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 end April 4, 1999

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
(Exact name of registrant as specified in its charter)

Delaware	23-0691590
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
100 Crystal A Drive Hershey, Pennsylvania	17033
(Address of principal executive offices)	(Zip Code)

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

(Former name,former address and former fiscal year,if changed since last report)

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 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 - 109,283,823 shares, as of May 3, 1999. Class B Common Stock, $1 par value - 30,446,908 shares, as of May 3, 1999.

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

	For the Three Months Ended April 4, 1999	April 5, 1998
Net Sales	$ 945,152	$1,098,076
Costs and Expenses:		
Cost of sales	562,164	652,340
Selling, marketing and administrative	266,754	299,370
Gain on sale of business	(243,785)	-
Total costs and expenses	585,133	951,710
Income before Interest and Income Taxes	360,019	146,366
Interest expense, net	18,440	22,706
Income before Income Taxes	341,579	123,660
Provision for income taxes	116,909	48,227

Net Income	$ 224,670	$ 75,433
Net Income Per Share - Basic	$ 1.58	$ .53
Net Income Per Share - Diluted	$ 1.57	$ .52
Average Shares Outstanding - Basic	141,795	143,376
Average Shares Outstanding - Diluted	143,293	145,461
Cash Dividends Paid per Share:		
Common Stock	$ .2400	$ .2200
Class B Common Stock	$ .2175	$ .2000

The accompanying notes are an integral part of these statements.

HERSHEY FOODS CORPORATION
CONSOLIDATED BALANCE SHEETS
APRIL 4, 1999 AND DECEMBER 31, 1998
(in thousands of dollars)

ASSETS	1999	1998
Current Assets:		
Cash and cash equivalents	$ 55,410	$ 39,024
Accounts receivable - trade	221,839	451,324
Inventories	568,067	493,249
Deferred income taxes	74,690	58,505
Prepaid expenses and other	105,658	91,864
Total current assets	1,025,664	1,133,966
Property, Plant and Equipment, at cost	2,503,207	2,702,787
Less - accumulated depreciation and amortization	(969,969)	(1,054,729)
Net property, plant and equipment	1,533,238	1,648,058
Intangibles Resulting from Business Acquisitions	460,054	530,464
Other Assets	84,506	91,610
Total assets	$ 3,103,462	$ 3,404,098
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 119,190	$ 156,937
Accrued liabilities	271,362	294,415
Accrued income taxes	117,391	17,475
Short-term debt	66,153	345,908
Current portion of long-term debt	89	89
Total current liabilities	574,185	814,824
Long-term Debt	879,095	879,103
Other Long-term Liabilities	327,297	346,769
Deferred Income Taxes	299,540	321,101
Total liabilities	2,080,117	2,361,797
Stockholders' Equity:		
Preferred Stock, shares issued: none in 1999 and 1998	---	---
Common Stock, shares issued: 149,503,964 in 1999 and 149,502,964 in 1998	149,503	149,503
Class B Common Stock, shares issued: 30,446,908 in 1999 and 30,447,908 in 1998	30,447	30,447
Additional paid-in capital	31,946	29,995
Unearned ESOP compensation	(24,749)	(25,548)
Retained earnings	2,381,142	2,189,693
Treasury-Common Stock shares at cost: 40,256,335 in 1999 and 36,804,157 in 1998	(1,485,573)	(1,267,422)
Accumulated other comprehensive loss	(59,371)	(64,367)
Total stockholders' equity	1,023,345	1,042,301
Total liabilities and stockholders' equity	$ 3,103,462	$ 3,404,098

