animal feeds in the fall and winter and led to increased plantings necessary to reestablish pastures. Also, contributing to these improvements was the increase in cotton acreage and generally favorable weather conditions for planting during the late winter and spring of 1994.

In 1994, the Association's distribution, administrative and general expenses were $121.4 million as compared to $111.5 million for 1993, an increase of 8.9%. The increase reflects higher incentive compensation expense related to the increase in margins and general expense increases related to expansion in the Poultry segment and increased net sales volume in the Agri-Services segment. Distribution, general and administrative expenses as a percentage of net sales were 7.8% for 1994 and 8.0% for 1993.

The various components included in other income (deductions) represented a deduction of $4.3 million for 1994 as compared to income of $4.2 million for 1993. Interest income of $6.8 million for 1994 declined approximately $788,000 from 1993 due primarily to the sale of collateralized loans to an insurance company. See Note 8 of Notes to Consolidated Financial Statements. Interest expense for 1994 was $13.9 million as compared to $17.2 million in 1993. The $3.2 million decline was due primarily to an 11% reduction in average borrowings and lower interest rates. The Association's $1.1 million pro rata share of the Golden Peanut Company's 1994 loss (equity in loss of partnership) represented a significant portion of the decrease in other income (deductions) for 1994. Golden Peanut Company adopted Statement of Financial Accounting Standards No. 106 (SFAS 106) "Employers' Accounting for Postretirement Benefits other Than Pensions," resulting in a charge of $3.9 million to earnings in 1994. Also, the decline in Golden Peanut Company's 1994

operating results was related to the general oversupply situation that exists in the United States for domestic peanuts, and the increase of peanut based foods imported into the United States. See Note 9 (b) of Notes to Consolidated Financial Statements. Miscellaneous, net includes the Association's equity in the earnings of a partially-owned foreign affiliate whose principal business activities include the marketing, purchasing and resale of edible peanuts. The Association recognized income for 1994 and 1993 of $250,000 and $1.6 million, respectively. The decline in the affiliate's net earnings was the result of lower market prices for foreign sourced peanuts. Miscellaneous, net for 1994 includes patronage refunds from other cooperatives and other dividends totaling $710,000 as compared to $2.9 million for 1993. Rental income of approximately $1.8 million was included in miscellaneous, net for 1994 and 1993.

FINANCIAL CONDITION

LIQUIDITY AND CAPITAL RESOURCES

The Association's liquidity is dependent upon funds from operations and external sources of financing. The principal sources of external short-term financing are proceeds from the continuous offering of Subordinated Loan Certificates, a revolving credit facility with a group of banks and uncommitted lines of credit. The Association had unused loan commitments of $37.4 million and additional unused uncommitted facilities to provide loans and letters of credit from banks aggregating approximately $122.6 million at June 25, 1994. The primary sources of external long-term financing are a note agreement with an insurance company and proceeds from the continuous offering of Subordinated Capital Certificates of Interest. See Note 4 of Notes to Consolidated Financial Statements.

Covenants under the terms of the loan agreements with lenders include conditions that could limit short-term and long-term financing available from various external sources. The terms require a ratio of current assets to current liabilities of not less than 1.20:1, the ratio of senior funded debt to total capitalization not to exceed 40% and total funded debt to total capitalization not to exceed 50%. At June 25, 1994, Gold Kist's current ratio, senior funded debt to total capitalization and total funded debt to capitalization, determined under the loan agreements, were 1.51:1, 23% and 37%, respectively. The loan agreements apply to the Association and its subsidiaries, excluding Golden Poultry. The Association was in compliance with all applicable conditions in loan agreements with all lenders at June 25, 1994. See Note 4 of Notes to Consolidated Financial Statements.

In 1992, the principal sources of cash used to fund capital expenditures and other investments totaling $52.8 million, as well as the $21.8 million net increase in operating assets and liabilities, were proceeds from the distribution of Golden Peanut Company's 1991 partnership earnings and the disposal of investments totaling $34.7 million, income tax refunds of $21.0 million and increased short-term borrowings from commercial banks of $15.8 million. Capital expenditures of $46.0 million and the increase in inventories and receivables during 1992 were primarily related to poultry production and processing expansion at three poultry complexes. Increased sales of the Association's Subordinated Capital Certificates were used primarily for the repayment of long-term borrowings and redemptions of Subordinated Loan Certificates. The Association's use of cash in 1992 included $8.8 million for cash patronage refunds and other equity payments.

In 1993, net cash provided by operations and proceeds from long-term debt were used primarily to repay short-term and long-term borrowings of $76.7 million. During 1993, the Association and its consolidated subsidiaries investment activities included $23.3 million in expenditures for property, plant and equipment. The Association's use of cash included $4.8 million for cash patronage refunds and other equity payments as compared to $8.8 million in 1992. The expenditures for property, plant and equipment during 1993 included $17.5 million related to expansion and improvements in the poultry operations, as well as $5.5 million for the acquisition of retail stores, agricultural chemical distribution facilities, and a chemical application equipment manufacturer and distributor.

In 1994, existing cash balances, proceeds from long-term debt and short-term borrowings, and net cash provided by operations of $36.8 million were used to fund capital expenditures, repayment of long-term debt, patronage refunds and other equity payments. Capital expenditures in 1994 included $32.7 million related to expansion and improvements in poultry operations, as well as $3.8 million for improvements to retail stores and other agricultural operations. During 1994, the Association had cash payments of approximately $22.7 million for patronage refunds and other equity payments. These payments included $10.2 million representing the redemption of Revolving Fund and Cumulative Preferred Certificates.

The Association, including its non-cooperative subsidiaries, plans capital expenditures of approximately $76.0 million in 1995 that primarily include expenditures for expansion and technological advances in poultry production and processing. In addition, planned capital expenditures include other asset improvements and necessary replacements. Management intends to finance the planned 1995 capital expenditures with existing cash balances and cash provided by operating activities and additional long-term borrowings as needed. In 1995, management expects cash expenditures to approximate $17.7 million for equity redemptions. The Association believes cash on hand at June 25, 1994 and cash expected to be provided from operations, in addition to borrowings available under existing credit arrangements, will be sufficient to maintain cash flows adequate for the Association's projected growth and operational objectives during 1995.

EFFECTS OF INFLATION

The major factor affecting the Association's net sales volume and cost of sales is the change in commodity market prices for broilers, feed grains, fertilizers and hogs. The prices of these commodities are based on world market conditions and are volatile in response to supply and demand, as well as political and economic events. The price fluctuations of these commodities do not necessarily correlate with the general inflation rate. Inflation has, however, affected operating costs such as labor, energy and material costs.

FUTURE ACCOUNTING REQUIREMENTS

In May 1993, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" (SFAS 115), which must be applied by fiscal 1995. SFAS 115 will require a change in the accounting for investments in equity securities with determinable fair value and for all investments in debt securities. Implementation of SFAS 115 will increase total assets and patrons' equity by approximately $12 million, net of deferred income taxes, based principally on the quoted market price as of June 25, 1994 of the available for sale marketable equity security. See Note 9(a) of Notes to Consolidated Financial Statements.

BUSINESS

Gold Kist offers both cooperative marketing and cooperative purchasing services to its member patrons. The standard Membership, Marketing and/or Purchasing Agreement between each member and Gold Kist does not require the member to market agricultural products or to purchase farm supplies through Gold Kist. The Association undertakes to market for the member agricultural products of a type marketed by Gold Kist and to purchase or manufacture and sell to the member farm supplies, provided handling such supplies is advantageous for Gold Kist. The Association also serves as a contract procurement agent for, and storer of, farm commodities such as soybeans and grain and is a partner in a major peanut processing and marketing business, in a pecan processing and marketing business and in an agricultural fertilizer and chemical production, sales and distribution business.

Agriculture is generally cyclical in nature. Agricultural commodities are subject to wide fluctuations in price, based on supply of the farm commodities and demand for the raw or processed products. In addition, a portion of Gold Kist's business is dependent on the demand of farmers for the purchase of products, which is influenced by the general farm economy and the success of particular crops. The cyclical nature of Gold

Kist's operations related to various commodities causes variations from year to year in sales, costs, and prices which has resulted in net margins in certain years and losses in others.

Gold Kist follows the general practice of hedging varying amounts of its feed ingredients by buying or selling options or contracts for future delivery in the commodity markets. While hedging is designed to reduce the risk of fluctuations in the market prices of commodities, hedging itself involves substantial risks and can result in losses. Gold Kist's activities related to commodities futures hedging strategies have not been significant to its feed grain requirements, and the results of commodities options transactions have not been material to results of operations.

For information relating to Gold Kist's industry segments, see Note 10 of Notes to Consolidated Financial Statements.

POULTRY

Gold Kist provides cooperative purchasing and marketing services to its members who are producers under its integrated broiler or pork production programs. Six broiler complexes operating on a cooperative basis and encompassing broiler, pullet and breeder flocks, hatcheries, feed mills, poultry processing plants and transportation facilities, are located in Alabama, Florida and Georgia. Golden Poultry, a subsidiary owned 72% by Gold Kist, owns and operates integrated broiler complexes on a non-cooperative basis, in Alabama, Georgia and North Carolina. Carolina Golden Products Company, a general partnership consisting of Golden Poultry and AgriGolden, Inc., a wholly-owned subsidiary of Gold Kist, operates a poultry processing complex on a non-cooperative basis in South Carolina.

The principal poultry products marketed are whole chickens, cut-up chickens, segregated chicken parts and further processed products packaged in various forms, i.e., bulk fresh ice pack, chill pack and frozen. Ice pack chicken is sold primarily to distributors, grocery stores and fast food chains. Chill pack chicken is packaged for retail sale and kept chilled by mechanical refrigeration from the packing plant to the store counter. Frozen chicken is marketed primarily to school systems, the military services, fast food chains and in the export market. Further processed products, which include preformed breaded chicken nuggets and patties, and deboned, skinless and marinated products, are marketed primarily to fast food and grocery store chains. Chill pack chicken is sold in certain localities under the Young 'n Tender (R) label; however, some volume is sold under customer's private labels. Most of the frozen chicken carries the Gold Kist (R) or Early Bird (R) label. Cornish game hens are marketed in frozen form primarily to hotels, restaurants and grocery stores under the Young 'n Tender and Medallion (R) labels.

Broiler products are marketed directly from the processing plant in each broiler complex, from the Association's headquarters in Atlanta and from separate distribution facilities located near major metropolitan areas. Gold Kist is one of the largest poultry processors in the United States. It competes with other large processors and with smaller companies on the basis of price, quality and service.

The following table shows the amount and percentage of Gold Kist's net sales volume contributed by sales of broiler products for each of the years indicated.

<TABLE>

	FISCAL YEAR ENDED (000'S OMITTED)		
	JUNE 27, 1992	JUNE 26, 1993	JUNE 25, 1994
Broiler Products			
Volume	$930,311	$1,041,175	$1,152,252
Percentage (%)	71.5	74.3	73.8

Gold Kist also markets hogs raised by members and non-members in Alabama, Georgia and North Carolina.

