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

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 30, 2003**

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________to__________

Commission file number: 1-183

HERSHEY FOODS CORPORATION

100 Crystal A Drive
Hershey, PA 17033

Registrant's telephone number: **717-534-6799**

State of Incorporation	IRS Employer Identification No.
Delaware	**23-0691590**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes [X] No [ ]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, $1 par value - 100,769,907 shares, as of April 25, 2003. Class B Common Stock, $1 par value - 30,422,096 shares, as of April 25, 2003.

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PART I - FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements (Unaudited)

HERSHEY FOODS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(in thousands except per share amounts)

	For the Three Months Ended March 30, 2003	March 31, 2002
Net Sales	$ 953,162	$ 988,506
Costs and Expenses:		
Cost of sales	596,879	624,024
Selling, marketing and administrative	187,552	202,741
Business realignment charge	-	8,762

Total costs and expenses	784,431	835,527
Income before Interest and Income Taxes	168,731	152,979
Interest expense, net	14,611	15,465
Income before Income Taxes	154,120	137,514
Provision for income taxes	56,562	50,469
Net Income	$ 97,558	$ 87,045
Net Income Per Share-Basic	$ .73	$ .64
Net Income Per Share-Diluted	$ .73	$ .63
Average Shares Outstanding-Basic	133,366	136,707
Average Shares Outstanding-Diluted	134,228	138,219
Cash Dividends Paid per Share:		
Common Stock	$ .3275	$ .3025
Class B Common Stock	$ .2950	$ .2725

The accompanying notes are an integral part of these statements.

HERSHEY FOODS CORPORATION
CONSOLIDATED BALANCE SHEETS
MARCH 30, 2003 AND DECEMBER 31, 2002
(in thousands of dollars)

ASSETS	2003	2002
Current Assets:		
Cash and cash equivalents	$ 144,076	$ 297,743
Accounts receivable - trade	296,003	370,976
Inventories	554,483	503,291
Prepaid expenses and other	100,612	91,608
Total current assets	1,095,174	1,263,618
Property, Plant and Equipment, at cost	2,941,303	2,903,019
Less-accumulated depreciation and amortization	(1,447,704)	(1,416,964)
Net property, plant and equipment	1,493,599	1,486,055
Goodwill	381,863	378,453
Other Intangibles	39,772	39,898
Other Assets	302,144	312,527
Total assets	$ 3,312,552	$ 3,480,551

LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 121,729	$ 124,507
Accrued liabilities	322,820	356,716
Accrued income taxes	45,686	12,731
Deferred income taxes	11,764	24,768
Short-term debt	10,261	11,135
Current portion of long-term debt	17,310	16,989
Total current liabilities	529,570	546,846
Long-term Debt	851,329	851,800
Other Long-term Liabilities	361,345	362,162
Deferred Income Taxes	353,991	348,040
Total liabilities	2,096,235	2,108,848
Stockholders' Equity:		
Preferred Stock, shares issued: none in 2003 and 2002	---	---
Common Stock, shares issued: 149,528,776 in 2003 and 149,528,564 in 2002	149,528	149,528

Class B Common Stock, shares issued: 30,422,096 in 2003 and 30,422,308 in 2002	30,422	30,422
Additional paid-in capital	411	593
Unearned ESOP compensation	(11,975)	(12,774)
Retained earnings	3,046,164	2,991,090
Treasury-Common Stock shares at cost: 48,778,036 in 2003 and 45,730,735 in 2002	(2,008,336)	(1,808,227)
Accumulated other comprehensive income	10,103	21,071
Total stockholders' equity	1,216,317	1,371,703
Total liabilities and stockholders' equity	$ 3,312,552	$ 3,480,551

The accompanying notes are an integral part of these balance sheets.

HERSHEY FOODS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of dollars)

	For the Three Months Ended March 30, 2003	March 31, 2002
Cash Flows Provided from (Used by) Operating Activities		
Net Income	$ 97,558	$ 87,045
Adjustments to Reconcile Net Income to Net Cash Provided from Operations:		
Depreciation and amortization	43,801	45,632
Deferred income taxes	5,735	15,891
Business realignment initiatives	-	5,698
Changes in assets and liabilities:		
Accounts receivable - trade	74,973	69,500
Inventories	(294)	(44,122)
Accounts payable	(2,778)	29,283
Other assets and liabilities	(81,370)	(68,499)
Net Cash Flows Provided from Operating Activities	137,625	140,428
Cash Flows Provided from (Used by) Investing Activities		
Capital additions	(36,604)	(17,405)
Capitalized software additions	(3,430)	(2,297)
Net Cash Flows (Used by) Investing Activities	(40,034)	(19,702)
Cash Flows Provided from (Used by) Financing Activities		
Net increase (decrease) in short-term debt	(874)	40
Repayment of long-term debt	(199)	(214)
Cash dividends paid	(42,484)	(40,500)
Exercise of stock options	9,109	55,569
Incentive plan transactions	(29,662)	(49,742)
Repurchase of Common Stock	(187,148)	-
Net Cash Flows (Used by) Financing Activities	(251,258)	(34,847)
Increase (Decrease) in Cash and Cash Equivalents	(153,667)	85,879
Cash and Cash Equivalents, beginning of period	297,743	134,147
Cash and Cash Equivalents, end of period	$ 144,076	$ 220,026

Interest Paid	$ 23,287	$ 23,766
Income Taxes Paid	$ 16,670	$ 1,342

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements include the accounts of Hershey Foods Corporation and its majority-owned subsidiaries (the "Corporation") after elimination of intercompany accounts and transactions. These statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. Certain reclassifications have been made to prior year amounts to conform to the 2003 presentation. Operating results for the three months ended March 30, 2003, are not necessarily indicative of the results that may be expected for the year ending December 31, 2003, because of the seasonal effects of the Corporation's business. For more information, refer to the consolidated financial statements and notes included in the Corporation's 2002 Annual Report on Form 10-K.

2. EMPLOYEE STOCK OPTIONS AND OTHER STOCK-BASED EMPLOYEE COMPENSATION PLANS

As of March 30, 2003, the Corporation had two stock-based employee compensation plans. The Corporation applies the recognition and measurement principles of Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees*, and related Interpretations in accounting for those plans. No stock-based employee compensation expense is reflected in net income for employee stock options since all stock options are granted at an exercise price equal to the market value of the underlying common stock on the date of grant. Compensation expense for performance stock units is recognized ratably over a period of up to seventy-two months based on the quarter-end market values of the stock. The following table illustrates the effect on net income and earnings per share if the Corporation had applied the fair value recognition provisions of Statement of Financial Accounting Standards No. 123, *Accounting for Stock-Based Compensation*, to stock-based employee compensation.

	For the Three Months Ended March 30, 2003	For the Three Months Ended March 31, 2002
	(in thousands of dollars except per share amounts)	
Net income, as reported	$ 97,558	$ 87,045
Deduct: Total stock-based employee compensation expense determined under fair value method, net of related tax effects	(3,685)	(3,075)
Pro forma net income	$ 93,873	$ 83,970
Earnings per share:		
Basic - as reported	$ .73	$ .64
Basic - pro forma	$ .70	$ .61
Diluted - as reported	$ .73	$ .63
Diluted - pro forma	$ .70	$ .61

The fair value of each option grant is estimated on the date of grant using a Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in the first three months of 2003 and 2002, respectively: dividend yields of 2.0% and 1.9%; expected volatility of 28% and 28%; risk-free interest rates of 3.6% and 4.7%; and expected lives of 6.4 years and 6.4 years.

