
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

August 17, 2004

Date of Report (Date of earliest event reported)

Hershey Foods Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-183

(Commission File Number)

23-0691590

(IRS Employer Identification No.)

100 Crystal A Drive, Hershey, Pennsylvania 17033

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (717) 534-6799

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INFORMATION TO BE INCLUDED IN REPORT

Item 7. Financial Statements and Exhibits

(c) Exhibits

99.1 Press Release dated August 17, 2004.

Item 9. Regulation FD Disclosure

On August 17, 2004, Hershey Foods Corporation (the "Corporation") announced that Hershey Mexico, a subsidiary of Hershey Foods Corporation and one of the leading companies manufacturing and selling chocolate, confectionery and flavored milk products in Mexico, has entered into an agreement to acquire Grupo Lorena, one of Mexico's top confectionery companies. A copy of the Corporation's press release dated August 17, 2004 is attached as Exhibit 99.1 to this report and is incorporated herein by reference.

The information in this Current Report, including the exhibit, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that Section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

SIGNATURE

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.

Date: August 17, 2004

HERSHEY FOODS CORPORATION

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

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Hershey Foods Corporation Press Release dated August 17, 2004.

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**HERSHEY MEXICO, A SUBSIDIARY OF HERSHEY FOODS CORPORATION,
TO ACQUIRE GRUPO LORENA,
A LEADING MEXICAN CONFECTIONERY COMPANY**

HERSHEY, Pa., August 17, 2004 – Hershey Mexico, a subsidiary of Hershey Foods Corporation (NYSE: HSY) and one of the leading companies manufacturing and selling chocolate, confectionery and flavored milk products in Mexico, today announced it has entered into an agreement to acquire Grupo Lorena, one of Mexico's top confectionery companies. Grupo Lorena, which had sales of more than \$30 million in 2003, is a leader in the spicy candy market in Mexico with its *Pelón Pelo Rico*® brand.

“Grupo Lorena’s solid brands in key consumer segments will strengthen our leadership position in the Mexican market,” said Juan-Carlos Zayas, Director of Marketing, Hershey Mexico. “This portfolio will broaden our offerings for Mexican consumers, especially as its strength in the youth market complements our established success in the adult segment. Its *Pelón Pelo Rico*® brand is a great entry to the popular spicy candy segment for Hershey Mexico. Equally important, Grupo Lorena’s commitment to product quality and innovation is a perfect fit with Hershey’s reputation for manufacturing products that meet consumer expectations for great taste and top quality.”

“Grupo Lorena is a great addition to Hershey Foods’ portfolio of excellent brands,” said Richard H. Lenny, Chairman, President and Chief Executive Officer, Hershey Foods Corporation. “It significantly increases our existing business in Mexico and supports our strategy of profitably building scale in the key North American market. Lorena also will deliver expanded retail channel and customer growth opportunities for Hershey, both in Mexico and the United States. We look forward to building Grupo Lorena’s brands with the Hispanic consumer and leveraging its capabilities to introduce innovative Hershey products to the high-growth Hispanic segment.”

As part of Hershey Foods’ strategy to tap into the fast-growing U.S. Latino market, the company recently announced a multi-year partnership with Mexican-born Thalía Sodi, the Latin singer and actress popular with millions of fans around the world. The partnership includes sponsorship of Thalía’s 2004 U.S. tour, a Spanish-language advertising campaign, consumer and retail promotions, and a new, co-branded Thalía line of Hershey products designed to appeal to the Latino community.

“Hershey, with its longstanding commitment to manufacturing top-quality and great-tasting products, is a perfect match for Grupo Lorena,” said Fernando Topete, President, Grupo Lorena. “Whether in Mexico, the United States or Latin America, our consumers will be able to enjoy all their favorite Lorena products with complete assurance that they meet the highest standards for quality.”

The acquisition is expected to be completed during the fourth quarter of 2004 and is subject to the customary closing conditions and regulatory approval. The acquisition is expected to be slightly accretive in the first 12 months. Terms of the agreement were not disclosed.

About Hershey Foods Corporation

Hershey Foods Corporation (NYSE: HSY) is a leading snack food company and the largest North American manufacturer of quality chocolate and non-chocolate confectionery products, with revenues of over \$4 billion and more than 13,000 employees worldwide. The company markets such well-known brands as *Hershey’s*, *Reese’s*, *Hershey’s Kisses*, *Kit Kat*, *Almond Joy*, *Mounds*, *York*, *Jolly Rancher*, *Twizzlers*, *Ice Breakers* and *Bubble Yum* as well as innovative new products such as *Swoops* and *Hershey’s S’mores*. In addition to its traditional confectionery products, Hershey offers a range of products specifically developed to address the nutritional interests of today’s health-conscious consumer. These products include sugar-free *Hershey’s*, *Reese’s* and *York* candies, as well as *Hershey’s 1 gram Sugar Carb* bars for people living a low-carb lifestyle. It also markets *Hershey’s* cocoa, *Hershey’s* syrup and other branded baking ingredients, toppings and beverages. Visit us at www.hersheynewsroom.com.

About Hershey Mexico

A division of Hershey Foods Corporation based in Jalisco, Hershey Mexico began operations in 1969. Some of its most popular products in the Mexican market include *Hershey’s Kisses*, *Hershey’s* drink box, *Jolly Rancher*, *Miniatures*, *Bites*, *Hershey’s* chocolate bars, *Cookies & Chocolate* bars, *Cookies & Creme* bars, *Hershey’s* cocoa and *Hershey’s* syrup.

About Grupo Lorena

Based in Jalisco, Mexico, Grupo Lorena’s leading products in Mexico and the United States include *Pelón Pelo Rico*® and *Crayon*®. *Pelón Pelo Rico*® brand is a leader in the spicy candy market in Mexico.

Safe Harbor Statement

This release contains statements which are forward-looking. These statements are made based upon current expectations which are subject to risk and uncertainty. Actual results may differ materially from those contained in the forward-looking statements. Factors which could cause results to differ materially include, but are not limited to: changes in the confectionery and grocery business environment, including actions of competitors and changes in confectionery 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 Company’s bad debt reserve; the Company’s ability to implement improvements to reduce costs associated with its supply chain; and the Company’s ability to successfully implement its rationalization and realignment initiatives, as discussed in the Company’s annual report on Form 10-K for 2003.

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