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 April 4, 1999	April 5, 1998
Cash Flows Provided from (Used by) Operating Activities		
Net Income	$224,670	$ 75,433
Adjustments to Reconcile Net Income to Net Cash Provided from Operations:		
Depreciation and amortization	40,518	37,945
Deferred income taxes	(7,211)	1,181
Gain on sale of business - net of tax of $78,769	(165,016)	---
Changes in assets and liabilities, net of effects from business acquisitions and divestitures:		
Accounts receivable - trade	208,976	81,535
Inventories	(100,074)	(26,616)
Accounts payable	(26,195)	(15,553)
Other assets and liabilities	(36,453)	(33,410)
Net Cash Flows Provided from Operating Activities	139,215	120,515
Cash Flows Provided from (Used by) Investing Activities		
Capital additions	(28,769)	(41,756)
Capitalized software additions	(8,820)	(7,773)
Proceeds from divestiture	450,000	---
Other, net	1,456	9,196
Net Cash Flows Provided from (Used by) Investing Activities	413,867	(40,333)
Cash Flows Provided from (Used by) Financing Activities		
Net (decrease) in short-term debt	(279,755)	(17,541)
Repayment of long-term debt	(48)	(25,048)
Cash dividends paid	(33,221)	(30,860)
Exercise of stock options	13,287	10,522
Incentive plan transactions	---	(11,875)
Repurchase of Common Stock	(236,959)	---
Net Cash Flows (Used by) Financing Activities	(536,696)	(74,802)
Increase in Cash and Cash Equivalents	16,386	5,380
Cash and Cash Equivalents, beginning of period	39,024	54,237
Cash and Cash Equivalents, end of period	$ 55,410	$ 59,617
Interest Paid	$ 33,607	$ 36,105
Income Taxes Paid	$ 20,666	$ 2,837

The accompanying notes are an integral part of these statements.

HERSHEY FOODS CORPORATION
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

In thousands of dollars	Preferred Stock	Common Stock	Class B Common Stock	Additional Paid-in Capital	Unearned ESOP Compensation	Retained Earnings	Treasury Common Stock	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance as of December 31, 1998	$ ---	$149,503	$30,447	$29,995	$(25,548)	$2,189,693	$(1,267,422)	$(64,367)	$1,042,301
Comprehensive income:									
Net income						224,670			224,670
Other comprehensive income:									
Foreign currency translation adjustments								4,996	4,996
Comprehensive income									229,666
Dividends:									
Common Stock,$.24 per share						(26,599)			(26,599)
Class B Common Stock, $.2175 per share						(6,622)			(6,622)
Incentive plan transactions				(480)					(480)
Exercise of stock options				2,304			18,808		21,112
Employee stock ownership trust transactions				127	799				926
Repurchase of Common Stock							(236,959)		(236,959)
Balance as of April 4, 1999	$ ---	$149,503	$30,447	$ 31,946	$(24,749)	$2,381,142	$(1,485,573)	$(59,371)	$1,023,345

The accompanying notes are an integral part of this statement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements include the accounts of the Corporation and its subsidiaries 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 generally accepted accounting principles 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 1999 presentation. Operating results for the three months ended April 4, 1999, are not necessarily indicative of the results that may be expected for the year ending December 31, 1999. For more information, refer to the consolidated financial statements and footnotes included in the Corporation's 1998 Annual Report on Form 10-K for the fiscal year ended December 31, 1998.

2. INTEREST EXPENSE

Interest expense, net consisted of the following:

	For the Three Months Ended	
	April 4, 1999	April 5, 1998
	(in thousands of dollars)	
Interest expense	$19,551	$24,239
Interest income	(902)	(933)
Capitalized interest	(209)	(600)
Interest expense, net	$18,440	$22,706

3. NET INCOME PER SHARE

A total of 40,256,335 shares were held as Treasury Stock as of April 4, 1999.

In accordance with 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 April 4, 1999	Income (Numerator)	Shares (Denominator)	Per-Share Amount
In thousands of dollars except shares and per share amounts			
Net Income per Share - Basic			
Net income	$224,670	141,795,063	$1.58
Effect of Dilutive Securities			
Stock options	-	1,447,014	
Performance stock units	-	19,181	
Restricted stock units	-	31,438	
Net Income per Share - Diluted			
Net income and assumed conversions	$224,670	143,292,696	$1.57

For the Three Months Ended April 5, 1998	Income (Numerator)	Shares (Denominator)	Per-Share Amount
In thousands of dollars except shares and per share amounts			
Net Income per Share - Basic			
Net income	$ 75,433	143,375,704	$.53
Effect of Dilutive Securities			
Stock options	-	2,021,543	
Performance stock units	-	57,583	
Restricted stock units	-	5,923	
Net Income per Share - Diluted			
Net income and assumed conversions	$ 75,433	145,460,753	$.52

4. 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:

	April 4, 1999	December 31, 1998
	(in thousands of dollars)	
Raw materials	$210,954	$170,777
Goods in process	97,531	83,522
Finished goods	350,186	322,125
Inventories at FIFO	658,671	576,424
Adjustment to LIFO	(90,604)	(83,175)
Total inventories	$568,067	$493,249

5. 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 April 4, 1999, $250 million of debt securities remained available for issuance under the August 1997 Registration Statement.