3. BUSINESS REALIGNMENT INITIATIVES

In late October 2001, the Corporation's Board of Directors approved a plan to improve the efficiency and profitability of the Corporation's operations. The plan included asset management improvements, product line rationalization, supply chain efficiency improvements, and a voluntary work force reduction program (collectively, "the business realignment initiatives"). The major components were completed as of December 31, 2002. For more information on the business realignment initiatives recorded in the fourth quarter of 2001 and during 2002, refer to the consolidated financial statements and notes included in the Corporation's 2002 Annual Report on Form 10-K.

4. INTEREST EXPENSE

Interest expense, net consisted of the following:

	For the Three Months Ended March 30, 2003	For the Three Months Ended March 31, 2002
	(in thousands of dollars)	
Interest expense	$ 16,238	$ 16,573
Interest income	(1,001)	(779)
Capitalized interest	(626)	(329)
Interest expense, net	$ 14,611	$ 15,465

5. **NET INCOME PER SHARE**

In accordance with Statement of Financial Accounting Standards No. 128, *Earnings Per Share*, Basic and Diluted Earnings per Share are computed based on the weighted-average number of shares of the Common Stock and the Class B Stock outstanding as follows:

	For the Three Months Ended	
	March 30, 2003	March 31, 2002
	(in thousands of dollars except per share amounts)	
Net income	$ 97,558	$ 87,045
Weighted-average shares-basic	133,366	136,707
Effect of dilutive securities:		
Employee stock options	808	1,431
Performance and restricted stock units	54	81
Weighted-average shares - diluted	134,228	138,219
Net income per share - basic	$ 0.73	$ 0.64
Net income per share-diluted	$ 0.73	$ 0.63

Employee stock options for 3,076,594 shares and 1,237,955 shares were anti-dilutive and were excluded from the earnings per share calculation for the three months ended March 30, 2003 and March 31, 2002, respectively.

6. **DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES**

The Corporation accounts for derivative instruments in accordance with Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities,* as amended. All derivative instruments currently utilized by the Corporation, including foreign exchange forward contracts, interest rate swap agreements and commodities futures contracts, are designated as cash flow hedges.

Net after-tax losses on cash flow hedging derivatives reflected in comprehensive income were $9.3 million for the three months ended March 30, 2003. Net after-tax gains on cash flow hedging derivatives reflected in comprehensive income were $17.5 million for the three months ended March 31, 2002. Net gains and losses on cash flow hedging derivatives were primarily associated with commodities futures contracts. Reclassification adjustments from accumulated other comprehensive income (loss) to income, for gains or losses on cash flow hedging derivatives, were reflected in cost of sales. Reclassification of gains of $12.8 million and $3.1 million for the three months ended March 30, 2003 and March 31, 2002, respectively, were associated with commodities futures contracts. No gains or losses as a result of hedge ineffectiveness were incurred during the three months ended March 30, 2003. Gains on commodities futures contracts recognized in cost of sales as a result of hedge ineffectiveness were approximately $.5 million before tax for the three months ended March 31, 2002. No gains or losses on cash flow hedging derivatives were reclassified from accumulated other comprehensive income (loss) into income as a result of the discontinuance of a hedge because it became probable that a hedged forecasted transaction would not occur. There were no components of gains or losses on cash flow hedging derivatives that were recognized in income because such components were excluded from the assessment of hedge effectiveness.

As of March 30, 2003, and March 31, 2002, the amount of net after-tax gains on cash flow hedging derivatives, including foreign exchange forward contracts, interest rate swap agreements and commodities futures contracts, expected to be reclassified into earnings in the next twelve months were approximately $54.3 million and $14.9 million, respectively, which were principally associated with commodities futures contracts. For more information, refer to the consolidated financial statements and notes included in the Corporation’s 2002 Annual Report on Form 10-K.

7. **COMPREHENSIVE INCOME**

Comprehensive income consisted of the following:

	For the Three Months Ended	
	March 30, 2003	March 31, 2002
	(in thousands of dollars)	
Net income	$ 97,558	$ 87,045
Other comprehensive income (loss):		
Foreign currency translation adjustments	13,181	302
Minimum pension liability adjustments, net of tax	(2,092)	22,732
(Losses) gains on cash flow hedging derivatives, net of tax	(9,255)	17,534
Add: Reclassification adjustments,		

net of tax	(12,801)	(3,102)
Other comprehensive (loss) income	(10,967)	37,466
Comprehensive income	$ 86,591	$ 124,511

The components of accumulated other comprehensive income (loss) as shown on the Consolidated Balance Sheets are as follows:

(In thousands of dollars)	Foreign Currency Translation Adjustments	Minimum Pension Liability Adjustments	Gains (Losses) on Cash Flow Hedging Derivatives	Accumulated Other Comprehensive Income (Loss)
Balance as of 12/31/02	$(79,075)	$ (236)	$100,382	$ 21,071
Current period credit (charge), gross	13,181	(3,492)	(14,621)	(4,932)
Income tax benefit (expense)	-	1,399	5,366	6,765
Reclassification adjustment charge (credit), gross	-	-	(20,223)	(20,223)
Income tax benefit (expense)	-	-	7,422	7,422
Balance as of 3/30/03	$(65,894)	$(2,329)	$ 78,326	$ 10,103

8. INVENTORIES

The majority of inventories are valued under the last-in, first-out (LIFO) method. The remaining inventories are stated at the lower of first-in, first-out (FIFO) cost or market. Inventories were as follows:

	March 30, 2003	December 31, 2002
	(in thousands of dollars)	
Raw materials	$ 214,022	$ 154,893
Goods in process	59,470	53,814
Finished goods	328,677	347,677
Inventories at FIFO	602,169	556,384
Adjustment to LIFO	(47,686)	(53,093)
Total inventories	$ 554,483	$ 503,291

The increase in raw material inventories as of March 30, 2003, reflected the seasonal timing of deliveries to support manufacturing requirements. Raw material inventories were $214.0 million as of March 30, 2003 compared to $212.5 million as of March 31, 2002. Finished goods inventory was higher as of December 31, 2002 to support seasonal sales in the first quarter of 2003.

9. LONG-TERM DEBT

In August 1997, the Corporation filed a Form S-3 Registration Statement under which it could offer, on a delayed or continuous basis, up to $500 million of additional debt securities. As of March 30, 2003, $250 million of debt securities remained available for issuance under the August 1997 Registration Statement.

10. FINANCIAL INSTRUMENTS

The carrying amounts of financial instruments including cash and cash equivalents, accounts receivable, accounts payable and short-term debt approximated fair value as of March 30, 2003 and December 31, 2002, because of the relatively short maturity of these instruments. The carrying value of long-term debt, including the current portion, was $868.6 million as of March 30, 2003, compared to a fair value of $1,008.2 million, based on quoted market prices for the same or similar debt issues.