AGRI-SERVICES

Gold Kist purchases, manufactures and processes fertilizers, agricultural chemicals, seed, pet food, feed, animal health products and other farm supply items for distribution and sale at wholesale and retail. These products are distributed through approximately 87 Gold Kist retail stores and at wholesale to national accounts and independent dealers. The Gold Kist stores are located in Alabama, Florida, Georgia and South Carolina. A typical store is a complete farm supply center offering for sale many types of feeds, animal health products, fertilizers, pesticides, seeds, farm supplies and equipment. It also offers services such as customized fertilizer spreading, field mapping, soil testing, insect scouting, and agronomic and animal nutrition advice. Urban locations offer turf and garden supplies, consumer items and houseware products.

The Association operates a system of receiving and storing facilities for unprocessed commodities located principally in Alabama, Florida, Georgia and South Carolina. The principal farm commodities handled are soybeans, corn and other grains. Gold Kist has aggregate storage capacity of approximately seven million bushels. Approximately 98% of Gold Kist storage facilities are licensed by the federal or state government and can issue negotiable warehouse receipts. Pursuant to a renewable five year grain handling agreement which terminates in August 1995, Gold Kist utilizes these facilities and assets exclusively as independent buying points operating on a commission basis for the Archer Daniels Midland Company.

Gold Kist distributes granular, blended and liquid fertilizers and fertilizer materials in bagged and bulk form. Gold Kist is a member of CF Industries, Inc., a cooperative owned by regional cooperatives, which produces and supplies fertilizer materials to its members. For the fiscal year ended June 25, 1994, Gold Kist purchased approximately 27% percent of its total volume of fertilizer materials and products at market prices from CF Industries. The remaining fertilizer materials and products were purchased from more than 50 other suppliers. Gold Kist is also a 50% general partner with Scott Petroleum Corporation in FarmKist Enterprises, an agricultural fertilizer and chemical production, sales and distribution business based in Greenville, Mississippi.

The following table shows the amount and percentage of Gold Kist's net sales volume contributed by sales of fertilizer and chemical products for each of the years indicated.

	FISCAL YEAR ENDED (000'S OMITTED)		
	JUNE 27, 1992	JUNE 26, 1993	JUNE 25, 1994
Fertilizer and Chemicals			
Volume	$174,850	$173,778	$211,218
Percentage (%)	13.4	12.4	13.5

Gold Kist's four AgriServices feed mills produce feeds distributed at wholesale or at retail through the Gold Kist stores and independent dealers. Approximately one-half of the feed distributed through the stores is delivered in bulk form directly from the feed mill to the farm; the remainder is sold in bag form.

AgraTech Seeds, Inc., a wholly-owned subsidiary of Gold Kist, owns and operates a seed business which consists of the development, contract production, processing and sale primarily of proprietary seed varieties. Seed is marketed by AgraTech Seeds at wholesale to seed retailers, including Gold Kist stores and independent seed retail outlets, in the Southeast and Midwest. AgraTech Seeds contracts with farmers for the production of seed and processes or contracts for the processing of approximately 95% of the seeds it distributes. Proprietary corn, soybean, sorghum and peanut seed varieties are marketed under the trademark AgraTech (R).

PARTNERSHIP INTEREST

Gold Kist, the Archer Daniels Midland Company ("ADM") and Alimenta Processing Corporation ("Alimenta") are partners in Golden Peanut Company, a general partnership formed to operate a peanut procuring, processing, and marketing business. Each partner leases peanut facilities, equipment, and fixed assets to the partnership. Gold Kist, as a general partner, participates in all partnership allocations in proportion to its 33 1/3% partnership interest. See Note 9(b) of Notes to Consolidated Financial Statements.

Golden Peanut Company procures, processes and markets peanuts and peanut by-products in each of the three peanut producing areas of the United States (Southeast, Southwest and Virginia/Carolina). Golden Peanut Company is a major processor of edible peanuts and is active in domestic and international markets.
The principal peanut product is shelled edible peanuts. Shelled edible peanuts are marketed primarily to manufacturers of peanut butter, candy and salted nuts and are sold in the export market. Golden Peanut also processes peanuts for sale in the shell or for processing by others into oil and meal.

EXPORT SALES

Gold Kist owns no physical facilities overseas and has no overseas employees. Product sales managers maintain sales networks overseas through contacts with independent dealers and customers. During the fiscal year ended June 25, 1994, the approximate export sales volume of the primary export product (poultry) was $37.7 million. During that period, export sales of poultry were mainly to customers in the former Soviet Union, Poland, Far East and the Caribbean area. Subsidized foreign competition has depressed export demand for many products. Export sales involve an additional element of transportation and credit risk to the shipper beyond that normally encountered in domestic sales.

PATRONAGE REFUNDS

The By-Laws of Gold Kist provide that Gold Kist shall operate on a cooperative basis. After the close of each fiscal year, the net taxable margins of Gold Kist for that year from business done with or for member patrons (patronage margins) are computed and, after adjustments, are distributed to members as patronage refunds on the basis of their respective patronage during that year. Patronage refunds are distributed in the form of either qualified or nonqualified written notices of allocation (as defined for purposes of Subchapter T of the Internal Revenue Code). If qualified notices are used, at least 20% of each patronage refund is distributed in cash or by qualified check (as defined in the Internal Revenue Code) with the remainder distributed in written notices of allocated reserves. See Notes 1(f) and 6 of Notes to Financial Statements. Allocated reserves distributed as a part of either qualified or nonqualified notices bear no interest and are subordinate in the event of insolvency of the Association to outstanding patronage dividend certificates and to all indebtedness of Gold Kist. Patronage refunds distributed by check or as qualified written notices are deductible from Gold Kist's gross income for federal income tax purposes. To the extent that Gold Kist distributes nonqualified written notices of allocation, has income from transactions with nonmembers or has income from non-patronage sources, it will be taxed at the corporate rate. Gold Kist has subsidiaries which are not cooperatives, and the income of these subsidiaries is subject to corporate income taxes.

DESCRIPTION OF SUBORDINATED CAPITAL CERTIFICATES OF INTEREST

Gold Kist's Subordinated Capital Certificates of Interest of the six series offered hereby are issued under indentures (the "Indentures") between Gold Kist and Trust Company Bank, as Trustee (the "Trustee"). A separate Indenture dated as of September 1, 1979, amended by a First Supplemental Indenture dated as of September 1, 1980 and a Second Supplemental Indenture dated as of September 1, 1982, governs each of the following three series of certificates offered hereby: the Fifteen Year Subordinated Capital Certificates of

Interest (Series D), (the "Fifteen Year Certificates"); the Ten Year Subordinated Capital Certificates of Interest (Series D), (the "Ten Year Certificates"); and the Five Year Subordinated Capital Certificates of Interest (Series C), (the "Five Year Certificates"). The Two Year Subordinated Capital Certificates of Interest (Series A), (the "Two Year Certificates") are governed by an Indenture dated as of September 1, 1980. The Seven Year Subordinated Capital Certificates of Interest (Series A), (the "Seven Year Certificates") and the Three Year Subordinated Capital Certificates of Interest (Series A), (the "Three Year Certificates") are governed by separate Indentures dated as of September 1, 1985. The forms of the Indentures and Supplemental Indentures are filed as exhibits to Registration Statements No. 2-59948, No. 2-65587, No. 2-69267, No. 2-79538 and No. 33-428. With the exception of the maturities of and interest rates borne by the certificates issued thereunder, the redemption provisions, and the other exceptions indicated below, the terms of the six Indentures, as amended, and the certificates issued thereunder and offered hereby are identical in all material respects. The following summaries of certain provisions of the Indentures do not purport to be complete, and where particular provisions of the Indentures are referred to, such provisions including definitions of certain terms, are incorporated by reference as a part of such summaries or terms, which are qualified in their entirety by such reference.

The certificates are unsecured obligations of Gold Kist which are transferable on the books of Gold Kist when properly endorsed, but are not negotiable. (Section 2.04 of the Indentures.) The certificates are issued in a minimum amount of $500 or in any larger amount. The certificates are issued as of the date on which payment of the purchase price is received by Gold Kist or its agent for such purpose, except that, where payment is received by the 15th of January, April, July or October, the certificate will be issued as of the first of such month, and where payment is received by the 10th of any other month, the certificate will be issued as of the first of such month. Each Fifteen Year Certificate matures Fifteen years from the date of such certificate; each Ten Year Certificate matures ten years from the date of such certificate; each Seven Year Certificate matures seven years from the date of such certificate; each Five Year Certificate matures five years from the date of such certificate; each Three Year Certificate matures three years from the date of such certificate; and each Two Year Certificate matures two years from the date of such certificate. (Section 2.01 of the Indentures.)

Each certificate bears interest from the date issued at the per annum rate stated on the face thereof. The rate of interest borne by certificates of each series shall be determined from time to time by the Board of Directors of Gold Kist or its delegate, but no change in the rate will affect any certificates theretofore issued. The Five, Seven, Ten and Fifteen Year Certificates are further subdivided and designated by subseries. Each subseries encompasses all Certificates of the particular series issued pursuant to a single determination of the rate of interest to be borne by Certificates of that series; more than one subseries may bear the same rate of interest. The current rate of interest borne by certificates of each series is set forth on the front cover of this Prospectus. Interest is payable on July 1 of each year to holders of record as of the preceding June 30. Holders of $5,000 or more of certificates of a given series are entitled to payment of interest on such certificates quarterly, on the first day in January, April, July and October of each year. (Sections 1.01 and 2.01 of the Indentures.)

Upon the written request of a holder of certificates, Gold Kist will retain the interest otherwise payable to the holder and pay such interest (i) at the maturity of the certificate, (ii) annually (if the interest is accumulated quarterly and if requested by the holder), or (iii) subject to any applicable redemption penalty, upon redemption prior to maturity, in each case together with interest thereon at the per annum rate stated on the face of the certificate compounded as of each Interest Payment Date. Any holder who makes such a request may at any time, by written notice delivered to Gold Kist at its principal office in Atlanta, Georgia, terminate such request or withdraw any interest so retained together with accrued interest thereon through the date of withdrawal, or both. The certificates will be paid in full, including all principal and accrued but unpaid interest, at maturity. (Section 5.02 of the Indentures.)

The Indentures do not limit the aggregate principal amount of certificates which may be issued thereunder and each Indenture may be modified by Gold Kist and the Trustee, without the consent of the certificateholders, to provide for the issuance under the Indentures of one or more additional series of certificates having terms different from those of the series offered hereby. (Sections 2.01 and 10.01 of the

Indentures.) Certificates of previous series have been issued and are outstanding under certain of the Indentures governing the certificates. As of June 25, 1994, there were the following aggregate principal amounts of the series offered hereby outstanding: Fifteen Year--$8,244,000; Ten Year--$8,162,000; Seven Year--$7,439,000; Five Year--$13,234,000; Three Year--$9,340,000; and Two Year--$9,759,000. The Indentures do not limit the amount of other securities, either secured or unsecured, superior or subordinate to the certificates, which may be issued by Gold Kist.