6. 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 April 4, 1999 and December 31, 1998, because of the relatively short maturity of these instruments. The carrying value of long-term debt, including the current portion, was $879.2 million as of April 4, 1999, compared to a fair value of $950.4 million, based on quoted market prices for the same or similar debt issues.

As of April 4, 1999, the Corporation had foreign exchange forward contracts maturing in 1999 and 2000 to purchase $15.1 million in foreign currency, primarily British sterling, and to sell $15.5 million in foreign currency, primarily Canadian dollars and 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 April 4, 1999, the fair value of foreign exchange forward contracts approximated the contract value. 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 to effectively convert a portion of its floating rate debt to fixed rate debt. As of April 4, 1999, the Corporation had agreements outstanding with an aggregate notional amount of $75.0 million maturing in 1999. As of April 4, 1999, interest rates payable were at a weighted average fixed rate of 6.3%, and the interest rates receivable were floating based on the 30-day commercial paper composite rate which was approximately 5.0% as of April 4, 1999. Any interest rate differential on interest rate swaps is recognized as an adjustment to interest expense over the term of each agreement. As of April 4, 1999, the fair value of interest rate swap agreements approximated the contract value. The Corporation's risk related to swap agreements is limited to the cost of replacing such agreements at prevailing market rates.

7. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS No. 133). SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS No. 133 requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate, and assess the effectiveness of transactions that receive hedge accounting.

SFAS No. 133 is effective for fiscal years beginning after June 15, 1999, but may be implemented as of the beginning of any fiscal quarter after issuance. Retroactive application is not permitted. SFAS No. 133 must be applied to (a) derivative instruments and (b) certain derivative instruments embedded in hybrid contracts that were issued, acquired, or substantively modified after December 31, 1997. Changes in accounting methods will be required for derivative instruments utilized by the Corporation to hedge commodity price, foreign currency exchange rate and interest rate risks. Such derivatives include commodity futures and options contracts, foreign exchange forward and options contracts and interest rate swaps.

The Corporation anticipates the adoption of SFAS No. 133 as of January 1, 2000. As of April 4, 1999, net deferred losses on derivatives of approximately $32.4 million after tax would have been reported as a component of other comprehensive loss and classified as accumulated other comprehensive loss on the consolidated balance sheets upon adoption of SFAS No. 133.

8. SHARE REPURCHASES

A total of 1,963,089 shares of Common Stock was purchased during the first quarter of 1999 under the share repurchase program begun in 1996, completing the $200 million program. In February 1999, the Corporation's Board of Directors approved an additional share repurchase program authorizing the repurchase of up to $230 million of the Corporation's Common Stock. Under this new program, the Corporation purchased 1,579,779 shares of its Common Stock from the Hershey Trust Company, as trustee for the benefit of the Milton Hershey School and an additional 417,711 shares through open market transactions during the first quarter of 1999. As of April 4, 1999, a total of 40,256,335 shares were held as Treasury Stock and $105.5 million remained available for repurchases of Common Stock under the repurchase program approved in February.

Results of Operations - First Quarter 1999 vs. First Quarter 1998

Consolidated net sales for the first quarter decreased from $1,098.1 million in 1998 to $945.2 million in 1999, a decrease of 14% from the prior year. The lower sales primarily reflected a decline in sales of core confectionery brands compared to a very strong first quarter of 1998 and lower sales as a result of the divestiture of the Corporation's pasta business. The declines were partially offset by incremental sales from the introduction of new confectionery products.