As of March 30, 2003, the Corporation had foreign exchange forward contracts maturing in 2003 and 2004 to purchase $39.0 million in foreign currency, primarily British sterling and euros, and to sell $17.2 million in foreign currency, primarily Japanese yen, at contracted forward rates.

The fair value of foreign exchange forward contracts is estimated by obtaining quotes for future contracts with similar terms, adjusted where necessary for maturity differences. As of March 30, 2003, the fair value of foreign exchange forward contracts was an asset of $2.5 million. As of December 31, 2002, the fair value of foreign exchange forward contracts was an asset of $3.1 million. The Corporation does not hold or issue financial instruments for trading purposes.

In order to minimize its financing costs and to manage interest rate exposure, the Corporation, from time to time, enters into interest rate swap agreements. In February 2001, the Corporation entered into interest rate swap agreements that effectively converted variable-interest-rate rental payments on certain operating leases from a variable to a fixed rate of 6.1%. Any interest rate differential on interest rate swap agreements is recognized as an adjustment to interest expense over the term of each agreement. The fair value of interest rate swap agreements was a liability of $8.2 million and $7.1 million as of March 30, 2003 and December 31, 2002, respectively. The Corporation's risk related to interest rate swap agreements is limited to the cost of replacing such agreements at prevailing market rates.

11. **SHARE REPURCHASES**

In December 2002, the Corporation's Board of Directors approved a share repurchase program authorizing the repurchase of up to $500 million of the Corporation's Common Stock. Under this program, a total of 2,911,300 shares of Common Stock was purchased through March 30, 2003 for $187.1 million. As of March 30, 2003, a total of 48,778,036 shares were held as Treasury Stock and $312.9 million remained available for repurchases of Common Stock under the repurchase program.

12. **NEW ACCOUNTING PRONOUNCEMENT**

In January 2003, the Financial Accounting Standards Board issued Interpretation No. 46, *Consolidation of Variable Interest Entities*, *an interpretation of ARB No. 51*. This Interpretation addresses consolidation by business enterprises of special-purpose entities (SPEs) to which the usual condition for consolidation described in Accounting Research Bulletin No. 51, *Consolidated Financial Statements*, does not apply because the SPEs have no voting interests or otherwise are not subject to control through ownership of voting interests.

The Interpretation is effective for calendar year companies beginning in the third quarter of 2003 and it is reasonably possible that the Interpretation will require the consolidation of the Corporation's three off-balance sheet arrangements with SPTs for the leasing of certain warehouse and distribution facilities. The consolidation of these entities will result in an increase to property, plant and equipment of approximately $120.0 million, with a corresponding increase to long-term debt and minority interest. The consolidation of these entities will also result in an increase to depreciation expense of approximately $5.0 million on an annual basis.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

Results of Operations - First Quarter 2003 vs. First Quarter 2002

Net sales for the first quarter decreased from $988.5 million in 2002 to $953.2 million in 2003. The decrease in sales primarily resulted from a buy-in associated with a price increase announced in December 2002, as previously disclosed, and the continued rationalization of certain under-performing products and brands, primarily the divestiture of *Heide* brands and the discontinuance of the Corporation's aseptically packaged drink products in the United States during the second quarter of 2002. These decreases represented the majority of the decline in sales from 2002 to 2003. Incremental sales from the January 2003 selling price increase were substantially offset by higher promotional allowances.

Cost of sales for the quarter decreased $27.1 million, or 4%, from 2002 to 2003. The decline was primarily caused by lower sales volume, reduced supply chain costs, and lower costs for raw materials, primarily dairy products and peanuts, and packaging. The consolidated gross margin increased from 36.9% in 2002 to 37.4% in 2003. The margin expansion reflected the impact of the price increase, improved profitability from the product and channel sales mix and the aforementioned decreases in supply chain, raw material and packaging costs. These margin improvements were partially offset by increased promotional expenses due to competitive activity and maintaining promoted prices which had been committed to prior to the January price increase. Selling, marketing and administrative expenses decreased by 7% in the first quarter, primarily attributable to reduced advertising and consumer promotions expenses as well as continued savings from the Corporation's business realignment initiatives. These cost reductions were offset slightly by increased packaging development and marketing research expenses. Additionally, the bad debt reserve was increased by $5.0 million in the first quarter of 2003 as an estimate of probable exposure to the bankruptcy of Fleming Companies, Inc., announced on April 1, 2003. At the time of the bankruptcy announcement, the Corporation's accounts receivable from Fleming Companies, Inc. totaled approximately $15 million. At the present time, the Corporation does not anticipate any material impact on sales for the remainder of the year as a result of this situation.

Total costs and expenses in the first quarter of 2002 included $9.0 million of business realignment charges reflecting a charge to cost of sales of $.2 million associated with the relocation of manufacturing equipment and $8.8 million associated with pension settlement costs related to the voluntary work force reduction program implemented as part of the Corporation's business realignment initiatives.

Net interest expense in the first quarter of 2003 was $.9 million less than the comparable period of 2002, primarily reflecting higher interest income and capitalized interest in 2003.

Net income for the first quarter increased $10.5 million, or 12%, from 2002 to 2003, and net income per share - diluted increased $.10, or 16%. Net income of $87.0 million for the first quarter of 2002 included total business realignment charges of $5.7 million after tax.

Liquidity and Capital Resources

Historically, the Corporation's major source of financing has been cash generated from operations. Domestic seasonal working capital needs, which typically peak during the summer months, generally have been met by issuing commercial paper. During the first quarter of 2003, the Corporation's cash and cash equivalents decreased by $153.7 million. The reduction in cash and cash equivalents reflected the repurchase of 2.9 million shares of the Corporation's Common Stock for $187.1 million, partially offset by cash collections during the first quarter. Cash provided from operations was sufficient to fund dividend payments of $42.5 million, capital expenditures and capitalized software additions totaling $40.0 million and incentive plan transactions of $29.7 million. Cash used by other assets and liabilities of $81.4 million was principally the result of commodities transactions and lower liabilities associated with marketing programs and incentive compensation, partially offset by an increase in accrued income taxes. Cash used by other assets and liabilities of $68.5 million in the first quarter of 2002 primarily reflected a pension plan contribution of $75.0 million and changes to liabilities associated with taxes and incentive compensation.

The ratio of current assets to current liabilities was 2.1:1 as of March 30, 2003, and 2.3:1 as of December 31, 2002. The Corporation's capitalization ratio (total short-term and long-term debt as a percent of stockholders' equity, short-term and long-term debt) was 42% as of March 30, 2003, and 39% as of December 31, 2002.

Safe Harbor Statement

The nature of the Corporation's operations and the environment in which it operates subject it to changing economic, competitive, regulatory and technological conditions, risks and uncertainties. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Corporation notes the following factors that, among others, could cause future results to differ materially from the forward-looking statements, expectations and assumptions expressed or implied herein. Many of the forward-looking statements contained in this document may be identified by the use of forward-looking words such as "intend," "believe," "expect," "anticipate," "should," "planned," "estimated" and "potential," among others. Factors which could cause results to differ include, but are not limited to: changes in the confectionery and grocery business environment, including actions of competitors and changes in consumer preferences; customer and consumer response to selling price increases; changes in governmental laws and regulations, including taxes; market demand for new and existing products; changes in raw material and other costs; pension cost factors, such as actuarial assumptions, market performance and employee retirement decisions; adequacy of the Corporation's bad debt reserve; and the Corporation's ability to implement improvements to and reduce costs associated with the Corporation's supply chain.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

The potential net loss in fair value of foreign exchange forward contracts and interest rate swap agreements resulting from a hypothetical near-term adverse change in market rates of ten percent increased from $.4 million as of December 31, 2002 to $.6 million as of March 30, 2003. The market risk resulting from a hypothetical adverse market price movement of ten percent associated with the estimated average fair value of net commodity positions increased from $2.4 million as of December 31, 2002, to $6.0 million as of March 30, 2003. Market risk represents 10% of the estimated average fair value of net commodity positions at four dates prior to the end of each period.