REDEMPTION AT THE REQUEST OF CERTIFICATEHOLDER

Upon the death of a registered holder of a certificate, at the request of (a) the personal representative of the deceased holder's estate or (b) any surviving joint holder of a jointly held certificate, Gold Kist will redeem certificates held by such deceased holder. In such event, redemption shall be at the full face value of the certificate redeemed plus interest accrued and unpaid thereon to the date of redemption only. (Section 3.01 of the Indentures.)

Additional Redemptions at the Request of Certificateholder

In addition to redemption upon the death of a registered holder of a certificate, Gold Kist agrees to redeem prior to maturity a limited amount of the certificates of any series of Subordinated Capital Certificates of Interest offered hereby at the request of the registered holders. The maximum principal amount of certificates of any series that Gold Kist will redeem during each calendar quarter shall be equal to five percent (5%) of the aggregate principal amount of all certificates of that series outstanding at the end of the last preceding calendar quarter. For example, if there were $5,000,000 in principal amount of Fifteen Year Subordinated Capital Certificates of Interest (Series D) outstanding on March 31, 1995, Gold Kist would redeem at the request of the holders up to $250,000 of such Fifteen Year Certificates during the quarter beginning on April 1, 1995 and ending on June 30, 1995. (Section 3.04 of the Indenture governing the Fifteen Year Certificates; Section 3.03 of the remaining Indentures.)

All such redemptions shall be only at the written request of the registered holder(s) of the certificates redeemed delivered to the Association at its principal office in Atlanta, Georgia. Redemptions will be made in the order that such requests are received, and the redemption date will be a date determined by Gold Kist which is within fifteen (15) days after such request is received.

The redemption price of each certificate redeemed will be an amount equal to the full principal amount of the certificate, plus interest accrued but unpaid to the redemption date (including, if appropriate, interest compounded on interest retained by the Association at the request of the holder) less a redemption penalty computed in accordance with the following table.

REDEMPTION PENALTIES APPLICABLE TO VARIOUS CLASSES

<TABLE>

<C>	<S>
Two and Three Year Certificates	--An amount equal to six (6) months' interest on the

	principal amount of the certificate computed at the nominal (simple interest) rate shown on the face of the certificate.
Five, Seven, Ten and Fifteen Year Certificates	--An amount equal to one (1) year's interest on the principal amount of the certificate computed at the nominal (simple interest) rate shown on the face of the certificate.

</TABLE>

The redemption penalty computed as provided above will be deducted regardless of the length of time the certificate has been outstanding. The penalty could exceed the amount of interest paid or accrued on the

certificate to the redemption date, thus resulting in a redemption price which is less than the principal amount of the certificate.

The following examples illustrate the calculation of the redemption price assuming the stated principal amounts and interest rates. The Total Redemption Price in each example will vary with different interest rates and amounts of principal.

A. For a Five Year Certificate in the principal amount of $1,000 bearing interest at 6.75%, purchased on January 1, 1995, and redeemed at the request of the holder on June 14, 1995, the redemption price would equal:

<TABLE>

<C>	<C>	<S>
	$1,000.00	(Principal amount)
plus	30.51	(165 days' accrued interest at 6.75% per annum)

	$1,030,51	
less	67.50	(1 year's simple interest at 6.75% per annum)

	$ 963.01	(Total Redemption Price)

</TABLE>

B. For a Five Year Certificate in the principal amount of $5,000, bearing interest at 6.75% (paid quarterly at the election of the holder), purchased on January 1, 1995 and redeemed at the request of the holder on June 15, 1995, the redemption price would equal:

<TABLE>

<C>	<C>	<S>
	$5,000.00	(Principal amount)
plus	69.35	(75 days' accrued interest at 6.75% per annum. Interest
	---------	previously paid on April 1, 1995 equals $84.38)
	$5,069.35	
less	337.50	(1 year's simple interest at 6.75% per annum)

	$4,731.85	(Total Redemption Price)

</TABLE>

C. For a Five Year Certificate in the principal amount of $5,000 bearing interest at 6.75% (accumulated quarterly at the election of the holder), purchased on January 1, 1995, and redeemed at the request of the holder on June 15, 1997, the redemption price would equal:

<TABLE>

<C>	<C>	<S>
	$5,000.00	(Principal amount)
plus	891.98	(2 1/4 years, 75 days' accrued interest at 6.75% per annum
	---------	accumulated and compounded quarterly)
	$5,891.98	
less	337.50	(1 year's simple interest at 6.75% per annum)

	$5,554.48	(Total Redemption Price)

</TABLE>

Except to the extent described above, certificates cannot be cashed by the holder before maturity.

The indentures governing the Subordinated Capital Certificates of each series do not contain additional redemption provisions requiring Gold Kist to repurchase the certificates at the request of the certificateholder upon the occurrence of a change in control of Gold Kist, nor do the indentures contain any provisions designed to afford protection to certificateholders in the event of a highly leveraged transaction involving Gold Kist.

REDEMPTION AT THE OPTION OF GOLD KIST

Gold Kist may, at its option, redeem all, or from time to time any part, of the certificates of any subseries of Five, Seven, Ten or Fifteen Year Certificates on any date prior to maturity. The redemption price of each certificate redeemed at the option of Gold Kist will be an amount equal to the full principal amount redeemed (whether the certificate is redeemed in whole or in part), plus interest accrued but unpaid on the principal amount redeemed to the redemption date (including, if appropriate, interest compounded on interest retained by the Association at the request of the holder), plus a redemption premium equal to one (1) year's interest on the principal amount redeemed, computed at the nominal (simple interest) rate shown on the face of the

certificate. Notice of redemption will be mailed to each affected certificateholder not less than 15 nor more than 60 days before the redemption date. Gold Kist is not required to transfer or exchange any certificates selected for redemption in whole or in part.

Gold Kist does not have the option of redeeming Two or Three Year Certificates prior to maturity.

SUBORDINATION

In case of liquidation of Gold Kist, whether voluntary or involuntary, the payment of the principal of and interest on the certificates is subordinate to the payment in full of the principal of and interest on any notes or accounts payable, now due or hereafter made by Gold Kist to any bank, any other lending agency or creditor ("Superior Indebtedness"); except that none of the Subordinated Capital Certificates of Interest issued pursuant to the Indentures dated as of December 1, 1977, September 1, 1979, September 1, 1980 or September 1, 1985, the One Year Subordinated Loan Certificates issued pursuant to the indentures dated as of December 1, 1977 or September 1, 1979, the One Year or Six Month Subordinated Large Denomination Loan Certificates issued pursuant to the Indentures dated as of September 1, 1985, the 5% Cumulative Preferred Capital Certificates of Interest previously issued by Gold Kist, or the Cumulative Preferred Capital Certificates of Interest of any other series previously issued by Gold Kist shall be Superior Indebtedness, but shall rank equally with the certificates outstanding under each of the Indentures. As of June 25, 1994, Superior Indebtedness amounted to approximately $301,948,000, and additional Superior Indebtedness, without limitation, may be created from time to time. (Article Four and Section 1.01 of the Indentures.) Gold Kist is jointly and severally liable for (i) the obligations of Golden Peanut Company, a general partnership in which Gold Kist has a 33 1/3% interest (ii) the obligations of FarmKist Enterprises, a general partnership in which Gold Kist has a 50% interest and (iii) the obligations of Young Pecan Company, a general partnership in which Gold Kist has a 25% equity interest and a 35% earnings (loss) allocation. Any such liability incurred would constitute additional Superior Indebtedness. See Note 9(b) of Notes to Consolidated Financial Statements.

Nothing contained in the subordination provisions prevents Gold Kist from making payments of principal or interest on the certificates except during the pendency of any dissolution or liquidation proceedings with respect to Gold Kist.

DUTIES OF TRUSTEE

Trust Company Bank is the Trustee under each Indenture and is to perform only such duties as are specifically set forth in the Indenture. (Section 8.01 of the Indentures.) In the event of a default, the holders of a majority in aggregate principal amount of the certificates outstanding at the time under any Indenture have the right to require the Trustee to take action to remedy such default. (Section 7.12 of the Indentures.)

MODIFICATION OF THE INDENTURE

Each Indenture contains provisions permitting Gold Kist and the Trustee, (i) with the written consent of the holders of not less than 66 2/3% in aggregate principal amount of all the certificates outstanding under the Indenture on a record date set for such purpose, to execute supplemental indentures amending the provisions of the Indenture or any supplemental indenture so as to modify the rights of the holders of all the certificates or (ii) with the written consent of the holders of not less than 66 2/3% in aggregate principal amount of the certificates of a given series outstanding under the Indenture, on a record date set for such purpose, to execute supplemental indentures amending the provisions of the Indenture relating to certificates of such series; provided that no such supplemental indenture shall (a) extend the maturity of any certificate or reduce the principal amount thereof or reduce the rate or extend the time of payment of interest, (b) reduce the 66 2/3% requirement as to the consent of the holders of the certificates outstanding under the Indenture or of any series of certificates outstanding thereunder, as required, for amendment of the provisions of the Indenture, or (c) modify the provisions of the Indenture which allow holders of not less than 75% of all certificates outstanding under the Indenture to consent to the postponement of interest on all certificates

outstanding under the Indenture for a period not exceeding three (3) years from its due date, without the consent of the holder of each certificate affected thereby. (Section 10.02 of the Indentures.)

DEFAULTS AND NOTICE THEREOF

Each Indenture provides that any of the following shall constitute an event of default: (a) failure to pay principal when due; (b) failure to pay interest when due, continued for sixty (60) days; (c) certain events of bankruptcy or insolvency; and (d) failure to perform any other covenant or agreement contained in the Indenture, which failure continues for ninety (90) days after notice to Gold Kist by the Trustee or holders of 10% in aggregate principal amount of the certificates outstanding under the Indentures. (Section 7.01 of the Indentures.)

Each Indenture provides that the Trustee shall, within ninety (90) days after the occurrence of an event of default, give to the Certificateholders notice of all such defaults unless such defaults have been cured, provided that, except in the case of a default in the payment of principal of or interest on any of the certificates outstanding under the Indenture, the Trustee shall be protected in withholding such notice if, and so long as, the Trustee determines that the withholding of such notice is in the interest of the Certificateholders. (Section 8.02 of the Indentures.)

Each Indenture provides that upon the occurrence of a default, the Trustee or the holders of not less than 25% in aggregate principal amount of the certificates then outstanding under the Indenture may declare the principal of all certificates outstanding under the Indenture immediately due and payable. (Section 7.02 of the Indentures.)

SATISFACTION AND DISCHARGE OF INDENTURE

Each Indenture shall be discharged upon payment of all certificates outstanding thereunder or upon deposit with the Trustee of funds sufficient therefor. (Section 11.01 of the Indenture.)

AUTHENTICATION AND DELIVERY OF CERTIFICATES

The certificates may be authenticated by the Trustee in the form set forth in each Indenture and delivered upon the written order of Gold Kist without any further corporate action. (Section 2.03 of the Indentures.)

STATEMENTS AS TO COMPLIANCE

Each Indenture requires Gold Kist to furnish to the Trustee annually a statement that Gold Kist has fulfilled all of its obligations throughout the year, or specifying any default in the fulfillment of any such obligation. (Section 5.07 of the Indentures.) In addition, upon any application or demand by Gold Kist to the Trustee to take any action under any of the provisions of the Indenture, Gold Kist shall first furnish to the Trustee an Officer's Certificate stating that all such conditions precedent provided for in the Indenture relating to the proposed action have been complied with and an Opinion of Counsel to Gold Kist stating that in the opinion of such counsel all such conditions precedent have been complied with. (Section 1.02 of the Indentures.)

