
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

July 28, 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 July 28, 2004

Item 9. Regulation FD Disclosure

On July 28, 2004, Hershey Foods Corporation (the "Corporation") announced that it has purchased 11,281,589 shares of its Common Stock from Hershey Trust Company, as Trustee of the Milton Hershey School Trust, in a privately negotiated transaction. The Corporation paid \$44.32 per share, or approximately \$500 million, for the shares.

The Corporation also announced that its Board of Directors declared a quarterly dividend of \$.22 on the Common Stock, an increase of 11.4%, or \$.0225 per share, and a quarterly dividend of \$.20 on the Class B Common Stock, an increase of 11.9%, or \$.02125 per share. The dividends are payable September 15, 2004, to stockholders of record August 25, 2004.

A copy of the Corporation's press release dated July 28, 2004 announcing these items 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: July 28, 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 July 28, 2004.

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**HERSHEY FOODS PURCHASES COMMON STOCK
FROM MILTON HERSHEY SCHOOL TRUST
AND INCREASES DIVIDENDS**

HERSHEY, Pa., July 28, 2004 — Hershey Foods Corporation (NYSE:HSY) announced today that it has purchased 11,281,589 shares of its Common Stock from Hershey Trust Company, as Trustee of the Milton Hershey School Trust, for approximately \$500 million, or \$44.32 per share. This privately-negotiated transaction was executed using the volume-weighted average price of recent transactions on the New York Stock Exchange as a basis for negotiating the price of the transaction.

Also, the Board of Directors of Hershey Foods Corporation declared a quarterly dividend of \$.22 on the Common Stock, an increase of 11.4%, or \$.0225 per share. In addition, the Board declared a dividend of \$.20 on the Class B Common Stock, an increase of 11.9%, or \$.02125 per share. The dividends are payable September 15, 2004, to stockholders of record August 25, 2004.

“This share purchase represents another facet of our value-enhancing strategy by providing an excellent opportunity to invest our free cash flow. It’s accretive to 2004 earnings and thus, benefits all shareholders,” said Richard H. Lenny, Chairman, President, and Chief Executive Officer, Hershey Foods Corporation. “We retain the financial flexibility to invest in our business and continue our open-market stock repurchase program.”

“Hershey Trust Company, as Trustee of the School Trust, has sold the shares to diversify the School Trust’s investment holdings,” said Robert C. Vowler, President and Chief Executive Officer, Hershey Trust Company. “Hershey Trust Company as fiduciary for the School Trust intends to retain voting control of the Company, which the School Trust has held since 1918. In addition, Hershey Trust Company as fiduciary for the School Trust will continue to review the School Trust’s holdings and undertake further diversification as it deems appropriate. This diversification might include the sale of shares from time-to-time in the open market, but such open-market sales would not materially alter the School Trust’s voting position with respect to the Company.”

The School Trust will continue to have approximately 77.5 percent of the voting power of outstanding shares of both classes of the Company’s common stock following the transaction. It continues to hold 99.6 percent of all Class B Common Stock shares outstanding, which carry 10 votes per share.

Milton Hershey School, located in Hershey, Pennsylvania, is a private, non-profit boarding school for needy children. The School currently cares for over 1400 boys and girls in grades kindergarten through twelve. The full cost of education and care for the students at the School is paid from income of the School Trust created by Milton S. and Catherine S. Hershey in 1909.

Hershey Foods Corporation is a leading producer of a broad line of chocolate, confectionery, and chocolate grocery products.

Hershey Foods Corporation was advised by JPMorgan in negotiating this transaction. Hershey Trust Company was advised by Lehman Brothers.

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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