The consolidated gross margin decreased from 40.6% in 1998 to 40.5% in 1999. The decrease reflected lower profitability resulting from the mix of confectionery items sold in 1999 compared to sales in the first quarter of 1998, primarily related to lower sales of the more profitable standard bars. Higher costs for labor and overhead and certain major raw materials, primarily milk and cocoa, also contributed to the lower gross margin in the first quarter of 1999. These cost increases were offset partially by a one-time benefit from revisions to the Corporation's retiree medical plan, decreased costs for packaging materials and certain major raw materials, primarily almonds and sugar, as well as improved manufacturing efficiencies. Selling, marketing and administrative expenses decreased by 11%, reflecting lower expenses related to the divestiture of the pasta business and reduced marketing expenses for existing products. These decreases were offset partially by increased spending associated with the introduction of new products.

Net interest expense in the first quarter of 1999 was $4.3 million below the comparable period of 1998, as a portion of the proceeds from the sale of the pasta business was used to reduce short-term borrowings.

Excluding the provision for income taxes associated with the gain on the sale of the pasta business, the first quarter effective income tax rate was 39.0% in 1999 and 1998.

In January 1999, the Corporation recorded a gain of $243.8 million, $165.0 million or $1.15 per share - diluted after tax, on the sale of its pasta business. Excluding the after-tax gain on the sale, net income for the first three months of 1999 of $59.7 million was 21% below the comparable period of the prior year and net income per share - diluted excluding the after-tax gain was $.42 per share or $.10 per share below the first quarter of 1998.

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, generally have been met by issuing commercial paper. During the first three months of 1999, the Corporation's cash and cash equivalents increased by $16.4 million. Cash and cash equivalents on hand at the beginning of the period, cash provided from operations and proceeds from the divestiture of the pasta business were sufficient to repay $279.8 million of short-term debt, repurchase $237.0 million of the Corporation's Common Stock, finance capital expenditures and capitalized software additions of $37.6 million and pay cash dividends of $33.2 million.

The ratio of current assets to current liabilities was 1.8:1 as of April 4, 1999, and 1.4:1 as of December 31, 1998. 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 48% as of April 4, 1999, and 54% as of December 31, 1998.

As of April 4, 1999, the Corporation maintained a committed credit facility agreement with a syndicate of banks in the amount of $576.8 million which could be borrowed directly or used to support the issuance of commercial paper. The Corporation has the option to increase the credit facility by $1.0 billion with the concurrence of the banks. The Corporation also had lines of credit with domestic and international commercial banks in the amount of approximately $23.0 million as of April 4, 1999 and December 31, 1998.

In March 1997, the Corporation issued $150 million of 6.95% Notes under a November 1993 Registration Statement. In August 1997, the Corporation issued $150 million of Notes and $250 million of Debentures under the November 1993 and August 1997 Registration Statements. As of April 4, 1999, $250 million of debt securities remained available for issuance under the August 1997 Registration Statement. Proceeds from any offering of the $250 million of debt securities available under the shelf registration may be used for general corporate requirements, which include reducing existing commercial paper borrowings, financing capital additions, and funding future business acquisitions and working capital requirements.

As of April 4, 1999, the Corporation's principal capital commitments included manufacturing capacity expansion and modernization. The Corporation anticipates that capital expenditures will be in the range of $150 million to $170 million per annum during the next several years as a result of continued modernization of existing facilities and capacity expansion to support new products and line extensions. Such expenditures will be financed with cash provided from operations and short-term borrowings.

The potential loss in fair value of foreign exchange forward contracts and interest rate swaps resulting from a hypothetical near-term adverse change in market rates of ten percent was not material as of April 4, 1999. 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 $7.6 million as of December 31, 1998, to $9.2 million as of April 4, 1999. Market risk represents 10% of the estimated average fair value of net commodity positions at four dates prior to the end of each period.

Year 2000 Issues

Year 2000 issues associated with information systems relate to the way dates are recorded and computed in many computer systems. These year 2000 issues could have an impact upon the Corporation's information technology (IT) and non-IT systems. Non-IT systems include embedded technology such as microcontrollers which are integral to the operation of most machinery and equipment. Additionally, year 2000 issues could have a similar impact on the Corporation's major business partners, including both customers and suppliers. While it is not currently possible to estimate the total impact of a failure of either the Corporation or its major business partners or suppliers to complete their year 2000 remediation in a timely manner, the

Corporation has determined that it could suffer significant adverse financial consequences as a result of such failure.