CONCERNING THE TRUSTEE

Gold Kist has a $6,750,000 revolving credit line and a $20,000,000 uncommitted credit facility, all of which can be used for seasonal advances, both with the Trust Company Bank, under which varying amounts are outstanding from time to time. Any such indebtedness to the Trust Company Bank would constitute Superior Indebtedness as defined in the Indenture. Gold Kist also maintains deposit accounts with the Trust Company Bank, and from time to time the Bank provides other banking and trust services to Gold Kist in the ordinary course of its business. Trust Company Bank serves as trustee under indentures governing certain previously issued series of Subordinated Capital Certificates of Interest and Subordinated Loan Certificates.

DESCRIPTION OF SUBORDINATED LOAN CERTIFICATES
AND SUBORDINATED LARGE DENOMINATION LOAN CERTIFICATES

Gold Kist's Subordinated Loan Certificates (Series C) (the "One Year Loan Certificates") are issued under an indenture (the "Indenture") dated as of September 1, 1979, amended by a First Supplemental Indenture dated as of September 1, 1980, between Gold Kist and Trust Company Bank, as Trustee (the "Trustee"). Gold Kist's Subordinated Large Denomination Loan Certificates of the two series offered hereby are issued under indentures (the "Indentures") between Gold Kist and Trust Company Bank, as Trustee (the "Trustee"). Separate Indentures dated as of September 1, 1985 govern the One Year Subordinated Large Denomination Loan Certificates (Series A) (the "One Year Jumbo Loan Certificates") and the Six Month Subordinated Large Denomination Loan Certificates (Series A) (the "Six Month Jumbo Loan Certificates"). The forms of the Indentures and Supplemental Indentures are filed as exhibits to Registration Statements No. 2-65587, No. 2-69267, and No. 33-428. The following summaries of certain provisions of the Indentures do not purport to be complete, and where particular provisions of the Indentures are referred to, such provisions, including definitions of certain terms, are incorporated by reference as a part of such summaries or terms, which are qualified in their entirety by such references.

The loan certificates are unsecured obligations of Gold Kist, which are transferable on the books of Gold Kist when properly endorsed, but are not negotiable. (Section 2.04 of the Indentures). The One Year Loan Certificates are issued in a minimum amount of $500 or in any larger amount. The One Year Jumbo Loan Certificates and Six Month Jumbo Loan Certificates are issued in minimum amounts of $50,000 and $20,000, respectively, or any larger amount. The loan certificates are issued as of the date on which payment of the purchase price is received by Gold Kist or its agent for such purpose and mature one year or six months, respectively, from that date.

Loan certificates bear interest from the dates issued at the per annum rate stated on the face thereof. The rate of interest borne by loan certificates shall be determined from time to time by the Board of Directors of Gold Kist or its delegate, but no change in the rate will affect any loan certificates theretofore issued. The current rates of interest borne by loan certificates are set forth on the front cover of this Prospectus. Interest is payable on the maturity date. Holders of $5,000 or more of the One Year Loan Certificates are entitled to payment of interest on such loan certificates quarterly, on the first day of January, April, July and October of each year. Holders of the One Year Jumbo Loan Certificates and Six Month Jumbo Loan Certificates are entitled to payment of interest on such loan certificates monthly, on the first day of each month. (Sections 1.01 and 2.01 of the Indentures.)

Upon the written request of a holder of loan certificates entitled to quarterly or monthly interest payments, on each Interest Payment Date Gold Kist will retain the interest otherwise payable to the holder and pay such interest at the maturity of the certificate, or subject to any applicable redemption penalty, upon redemption prior to maturity, together with interest thereon at the per annum rate stated on the face of the certificate, compounded as of each Interest Payment Date. The holder may terminate such request or withdraw any interest so retained together with interest accrued on such interest through the date of withdrawal, or both, at any time by written request delivered to Gold Kist at its principal office in Atlanta, Georgia. The loan certificates will be paid in full, including all principal and accrued but unpaid interest, at maturity. (Section 5.02 of the Indentures.)

The Indentures do not limit the aggregate principal amount of loan certificates which may be issued thereunder, and each Indenture may be modified by Gold Kist and the Trustee, without the consent of the certificateholders, to provide for the issuance under the Indenture of one or more additional series of loan certificates having terms different from those of the series offered hereby. (Sections 2.01 and 10.01 of the Indentures.) As of June 25, 1994, there were the following aggregate principal amounts of the series offered hereby outstanding: One Year Loan Certificates -- $12,581,000, One Year Jumbo Loan Certificates -- $12,498,000, and Six Month Jumbo Loan Certificates -- $-0-. The Indentures do not limit the amount of

other securities, either secured or unsecured, superior or subordinate to the loan certificates, which may be issued by Gold Kist.

REDEMPTION AT THE REQUEST OF CERTIFICATEHOLDER

Upon the death of a registered holder of a loan certificate, at the request of (a) the personal representative of the deceased holder's estate or (b) any surviving joint holder of a jointly held certificate, Gold Kist will redeem loan certificates held by such deceased holder. In such event, redemption shall be at the full face value of the certificate redeemed plus interest accrued and unpaid thereon to the date of redemption only. (Section 3.02 of the Indentures.)

Additional Redemptions at the Request of Certificateholder

In addition to redemptions upon the death of a registered holder of a loan certificate, Gold Kist agrees to redeem prior to maturity the loan certificates of any series offered hereby at the request of the registered holders. (Section 3.03 of the Indentures.)

All such redemptions shall be only at the written request of the registered holder(s) of the loan certificates redeemed delivered to the Association at its principal office in Atlanta, Georgia. Redemptions will be made in the order that such requests are received, and the redemption date will be a date determined by Gold Kist which is within fifteen (15) days after such request is received.

The redemption price of each loan certificate redeemed will be an amount equal to the full principal amount of the certificate, plus interest accrued but unpaid to the redemption date (including, if appropriate, interest compounded on interest retained by the Association at the request of the holder) less a redemption penalty computed in accordance with the following table.

REDEMPTION PENALTIES APPLICABLE TO VARIOUS CLASSES

<TABLE>

<C>	<S>
One Year Loan Certificates and One Year Jumbo Loan Certificates	--An amount equal to three (3) months' interest on the principal amount of the certificate computed at the nominal (simple interest) rate shown on the face of the certificate.
Six Month Jumbo Loan Certificates	--An amount equal to one (1) month's interest on the principal amount of the certificate computed at the nominal (simple interest) rate shown on the face of the certificate.

</TABLE>

The redemption penalty computed in this manner will be deducted regardless of the length of time the loan certificate has been outstanding. The penalty could exceed the amount of interest paid or accrued on the loan certificate to the redemption date, thus resulting in a redemption price which is less than the principal amount of the loan certificate.

The following examples illustrate the calculation of the redemption price assuming the stated principal amounts and interest rates. The Total Redemption Price in each example will vary with different interest rates and amounts of principal.

A. For a One Year Loan Certificate in the principal amount of $1,000 bearing interest at 5.65%, purchased on January 1, 1995, and redeemed at the request of the holder on February 15, 1995, the redemption price would equal:

<TABLE>

<C>	<C>	<S>
	$1,000.00	(Principal amount)
plus	6.97	(45 days' accrued interest at 5.65% per annum)

	$1,006,.97	
less	14.12	(3 month's simple interest at 5.65% per annum)

	$ 992.85	(Total Redemption Price)

</TABLE>

B. For a One Year Loan Certificate in the principal amount of $5,000, bearing interest at 5.65% (paid quarterly at the election of the holder), purchased on January 1, 1995 and redeemed at the request of the holder on June 15, 1995, the redemption price would equal:

<TABLE>

<C>	<S>
$5,000.00	(Principal amount)
plus 58.05	(75 days' accrued interest at 5.65% per annum. Interest previously paid
----------	
$5,058.05	on April 1, 1995 equals $70.62)
less 70.62	(3 month's simple interest at 5.65% per annum)

$4,987.43	(Total Redemption Price)

</TABLE>

Total redemption price ($4,987.43) plus interest previously paid ($70.62) equals $5,058.05.

The indentures governing the loan certificates of each series do not contain additional redemption provisions requiring Gold Kist to repurchase the certificates at the request of the certificateholder upon the occurrence of a change in control of Gold Kist, nor do the indentures contain any provisions designed to afford protection to certificateholders in the event of a highly leveraged transaction involving Gold Kist.

Gold Kist does not have the option of redeeming loan certificates prior to maturity.

SUBORDINATION

In case of liquidation of Gold Kist, whether voluntary or involuntary, the payment of the principal of and interest on the loan certificates is subordinate to the payment in full of the principal of and interest on any notes or accounts payable, now due or hereafter made by Gold Kist to any bank, any other lending agency or creditor ("Superior Indebtedness"); except that none of the Subordinated Capital Certificates of Interest issued pursuant to the Indentures dated as of December 1, 1977, September 1, 1979, September 1, 1980 or September 1, 1985, the One Year Subordinated Loan Certificates issued pursuant to the Indentures dated as of December 1, 1977 or September 1, 1979, the One Year or Six Month Subordinated Large Denomination Loan Certificates issued pursuant to the Indentures dated as of September 1, 1985, the 5% Cumulative Preferred Capital Certificates of Interest previously issued by Gold Kist, or the Cumulative Preferred Capital Certificates of Interest of any other series previously issued by Gold Kist shall be Superior Indebtedness, but shall rank equally with the loan certificates outstanding under each of the Indentures. As of June 25, 1994, Superior Indebtedness amounted to approximately $301,948,000, and additional Superior Indebtedness, without limitation, may be created from time to time. (Article Four and Section 1.01 of the Indentures.) Gold Kist is jointly and severally liable for (i) the obligations of Golden Peanut Company, a general partnership in which Gold Kist has a 33 1/3% interest, (ii) the obligations of FarmKist Enterprises, a general partnership in which Gold Kist has a 50% interest and (iii) the obligations of Young Pecan Company, a general partnership in which Gold Kist has a 25% equity interest and a 35% earnings (loss) allocation. Any such liability incurred would constitute additional Superior Indebtedness. See Note 9 (b) of Notes to Consolidated Financial Statements.

Nothing contained in the subordination provisions prevents Gold Kist from making payments of principal or interest on the loan certificates except during the pendency of any dissolution or liquidation proceedings with respect to Gold Kist.

DUTIES OF TRUSTEE

Trust Company Bank is the Trustee under each Indenture and is to perform only such duties as are specifically set forth in the Indenture. (Section 8.01 of the Indentures.) In the event of a default, the holders of a majority in aggregate principal amount of the loan certificates outstanding at the time under any Indenture have the right to require the Trustee to take action to remedy such default. (Section 7.12 of the Indentures.)

