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J&J SNACK FOODS CORP
Form 10-K/A
September 13, 2004

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED
SEPTEMBER 27, 2003

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION
PERIOD FROM TO

Commission File No. 0-14616

J & J SNACK FOODS CORP.

(Exact name of registrant as specified in its charter)

New Jersey 22-1935537
(State or other jurisdiction of (I.R.S. Employer
corporation or organization) Identification No.)

6000 Central Highway 08109
Pennsauken, New Jersey (Zip Code)
(Address of principal executive offices)

Registrant's telephone number, including Area Code: (856)
665-9533

Securities Registered Pursuant to Section 12(b) of the Act:
None

Securities Registered Pursuant to Section 12(g) of the Act:
Common Stock, no par value

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 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 by check mark if disclosure of delinquent filers
pursuant to Item 405 of Regulation S-K is not contained
herein, and will not be contained, to the best of
Registrant's knowledge, in definitive proxy or information
statements incorporated by reference in Part III of this
Form 10-K or any amendment to this Form 10-K. Yes X No ___

Indicate by check mark whether the registrant is an
accelerated filer (as defined in Rule 12b-2 of the
Exchange Act) Yes X No ___

As of December 8, 2003, the latest practicable date,
8,783,402 shares of the Registrant's common stock were issued
and outstanding. The aggregate market value of shares held
by non-affiliates of the Registrant on such date was
\$244,563,300 based on the last price on that date of \$36.08

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per share, which is an average of bid and asked prices.

DOCUMENTS INCORPORATED BY REFERENCE

The Registrant's 2003 Annual Report to Shareholders for the fiscal year ended September 27, 2003 and Proxy Statement for its Annual Meeting of Shareholders to be held on February 5, 2004 are incorporated herein by reference into Parts I, II, III and IV as set forth herein.

J & J SNACK FOODS CORP. 2003 FORM 10-K ANNUAL REPORT

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Part I

Item 1. Business

General

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J & J Snack Foods Corp. (the "Company" or "J & J") manufactures nutritional snack foods and distributes frozen beverages which it markets nationally to the food service and retail supermarket industries. Its principal snack food products are soft pretzels marketed primarily under the brand name SUPERPRETZEL and frozen juice treats and desserts marketed primarily under the LUIGI'S, ICEE, BARQ'S*, CHILL, and MINUTE MAID** brand names. J & J believes it is the largest manufacturer of soft pretzels in the United States, Mexico and Canada. Other snack food products include churros (an Hispanic pastry), funnel cake, popcorn and bakery products. The Company's principal frozen beverage product is the ICEE brand frozen carbonated beverage.

The Company's Food Service and Frozen Beverages sales are made primarily to food service customers including snack bar and food stand locations in leading chain, department, discount, warehouse club and convenience stores; malls and shopping centers; fast food outlets; stadiums and sports arenas; leisure and theme parks; movie theatres; independent retailers; and schools, colleges and other institutions. The Company's retail supermarket customers are primarily supermarket chains. The Company's restaurant group sells direct to the public through its chains of specialty snack food retail outlets, BAVARIAN PRETZEL BAKERY and PRETZEL GOURMET, located primarily in the Mid-Atlantic States.

The Company was incorporated in 1971 under the laws of the State of New Jersey.

The Company operates in four business segments: Food Service, Retail Supermarkets, The Restaurant Group and Frozen Beverages. These segments are described below.

The Chief Operating Decision Maker for Food Service, Retail Supermarkets and The Restaurant Group and the Chief Operating Decision Maker for Frozen Beverages monthly review and evaluate operating income and sales in order to assess performance and allocate resources to each individual segment. In addition, the Chief Operating Decision Makers review and evaluate depreciation, capital spending and assets of each segment on a quarterly basis to monitor cash flow and asset needs of each segment.

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* BARQ'S is a registered trademark of Barq's Inc.