Awareness and assessment of year 2000 issues regarding major business applications software and other significant IT systems began in 1990. A formal program to address year 2000 issues associated with IT systems was established in late 1995. In early 1998, a team was established with representatives from all major functional areas of the Corporation which assumed overall responsibility for ensuring that remediation of both IT and non-IT systems will be completed in time to prevent material adverse consequences to the Corporation's business, operations or financial condition. The Corporation expects that remediation of these systems will be essentially completed during the third quarter of 1999.

In late 1996, the Corporation approved a project to implement an enterprise-wide integrated information system to improve process efficiencies in all of the major functional areas of the Corporation, enabling the Corporation to provide better service to its customers. This system will replace most of the transaction systems and applications supporting operations of the Corporation. In addition to improving efficiency and customer service, another benefit of this system is that it is year 2000 compliant and will address year 2000 issues for approximately 80% of the Corporation's business applications software. As of April 4, 1999, approximately $69.0 million of capitalized software and hardware and $7.8 million of expenses have been incurred for this project. As of April 4, 1999, spending for implementation of this system was approximately 70% complete, with full implementation expected during the third quarter of 1999. Total commitments for this system and subsequently identified enhancements are expected to be approximately $110 million which will be financed with cash provided from operations and short-term borrowings.

The Corporation's mainframe, network and desktop hardware and software have recently been upgraded and are substantially year 2000 compliant. The Corporation is in the process of remediating year 2000 compliance issues associated with legacy information systems not being replaced by the integrated information system project, including process automation and factory management systems. During late 1998, the Corporation undertook an extensive review of its year 2000 remediation program. As a result of this review, the Corporation has undertaken additional testing to confirm its year 2000 compliance, but is otherwise maintaining its current program of remediation. As of April 4, 1999, remediation of both IT and non-IT systems was approximately 70% complete, reflecting the latest estimate of testing and work requirements to be performed. The total cost of remediation of IT and non-IT systems not being replaced by the integrated information system project is expected to be in the range of $6.0 million to $8.0 million.

The Corporation is also in the process of assessing year 2000 remediation issues relating to its major business partners. All of the Corporation's major customers have been contacted regarding year 2000 issues related to electronic data interchange. The Corporation is also in the process of contacting its major suppliers of ingredients, packaging, facilities, logistics and financial services with regard to year 2000 issues. Because of the uncertainties associated with assessing the ability of major business partners to complete the remediation of their systems in time to prevent operational difficulties, the Corporation will continue to contact and/or visit major customers and suppliers to gain assurances that no significant adverse consequences will result due to their failure to complete remediation of their systems.

Year 2000 remediation, conversion, validation and implementation is continuing and, at the present time, it is expected that remediation to both the Corporation's IT and non-IT systems and those of major business partners will be completed in time to prevent material adverse consequences to the Corporation's business, operations or financial condition. However, contingency plans are being developed, including possible increases in raw material and finished goods inventory levels, and the identification of alternate vendors and suppliers. The Corporation is participating in industry-wide efforts to develop contingency plans which, to the extent feasible, may be relied upon to resolve any potential failures resulting from year 2000 issues.

Forward Looking Information
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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 which, 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 "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; changes in governmental laws and regulations, including income taxes; market demand for new and existing products; and raw material pricing.

PART II

Items 2, 3 and 5 have been omitted as not applicable.

Item 1 - Legal Proceedings

In January 1999, the Corporation received a Notice of Proposed Deficiency (Notice) from the Internal Revenue Service (IRS) related to the years 1989 through 1996. The most significant issue pertains to the Corporate Owned Life Insurance (COLI) program which was implemented by the Corporation in 1989. The IRS proposed the disallowance of interest expense deductions associated with the underlying life insurance policies. The Corporation believes that it has fully complied with the tax law as it relates to its COLI program. The Corporation filed a protest of the proposed deficiency with the Appeals section of the IRS in April 1999 and intends to vigorously defend its position on this matter. The Corporation has no other material pending legal proceedings, other than ordinary routine litigation incidental to its business.