MODIFICATION OF THE INDENTURE

Each Indenture contains provisions permitting Gold Kist and the Trustee, (i) with the written consent of the holders of not less than 66 2/3% in aggregate principal amount of all the loan certificates outstanding under the Indenture on a record date set for such purpose, to execute supplemental indentures amending the provisions of the Indenture or any supplemental indenture so as to modify the rights of the holders of all the loan certificates or (ii) with the written consent of the holders of not less than 66 2/3% in aggregate principal amount of the loan certificates of a given series outstanding under the Indenture, on a record date set for such purpose, to execute supplemental indentures amending the provisions of the Indenture relating to loan certificates of such series; provided that no such supplemental indenture shall (a) extend the maturity of any loan certificate or reduce the principal amount thereof or reduce the rate or extend the time of payment of interest, (b) reduce the 66 2/3% requirement as to the consent of the holders of the loan certificates outstanding under the Indenture or of any series of certificates outstanding thereunder, as required, for amendment of the provisions of the Indenture, or (c) modify the provisions of the Indenture which allow holders of not less than 75% of all loan certificates outstanding under the Indenture to consent to the postponement of interest on all loan certificates outstanding under the Indenture for a period not exceeding three (3) years from its due date, without the consent of the holder of each loan certificate affected thereby. (Section 10.02 of the Indentures.)

DEFAULTS AND NOTICE THEREOF

Each Indenture provides that any of the following shall constitute an event of default: (a) failure to pay principal when due; (b) failure to pay interest when due, continued for sixty (60) days; (c) certain events of bankruptcy or insolvency; and (d) failure to perform any other covenant or agreement contained in the Indenture, which failure continues for ninety (90) days after notice to Gold Kist by the Trustee or holders of at least 10% in aggregate principal amount of the outstanding loan certificates under the Indenture. (Section 7.01 of the Indentures.)

Each Indenture provides that the Trustee shall, within ninety (90) days after the occurrence of an event of default, give to the Certificateholders notice of all such defaults unless such defaults have been cured, provided that, except in the case of a default in the payment of principal of or interest on any of the loan certificates outstanding under the Indenture, the Trustee shall be protected in withholding such notice if, and so long as, the Trustee determines that the withholding of such notice is in the interest of the Certificateholders. (Section 8.02 of the Indentures).

Each Indenture provides that upon the occurrence of a default, the Trustee or the holders of not less than 25% in aggregate principal amount of the loan certificates then outstanding under the Indenture may declare the principal of all loan certificates outstanding under the Indenture immediately due and payable (Section 7.02 of the Indentures.)

SATISFACTION AND DISCHARGE OF INDENTURE

Each Indenture shall be discharged upon payment of all loan certificates outstanding thereunder or upon deposit with the Trustee of funds sufficient therefor. (Section 11.01 of the Indentures.)

AUTHENTICATION AND DELIVERY OF CERTIFICATES

The loan certificates may be authenticated by the Trustee in the form set forth in each Indenture and delivered upon the written order of Gold Kist without any further corporate action. (Section 2.03 of the Indentures.)

STATEMENTS AS TO COMPLIANCE

Each Indenture requires Gold Kist to furnish to the Trustee annually a statement that Gold Kist has fulfilled all of its obligations throughout the year, or specifying any default in the fulfillment of any such

obligation. (Section 5.07 of the Indentures.) In addition, upon any application or demand by Gold Kist to the Trustee to take any action under any of the provisions of the Indenture, Gold Kist shall first furnish to the Trustee an Officer's Certificate stating that all such conditions precedent provided for in the Indenture relating to the proposed action have been complied with and an Opinion of Counsel to Gold Kist stating that in the opinion of such counsel all such conditions precedent have been complied with. (Section 1.02 of the Indentures.)

CONCERNING THE TRUSTEE

Gold Kist has a $6,750,000 revolving credit line and a $20,000,000 uncommitted credit facility, all of which can be used for seasonal advances, both with the Trust Company Bank, under which varying amounts are outstanding from time to time. Any such indebtedness to the Trust Company Bank would constitute Superior Indebtedness as defined in the Indenture. Gold Kist also maintains deposit accounts with the Trust Company Bank, and from time to time the Bank provides other banking and trust services to Gold Kist in the ordinary course of its business. Trust Company Bank serves as trustee under indentures governing certain previously issued series of Subordinated Capital Certificates of Interest and Subordinated Loan Certificates.

EXPERTS

The consolidated financial statements and schedules of Gold Kist Inc. as of June 26, 1993 and June 25, 1994, and for each of the years in the three-year period ended June 25, 1994 included herein or incorporated by reference in the registration statement have been included herein or incorporated by reference in the registration statement in reliance upon the reports of KPMG Peat Marwick LLP, independent auditors, appearing elsewhere herein or incorporated by reference, and upon the authority of said firm as experts in accounting and auditing. The reports of KPMG Peat Marwick LLP covering the June 25, 1994 consolidated financial statements refer to changes in accounting for income taxes and postretirement benefits other than pensions.

The consolidated financial statements of Golden Peanut Company and Subsidiaries (not presented separately herein) have been audited by Ernst & Young LLP, independent auditors, as of June 30, 1994 and 1993 and for each of the years in the three-year period ended June 30, 1994 as set forth in their report thereon (which contains an explanatory paragraph with respect to a change in accounting for postretirement benefits other than pensions) appearing elsewhere herein. The consolidated financial statements audited by Ernst & Young LLP reflect certain amounts which have been included in the consolidated financial statements of Gold Kist Inc. as of June 26, 1993 and June 25, 1994, and for each of the three years in the period ended June 25, 1994 in reliance on their report given upon the authority of such firm as experts in accounting and auditing.

QUALIFIED INDEPENDENT UNDERWRITER

Interstate/Johnson Lane Corporation, a member of the NASD, has participated as a qualified independent underwriter, for compensation paid by Gold Kist, in the "due diligence" review with respect to the preparation of this Prospectus.

LEGAL OPINION

The legality of the securities offered hereby is being passed upon for Gold Kist by Alston & Bird, One Atlantic Center, 1201 West Peachtree Street, Atlanta, Georgia 30309-3424.

INDEPENDENT AUDITORS' REPORT

The Board of Directors Gold Kist Inc.:

We have audited the accompanying consolidated balance sheets of Gold Kist Inc. and subsidiaries as of June 26, 1993 and June 25, 1994, and the related consolidated statements of operations, patrons' and other equity, and cash flows for each of the years in the three-year period ended June 25, 1994. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the consolidated financial statements of Golden Peanut Company, a partnership investment accounted for using the equity method of accounting, as described in Note 9(b) to the consolidated financial statements. The consolidated financial statements of Golden Peanut Company were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Golden Peanut Company, is based solely on the report of the other auditors.

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 and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Gold Kist Inc. and subsidiaries as of June 26, 1993 and June 25, 1994, and the results of their operations and their cash flows for each of the years in the three-year period ended June 25, 1994, in conformity with generally accepted accounting principles.

As discussed in notes 6 and 7(b) to the consolidated financial statements, the Company changed its method of accounting for income taxes in 1994 and its method of accounting for postretirement benefits other than pensions in 1992.

KPMG PEAT MARWICK LLP

Atlanta, Georgia September 2, 1994

REPORT OF INDEPENDENT AUDITORS

Partnership Committee Golden Peanut Company

We have audited the consolidated balance sheets of Golden Peanut Company and Subsidiaries (the "Partnership") as of June 30, 1994 and 1993, and the related consolidated statements of income, partners' equity, and cash flows for each of the three years in the period ended June 30, 1994 (not presented separately herein). These financial statements are the responsibility of the Partnership'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 financial statements referred to above present fairly, in all material respects, the consolidated financial position of Golden Peanut Company and Subsidiaries at June 30, 1994 and 1993, and the consolidated results of their operations and their cash flows for each of the three years in the period ended June 30, 1994, in conformity with generally accepted accounting principles.

In 1994, the Partnership changed its method of accounting for postretirement benefits other than pensions.

ERNST & YOUNG LLP

Atlanta, Georgia August 12, 1994

GOLD KIST INC.

CONSOLIDATED BALANCE SHEETS

(AMOUNTS IN THOUSANDS)

<TABLE>
<CAPTION>

<S>	JUNE 26, 1993 <C>	JUNE 25, 1994 <C>
ASSETS		
Current assets:		
Cash and cash equivalents	$ 31,086	15,670
Receivables, principally trade, including notes receivable of $32.1 million in 1993 and $42.8 million in 1994, less allowance for doubtful accounts of $5,255 in 1993 and $5,369 in 1994	133,771	160,714
Inventories (note 2)	174,504	198,467
Other current assets	3,365	14,758
Total current assets	342,726	389,609
Investments (note 9)	75,318	72,105
Property, plant and equipment, net (note 3)	204,481	204,783
Other assets	42,577	49,935
	$665,102	716,432
LIABILITIES AND EQUITY		
Current liabilities:		
Notes payable and current maturities of long-term debt (note 4):		
Short-term borrowings	$ --	12,798
Subordinated loan certificates	26,386	25,079
Current maturities of long-term debt	28,044	35,405
	54,430	73,282
Accounts payable	94,236	117,926
Accrued compensation and related expenses	23,078	26,431

Patronage refund and other equity payable in cash.	8,526	14,588
Interest left on deposit (note 4)................	13,392	9,340
Other current liabilities........................	8,435	8,195
Total current liabilities........................	202,097	249,762
Long-term debt, excluding current maturities (note 4)..	120,334	109,817
Accrued postretirement benefit costs (note 7(b))...	31,841	34,488
Other liabilities................................	617	687
Total liabilities................................	354,889	394,754
Minority interest................................	24,593	25,016
Patrons' and other equity (note 5):		
Common stock, $1.00 par value--Authorized 500 shares; issued and outstanding 79 in 1993 and 1994.......	79	79
Revolving fund and cumulative preferred certificates..	10,253	--
Patronage reserves...............................	204,148	213,798
Retained earnings................................	71,140	82,785
Total patrons' and other equity..................	285,620	296,662
Commitments and contingent liabilities (notes 7 and 8)..		
	$665,102	716,432

</TABLE>

See accompanying notes to consolidated financial statements.

GOLD KIST INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(AMOUNTS IN THOUSANDS)

<TABLE>
<CAPTION>

	YEARS ENDED		
	JUNE 27, 1992	JUNE 26, 1993	JUNE 25, 1994
<S>	<C>	<C>	<C>
Net sales volume.....................	$1,300,906	1,400,566	1,561,034
Cost of sales........................	1,210,961	1,249,509	1,385,239
Gross margins........................	89,945	151,057	175,795
Distribution, administrative and general expenses.......................	103,681	111,519	121,417
Net operating margins (loss)........	(13,736)	39,538	54,378
Other income (deductions):			
Interest income.....................	11,124	7,540	6,752
Interest expense....................	(18,545)	(17,163)	(13,924)
Equity in earnings (loss) of partnership (note 9(b))................	11,404	4,659	(1,110)
Miscellaneous, net..................	5,712	9,118	3,978
	9,695	4,154	(4,304)
Margins (loss) before income taxes, minority interest and cumulative effect of accounting changes...........................	(4,041)	43,692	50,074
Income tax expense (benefit)-(note 6)................................	(1,449)	14,187	14,861
Margins (loss) before minority interest and cumulative			

effect of accounting changes.......	(2,592)	29,505	35,213
Minority interest....................	949	(2,267)	(1,148)
Margins (loss) before cumulative effect of accounting changes.........	(1,643)	27,238	34,065
Cumulative effect of changes in accounting:			
Income taxes (note 6)...............	--	--	5,339
Postretirement benefits other than pensions (net of income tax benefit of $10,698)-(note 7(b))........................	(18,971)	--	--
Net margins (loss)..................	$ (20,614)	27,238	39,404

</TABLE>

See accompanying notes to consolidated financial statements.

