

Industrias Bachoco S.A.B. de C.V.
Form 6-K
October 26, 2009

CONFORMED

Securities and Exchange Commission
Washington, D.C. 20549

FORM 6-K

Report of Foreign Issuer
Pursuant to Rule 13a-16 Or 15d-16
Of The
Securities Exchange Act of 1934

For the month of October 26, 2009

BACHOCO INDUSTRIES
(Translation of Registrant's name into English)

Avenida Tecnológico No. #401
38010 Celaya, Guanajuato
(Address of principal office)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

(Check One) Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g-3-2(b) under the Securities Exchange Act of 1934.)

(Check One) Yes No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b). 82__.)

SIGNATURES

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

Industrias Bachoco, S.A. de C.V.
(Registrant)

Date: October 26, 2009

By /s/ Daniel Salazar Ferrer, CFO

Industrias Bachoco Announces Third Quarter 2009 Results

Celaya, Gto., Mexico, - October 26, 2009 - Industrias Bachoco S.A.B. de C.V. (“Bachoco” or “the Company”) (NYSE: IBA; BMV: Bachoco), Mexico’s leading producer and processor of poultry products, announced today its unaudited results for the third quarter and first nine months ended September 30, 2009. All figures have been prepared in accordance with Mexican GAAP. In line with the Mexican Accounting Principles, data is presented in nominal Mexican pesos.

Highlights:

- During the quarter total sales increased 19.3% over the 3Q08.
- The Company achieved a positive EBITDA margin of 3.6% compared with a negative result of 2.0% in the same year-ago quarter.
- Prices increased across the board for all of Bachoco’s main business lines.
- Earnings per ADS for the first nine months reached \$1.36 USD compared to \$0.48 USD for the same period of 2008. The result per ADS for 3Q09 even when negative at \$0.08 USD was better than the same year-ago period.

CEO’s Comments:

Cristóbal Mondragón, Bachoco’s CEO, stated, “During the third quarter, the Mexican economy continued to slow down, affecting the purchasing power of Mexican consumers, and, consequently, we saw a weaker demand for our products when compared with the second quarter.

“In particular, the Mexican poultry industry was affected by higher raw materials costs, mainly those of soybean meal, following the trends in the commodity market. The slowdown in the economy did not allow us to fully transfer the costs increases to our products’ prices. In addition, it is worth noting that traditionally this quarter is the weakest of the year.

“Despite this condition, we managed to increase our total sales and were able to reach positive operating results. We continued implementing our growth plans through the integration of several business agreements reached during the quarter, with which we expect to strength our leadership position in the Mexican poultry industry.

“Finally, our financial position remained strong, we generated a good level cash and our indebtedness level remained low,” concluded Mr. Mondragón.

THIRD QUARTER 2009 RESULTS

Net Sales

Net sales for the third quarter amounted to Ps. 5,613.6 million, 19.3% above the Ps. 4,704.5 million reported in 3Q08. This increase was mainly driven by a 24.7% increase in chicken sales, 1.7% increase in table eggs sales, and 7.3% increase in swine sales, but was partially offset by a 2.7% decrease in balance feed sales.

| Net sales | 3Q09 (%) | 3Q08 (%) |
|---------------|----------|----------|
| Chicken | 79.2 | 75.8 |
| Eggs | 9.7 | 11.4 |
| Balanced feed | 6.5 | 7.9 |
| Swine | 1.0 | 1.1 |
| Other lines | 3.6 | 3.8 |
| | 100.00% | 100.00% |

Operating Results

Bachoco's third quarter gross margin was 12.0%, higher than the 7.5% reached in the same quarter of 2008. The increase in the gross margin is attributed to the 16.0% increase in sale prices, which were partially offset by a 13.4% increase in the cost of sales.

The Company had an operating profit of Ps. 35.3 million, compared to an operating loss of Ps. 243.6 million in the same quarter of 2008. The operating margin for the third quarter of 2009 was 0.62%.

The EBITDA result was Ps. 200.7 million, compared with a negative EBITDA result reported in the same quarter last year of Ps. 92.7 million.

Taxes

Total taxes recognized for the third quarter were Ps. 11.8 million.

Comprehensive Financial Income (Cost)

The Company's financial comprehensive cost was Ps. 27.9 million during the quarter, compared to a financial comprehensive cost of Ps. 235.5 million reported in the same last year's quarter.