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

Hershey Foods Corporation's Annual Meeting of Stockholders was held on April 27, 1999. 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
William H. Alexander	399,503,497	2,682,090
Robert H. Campbell	399,824,047	2,361,540
C. McCollister Evarts, M.D.	399,522,053	2,663,534
Bonnie Guiton Hill	399,781,550	2,404,037
John C. Jamison	399,807,997	2,377,590
Michael F. Pasquale	399,815,113	2,370,474
John M. Pietruski	399,794,709	2,390,878
Joseph P. Viviano	399,666,073	2,519,514
Kenneth L. Wolfe	399,710,371	2,475,216

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

Name	Votes For	Votes Withheld
Allan Z. Loren	96,163,310	2,423,997
Mackey J. McDonald	96,167,278	2,420,029

Holders of the Common Stock and the Class B Common Stock voting together approved the appointment of Arthur Andersen LLP as the independent public accountants for 1999. Stockholders cast 399,947,002 votes FOR the appointment, 1,791,904 votes AGAINST the appointment and ABSTAINED from casting 446,681 votes on the appointment of accountants.

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 12 - Statement showing computation of ratio of earnings to fixed charges for the quarters ended April 4, 1999 and April 5, 1998.

Exhibit 27 - Financial Data Schedule for the period ended April 4, 1999 (required for electronic filing only).

b) Reports on Form 8-K

A report on Form 8-K was filed February 19, 1999 announcing the sale of the Corporation's pasta business to New World Pasta and the Board of Director's approval to repurchase $230 million of the Corporation's Common Stock.

A report on Form 8-K was filed March 2, 1999, announcing the repurchase of $100 million of its Common Stock from the Hershey Trust Company, as Trustee of the Milton Hershey School Trust.

A report on Form 8-K was filed April 23, 1999, announcing that the Corporation's earnings for the first quarter of 1999 may be below market expectations.

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 12, 1999

/s/ William F. Christ
William F. Christ
Senior Vice President,
Chief Financial Officer
and Treasurer

Date May 12, 1999

/s/ David W. Tacka
David W. Tacka
Corporate Controller and
Chief Accounting Officer

EXHIBIT INDEX

Exhibit 12	-	Computation of Ratio of Earnings to Fixed Charges
Exhibit 27	-	Financial Data Schedule for the period ended April 4, 1999 (required for electronic filing only)

EXHIBIT 12

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

	For the Three Months Ended	
	April 4, 1999	April 5, 1998
Earnings:		
Income before income taxes	$341,579(a)	$123,660
Add (deduct):		
Interest on indebtedness	19,342	23,639
Portion of rents representative of the interest factor (b)	3,117	3,296
Amortization of debt expense	121	152
Amortization of capitalized interest	806	885
Earnings as adjusted	$364,965	$151,632
Fixed Charges:		
Interest on indebtedness	$ 19,342	$ 23,639
Portion of rents representative of the interest factor (b)	3,117	3,296
Amortization of debt expense	121	152
Capitalized interest	209	600
Total fixed charges	$ 22,789	$ 27,687
Ratio of earnings to fixed charges	16.01	5.48

NOTE:

(a) Includes a gain of $243.8 million on the sale of the Corporation's pasta business.

(b) Portion of rents representative of the interest factor consists of one-third of rental expense for operating leases.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM HERSHEY FOODS CORPORATION'S CONSOLIDATED CONDENSED BALANCE SHEET AS OF APRIL 4, 1999 AND CONSOLIDATED STATEMENT OF INCOME FOR THE THREE MONTHS ENDED APRIL 4, 1999 AND IS QUALIFIED IN ITS ENTIRETY TO SUCH FINANCIAL STATEMENTS.

0000047111
HERSHEY FOODS CORPORATION
1,000

3-MOS
DEC-31-1999
APR-04-1999
55,410
0
221,839
0
568,067
1,025,664
2,503,207
969,969
3,103,462
574,185
879,095
0
0
179,950
843,395
3,103,462
945,152
945,152
562,164
585,133
0
0
18,440
341,579
116,909
224,670
0
0
0
224,670
1.58
1.57

BALANCE IS NET OF RESERVES FOR DOUBTFUL ACCOUNTS AND CASH DISCOUNTS.
TOTAL INCLUDES A GAIN ON SALE OF BUSINESS OF $243,785.