GOLD KIST INC.

CONSOLIDATED STATEMENTS OF PATRONS' AND OTHER EQUITY

FOR THE YEARS ENDED JUNE 27, 1992, JUNE 26, 1993 AND JUNE 25, 1994

(AMOUNTS IN THOUSANDS)

<TABLE>
<CAPTION>

<S>	TOTAL <C>	COMMON STOCK <C>	REVOLVING FUND AND CUMULATIVE PREFERRED CERTIFICATES <C>	PATRONAGE RESERVES <C>	RETAINED EARNINGS <C>
June 29, 1991.................	$296,940	86	11,107	210,489	75,258
Net loss for 1992...........	(20,614)	--	--	--	(20,614)
Notified equity payable in cash.....................	(137)	--	--	(137)	-
Redemptions and other changes....................	(4,733)	(5)	(546)	(8,726)	4,544
June 27, 1992.................	271,456	81	10,561	201,626	59,188
Net margins for 1993.........	27,238	--	--	19,107	8,131
Nonqualified patronage refund and other equity payable in cash.....................	(8,525)	--	--	(8,525)	-
Redemptions and other changes....................	(4,549)	(2)	(308)	(8,060)	3,821
June 26, 1993.................	285,620	79	10,253	204,148	71,140
Net margins for 1994.........	39,404	--	--	30,830	8,574
Nonqualified patronage refund and other equity payable in cash.....................	(14,588)	--	--	(14,588)	-
Redemptions and other changes....................	(13,774)	--	(10,253)	(6,592)	3,071
June 25, 1994.................	$296,662	79	--	213,798	82,785

</TABLE>

See accompanying notes to consolidated financial statements.

GOLD KIST INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(AMOUNTS IN THOUSANDS)

<TABLE>
<CAPTION>

<S>	YEARS ENDED JUNE 27, 1992 <C>	JUNE 26, 1993 <C>	JUNE 25, 1994 <C>
Cash flows from operating activities:			
Net margins (loss)	$(20,614)	27,238	39,404
Non-cash items included in net margins (loss):			
Depreciation and amortization	34,518	36,315	37,251
Cumulative effect of changes in accounting principles	18,971	--	(5,339)
Gains on sales of assets	(468)	(703)	(201)
Equity in (earnings) loss of partnership	(11,404)	(4,659)	1,110
Deferred income tax benefit	(9,826)	(1,650)	(5,562)
Other	(6,988)	2,943	3,208
Changes in operating assets and liabilities:			
Receivables	(6,818)	(4,902)	(26,943)
Inventories	(16,627)	(5,018)	(23,963)
Other current assets	(551)	546	152
Income tax refund (deposit)	20,953	--	(5,038)
Accounts payable and accrued expenses	2,216	16,167	26,803
Interest left on deposit	26	532	(4,052)
Net cash provided by operating activities	3,388	66,809	36,830
Cash flows from investing activities:			
Acquisitions of investments	(3,024)	(212)	(762)
Acquisitions of property, plant and equipment	(45,948)	(23,280)	(37,232)
Proceeds from partnership earnings distribution	22,695	11,404	1,770
Proceeds from disposal of investments	12,021	1,795	1,279
Proceeds from sales of loans	--	20,084	5,040
Other	(3,842)	1,498	(7,653)
Net cash provided by (used in) investing activities	(18,098)	11,289	(37,558)
Cash flows from financing activities:			
Short-term borrowings (repayments), net	15,843	(48,675)	11,491
Proceeds from long-term debt	26,226	22,381	26,668
Principal payments of long-term debt	(19,611)	(28,056)	(30,130)
Patronage refunds and other equity paid in cash	(8,821)	(4,812)	(22,717)
Net cash provided by (used in) financing activities	13,637	(59,162)	(14,688)
Net change in cash and cash equivalents	(1,073)	18,936	(15,416)
Cash and cash equivalents at beginning of year	13,223	12,150	31,086
Cash and cash equivalents at end of year	$ 12,150	31,086	15,670
Supplemental disclosure of cash flow data:			
Cash paid during the years for:			
Interest (net of amounts capitalized)	$ 14,258	17,495	18,575
Income taxes	$ 8,721	12,791	23,352

</TABLE>

See accompanying notes to consolidated financial statements.

GOLD KIST INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 27, 1992, JUNE 26, 1993 AND JUNE 25, 1994

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Gold Kist Inc. and subsidiaries conform to generally accepted accounting principles and to general practices among agricultural cooperatives. The following is a summary of the significant accounting policies.

(a) Basis of Presentation

The accompanying consolidated financial statements include the accounts of Gold Kist Inc. and its wholly and majority owned subsidiaries (Gold Kist). All significant intercompany balances and transactions have been eliminated in consolidation. Certain reclassifications have been made to the 1993 consolidated financial statements to conform to the presentation in the 1994 consolidated financial statements.

(b) Cash and Cash Equivalents

Gold Kist's policy is to invest cash in excess of operating requirements in highly liquid interest bearing debt instruments, which include commercial paper and reverse repurchase agreements. These investments are stated at cost which approximates market. For purposes of the consolidated statements of cash flows, Gold Kist considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

(c) Inventories

Merchandise for sale includes feed, fertilizer, seed, pesticides, equipment and general farm supplies purchased or manufactured by Gold Kist for sale to agricultural producers and consumers. These inventories are stated, generally, on the basis of the lower of cost (first-in, first-out or average) or market.

Live poultry and hogs consist of broilers, market hogs and breeding stock. The broilers and market hogs are stated at the lower of average cost or market. The breeding stock is stated at average cost, less accumulated amortization.

Raw materials and supplies consist of feed and fertilizer ingredients, uncleaned seed, hatching eggs, packaging materials and operating supplies. These inventories are stated, generally, on the basis of the lower of cost (first-in, first-out or average) or market. Gold Kist hedges varying amounts of its feed ingredient purchases to minimize the risk of adverse price fluctuations. Futures contracts are accounted for as hedges and option contracts are accounted for at market. Gains or losses on futures and options transactions are included as a part of product cost.

Marketable products consist primarily of dressed and further processed poultry. These inventories are stated, principally, on the basis of selling prices, less estimated brokerage, freight and certain other selling costs where applicable (estimated net realizable value).

(d) Property, Plant and Equipment

Property, plant and equipment is recorded at cost. Depreciation of plant and equipment is calculated by the straight-line method over the estimated useful lives of the respective assets.

(e) Investments

Investments in other cooperatives are recorded at cost and include the amount of patronage refund certificates and patrons' equities allocated, less distributions received. These investments are not readily marketable and quoted market prices are not available. The equity method of accounting is used for investments in other companies in which Gold Kist's voting interest is 20 to 50 percent. Investments in less than 20 percent owned companies are stated at cost. Investment in the marketable equity security is stated at the lower of cost or market (see note 9(a)).

(DOLLAR AMOUNTS IN THOUSANDS)

Gold Kist's investment in the Golden Peanut Company partnership is accounted for using the equity method (see note 9(b)). Other investments accounted for under the equity method are not significant.

(f) Income Taxes

Gold Kist operates as an agricultural cooperative not exempt from Federal income taxes. Aggregate margins not refunded in cash to members or allocated in the form of qualified written notices are subject to income taxes.

The bylaws of Gold Kist provide for the issuance of either qualified or nonqualified patronage refunds (as defined for purposes of Subchapter T of the Internal Revenue Code). Gold Kist utilized nonqualified patronage refunds in 1993 and 1994, which are deductible for income tax purposes only to the extent paid or redeemed in cash.

Effective June 27, 1993, Gold Kist adopted the provisions of Statement of Financial Accounting Standards No. 109 (SFAS 109), "Accounting for Income Taxes" and reported the cumulative effect of that change in the method of accounting for income taxes in the 1994 consolidated statement of operations. SFAS 109 requires an asset and liability approach in accounting for income taxes and, therefore, required a change from the deferred method Gold Kist previously used. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under SFAS 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized as income or expense in the period that includes the enactment date.

Pursuant to the deferred method under Accounting Principles Board Opinion 11, which was applied in fiscal 1993 and prior years, deferred income taxes that were reported in different years for financial reporting purposes and income tax purposes were recognized for income and expense items using the tax rate applicable for the year of the calculation. Under the deferred method, deferred taxes were not adjusted for subsequent changes in tax rates.

(g) Fair Value of Financial Instruments

Gold Kist's financial instruments include cash and cash equivalents, accounts receivables and payables, notes receivable and debt. Because of the short maturity of cash equivalents, accounts receivables and payables, and certain short-term debt which matures in less than one year, the carrying value approximates fair value. All financial instruments are considered to have an estimated fair value which approximates carrying value at June 25, 1994 unless otherwise specified.

(h) Fiscal Year

Gold Kist employs a 52/53 week fiscal year. The consolidated financial statements for 1992, 1993 and 1994 reflect 52 weeks. Fiscal 1995 will be a 53 week year.

(2) INVENTORIES

Inventories are summarized as follows:

<TABLE>
<CAPTION>

	1993	1994

	1993	1994
Merchandise for sale	$ 57,147	65,795
Live poultry and hogs	63,616	75,600
Raw materials and supplies	30,990	30,090
Marketable products	22,751	26,982
	$174,504	198,467

</TABLE>

(3) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is summarized as follows:

<TABLE>
<CAPTION>

	1993	1994
Land and land improvements	$ 28,228	29,757
Buildings	151,647	159,065
Machinery and equipment	282,736	304,535
Construction in progress	2,600	4,332
	465,211	497,689
Less accumulated depreciation	260,730	292,906
	$204,481	204,783

</TABLE>

Gold Kist owns a 54% interest in its corporate headquarters building through its investment in GC Properties, a general partnership formed between Gold Kist and Cotton States Mutual Insurance Company solely for the purpose of acquiring the corporate headquarters building and related mortgage obligation. One director of Gold Kist is a director of the Cotton States Insurance Group.

Gold Kist's indirect 54% interest in the aforementioned building and related accumulated depreciation, based on historical cost, is included in property, plant and equipment in the accompanying consolidated financial statements.

(4) NOTES PAYABLE AND LONG-TERM DEBT

At June 25, 1994, Gold Kist had unused loan commitments of $37.4 million and additional uncommitted facilities to provide loans and letters of credit from banks aggregating approximately $122.6 million. These short-term, unsecured borrowings bear interest at rates below prime.

Subordinated loan certificates of $25.1 million at June 25, 1994 bore interest from 3.75% to 5.75% with terms of one year and were unsecured.