Net Majority Income (loss)

Net majority loss for the third quarter totaled Ps. 53.1 million, or Ps. 0.09 per share (US\$0.08 per ADS), compared to a net majority loss of Ps. 100.3 million, or Ps. 0.17 per share (US\$0.15 per ADS) reported in the same 2008 period.

RESULTS BY BUSINESS SEGMENT

Chicken

Sales of chicken products increased 24.7% as chicken prices rose 14.3% and the volume grew 9.1%. Even when the result was positive, this business line was sharply affected by the pressure of chicken prices, decreasing significantly from 2Q09, mainly due to a weaker demand in the industry.

Table Eggs

Demand for table egg products was strong; sales of table eggs increased by 1.7% during the third quarter as egg prices rose 2.5% from the previous year. The result was partially offset by a slight volume decrease of 0.8% directly attributed to an adjustment in the Company's production.

Balanced Feed

Sales of balanced feed decreased by 2.7%, mainly due to a 9.1% increase in prices, which was partially offset by a 10.8% decrease in balance feed volume. This business line was directly affected by higher grain costs.

Swine

The swine business line was stable during the third quarter, swine sales rose 7.3% as a result of a 2.0% increase in swine prices and a 5.2% increase in swine volumes when compared to the same period of 2008.

Other Lines

Sales of other lines increased 13.8% when compared with 3Q08. The main products sold were by-product sales, such as poultry manure.

FIRST NINE MONTHS OF 2009**Net Sales**

Net sales for the first nine months of 2009 amounted to Ps. 17,471.5 million, 21.0% above the Ps. 14,435.3 million reported in the same period of 2008. The increase was mainly driven by the 24.2% increase in chicken sales, 13.8% in table eggs sales, 15.3% in swine sales and 0.2% increase in balanced feed sales.

| Net sales | Jan - Sep 2009 (%) | Jan - Sep 2008 (%) |
|---------------|-----------------------|-----------------------|
| Chicken | 78.6 | 76.6 |
| Eggs | 10.0 | 10.7 |
| Balanced feed | 6.4 | 7.7 |
| Swine | 1.0 | 1.0 |
| Other lines | 4.0 | 4.0 |
| | 100.00% | 100.00% |

Operating Results

The Company's gross margin for the first nine months of the year was 18.5% higher than 14.3% in the same 2008 period, and was mainly attributed to higher sales in all of our business lines, mainly for chicken and table eggs products. The Company's operating profit was Ps. 1,388.7 million, which favorably compares to an operating profit of Ps. 312.3 million reached in the same period of 2008. EBITDA was Ps. 1,874.3 million, well above the Ps. 761.0 million recorded in the same last year's period. EBITDA margin for the first nine months of 2009 was 10.7%.

Taxes

The Company recognized income taxes and deferred income taxes amounting to Ps. 223.9 million.

Net Majority Income

Net majority income for the first nine months of the year was Ps. 916.5 million, or Ps. 1.53 per share (US\$1.36 per ADS), compared to net income of Ps. 324.9 million, or Ps. 0.54 per share (US\$0.48 per ADS) reported in the same 2008 period.

Balance Sheet

Liquidity is solid with cash and cash equivalents amounting to Ps. 2,259.9 million as of September 30, 2009. The total debt outstanding was Ps. 1,048.8 million as of September 30, 2009.

Capital Expenditures

CAPEX during the first nine months of 2009 amounted to Ps.706.5 million.

Exhibits:

- A.- Consolidated Balanced Sheets
- B.- Consolidated Statement of Income
- C.- Consolidated Statement Cash Flow
- D.- Derivatives Position Report

Company Description

Industrias Bachoco S.A.B. de C.V. (also referred to in this report as Bachoco or the Company) is the largest poultry company in Mexico, with over 700 production and distribution facilities currently organized in nine complexes throughout the country. Bachoco's main business lines are: chicken, eggs, and balanced feed, among others. The Company is also present in other businesses like swine, beef, margarine and turkey in Mexico. The Company's headquarters are in Celaya, Guanajuato, located in Mexico's central region. For more information, please visit Bachoco's website at <http://www.bachoco.com.mx> or contact our IR department.

This press release contains certain forward-looking statements that are subject to a number of uncertainties, assumptions and risk factors that may influence its accuracy. Actual results may differ. Factors that could cause these projections to differ include, but are not limited to: supply and demand, industry competition, environmental risks, economic and financial market conditions in Mexico and operating cost estimates. For more information regarding Bachoco and its outlook, please contact the Company's Investor Relations Department.