** Minute Made is a registered trademark of the Coca-Cola Company.

Food Service

The primary products sold by the food service segment are soft pretzels, frozen juice treats and desserts, churros and baked goods. Our customers in the food service industry include snack bars and food stands in chain, department and discount stores; malls and shopping centers; fast food outlets; stadiums and sports arenas; leisure and

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theme parks; convenience stores; movie theatres; warehouse club stores; schools, colleges and other institutions. Within the food service industry, our products are purchased by the consumer primarily for consumption at the point-of-sale.

Retail Supermarkets

The primary products sold to the retail supermarket industry are soft pretzel products - including SUPERPRETZEL, frozen juice treats and desserts including LUIGI's Real Italian Ice, MINUTE MAID Juice Bars and Soft Frozen Lemonade and ICEE Squeeze Up Tubes and TIO PEPE'S Churros. Within the retail supermarket industry, our frozen and prepackaged products are purchased by the consumer for consumption at home.

The Restaurant Group

We sell direct to the public through our Restaurant Group, which operates BAVARIAN PRETZEL BAKERY and PRETZEL GOURMET, our chain of specialty snack food retail outlets.

Frozen Beverages

We sell frozen beverages to the food service industry primarily under the names ICEE and ARCTIC BLAST in the United States, Mexico and Canada.

Products

Soft Pretzels

The Company's soft pretzels are sold under many brand names; some of which are: SUPERPRETZEL, PRETZEL FILLERS, PRETZELFILS, GOURMET TWISTS, MR. TWISTER, SOFT PRETZEL BITES, SOFTSTIX, SOFT PRETZEL BUNS, HOT KNOTS, DUTCH TWIST, TEXAS TWIST and SANDWICH TWIST and; to a lesser extent, under private labels. Soft pretzels are sold in the Food Service, Retail Supermarket and The Restaurant Group segments. Soft pretzel sales amounted to 27% and 25% of the Company's revenue in fiscals 2003 and 2002, respectively.

The Company's soft pretzels qualify under USDA regulations as the nutritional equivalent of bread for

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purposes of the USDA school lunch program, thereby enabling a participating school to obtain partial reimbursement of the cost of the Company's soft pretzels from the USDA.

The Company's soft pretzels are manufactured according to a proprietary formula. Soft pretzels, ranging in size from one to ten ounces in weight, are shaped and formed by the Company's proprietary twister machines. These soft pretzel tying machines are automated, high speed machines for twisting dough into the traditional pretzel shape. Additionally, we make soft pretzels which are extruded or shaped by hand. Soft pretzels, after processing, are primarily quick-frozen in either raw or baked form and

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packaged for delivery.

The Company's principal marketing program in the Food Service segment includes supplying ovens, mobile merchandisers, display cases, warmers and similar merchandising equipment to the retailer to prepare and promote the sale of soft pretzels. Some of this equipment is proprietary, including combination warmer and display cases that reconstitute frozen soft pretzels while displaying them, thus eliminating the need for an oven. The Company retains ownership of the equipment placed in customer locations and, as a result, customers are not required to make an investment in equipment.

Frozen Juice Treats and Desserts

The Company's frozen juice treats and desserts are marketed under the LUIGI'S, ICEE, BARQ'S, MINUTE MAID, SHAPE-UPS, CHILL and MAMA TISH'S brand names. Frozen juice treats and desserts are sold in the Food Service and Retail Supermarkets segments. Frozen juice treat and dessert sales were 17% and 18% of the Company's revenue in fiscal years 2003 and 2002, respectively.

The Company's SHAPE-UPS and MINUTE MAID frozen juice and fruit bars are manufactured from an apple juice base to which water, sweeteners, coloring (in some cases) and flavorings are added. The juice bars contain two to three ounces of apple or pear juice and the minimum daily requirement of vitamin C, and qualify as reimbursable items under the USDA school lunch program. The juice bars are produced in various flavors and are packaged in a sealed push-up paper container referred to as the Milliken M-pak, which the Company believes has certain sanitary and safety advantages.

LUIGI'S Real Italian Ice and MAMA TISH'S Italian Ice and Sorbets are manufactured from water, sweeteners and fruit juice concentrates in various flavors and are packaged

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in plastic cups and in squeeze up tubes.