Interest left on deposit represents amounts of interest payable, which at the option of the holders of various classes of certificates, is left on deposit with Gold Kist. Additional interest on these amounts accrues at the same rates as the related certificates. Approximately $4.5 million of interest left on deposit was redeemed as a part of the redemption of the cumulative preferred certificates of interest during 1994 (see note 5).

Long-term debt is summarized as follows:

<TABLE>
<CAPTION>

1993 1994

(DOLLAR AMOUNTS IN THOUSANDS)

Unsecured senior notes payable:		
9.375% interest notes, due in semi-annual installments of $5,500 with interest payable semiannually..................	$ 44,000	33,000
9.90% interest notes, due in semi-annual installments of $1,539 with interest payable semiannually..................	18,462	15,384
9.35% interest note, due in a single installment in June 2001 with interest payable quarterly............................	20,000	20,000
Other long term debt:		
Revolving credit agreement with a commercial bank (weighted average rate of 5.0% at June 25, 1994)......................	--	7,000
Subordinated capital certificates of interest with interest rates ranging from 4.50% to 16.50% and with fixed maturities ranging from two to fifteen years, unsecured (weighted average interest rate of 8.3% at June 26, 1993 and 7.7% at June 25, 1994)...	52,837	58,387
Tax exempt industrial revenue bonds with varying interest rates due in quarterly and annual installments through 2002, secured by property, plant and equipment...................	7,325	6,263
Pro rata share of mortgage loan, at 8.47% interest, due in monthly installments to June 30, 2004, secured by a building (note 3)...	2,832	2,673
Other...	2,922	2,515
	148,378	145,222
Less current maturities.....................................	28,044	35,405
	$120,334	109,817

In June 1991, Gold Kist entered into a three-year concurrent interest rate exchange agreement on its 9.35% unsecured senior note for another party's interest obligations on an equivalent amount of principal at a floating rate. For the year ended June 25, 1994, the average interest rate was 5.35%. The exchange agreement expired in June 1994 and was not renewed.

Based upon discounted cash flows of future payments, assuming interest rates available to Gold Kist for issuance of debt with similar terms and remaining maturities, the estimated fair value of the unsecured senior notes payable at June 25, 1994 was approximately $71.7 million.

The terms of debt agreements specify minimum working capital, net worth and current ratio. The debt agreements also place a limitation on equity distribution, cash patronage refunds and additional loans, advances or investments. The limitation provides for a carryover to 1995 of unused amounts, $37.2 million as of June 25, 1994, and is increased by 50% of Gold Kist's net margins (or minus 100% of a net loss) before any gains or losses on disposals of capital assets or equity in unremitted earnings of any affiliate. At June 25, 1994, Gold Kist was in compliance with the terms of the agreements.

Annual required principal repayments on long-term debt for the five fiscal years subsequent to June 25, 1994 are as follows:

Fiscal year:	
1995..	$35,405
1996..	24,605
1997..	17,959
1998..	9,920
1999..	10,541

(DOLLAR AMOUNTS IN THOUSANDS)

</TABLE>

(5) PATRONS' AND OTHER EQUITY

Gold Kist's Articles of Incorporation provide for a class of common stock and a class of preferred stock pursuant to the provisions of the Georgia Cooperative Marketing Act. Each member is allocated one share of common stock, $1.00 par value. The common shares are not marketable or transferable and no dividends will be declared on these common shares. No issuance of preferred stock has been authorized by Gold Kist.

Revolving fund certificates and patronage reserves represent allocated undistributed member margins less taxes paid on nonqualified equity. Patronage reserves do not bear interest and are subordinated to all certificates outstanding and indebtedness of Gold Kist. Patronage reserves may be revolved and paid at the discretion of the Board of Directors.

Revolving fund certificates and cumulative preferred capital certificates of interest with no fixed maturities are no longer issued and were redeemed in 1994. Interest on cumulative preferred capital certificates of interest and revolving fund certificates was charged against retained earnings. The interest rates on these certificates were 5% during 1992, 1993 and 1994.

Retained earnings include the cumulative net margins (losses) resulting from nonmember and nonpatronage transactions, including noncooperative subsidiaries. Also included are amounts related to the early redemption of notified equity, representing the difference between the face value and the redemption amounts.

(6) INCOME TAXES

As discussed in Note 1 (f), the Company adopted SFAS 109 as of June 27, 1993. The cumulative effect of this change in accounting for income taxes, which resulted in a tax benefit of $5.3 million, was determined as of June 27, 1993 and was reflected in the consolidated statement of operations for the year ended June 25, 1994. Prior years' financial statements have not been restated to apply the provisions of SFAS 109.

The provisions for income tax expense (benefit), principally Federal, consist of the following:

<TABLE>
<CAPTION>

	1992	1993	1994
<S>	<C>	<C>	<C>
Current expense..	$ 8,377	15,837	20,423
Deferred benefit.......................................	(9,826)	(1,650)	(5,562)
	$(1,449)	14,187	14,861

</TABLE>

In addition, Gold Kist recognized a deferred income tax benefit of $10,698 in 1992 related to the cumulative effect of change in accounting for postretirement benefits other than pensions.

The significant components of deferred income tax benefit from operations for the year ended June 25, 1994 are as follows:

<TABLE>

<S>	<C>
Deferred tax benefit (exclusive of the effect of the other components below)..	$(5,439)
Adjustments to deferred tax assets and liabilities for enacted changes	

in tax rates	(328)
Increase in beginning-of-year balance of the valuation allowance for deferred tax assets	205
	$(5,562)

</TABLE>

Gold Kist's combined federal and state effective tax rates from operations for 1992, 1993 and 1994 were 36%, 32% and 30%, respectively. A reconciliation of income tax expense (benefit) from operations computed by applying the Federal corporate income tax rate of 34% in 1992 and 1993 and 35% in 1994 to margins (loss) before income taxes, minority interest and cumulative effect of accounting changes for the applicable year follows:

<TABLE>
<CAPTION>

<S>	1992 <C>	1993 <C>	1994 <C>
Computed expected income tax expense (benefit)	$(1,374)	14,855	17,526
Increase (decrease) in income tax expense (benefit) resulting from:			
Cash portion of nonqualified patronage refund	--	(1,183)	(1,420)
Effect of state income taxes, net of Federal benefit	573	1,428	1,050
Nonqualified equity redemptions	(616)	(575)	(525)
Other, net	(32)	(338)	(1,770)
	$(1,449)	14,187	14,861

</TABLE>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at June 25, 1994 are as follows:

<TABLE>
<CAPTION>

<S>	1994 <C>
Deferred tax assets:	
Postretirement benefits expense	$13,478
Insurance accruals	8,839
Bad debt reserves	2,386
State tax operating loss carryforwards	1,913
Other	1,804
Total gross deferred tax assets	28,420
Less valuation allowance	(1,913)
Net deferred tax assets	26,507
Deferred tax liabilities:	
Accelerated depreciation	(2,986)
Deferred compensation	(4,103)
Total deferred tax liabilities	(7,089)
Net deferred tax assets	$19,418

</TABLE>

The valuation allowance for deferred tax assets as of June 27, 1993 was $1,708. The net change in the total valuation allowance for the year ended June 25, 1994 was an increase of $205.

(DOLLAR AMOUNTS IN THOUSANDS)

The Association's management believes the existing net deductible temporary differences comprising the total net deferred tax assets will reverse during periods in which the Association generates net taxable income.

Deferred income taxes result from differences in the timing of reporting income and expenses for financial statement and income tax reporting purposes. The sources of deferred income taxes and their tax effects are as follows:

	1992	1993
Depreciation expense	$ (527)	(1,433)
Deferred compensation expense	1,016	167
Insurance accruals	(1,751)	(1,839)
Equity in partnerships	(7,821)	133
Other, net	(743)	1,322
	$(9,826)	(1,650)

During 1993, the Internal Revenue Service (IRS) concluded its examination of Gold Kist's 1987 through 1989 Federal income tax returns and issued a notice of deficiency. In April 1994, the remaining issue, whether Gold Kist must recognize taxable income related to the redemption of its qualified notified equity at less than face amount, was litigated before the United States Tax Court. A decision is not expected before fall 1995. The amount at issue, including interest through June 25, 1994, was approximately $2.7 million. In the event an additional assessment is made for the aforementioned issue for the 1990 through 1994 Federal income tax returns, this amount including interest through June 25, 1994 would approximate $4.8 million.

(7) EMPLOYEE BENEFITS

(a) Pension Plans

Gold Kist has noncontributory defined benefit pension plans covering substantially all of its employees and directors and an affiliate's employees (participants). The plan covering the salaried participants provides pension benefits that are based on the employees' compensation during the years before retirement or other termination of employment. The plan covering the hourly participants provides pension benefits that are based on years of service. Gold Kist's funding policy is to contribute within the guidelines prescribed by Federal regulations. Plan assets consist principally of corporate equities and bonds, and United States Government and Agency obligations.

Net periodic pension income (expense) for 1992, 1993 and 1994 included the following components:

	1992	1993	1994
Service cost--benefits earned during the year	$(2,592)	(3,422)	(3,720)
Interest cost on projected benefit obligations	(5,585)	(6,247)	(6,479)
Actual return on plan assets	14,020	11,116	3,236
Net amortization and deferral	(4,731)	(1,827)	5,989
Net periodic pension income (expense)	$ 1,112	(380)	(974)

(DOLLAR AMOUNTS IN THOUSANDS)

The following table sets forth the plans' funded status, amounts recognized in the consolidated balance sheets at June 26, 1993 and June 25, 1994 and economic assumptions:

	1993	1994
Actuarial present value of benefit obligations:		
Vested participants	$ 66,636	69,662
Nonvested	5,542	5,416
Total accumulated benefit obligations	$ 72,178	75,078
Projected benefit obligations for services rendered to date	$ 91,116	88,083
Plan assets for benefits:		
Plan assets at fair value	$111,373	109,874
Prepaid pension cost included in other assets in consolidated balance sheets	(15,900)	(15,195)
Net plan assets	$ 95,473	94,679
Plan assets in excess of projected benefit obligations	$ 4,357	6,596
Consisting of:		
Unrecognized net asset existing at the date of adoption	$ 12,194	10,972
Unrecognized net loss from past experience different from that assumed and effects of changes in assumptions	(428)	(351)
Prior service cost not yet recognized in net periodic pension cost	(7,409)	(4,025)
	$ 4,357	6,596
Economic assumptions:		
Weighted-average discount rate	8.00%	8.25%
Weighted-average expected long-term rate of return on plan assets	8.75%	9.00%
Weighted-average rate of compensation increase	6.00%	6.00%

The unrecognized net asset existing at the date of adoption of Statement of Financial Accounting Standards No. 87 is being amortized over the remaining service lives of the participants.

(b) Other Postretirement Benefits

In addition to providing pension benefits, Gold Kist provides health and life insurance benefits for retired employees. Effective June 30, 1991, Gold Kist adopted Statement of Financial Accounting Standards No. 106 (SFAS 106), "Employers' Accounting for Postretirement Benefits Other Than Pensions." Under SFAS 106, the cost of postretirement benefits other than pensions must be recognized on an accrual basis as employees perform services to earn the benefits. Gold Kist previously expensed the cost of these benefits, which are principally health care, as claims were incurred. Gold Kist elected to recognize this change in accounting principle on the immediate recognition basis. The cumulative effects as of June 30, 1991 of adopting SFAS No. 106 were an increase in accrued postretirement benefit costs of $29.7 million and an increase in the 1992 net loss of $19.0 million. The effects of adopting SFAS No. 106 during 1992 increased the loss before cumulative effect of change in accounting principle by $1.5 million.