Exhibit A: Consolidated Balance Sheets
Industrias Bachoco, S.A.B. de C.V.
Condensed Consolidated Balance Sheets

| | U.S.D. | | Mexican Pesos | | | |
|---|---------|-------|---------------------|---------------------|----|--------|
| | 2009(1) | | 2009(2) | 2008(2) | | |
| | | | As of September 30, | As of September 30, | | |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | \$ | 167 | Ps | 2,260 | Ps | 1,988 |
| Total accounts receivable | | 99 | | 1,331 | | 1,129 |
| Inventories | | 327 | | 4,413 | | 4,919 |
| Other current assets | | - | | - | | - |
| Total current assets | | 593 | | 8,004 | | 8,036 |
| Net property, plant and equipment | | 811 | | 10,949 | | 10,717 |
| Other non current assets | | 41 | | 554 | | 368 |
| TOTAL ASSETS | \$ | 1,445 | Ps | 19,507 | Ps | 19,121 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Notes payable to banks | | 37 | | 502 | | 69 |
| Accounts payable | | 93 | | 1,255 | | 1,184 |
| Other taxes payable and other accruals | | 31 | | 422 | | 431 |
| Total current liabilities | | 161 | | 2,179 | | 1,684 |
| Long-term debt | | 41 | | 547 | | 63 |
| Labor obligations | | 7 | | 95 | | 73 |
| Deferred income taxes and others | | 143 | | 1,932 | | 2,465 |
| Total long-term liabilities | | 191 | | 2,574 | | 2,601 |
| TOTAL LIABILITIES | \$ | 352 | Ps | 4,753 | Ps | 4,286 |
| STOCKHOLDERS' EQUITY | | | | | | |
| Majority stockholder's equity: | | | | | | |
| Capital stock | | 170 | | 2,295 | | 2,295 |
| Paid-in capital | | 55 | | 744 | | 744 |
| Reserve for repurchase of shares | | 12 | | 159 | | 159 |
| Retained earnings | | 785 | | 10,592 | | 11,418 |
| Net majority income of the year | | 68 | | 917 | | 325 |
| Deficit from restatement of stockholder's equity | | - | | - | | - |
| Derivate financial instruments | | - | | - | | (150) |
| Total majority stockholder's equity | | 1,089 | | 14,706 | | 14,791 |
| Minority interest | | 4 | | 48 | | 45 |
| TOTAL STOCKHOLDERS' EQUITY | | 1,093 | | 14,754 | | 14,836 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ | 1,445 | Ps | 19,507 | Ps | 19,121 |

(1) For reference, in millions of U.S. dollars using an exchange rate of \$13.50 as of September 30, 2009

(2) Millions of Mexican nominal pesos

Exhibit B: Consolidated Statement of Income

INDUSTRIAS BACHOCO, S.A.B. DE C.V.
 Consolidated Statements of Income
 -unaudited-

| | THIRD QUARTER | | | FIRST NINE MONTHS OF YEAR | | |
|--|-------------------|--------------------------|----------|---------------------------|--------------------------|-----------|
| | U.S.D. 2009(1) | Mexican Pesos 2009(2) | 2008(2) | U.S.D. 2009(1) | Mexican Pesos 2009(2) | 2008(2) |
| Net sales | \$ 416 | Ps 5,614 | Ps 4,705 | US\$ 1,294 | Ps 17,472 | Ps 14,435 |
| Cost of sales | 366 | 4,938 | 4,353 | 1,055 | 14,238 | 12,364 |
| Gross profit (loss) | 50 | 676 | 352 | 239 | 3,233 | 2,072 |
| Selling, general and administrative expenses | 47 | 641 | 595 | 137 | 1,844 | 1,759 |
| Operating income (loss) | 3 | 35 | (244) | 103 | 1,389 | 312 |
| Comprehensive financing (cost) income | (2) | (28) | (235) | (10) | (134) | (252) |
| Interest income | 2 | 33 | (174) | 8 | 107 | (76) |
| Interest expense and financing expenses | (2) | (23) | (111) | (5) | (67) | (182) |
| Foreign exchange gain (loss), net | (1) | (18) | 50 | (3) | (37) | 5 |
| Other financial income (expense) net | (1) | (20) | - | (10) | (137) | - |
| Other income (expense) net | (5) | (70) | (33) | (8) | (106) | (27) |
| Income before income tax, asset tax | (5) | (63) | (512) | 85 | 1,149 | 33 |
| Total income taxes | (1) | (12) | (413) | 17 | 224 | (296) |
| Income tax, asset tax | 2 | 21 | (57) | 5 | 72 | 69 |
| Deferred income taxes | (2) | (33) | (356) | 11 | 152 | (365) |
| Net income | \$ (4) | Ps (51) | Ps (99) | 69 | 925 | 329 |
| Minority net income | 0 | 2 | 2 | 1 | 9 | 4 |
| Majority net income | (4) | (53) | (100) | 68 | 917 | 325 |
| weighted average shares outstanding (in thousands) | 599,954 | 599,954 | 600,000 | 599,930 | 599,930 | 600,000 |
| Net majority Income per share (in U.S.D per ADS) | (0.08) | (0.09) | (0.17) | 1.36 | 1.53 | 0.54 |