ICEE Squeeze Tubes are designed to capture the carbonated frozen taste of a traditional ICEE drink. They are packaged in three and four ounce squeeze up tubes.

MINUTE MAID soft frozen lemonade and fruit and cream swirl are packaged in squeeze up tubes and cups.

Churros

The Company's frozen churros are sold primarily under the TIO PEPE'S brand name. Churros are sold to the Food Service and Retail Supermarkets segments. Churro sales were 4% of the Company's sales in both fiscals 2003 and 2002, respectively. Churros are Hispanic donuts in stick form which the Company produces in several sizes according to a

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proprietary formula. The churros are deep fried, frozen and packaged. At food service point-of-sale they are reheated and topped with a cinnamon sugar mixture. The Company also sells fruit and creme filled churros. The Company supplies churro merchandising equipment similar to that used for its soft pretzels.

Bakery Products

The Company's bakery products are marketed under the MRS. GOODCOOKIE, CAMDEN CREEK BAKERY and PRETZEL COOKIE brand names, and under private labels. Bakery products include primarily cookies, muffins and donuts. Bakery products are sold to the Food Service segment. Bakery products sales amounted to 18% of the Company's sales in fiscals 2003 and 2002.

Frozen Beverages

The Company markets frozen beverages primarily under the names ICEE and ARCTIC BLAST in the United States, Mexico and Canada. Additional frozen beverages are ICEE SLUSH, JAVA FREEZE and CALIFORNIA NATURAL. Frozen beverages are sold in the Food Service, The Restaurant Group and Frozen Beverages segments. Frozen beverage sales amounted to 25% of revenue in fiscal 2003 and 26% of revenue in fiscal 2002.

Under the Company's principle marketing program, it installs frozen beverage dispensers at customer locations and thereafter services the machines, arranges to supply customers with ingredients required for production of the frozen beverages, and supports customer retail sales efforts with in-store promotions and point-of-sale materials. In most cases, the Company retains ownership of its dispensers and, as a result, customers are not required to make an

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investment in equipment or arrange for the ingredients and supplies necessary to produce and market the frozen beverages. In fiscal 1999 the Company began providing installation and maintenance service only to a large quick service restaurant and others, which resulted in the increase of customer owned beverage dispensers beginning in 1999. The Company also provides managed service and sells equipment in its Frozen Beverages segment.

Each new customer location requires a frozen beverage dispenser supplied by the Company or by the customer. Company supplied frozen carbonated dispensers are purchased from outside vendors, built new or rebuilt by the Company at an approximate cost of \$6,000 each.

The Company provides managed service and/or products to approximately 41,000 Company owned and customer owned dispensers.

The Company has the rights to market and distribute

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frozen beverages under the name ICEE to all the Continental United States, except for portions of eleven states.

Other Products

Other products sold by the Company include soft drinks, funnel cakes sold under the FUNNEL CAKE FACTORY brand name, popcorn sold under the AIRPOPT brand name and smaller amounts of various other food products. These products are sold in the Food Service, The Restaurant Group and Frozen Beverages segments.

Customers

The Company sells its products to two principal customer groups: food service and retail supermarkets. The primary products sold to the food service group are soft pretzels, frozen beverages, frozen juice treats and desserts, churros and baked goods. The primary products sold to the retail supermarket industry are soft pretzels and frozen juice treats and desserts. Additionally, the Company sells soft pretzels, frozen beverages and various other food products direct to the public through its restaurant group, which operates BAVARIAN PRETZEL BAKERY and PRETZEL GOURMET, our chain of specialty snack food retail outlets.

The Food Service, The Restaurant Group and the Frozen Beverages segments sell primarily to the food service industry. The Retail Supermarkets segment sells to the retail supermarket industry.