Item 4. Controls and Procedures

As required by Rule 13a-15 under the Securities Exchange Act of 1934 (the "Exchange Act"), within the 90 days prior to the filing date of this report, the Corporation conducted an evaluation of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures. This evaluation was carried out under the supervision and with the participation of the Corporation's management, including the Corporation's Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Corporation's disclosure controls and procedures are effective. There have been no significant changes in the Corporation's internal controls or in other factors which could significantly affect internal controls subsequent to the date of the evaluation.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in the Corporation's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the Corporation's reports filed under the Exchange Act is accumulated and communicated to management, including the Corporation's Chief Executive Officer and Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

PART II - OTHER INFORMATION

Items 1 through 3 and 5 have been omitted as not applicable.

Item 4 - Submission of Matters to a Vote of Security Holders

Hershey Foods Corporation's Annual Meeting of Stockholders was held on April 22, 2003. The following directors were elected by the holders of Common Stock and Class B Common Stock, voting together without regard to class:

Name	Votes For	Votes Withheld
Jon A. Boscia	391,234,491	1,420,266
Robert H. Campbell	391,009,428	1,645,329
Gary P. Coughlan	391,206,039	1,448,718
Bonnie G. Hill	391,117,351	1,537,406
John C. Jamison	391,169,272	1,485,485
Richard H. Lenny	390,697,044	1,957,713
Mackey J. McDonald	391,485,495	1,169,262

The following directors were elected by the holders of the Common Stock voting as a class:

Name	Votes For	Votes Withheld
Harriet Edelman	87,832,439	1,065,038
Marie J. Toulantis	87,853,136	1,044,341

Holders of the Common Stock and the Class B Common Stock voting together approved the appointment of KPMG LLP as the independent auditors for 2003. Stockholders cast 389,551,372 votes FOR the appointment, 2,336,259 votes AGAINST the appointment and ABSTAINED from casting 767,126 votes on the appointment of independent auditors.

Holders of the Common Stock and the Class B Common Stock voting together rejected the stockholder proposal regarding the expensing of stock options. Stockholders cast 34,562,120 votes FOR the proposal, 337,791,393 votes AGAINST the proposal and ABSTAINED from casting 3,275,535 votes on the proposal.

No other matters were submitted for stockholder action.

Item 6 - Exhibits and Reports on Form 8-K

a) Exhibits

The following items are attached and incorporated herein by reference:

Exhibit 10 - Amended and Restated Supplemental Executive Retirement Plan.

Exhibit 12 - Statement showing computation of ratio of earnings to fixed charges for the three months ended March 30, 2003 and March 31, 2002.

The following item is furnished with this report:

Exhibit 99 - Certification of Richard H. Lenny, Chief Executive Officer, and Frank Cerminara, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

b) Reports on Form 8-K

A Current Report on Form 8-K was furnished to the SEC on April 22, 2003, in connection with the Corporation's announcement that John M. Pietruski had retired from the Corporation's Board of Directors and Harriet Edelman and Marie J. Toulantis had been elected to the Corporation's Board of Directors, effective April 22, 2003.

A Current Report on Form 8-K was furnished to the SEC on April 17, 2003, in connection with the Corporation's announcement of sales and earnings for the first quarter of 2003.

A Current Report on Form 8-K was furnished to the SEC on April 9, 2003, in connection with the Corporation's announcement that Thomas K. Hernquist will be named Senior Vice President, Chief Marketing Officer, effective April 28, 2003.

A Current Report on Form 8-K was furnished to the SEC on February 11, 2003, in connection with the Corporation's announcement that 2003 pension expense was expected to be $12 million higher than previously disclosed.

A Current Report on Form 8-K was furnished to the SEC on January 29, 2003, in connection with the Corporation's announcement of sales and earnings for the fourth quarter and full year ended December 31, 2002.

A Current Report on Form 8-K was furnished to the SEC on January 2, 2003, in connection with the Corporation's announcement that J. Robert Hillier resigned from the Corporation's Board of Directors effective December 31, 2002.

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.

HERSHEY FOODS CORPORATION
(Registrant)

Date: May 8, 2003

By: /s/Frank Cerminara
Frank Cerminara
Senior Vice President,
Chief Financial Officer

By: /s/David W. Tacka
David W. Tacka
Vice President, Corporate Controller
and Chief Accounting Officer

CERTIFICATION

I, Richard H. Lenny, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hershey Foods Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant’s disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the “Evaluation Date”); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant’s auditors and the audit committee of registrant’s board of directors:

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant’s ability to record, process, summarize and report financial data and have identified for the registrant’s auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant’s other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 8, 2003 /s/ Richard H. Lenny
Richard H. Lenny
Chief Executive Officer

CERTIFICATION

I, Frank Cerminara, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hershey Foods Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant’s disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the “Evaluation Date”); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant’s auditors and the audit committee of registrant’s board of directors:

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant’s ability to record, process, summarize and report financial data and have identified for the registrant’s auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant’s other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 8, 2003 /s/ Frank Cerminara
Frank Cerminara
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
10	Amended and Restated Supplemental Executive Retirement Plan
12	Computation of Ratio of Earnings to Fixed Charges
99	Certification of Richard H. Lenny, Chief Executive Officer, and Frank Cerminara, Chief Financial Officer

HERSHEY FOODS CORPORATION

AMENDED AND RESTATED (2003)
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

1. PURPOSE OF PLAN. The purpose of the Amended and Restated (2003) Supplemental Executive Retirement Plan, effective as of March 1, 2003, (hereinafter called the "Plan") is to obtain for Hershey Foods Corporation (hereinafter called the "Corporation") all of the benefits which flow from maintaining a strong management team by providing to executive and upper level management employees the means to continue their attained standard of living during retirement and by offering benefits that will assist in attracting executive and upper level management employees of outstanding ability. The Plan constitutes an amendment, restatement and continuation of the prior plan which was most recently restated as of August 19, 2002.

To the extent provided by law, the benefits provided hereunder with respect to any Participant who retired or whose employment with the Corporation terminated prior to March 1, 2003, will, except as otherwise specifically provided for herein, be governed in all respects by the terms of the plan document then in effect on the date of the Participant's retirement or other termination of employment.

2. DEFINITIONS. The following words and phrases as used in the Plan shall have the following meanings, unless a different meaning is plainly required by the context:

a. "Cause" means, as determined by the Committee in its reasonable discretion, the willful engaging by an employee of the Corporation in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Corporation, including, without limitation, illegal conduct or gross misconduct that causes, or has the potential to cause, material financial or reputational injury to the Corporation.

