

FORM 4  
STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

[ ] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue.

1. Name and Address of Reporting Person(s)  
Brace Raymond  
100 Crystal A Drive

Hershey, Pennsylvania 17033

2. Issuer Name and Ticker or Trading Symbol  
Hershey Foods Corporation (HSY)

3. I.R.S. Identification Number of Reporting Person, if an entity (Voluntary)

4. Statement for Month/Year  
01/99

5. If Amendment, Date of Original (Month/Year)

6. Relationship of Reporting Person(s) to Issuer (Check all applicable) [ ] Director [ ] 10% Owner [X] Officer (give title below) [ ] Other (specify below) Sr. V.P., Operations

7. Individual or Joint/Group Filing (Check Applicable Line) [X] Form filed by One Reporting Person [ ] Form filed by More than One Reporting Person

Table I Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1) Title of Security	2) Transaction Date (Month/Day/Year)	3) Transaction Code	4) Securities Acquired or Disposed of (A) Amount	5) Amount of Securities Beneficially Owned at End of Month	6) Nature of Indirect Ownership	7) Nature of Beneficial Ownership
Common Stock	12/31/98	A V	100.6447	2,130.0000	D	Direct
Common Stock	12/31/98	A V	0.3493	6,677.8900	I	401(k) Plan
Common Stock	12/31/98	A V	0.3493	25.8468	I	by Daughter
Common Stock	12/31/98	A V	0.3493	25.8468	I	by Son 1
Common Stock	12/31/98	A V	3.1815	235.5310	I	by Son 2

Table II (PART 1) Derivative Securities Acquired, Disposed of, or Beneficially Owned (Columns 1 through 6)

1) Title of Derivative Security	2) Conversion or Exercise Price of Derivative Security	3) Transaction Date	4) Transaction Code	5) Number of Derivative Securities Acquired (A) or Disposed of (D)	6) Date Exercisable and Expiration Date
Non-Qualified Stock Option (right to buy) (3)	\$59.43750	01/14/99	A	8,550.0000	01/13/09

Table II (PART 2) Derivative Securities Acquired, Disposed of, or Beneficially Owned (Columns 1,3 and 7 through 11)

1) Title of Derivative Security	3) Transaction Date	7) Title and Amount of Underlying Securities	8) Price of Derivative Security	9) Number of Derivative Securities Beneficially Owned at End of Month	10) Nature of Indirect Ownership	11) Nature of Beneficial Ownership
Non-Qualified Stock Option (right to buy) (3)	01/14/99	Common Stock	8,550.0000	8,550.0000	D	Direct

Explanation of Responses:

(1) These shares were acquired from January 1, 1998 through December 31, 1998 pursuant to the Hershey Foods Corporation Employee Savings, Stock Investment and Ownership Plan (ESSIOP). These shares were purchased at various intervals throughout the year and the closing price on December 31, 1998 was \$62.1875. The exact price of each share at date of acquisition is not readily determinable.

(2) These shares were acquired from January 1, 1998 through December 31, 1998 pursuant to a Hershey Foods Dividend Reinvestment Plan. These shares were purchased at various intervals throughout the year and the closing price on December 31, 1998 was \$62.1875. The exact price of each share at date of acquisition is not readily determinable.

(3) These options were granted under the Hershey Foods Corporation 1987 Key Employee Incentive Plan, and they have a stock withholding feature which permits the withholding of shares of stock at the time of exercise to satisfy the grantee's income tax withholding rights.

