

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

Date of Report (Date of earliest event reported): January 8, 2002

HERSHEY FOODS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

1-183

23-0691590

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. 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

Page 1 of 3 Pages
Exhibit Index - Page 3

INFORMATION TO BE INCLUDED IN REPORT

Item 9 Regulation FD Disclosure

On January 8, 2002, Hershey Foods Corporation (the "Corporation") announced a higher realignment charge and additional anticipated savings from the value-enhancing initiatives announced on October 24, 2001. The changes reflect primarily higher employee acceptance of its previously announced voluntary workforce reduction program, one part of a broad strategy to enhance the future operating performance of the Company. The business realignment charges originally announced in October 2001 will increase from \$275 million to \$310 million and from \$1.24 to \$1.39 per share-diluted, while projected savings will increase approximately \$15 million annually to \$75-\$80 million per year when fully implemented. As previously announced, these ongoing savings will be substantially reinvested in enhanced brand building and selling capabilities. The Corporation expects to record a charge of \$1.25 per share-diluted in the fourth quarter of 2001, with the \$.14 per share-diluted balance of the realignment charge to be recorded during 2002. The January 8, 2002 press release, announcing the higher realignment charge and additional anticipated savings, is incorporated herein by reference, and a copy is furnished herewith as Exhibit 99.

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: January 8, 2002

HERSHEY FOODS CORPORATION

By /s/ Frank Cerminara

Frank Cerminara
Senior Vice President, Chief Financial
Officer

Page 2 of 3 Pages
Exhibit Index - Page 3

Exhibit Index

Exhibit No. -----	Description -----
99	Press release, dated January 8, 2002, announcing a higher realignment charge and additional anticipated savings from the Corporation's value-enhancing initiatives announced October 24, 2001.

Corporate Communications . Hershey Foods Corporation . 100 Crystal A Drive .
Hershey, PA 17033
E-mail: pr@hersheys.com . http://www.hersheys.com

Hershey Announces Higher Realignment Charge and
Additional Savings from Value-Enhancing Strategy

HERSHEY, Pa., January 8, 2002 - Hershey Foods Corporation (NYSE:HSY) today announced a higher realignment charge and additional anticipated savings from its value-enhancing initiatives announced on October 24, 2001. The changes primarily reflect higher employee acceptance of its previously announced voluntary work force reduction program, one part of a broad strategy to enhance the future operating performance of the Company.

As a result of the changes, the business realignment charges announced in October will increase from \$275 million to \$310 million and from \$1.24 to \$1.39 per share-diluted, while projected savings will increase approximately \$15 million annually to \$75-\$80 million per year when fully implemented. Consistent with the strategic direction, on-going savings will be substantially reinvested in enhanced brand building and selling capabilities.

The Corporation expects to record a charge of \$1.25 per share-diluted in the fourth quarter of 2001, including \$.22 per share-diluted of operating charges related to its previously announced raw material inventory reductions and \$1.03 per share-diluted related to previously announced restructuring activities, including the work force reduction initiatives. The \$.14 per share-diluted balance of the realignment charge will occur during 2002.

- more -

"Our underlying business performance remains on track and in line with previous guidance. This greater acceptance of our voluntary work force reduction program is good for both our employees and our shareholders. It enables Hershey to further streamline the organization and free up additional funds for investment in our business," said Richard H. Lenny, Chairman of the Board, President and Chief Executive Officer.

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 consumer preferences; changes in governmental laws and regulations, including taxes; market demand for new and existing products; the Company's ability to implement improvements to and reduce costs associated with the Company's distribution operations; pension cost factors, such as actuarial assumptions and employee retirement decisions; the Company's ability to sell certain assets at targeted values; and changes in raw material and other costs, as discussed in the Company's Annual Report on Form 10-K for 2000.

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