For purposes of this definition, no act or failure to act, on the part of an employee of the Corporation, shall be considered "willful" unless it is done, or omitted to be done, by the employee in bad faith and without reasonable belief that the employee's action or omission was in the best interest of the Corporation. Any act or failure to act, based upon prior approval given by the Board or upon the instruction or with the approval of the Chief Executive Officer or the employee's superior or based upon the advice of counsel for the Corporation shall be conclusively presumed to be done, or omitted to be done, by the employee in good faith and in the best interest of the Corporation.

b. "Committee" means the Compensation and Executive Organization Committee of the Board of Directors of the Corporation (the "Board") or other such person, persons or committees as the Board may prescribe from time to time.

Effective as of October 2, 2001, Committee shall also mean the Employee Benefits Committee of the Corporation, to which the Board has delegated certain duties with respect to the administration of the Corporation's employee benefit plans, or any successor committee as designated by the Board.

c. "Deferred Retirement Date" means the first day of the month following an employee's termination of employment with the Corporation provided such termination occurs after his Normal Retirement Date.

d. "Disability" or "Disabled", for purposes of this Plan, shall have the same meaning as provided in Section 1.16 of the Retirement Plan, as such section may be amended from time to time.

e. "Early Retirement Date" means the first day of any month following an employee's termination of employment with the Corporation which is coincident with or following his fifty-fifth (55th) birthday and prior to his Normal Retirement Date.

f. "Final Average Compensation" means the sum of (1) the highest annual average of a Vested Participant's basic salary paid or accrued over any thirty-six (36) consecutive month period during his last ten (10) years of employment with the Corporation and (2) the highest annual average of his annual awards under the Annual Incentive Program (hereinafter called the "AIP") of the Corporation's Key Employee Incentive Plan ("KEIP") paid or accrued over any five (5) consecutive calendar years during his last ten (10) years of employment with the Corporation. If a Vested Participant dies, retires, or suffers a Disability or if a Participant suffers a Disability during a calendar year and only a partial AIP award is made for that year, for purposes of the Plan, his AIP award for such year will be considered to equal the award actually made divided by the fraction of such year that he was employed by the Corporation prior to his death, retirement or Disability. If a Vested Participant otherwise terminates employment with the Corporation during a calendar year, his AIP award for that year for purposes of the Plan will be considered to be zero (0), regardless of whether any AIP award is actually made for that year.

g. "GATT Interest Rate" means, for purposes of this Plan, for any specific month, the "applicable interest rate" as specified by the Commissioner of the Internal Revenue Service in Section 417(e)(3) of the Internal Revenue Code of 1986, as amended (the "Code") (as such applicable interest rate is modified from time to time in revenue rulings, notices or other guidance, published in the Internal Revenue Service Bulletin), decreased by the percentage applicable to such month as set forth on Schedule I attached hereto.

h. "Lump Sum Interest Rate" means, as of any specific date, the sum of one-twelfth (1/12th) of each GATT Interest Rate for the twelve (12) consecutive months beginning with the thirteenth (13th) month preceding the month during which such date occurs.

i. "Normal Retirement Date" means, for the purposes of this Plan, the first day of the month nearest an employee's sixty-fifth (65th) birthday, except that if his birthday is equally near the first of two (2) calendar months, the first day of the month prior to his sixty-fifth

(65th) birthday shall be his Normal Retirement Date.

j. "PBGC Interest Rate" means, for any specific month, the interest rate used by the Pension Benefit Guaranty Corporation for such month for purposes of valuing immediate annuities for terminating single employer plans with insufficient assets to pay guaranteed benefits.

k. "Participant" means, as of any specific date, an employee of the Corporation who, as of such date, is a participant in the performance share unit portion of the KEIP or who, as of such date, is not then but had been a participant in the performance share unit portion of the KEIP for at least five (5) of his last ten (10) years of employment with the Corporation.

l. "Retirement Plan" means the Corporation's Retirement Plan, As Amended and Restated Effective as of January 1, 1997, as in effect from time to time and any successor plan thereto.

m. "Vested Participant" means, as of any specific date, a Participant who, as of such date, satisfies each eligibility requirement set forth in the first sentence of Section 3 of the Plan or any prior version of the Plan.

n. "Years of Service", for purposes of this Plan, shall have the same meaning as provided in Section 1.59 of the Retirement Plan, as such section may be amended from time to time.

3. ELIGIBILITY. An employee of the Corporation will be eligible to receive a benefit pursuant to Section 4 of the Plan if, at the time of his termination of employment with the Corporation, such employee (i) is at least fifty-five (55) years of age, (ii) has ten (10) Years of Service, and (iii) has participated in the performance share unit portion of the KEIP for at least five (5) of his last ten (10) years of employment with the Corporation. No employee of the Corporation, regardless of whether he satisfies all the eligibility requirements to be a Vested Participant, shall be entitled to receive any benefits under the Plan if his employment with the Corporation is terminated for Cause. Notwithstanding the above, an employee whose employment is terminated with the Corporation prior to his Normal Retirement Date for reason of Disability will be treated as provided for in Section 4.c.

4. RETIREMENT BENEFITS.

a. Normal Retirement Benefit. An employee who qualifies as a Vested Participant on the date of his termination of employment with the Corporation, and who retires (or whose employment is otherwise terminated, other than for Cause) on or after his Normal Retirement Date shall be entitled under the Plan to receive a normal retirement benefit which shall be an annual benefit, payable in monthly installments, equal to:

(1) the product of three and two-thirds percent (3 2/3%) of his Final Average Compensation and his Years of Service not in excess of fifteen (15) Years of Service;

reduced by:

(2) one hundred percent (100%) of the Vested Participant's retirement benefit under the Retirement Plan and any other tax-qualified defined benefit pension plan maintained by the Corporation or any affiliate thereof, payable as a life annuity commencing at his Normal Retirement Date or his Deferred Retirement Date if he retires after his Normal Retirement Date, regardless of whether such benefit payment is in that form or begins at that time; and

(3) one hundred percent (100%) of the primary social security benefit to which the Vested Participant would be entitled on his Normal Retirement Date or his Deferred Retirement Date if he retires after his Normal Retirement Date regardless of whether he receives any portion of such primary Social Security benefit on such date.

Payment of such benefit shall commence on his Normal Retirement Date if he retires (or otherwise has his employment terminated, other than for Cause) on such date and on his Deferred Retirement Date if he retires (or otherwise has his employment terminated, other than for Cause) after his Normal Retirement Date.

b. Early Retirement Benefit. An employee who qualifies as a Vested Participant on the date of his termination of employment with the Corporation, and who retires (or whose employment is otherwise terminated, other than for Cause) on or after his Early Retirement Date and prior to his Normal Retirement Date shall be entitled under the Plan to receive an early retirement benefit which shall be an annual benefit payable in monthly installments, equal to:

(1) the product of three and two-thirds percent (3 2/3%) of his Final Average Compensation and his Years of Service not in excess of fifteen (15) Years of Service reduced by the sum of (2), (3) and (4), where (2), (3) and (4) equal:

(2) one hundred percent (100%) of his retirement benefit under the Retirement Plan and any other tax-qualified defined benefit pension plan maintained by the Corporation or any affiliate thereof, payable as a life annuity commencing at his Early Retirement Date or the first date thereafter on which such benefits would be payable if they are not payable on his Early Retirement Date regardless of whether such benefit payment is in that form or begins at that time;

(3) one hundred percent (100%) of the primary Social Security benefit to which the Vested Participant would be entitled on his Early Retirement Date or the first date thereafter on which such benefits would be payable if they are not payable on his Early Retirement Date regardless of whether he receives any portion of such primary Social Security benefit on such date; and

(4) the product of (A) the difference between (1) and the sum of (2) and (3), (B) five-twelfths of a percent (5/12%), and (C) the number of complete calendar months by which the Vested Participant's date of termination of employment precedes his sixtieth (60th) birthday.