(1) For reference, in millions of U.S. dollars using an exchange rate of \$13.50 as of September 30, 2009

(2) Millions of Mexican nominal pesos

Exhibit C: Consolidated Statement of Cash Flows

Industrias Bachoco, S.A.B. de C.V.
Consolidated Statement of Cash Flows

| | U.S.D. | | Mexican Pesos | | |
|--|---------|-----|---------------|-----|-----------------|
| | 2009(1) | | 2009(2) | | 2008(2) |
| | | | As of | | As of September |
| | | | September 30, | | 30, |
| NET MAJORITY INCOME BEFORE INCOME TAX | \$ 85 | Ps. | 1,149 | Ps. | 33 |
| ITEMS THAT DO NOT REQUIRE CASH: | (18) | | (237) | | 197 |
| Other Items | (18) | | (237) | | 197 |
| ITEMS RELATING TO INVESTING ACTIVITIES: | 34 | | 455 | | 434 |
| Depreciation and others | 36 | | 486 | | 449 |
| Income (loss) on sale of plant and equipment | (2) | | (22) | | (10) |
| Other Items | (1) | | (9) | | (4) |
| ITEMS RELATING TO FINANCING ACTIVITIES: | 11 | | 151 | | 106 |
| Interest income (expense) | 3 | | 44 | | 182 |
| Other Items | 8 | | 107 | | (76) |
| NET CASH GENERATED FROM NET INCOME BEFORE TAXES | \$ 112 | Ps. | 1,518 | Ps. | 770 |
| CASH GENERATED OR USED IN THE OPERATION | (44) | | (589) | | (810) |
| Decrease (increase) in accounts receivable | 12 | | 163 | | 78 |
| Decrease (increase) in inventories | 52 | | 705 | | (1,155) |
| Increase (decrease) in accouts payable | (54) | | (727) | | 19 |
| Income taxes paid | (54) | | (729) | | 248 |
| NET CASH FLOW FROM FINANCING ACTIVITIES | \$ 69 | Ps. | 929 | Ps. | (40) |
| INVESTING ACTIVITIES | | | | | |
| NET CASH FLOW FROM INVESTING ACTIVITIES | (61) | | (821) | | (667) |
| Acquisition of property, plant and equipment | (52) | | (706) | | (927) |
| Proceeds from sales of property plant and equipment | (1) | | (17) | | 34 |
| Other Items | (7) | | (98) | | 225 |
| CASH FLOW SURPLUS (REQUIREMENTS OF) TO BE USED IN FINANCING ACTIVITIES | \$ 8 | Ps. | 108 | Ps. | (707) |
| FINANCING ACTIVITIES | | | | | |
| Net cash provided by financing activities: | 13 | | 180 | | (345) |
| Proceeds from loans | 133 | | 1,800 | | 468 |

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| | | | |
|--|---------------|------------------|------------------|
| Principal payments on loans | (102) | (1,377) | (445) |
| Dividends paid | (19) | (250) | (236) |
| Other items | 1 | 7 | (132) |
| NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS | | | |
| | 21 | 288 | (1,052) |
| CASH AND INVESTMENTS AT THE BEGINNING OF YEAR | | | |
| | 146 | 1,972 | 3,040 |
| CASH AND INVESTMENTS AT END OF PERIOD | \$ 167 | Ps. 2,260 | Ps. 1,988 |

(1) For reference, in millions of U.S. dollars using an exchange rate of \$13.50 as of September 30, 2009