(DOLLAR AMOUNTS IN THOUSANDS)

Gold Kist provides health care and death benefits to substantially all retired employees, covered dependents and their beneficiaries. Generally, employees who have attained age 55 and who have 10 years of service are eligible for these benefits. In addition, employees with less than 10 years of service who retired before July 1, 1992 are eligible for these benefits. The health care and death benefit plans are contributory and coverages increase with increased years of service.

Postretirement health and death benefit expense for 1992, 1993 and 1994 included the following components:

	1992	1993	1994
Service cost--benefits earned during the year................	$1,100	1,293	1,728
Interest cost...	2,600	2,305	2,530
	$3,700	3,598	4,258

Gold Kist's postretirement benefit plans are not funded. The status of the plans at June 26, 1993 and June 25, 1994 was as follows:

	1993	1994
Actuarial present value of accumulated postretirement benefit obligation:		
Retirees..	$11,008	12,896
Fully eligible active plan participants......................	6,186	6,956
Other active plan participants..............................	14,737	13,029
	31,931	32,881
Unrecognized net gain from experience differences............	1,802	3,207
	$33,733	36,088

The health care cost trend rate used to determine the accumulated postretirement benefit obligation at June 26, 1993 was 13%, declining ratably to 5.5% by the year 2002 and remaining at that level thereafter. The health care cost trend rate used to determine the accumulated postretirement benefit obligation at June 25, 1994 was 11%, declining ratably to 5.5% by the year 2003 and remaining at that level thereafter. The discount rates used to determine the accumulated postretirement benefit obligation were 8.00% and 8.25% at June 26, 1993 and June 25, 1994, respectively. A 1% increase in the health care cost trend rate for each year would increase the accumulated postretirement benefit obligation for health care benefits at June 25, 1994 by approximately 14% and net postretirement health care cost by 16%.

(c) Incentive Compensation

Gold Kist has a bonus plan which provides incentive compensation to approximately 420 management level employees. Bonuses are based on a percentage of defined segment margins before income taxes and bonuses. An individual's bonus is determined based upon degree of responsibility and performance. The amounts charged to expense were $1.1 million, $5.4 million and $6.5 million in 1992, 1993 and 1994, respectively.

(DOLLAR AMOUNTS IN THOUSANDS)

(8) CONTINGENT LIABILITIES AND COMMITMENTS

In January 1993, three Alabama member patrons of Gold Kist filed lawsuits in the nature of derivative actions against Gold Kist and Golden Poultry Company, Inc., a majority-owned subsidiary of Gold Kist, and certain directors, officers and employees of the companies. The lawsuits allege that the named officers, directors and employees violated their fiduciary duties by creating Golden Poultry Company, Inc. and Carolina Golden Products Company (Golden Poultry), by permitting their continued operations and by selling shares of Golden Poultry's common stock to certain officers, directors and employees. Among the remedies requested are the transfer of Golden Poultry's operations to Gold Kist, as well as unspecified actual and punitive damages. In March 1994, the court certified the litigation as a class action. In July 1994, the court dismissed the employees as defendants in the applicable lawsuit. Gold Kist intends to defend the litigation vigorously.

Gold Kist is a defendant in various legal and administrative proceedings seeking alleged actual and punitive damages and specific performance to correct certain alleged problems. Gold Kist management is of the opinion that the ultimate resolution of these matters will not have a material adverse impact on Gold Kist's financial position.

Gold Kist received proceeds of $20.0 million and $5.0 million during 1993 and 1994, respectively, for collateralized loans sold with recourse to an insurance company, of which $21.5 million was outstanding at June 25, 1994. No gain or loss was recognized on the sale of these loans. A $207 thousand allowance has been recognized in the accompanying consolidated financial statements for potential losses that may occur. As of June 25, 1994, there have been no credit losses related to the loans guaranteed under this agreement.

Gold Kist is a guarantor of amounts outstanding under a $55.0 million secured loan agreement between a commercial bank and Young Pecan Company, a pecan processing and marketing partnership in which Gold Kist holds a 25% equity interest and 35% earnings (loss) allocation. At June 25, 1994, the amounts outstanding under this facility were $24.1 million.

(9) INVESTMENTS

(a) Marketable Equity Security

At June 26, 1993 and June 25, 1994, investments include a noncurrent marketable equity security with a cost of $21.5 million. The market value of the equity security was $40.6 million and $42.0 million at June 26, 1993 and June 25, 1994, respectively. Gains realized on sales and dividends totaled $1.6 million, $169 thousand and $170 thousand and are included in miscellaneous, net for the years ended June 27, 1992, June 26, 1993 and June 25, 1994, respectively.

(b) Golden Peanut Company

Gold Kist has a 33 1/3% interest in Golden Peanut Company, a Georgia general partnership. Gold Kist's investment in the partnership amounted to $23.0 million and $20.1 million at June 26, 1993 and June 25, 1994, respectively. The partnership has a $450.0 million commercial paper facility of which $215.0 million was outstanding at June 30, 1994.

Summarized financial information of Golden Peanut Company is shown below:

CONDENSED CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	1993	1994

<S>	<C>	<C>
Current assets	$280,921	258,195
Property, plant and equipment, net	32,590	33,465
Total assets	$313,511	291,660
Current liabilities	$244,455	226,871
Accrued postretirement benefit costs	--	4,477
Partners' equity	69,056	60,312
Total liabilities and partners' equity	$313,511	291,660

</TABLE>

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

<S>	1992 <C>	1993 <C>	1994 <C>
Net sales and other operating income	$461,088	486,868	456,937
Costs and expenses	429,738	472,812	460,291
Net income (loss)	$ 31,350	14,056	(3,354)

</TABLE>

Golden Peanut Company's 1994 net loss includes a $3.9 million charge resulting from the adoption of SFAS 106. Gold Kist has included its proportionate share of Golden Peanut Company's adoption of SFAS 106 in equity in earnings (loss) of partnership in the accompanying 1994 consolidated statement of operations since the amount is not significant.

In 1992, 1993 and 1994, Gold Kist received $2.1 million in rental income from Golden Peanut Company under an operating lease agreement for peanut shelling and procurement facilities. In addition, Gold Kist received procurement commissions and royalties of $1.6 million, $2.2 million and $2.0 million in 1992, 1993 and 1994, respectively.

(10) MAJOR BUSINESS SEGMENTS

Gold Kist is an agricultural cooperative, with operations located primarily in the southeastern United States, engaged in marketing products and purchasing supplies and equipment for its patrons. Gold Kist also operates non-cooperative businesses engaged in broiler operations, farm and home retailing, and crop and equipment financing. Gold Kist's operations are classified into industry segments as follows:

The Poultry segment includes cooperative integrated broiler production, processing and marketing operations, as well as subsidiary broiler operations. This segment has decentralized broiler, pork production and cornish game hen facilities.

The Agri-Services segment purchases or manufactures feed, seed, fertilizers, agricultural chemicals, animal health products, and other farm supply and equipment items for sale. These products are primarily sold through Gold Kist owned retail outlets and independent dealers.

The following table presents certain financial information as to industry segments:

	POULTRY	AGRI-SERVICES	INTERSEGMENT ELIMINATIONS	CONSOLIDATED
YEAR ENDED JUNE 27, 1992				
Net sales volume................	$ 963,064	337,842	--	1,300,906
Net margins (losses) from operations..........................	$ (8,058)	253	--	(7,805)
General corporate expenses......				(5,931)
Other income, net...............				9,695
Loss before income taxes, minority interest and cumulative effect of accounting change.........................				$ (4,041)
Depreciation and amortization expense........................	$ 28,689	5,054	775(c)	34,518
Capital expenditures............	$ 39,980	5,304	664(c)	45,948
Identifiable assets at June 27, 1992..........................	$ 353,034	208,663	115,001(c)	676,698
YEAR ENDED JUNE 26, 1993				
Net sales volume................	$1,077,928	322,638	--	1,400,566
Net margins from operations.....	$ 43,269	1,876	--	45,145
General corporate expenses......				(5,607)
Other income, net...............				4,154
Margins before income taxes and minority interest..............				$ 43,692
Depreciation and amortization expense........................	$ 30,566	4,911	838(c)	36,315
Capital expenditures............	$ 17,475	5,530	275(c)	23,280
Identifiable assets at June 26, 1993..........................	$ 352,562	202,219	110,321(c)	665,102
YEAR ENDED JUNE 25, 1994				
Net sales volume................	$1,183,729	377,305	--	1,561,034
Net margins from operations.....	$ 52,177	8,471	--	60,648
General corporate expenses......				(6,270)
Other deductions, net...........				(4,304)
Margins before income taxes, minority interest and cumulative effect of accounting change.........................				$ 50,074
Depreciation and amortization expense........................	$ 31,234	5,134	883(c)	37,251
Capital expenditures............	$ 32,655	3,772	805(c)	37,232
Identifiable assets at June 25, 1994..........................	$ 375,389	218,111	122,932(c)	716,432

- --------

(a) Net sales volume includes export sales amounting to $29,779, $27,511 and $37,731 in 1992, 1993 and 1994, respectively, which have no significant geographical concentration.
(b) Intersegment sales are generally priced at competitive market prices.
(c) Amounts relate to unallocated corporate assets.

NO DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED IN CONNECTION WITH THIS OFFERING TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ANY UNDERWRITER. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES OTHER THAN THE SECURITIES COVERED BY THIS PROSPECTUS; NOR DOES IT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY OF THE SECURITIES COVERED BY THIS PROSPECTUS BY ANYONE IN ANY STATE IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE OF THIS PROSPECTUS.

TABLE OF CONTENTS

[LOGO OF GOLD KIST INC. APPEARS HERE]

GOLD KIST INC.

FIFTEEN YEAR SUBORDINATED CAPITAL CERTIFICATES OF INTEREST (SERIES D)

TEN YEAR SUBORDINATED CAPITAL CERTIFICATES OF INTEREST (SERIES D)

SEVEN YEAR SUBORDINATED CAPITAL CERTIFICATES OF INTEREST (SERIES A)

FIVE YEAR SUBORDINATED CAPITAL CERTIFICATES OF INTEREST (SERIES C)

THREE YEAR SUBORDINATED CAPITAL CERTIFICATES OF INTEREST (SERIES A)

TWO YEAR SUBORDINATED CAPITAL CERTIFICATES OF INTEREST (SERIES A)

ONE YEAR SUBORDINATED LOAN CERTIFICATES (SERIES C)

ONE YEAR SUBORDINATED LARGE DENOMINATION LOAN CERTIFICATES (SERIES A)

SIX MONTH SUBORDINATED LARGE DENOMINATION LOAN CERTIFICATES (SERIES A)

PROSPECTUS

OCTOBER 25, 1994

AGVESTMENTS, INC.

- --
- --