Payment of such benefit shall commence on the first day of the month coincident with the Vested Participant's retirement or other termination of employment, other than for Cause.

c. Disability Retirement Benefit. If an employee who is an active participant in the performance share unit portion of the KEIP suffers a Disability prior to his Normal Retirement Date and while employed by the Corporation, the period of his Disability will be recognized as Years of Service and as years of participation in the performance share unit portion of the KEIP under the Plan. If such Disability continues to his Normal Retirement Date, for purposes of the Plan, he will retire on that date and will be entitled to a normal retirement benefit calculated in accordance with Section 4.a. commencing on that date. In calculating the benefit under Section 4.a., the Participant's Final Average Compensation shall be equal to his annual base compensation immediately prior to his Disability plus the average of his AIP earned during the three (3) years immediately prior to the commencement of his Disability.

d. Pre-Retirement Death Benefit. If a Participant dies before his employment by the Corporation terminates and qualifies as a Vested Participant on his date of death, his designated beneficiary(ies), or his estate if he has not designated any beneficiary or beneficiaries in accordance with procedures established by the Committee, shall receive within ten (10) days of the Vested Participant's death a death benefit equal to the lump sum present value of one hundred percent (100%) of the retirement benefit that would have been payable to the Vested Participant under Sections 4.a. or 4.b. (including the spousal survivor benefit payable pursuant to Section 4.e. with respect to any Vested Participant survived by a spouse) if he had retired on the date of his death. The lump sum present value of the retirement benefit shall be calculated using: (x) for each Vested Participant who was a Vested Participant on January 1, 1998, (i) the 83 GAM mortality tables; and (ii) an interest rate equal to the sum of one-twelfth (1/12th) of each PBGC Interest Rate for the twelve (12) months immediately preceding the date of the Vested Participant's death; and (y) for each Vested Participant who first became a Vested Participant after January 1, 1998, (i) the prevailing commissioner's standard mortality table (described in Section 807(d)(5)(A) of the Internal Revenue Code of 1986, as amended from time to time) used to determine reserves for group annuity contracts issued on the date of the Vested Participant's death (without regard to any other subparagraph for such Section 807(d)(5)) that is prescribed by the Commissioner of the Internal Revenue Service in revenue rulings, notices, or other guidance published in the Internal Revenue Bulletin; and (ii) an interest rate equal to the Lump Sum Interest Rate as of the date of the Vested Participant's death. Notwithstanding anything in this paragraph to the contrary, the lump sum cash value of the benefit described in this Section 4.d. with respect to each Vested Participant who (A) was a Vested Participant as of January 1, 1998 and (B) whose employment with the Corporation terminated due to his or her death on or after January 1, 2002, shall be equal to the greater of the value of the lump sum cash payment calculated pursuant to the rates and factors set forth in subsections (x) or (y) of this paragraph.

e. Post-Retirement Death Benefit. If a Vested Participant who is receiving monthly retirement benefits under this Plan following his termination of employment by the Corporation dies, his surviving spouse, if he is survived by a spouse, shall be entitled to receive a death benefit which shall be a monthly payment for the spouse's life, beginning on the first day of the month following the Vested Participant's death, equal to:

(1) fifty percent (50%) of the monthly retirement benefit to which the Vested Participant was entitled under the Plan prior to his death;

reduced by:

(2) the monthly annuity value of any life insurance provided by the Corporation or any affiliate thereof for retired employees that is in excess of post-retirement group term life insurance regularly provided by the Corporation or any affiliate thereof.

5. ADMINISTRATION OF THE PLAN. The Committee is charged with the administration of the Plan. It shall have full power and authority to construe and interpret the Plan. Its decisions shall be final, conclusive and binding on all parties. Subject to Section 10 of this Plan, the Committee shall also have the power, in its sole discretion, at any time (i) to waive, in whole or in part, application of any of the eligibility requirements of Section 3 or of the benefit reduction factors in Sections 4.a. and 4.b. and (ii) to determine the timing and form of payment of any benefit under the Plan, in the case of any individual Participant, Vested Participant or other employee of the Corporation who has participated in the performance share unit portion of the KEIP.

6. OPTIONAL FORMS OF PAYMENT. In lieu of the monthly retirement benefit (including the spousal survivor benefit payable pursuant to Section 4.e. hereof) payable pursuant to Section 4.a. or 4.b. hereof to a Vested Participant (and his surviving spouse) who retires (or whose employment is terminated other than for Cause) after August 2, 1994 (such benefit payable to a Vested Participant and/or his surviving spouse is herein referred to for purposes of this Section 6 as the "Applicable Retirement Benefit"), such Vested Participant may elect to receive the following form of benefit payment:

A lump sum cash payment, payable to the Vested Participant within ten (10) days after the Vested Participant's date of retirement (or the Vested Participant's date of termination of employment other than for Cause), equal to the actuarial present value of the Applicable Retirement Benefit, calculated using: (x) for each Vested Participant who was a Vested Participant on January 1, 1998, (i) the 83 GAM mortality tables; and (ii) an interest rate equal to one-twelfth (1/12th) of each PBGC Interest Rate for the twelve (12) months immediately preceding the date of the Vested Participant's retirement (or the Vested Participant's date of termination of employment other than for Cause), calculated in accordance with the Corporation's practices for determining retirement benefits; and (y) for each Vested Participant who first became a Vested Participant after January 1, 1998 (i) the prevailing commissioner's standard mortality table (described in Section 807(d)(5)(A) of the Internal Revenue Code of 1986, as amended from time to time) used to determine reserves for group annuity contracts issued on the date of the Vested Participant's retirement (or the Vested Participant's date of termination of employment other than for Cause) (without regard to any other subparagraph of such Section 807(d)(5)) that is prescribed by the Commissioner of the Internal Revenue Service in revenue rulings, notices, or other guidance published in the Internal Revenue Bulletin; and (ii) an interest rate equal to the Lump Sum Interest Rate as of the date of the Vested Participant's retirement. Notwithstanding anything in this paragraph to the contrary, the lump sum cash value of the Applicable Retirement Benefit for each Vested Participant who (A) was a Vested Participant as of January 1, 1998 and (B) whose employment with the Corporation terminated on or after January 1, 2002, shall be equal to the greater of the value of the lump sum cash payment calculated pursuant to the rates and factors set forth in subsections (x) or (y) of this paragraph.

Any such election must be made by those Participants designated by the Committee from time to time at least two (2) years and by all other Participants at least one (1) year prior to the date that the Applicable Retirement Benefit payments would otherwise become payable.