(2) Millions of Mexican nominal pesos

Exhibit D: Derivatives Position Report

Industrias Bachoco, S.A.B. de C.V.
 Thousands of Mexican Pesos, as of September 30, 2009
 Table 1

| Type of Financial Instrument | Objective of The instrument | Notional Value | Value of the Related Commodity | | Reasonable Value | | Amounts Due by Year | Guaranties Required |
|--|-----------------------------|----------------|--|---|------------------|-------------|---------------------|---|
| | | | 3Q-2009 | 2Q-2009 | 3Q-2009 | 2Q-2009 | | |
| Forwards, knock out forwards, puts, collars and others under different amounts and conditions* | Hedge and negotiation | \$ 1,384,290 | \$ 13.50 | \$ 13.17 | \$ 27,246 | \$ - 74,408 | | |
| Corn Futures and | Hedge | \$ 240,862 | Corn of Dec and March, \$3.4400 and \$3.5675 USD/bushel | Corn of Sep and Dec, \$3.5450 and \$3.6725 USD/bushel | \$ -32,870 | \$ - 22,565 | | |
| Soybean meal Futures** | | | Soybean meal of Dec and Jan \$285.5 and \$282.7 USD/ton. | Soybean meal of Aug and Sep \$374.30 and \$339.30 USD/ton. | | | 2009 and | The deals consider the possibility of |
| Options for corn*** | Hedge and negotiation | \$ 699 | Corn: \$3.4400 USD/ per bushel for Dec and \$3.5675 for January 2010 | Corn: \$3.5450 USD/ per bushel for Sep and \$3.6725 for December. | \$ 699 | \$ 84 | 2010 | margin calls but not another kind of guaranty |
| Options for soybean meal**** | Hedge and | \$ - 1,716 | Soybean meal: \$285.5 USD/per | Soybean meal: \$374.30 USD/per | \$ - 1,716 | \$ 7,044 | | |

| | | |
|-------------|---------|--------------|
| | ton for | ton for |
| | Dec and | Aug and |
| | \$282.7 | \$314.3 |
| | | and |
| | for | \$306.30 |
| negotiation | January | USD/ton |
| | 2010. | for |
| | | Oct and |
| | | Dec |
| | | respectively |

None of the financial instruments exceed 5% of total assets as of September 30, 2009

* The 58.1% of the instruments will due in 2009 and the rest during the first half of 2010.

The notional value represents the net position as of September 30, 2009 at the exchange rate of Ps.13.50 per USD.

** The 99% of the instruments will be due in 2009

*** All the instruments will be due in 2009

**** The 38% of the instruments will be due in 2009

A negative value means an unfavorable effect for the Company

Industrias Bachoco, S.A.B. de C.V.

Thousands of Mexican Pesos, as of September 30, 2009

Table 2

| Kind of Financial Instrument | Reasonable Value As of March 31 | Value of the Related Commodity /reference value | | | Effect on the Income Statement | Effect on the Cash Flow***** | | |
|--|---------------------------------|---|-----------|-----------|---|------------------------------|------------|------------|
| | | -3% | 3% | 5% | | -3% | 3% | 5% |
| Forwards, knock out forwards, puts, collars and others under different amounts and conditions* | \$ 27,246 | \$ 13.10 | \$ 13.91 | \$ 14.18 | Direct | \$ 3,237 | \$ 62,584 | \$ 33,464 |
| | | -5% | 5% | 10% | | -5% | 5% | 10% |
| Corn Futures and soybean meal Futures** | -\$ 32,870 | \$ 3.27 | \$ 3.61 | \$ 3.78 | | -\$ 43,270 | -\$ 22,470 | -\$ 12,071 |
| | | \$ 271.23 | \$ 299.78 | \$ 314.05 | | | | |
| Options for corn*** | \$ 699 | \$ 3.27 | \$ 3.61 | \$ 3.78 | The effect will materialize as the inventory is consumed. | \$ 1,756 | -\$ 180 | -\$ 386 |
| Options for soybean meal**** | -\$ 1,716 | \$ 271.23 | \$ 299.78 | \$ 314.05 | | -\$ 6,087 | \$ 2,655 | \$ 7,026 |

* The reference value is the exchange rate of the Mexican peso and USD, \$13.50 pesos per USD as of September 30 of 2009.

** The reference value is the future in USD per bushel, here referenced to corn, \$3.4400 for December and \$285.5 USD/ton for December for Soybean meal.

*** The reference value is the future in USD per bushel, here referenced to corn for December 2009.

**** The reference value is the future in USD per ton, here referenced to Soybean meal for December 2009.

***** The company has credit lines with the majority of its counterparts, so that the effect in cash flow is lower than the amount shown