7. PAYMENT UPON CHANGE IN CONTROL

a. Any former employee or the surviving spouse of an employee or former employee who is receiving a benefit under Sections 4.a., 4.b., 4.d. or 4.e. hereof (or pursuant to the terms of any version of this Plan) at the time of a Change in Control (collectively or individually, "SERP Recipient") shall receive, in lieu of the future monthly retirement benefit (including the spousal survivor benefit in the case of a benefit under Section 4.a. or 4.b.) to which he is entitled (such future benefit payable to the SERP Recipient is herein referred to for purposes of this Section 7.a. as the "Future Retirement Benefit"), a lump sum cash payment, payable to the SERP Recipient, as applicable, within ten (10) days after a Change in Control (or such later date that is forty-five (45) days after the notice required by the following provisions of this Section 7.a. is provided to the applicable SERP Recipient), equal to the actuarial present value of his Future Retirement Benefit, calculated using: (x) for each SERP Recipient who was (or whose benefit is applicable to a Vested Participant who was) a Vested Participant on January 1, 1998, (i) the 83 GAM mortality tables; and (ii) an interest rate equal to the PBGC Interest Rate as of the date of the Change in Control; and (y) for each SERP Recipient who first became (or whose benefit is the result of a Vested Participant who first became) a Vested Participant after January 1, 1998, (i) the prevailing commissioner's standard mortality table (described in Section 807(d)(5)(A) of the Internal Revenue Code of 1986, as amended from time to time) used to determine reserves for group annuity contracts issued on the date of the Change in Control (without regard to any other subparagraph for such Section 807(d)(5)) that is prescribed by the Commissioner of the Internal Revenue Service in revenue rulings, notices, or other guidance published in the Internal Revenue Bulletin; and (ii) an interest rate equal to the Lump Sum Interest Rate as of the date of the Change in Control. Notwithstanding anything in this paragraph to the contrary, the lump sum cash value of the benefit described in this Section 7.a. for each SERP Recipient who was, or whose benefit is applicable to a Vested Participant who (A) was a Vested Participant as of January 1, 1998 and (B) whose employment with the Corporation terminated on or after January 1, 2002, shall be equal to the greater of the value of the lump sum cash payment calculated pursuant to the rates and factors set forth in subsections (x) or (y) of this paragraph.

Notwithstanding the foregoing, the provisions of this Section 7.a. shall not apply with respect to a SERP Recipient unless such SERP Recipient consents to the application of this Section 7.a. within thirty (30) days after the date the SERP Recipient receives written notice of the terms of this Section 7.a., as provided for by the following sentences. The Corporation shall provide each SERP Recipient with a written notice of the terms of this Section 7.a. and the consent requirement contained herein not later than five (5) days after the earliest of (y) the date that the Corporation provides notice to its stockholders that a vote on a transaction which, if consummated, would constitute a Change in Control will be submitted to the Corporation's stockholders for approval, or (z) the occurrence of a Change in Control.

b. For purposes of Sections 7 and 10, a "Change in Control" means:

(1) Individuals who, on June 8, 1999, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to June 8, 1999, whose election or nomination for election was approved by a vote of at least two-thirds (2/3) of the Incumbent Directors then on the Board (either by specific vote or by approval of the proxy statement of the Corporation in which such person is named as nominee for director, without written objection to such nomination) shall be an Incumbent Director; PROVIDED, HOWEVER, that no individual initially elected or nominated as a director of the Corporation as a result of an actual or threatened election contest (as described in Rule 14a-11 under the Exchange Act) ("Election Contest") or other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board ("Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed an Incumbent Director; and PROVIDED FURTHER, HOWEVER, that a director who has been approved by the Hershey Trust while it beneficially owns more than 50% of the combined voting power of the then outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the "Outstanding Company Voting Power") shall be deemed to be an Incumbent Director;

(2) The acquisition or holding by any Person of beneficial ownership (within the meaning of Section 13(d) under the Exchange Act and the rules and regulations promulgated thereunder) of shares of the Common Stock and/or the Class B Common Stock of the Corporation representing 25% or more of either (i) the total number of then outstanding shares of both Common Stock and Class B Common Stock of the Corporation (the "Outstanding Company Stock") or (ii) the Outstanding Company Voting Power; provided that, at the time of such acquisition or holding of beneficial ownership of any such shares, the Hershey Trust does not beneficially own more than 50% of the Outstanding Company Voting Power; and provided, further, that any such acquisition or holding of beneficial ownership of shares of either Common

Stock or Class B Common Stock of the Corporation by any of the following entities shall not by itself constitute such a Change in Control hereunder: (i) the Hershey Trust; (ii) any trust established by the Corporation or by any Subsidiary for the benefit of the Corporation and/or its employees or those of a Subsidiary; (iii) any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any Subsidiary; (iv) the Corporation or any Subsidiary or (v) any underwriter temporarily holding securities pursuant to an offering of such securities;

(3) The approval by the stockholders of the Corporation of any merger, reorganization, recapitalization, consolidation or other form of business combination (a "Business Combination") if, following consummation of such Business Combination, the Hershey Trust does not beneficially own more than 50% of the total voting power of all outstanding voting securities eligible to elect directors of (x) the surviving entity or entities (the "Surviving Corporation") or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of more than 50% of the combined voting power of the then outstanding voting securities eligible to elect directors of the Surviving Corporation; or

(4) The approval by the stockholders of the Corporation of (i) any sale or other disposition of all or substantially all of the assets of the Corporation, other than to a corporation (the "Acquiring Corporation") if, following consummation of such sale or other disposition, the Hershey Trust beneficially owns more than 50% of the total voting power of all outstanding voting securities eligible to elect directors (x) of the Acquiring Corporation or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of more than 50% of the combined voting power of the then outstanding voting securities eligible to elect directors of the Acquiring Corporation, or (ii) a liquidation or dissolution of the Corporation.

c. For purposes of Sections 7 and 10, a "Potential Change in Control" means:

(1) The Hershey Trust by action of any of the Board of Directors of Hershey Trust Company; the Board of Managers of Milton Hershey School; the Investment Committee of the Hershey Trust; and/or any of the officers of Hershey Trust Company or Milton Hershey School (acting with authority) undertakes consideration of any action the taking of which would lead to a Change in Control as defined herein, including, but not limited to consideration of (i) an offer made to the Hershey Trust to purchase any number of its shares in the Corporation such that if the Hershey Trust accepted such offer and sold such number of shares in the Corporation the Hershey Trust might no longer have more than 50% of the Outstanding Company Voting Power, (ii) an offering by the Hershey Trust of any number of its shares in the Corporation for sale such that if such sale were consummated the Hershey Trust might no longer have more than 50% of the Outstanding Company Voting Power or (iii) entering into any agreement or understanding with a person or entity that would lead to a Change in Control; or

(2) the Board approves a transaction described in subsection (2), (3) or (4) of the definition of a Change in Control contained in Section 7.b.

d. For purposes of this Section 7: (i) "Hershey Trust" means either or both of (a) the Hershey Trust Company, a Pennsylvania corporation, as Trustee for the Milton Hershey School, or any successor to the Hershey Trust Company as such trustee, and (b) the Milton Hershey School, a Pennsylvania not-for-profit corporation; (ii) "Exchange Act" shall mean the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder; (iii) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d)(3) and 14(d) thereof; and (iv) "Subsidiary" shall mean any corporation controlled by the Corporation, directly or indirectly.

8. PAYMENT OF BENEFITS.

a. Nothing contained in the Plan and no action taken pursuant to the provisions of the Plan shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Corporation and any Participant, Vested Participant, spouse of a Participant or Vested Participant, or any other person. No person other than the Corporation shall by virtue of the provisions of the Plan have any interest in such assets. To the extent that any person acquires a right to receive payments from the Corporation under the Plan, such right shall be no greater than the right of any unsecured general creditor of the Corporation. The right of any Vested Participant or any other person to the payment of benefits under the Plan shall not be assigned, transferred, pledged or encumbered; such payments and the right thereto are expressly declared to be non-assignable and nontransferable. No payments hereunder shall be subject to the claim of the creditors of any Vested Participant or of any other person entitled to payments hereunder. Any payments required to be made pursuant to the Plan to a person who is under a legal disability may be made by the Corporation to or for the benefit of such person in such of the following ways as the Committee shall determine:

1. directly to such person.
2. to the legal representative of such person.
3. to a near relative of such person to be used for such person's benefit.
4. directly in payment of expenses of support, maintenance or education of such person.

The Corporation shall not be required to see to the application by any third party of any payments made pursuant to the Plan.

b. The Committee may, in its discretion, suspend or terminate the benefits provided by the Plan to any Vested Participant, the spouse of such Vested Participant or any other person succeeding to the interests under the Plan of such Vested Participant, who first receives benefit payments under the Plan after March 1, 2003 if such Vested Participant (i) was not a Vested Participant under the Plan on March 1, 2003; and (ii) engaged in any conduct or misconduct while employed by the Corporation that the Committee reasonably determines constitutes Cause under the Plan. Such suspension or termination of benefits shall apply prospectively from and after the date of the Committee's determination that such conduct or misconduct constitutes Cause.

9. EFFECTIVE DATE OF PLAN. This Amended and Restated (2003) Supplemental Executive Retirement Plan shall be effective March 1, 2003 and Vested Participants who become eligible to retire under the Plan on or after that date shall be entitled to the benefits provided hereunder.

10. AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN. The Board of Directors of the Corporation may, at any time, suspend or terminate the Plan. The Board, or its duly appointed delegee, if applicable, may also from time to time, amend the Plan in such respects as it may deem advisable in order that benefits provided hereunder may conform to any change in law or in other respects which the Board, or its delegee in accordance with the Board's delegation of authority thereto, deems to be in the best interest of the Corporation. No such suspension, termination or amendment of the Plan shall adversely affect any right of any person who is a Vested Participant at the time of such suspension, termination or amendment or his beneficiary(ies), estate or surviving spouse, as applicable, to receive benefits under the Plan in accordance with its provisions in effect immediately prior to such suspension, termination or amendment without the consent of such Vested Participant, beneficiary(ies), estate or surviving spouse. Any benefits payable under the terms of the Plan at the time of any suspension, termination or amendment of the Plan shall remain in effect according to their original terms, or such alternate terms as may be in the best interests of both parties and agreed to by the Vested Participant or his beneficiaries, estate or surviving spouse, as applicable. Notwithstanding the foregoing, (a) the Plan may not be terminated or amended in any manner that is adverse to the interests of a Participant or the surviving spouse of a Participant without the consent of the Participant or surviving spouse, as applicable, either: (i) after a Potential Change in Control occurs and for one (1) year following the cessation of the Potential Change in Control, or (ii) for a two (2) year period beginning on the date of a Change in Control (the "Coverage Period"); and (b) no termination of this Plan or amendment hereof in a manner adverse to the interests of any Participant, or such Participant's surviving spouse, (without the consent of the Participant or surviving spouse) shall be effective if such termination or amendment occurs (i) at the request of a third party who has taken steps reasonably calculated to effect a Change in Control, or (ii) in connection with or in anticipation of a Change in Control. After the Coverage Period, the Plan may not be amended or terminated in any manner that would adversely affect the entitlement of a Participant or his surviving spouse (without the consent of the Participant or surviving spouse) to benefits that have accrued hereunder. For purposes of the immediately preceding two sentences of this Section 10, whether an employee of the Corporation qualifies as a Participant shall be determined at the time (a) the Coverage Period commences and any time thereafter or (b) his employment is terminated or the Plan is amended (i) at the request of a third party who has taken steps reasonably calculated to effect a Change in Control, or (ii) in connection with or in anticipation of a Change in Control.

IN WITNESS WHEREOF, Hershey Foods Corporation has caused this Hershey Foods Corporation Amended and Restated (2003) Supplemental Executive Retirement Plan to be executed as of the 12th day of February, 2003.

HERSHEY FOODS CORPORATION

By: /s/ Marcella K. Arline

Marcella K. Arline
Senior Vice President, Human Resources
and Corporate Affairs

SCHEDULE I
to
AMENDED AND RESTATED (2003)
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

January 2001	1.310%
February 2001	1.272%
March 2001	1.233%
April 2001	1.195%
May 2001	1.156%
June 2001	1.118%
July 2001	1.079%
August 2001	1.041%
September 2001	1.002%
October 2001	0.964%
November 2001	0.925%
December 2001	0.887%
January 2002	0.848%
February 2002	0.809%
March 2002	0.771%
April 2002	0.732%
May 2002	0.694%
June 2002	0.655%
July 2002	0.617%
August 2002	0.578%
September 2002	0.540%
October 2002	0.501%
November 2002	0.463%
December 2002	0.424%
January 2003	0.385%
February 2003	0.347%
March 2003	0.308%
April 2003	0.270%
May 2003	0.231%
June 2003	0.193%
July 2003	0.154%
August 2003	0.116%
September 2003	0.077%
October 2003	0.039%
November 2003 and each succeeding month	0.000%

HERSHEY FOODS CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(in thousands of dollars except for ratios)
(Unaudited)

	For the Three Months Ended	
	March 30, 2003	March 31, 2002
Earnings:		
Income before income taxes	$ 154,120	$ 137,514
Add (deduct):		
Interest on indebtedness	15,612	16,244
Portion of rents representative of the interest factor (a)	3,906	3,525
Amortization of debt expense	112	116
Amortization of capitalized interest	962	1,045
Earnings as adjusted	$ 174,712	$ 158,444
Fixed Charges:		
Interest on indebtedness	$ 15,612	$ 16,244
Portion of rents representative of the interest factor (a)	3,906	3,525
Amortization of debt expense	112	116
Capitalized interest	626	329
Total fixed charges	$ 20,256	$ 20,214
Ratio of earnings to fixed charges	8.63	7.84

NOTE:

(a) Portion of rents representative of the interest factor consists of all rental expense pertaining to operating leases used to finance the purchase or construction of warehouse and distribution facilities, and one-third of rental expense for other operating leases.

Exhibit 99

Certification

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officers of Hershey Foods Corporation (the "Company") hereby certify that the Company's quarterly report on Form 10-Q for the three months ended March 30, 2003 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Dated: May 8, 2003

/s/ Richard H. Lenny
Richard H. Lenny
Chief Executive Officer

Dated: May 8, 2003

/s/ Frank Cerminara
Frank Cerminara
Chief Financial Officer