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The Company's customers in the food service industry include snack bars and food stands in chain, department and mass merchandising stores such as Kmart, Wal-Mart and Target; malls and shopping centers; fast food outlets; The Company's customers in the food service industry include snack bars and food stands in chain, department and stadiums and sports arenas; leisure and theme parks such as Disneyland, Walt Disney World, Universal Studios, Sea World, Six Flags, Hershey Park and Busch Gardens; convenience stores such as 7-Eleven, Circle K, AM/PM and Wawa; movie theatres; warehouse club stores such as Sam's Club, Costco and B.J.'s; schools, colleges and other institutions; and independent retailers such as Mrs. Fields. Food service concessionaires purchasing soft pretzels and other products from the Company for use in sports arenas and for institutional meal services include ARAMARK, Sodexo and Delaware North. Machines and machine parts are sold to other food and beverage companies. Within the food service industry, the Company's products are purchased by the consumer primarily for consumption at the point-of-sale.

Sales to certain of our chain, department and mass merchandising customers decreased in 2002 and are expected to decline further in 2003 as a result of store closings and other factors affecting their operations.

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The Company sells its products to over 90% of supermarkets in the United States. Products sold to retail supermarket customers are primarily soft pretzel products, including SUPERPRETZEL, LUIGI'S Real Italian Ice, MINUTE MAID Juice Bars and Soft Frozen Lemonade, ICEE Squeeze Up Tubes and TIO PEPE'S churros. Within the retail supermarket industry, the Company's frozen and prepackaged products are purchased by the consumer for consumption at home.

Marketing and Distribution

The Company has developed a national marketing program for its products. For Food Service and Frozen Beverages segments' customers, this marketing program includes providing ovens, mobile merchandisers, display cases, warmers, frozen beverage dispensers and other merchandising equipment for the individual customer's requirements and point-of-sale materials as well as participating in trade shows and in-store demonstrations. The Company's ongoing advertising and promotional campaigns for its Retail Supermarket segment's products include trade shows, newspaper advertisements with coupons, in-store demonstrations, billboards and, periodically, television advertisements.

The Company develops and introduces new products on a

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routine basis. The Company evaluates the success of new product introductions on the basis of sales levels, which are reviewed no less frequently than monthly by the Company's Chief Operating Decision Makers.

The Company's products are sold through a network of about 150 food brokers and over 1,000 independent sales distributors and the Company's own direct sales force. For its snack food products, the Company maintains warehouse and distribution facilities in Pennsauken, Bellmawr and Bridgeport, New Jersey; Vernon (Los Angeles), California; Scranton, Pittsburgh, Hatfield and Lancaster, Pennsylvania; Carrollton (Dallas), Texas; and Solon, Ohio. Frozen beverages are distributed from 89 Company managed warehouse and distribution facilities located in 42 states, Mexico and Canada which allow the Company to directly service its customers in the surrounding areas. The Company's products are shipped in refrigerated and other vehicles from the Company's manufacturing and warehouse facilities on a fleet of Company operated tractor-trailers, trucks and vans, as well as by independent carriers.

Seasonality

The Company's sales are seasonal because frozen beverage sales and frozen juice treats and desserts sales are generally higher during the warmer months and sales of the Company's retail stores are generally higher in the Company's first quarter during the holiday shopping season.

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Trademarks and Patents

The Company has numerous trademarks, the most important of which are SUPERPRETZEL, DUTCH TWIST, TEXAS TWIST, MR. TWISTER, SOFT PRETZEL BITES, SOFTSTIX and PRETZEL FILLERS for its pretzels products; FROSTAR, SHAPE-UPS, MAZZONE'S, MAMA TISH'S and LUIGI'S for its frozen juice treats and desserts; TIO PEPE'S for its churros; ARCTIC BLAST for its frozen beverages; FUNNEL CAKE FACTORY for its funnel cake products, and MRS. GOODCOOKIE and CAMDEN CREEK for its bakery products. The trademarks, when renewed and continuously used, have an indefinite term and are considered important to the Company as a means of identifying its products.

The Company markets frozen beverages under the trademark ICEE in all of the continental United States, except for portions of eleven states, and in Mexico and Canada. Additionally, the Company has the international rights to the trademark ICEE.

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The Company has numerous patents related to the manufacturing and marketing of its product.

Supplies

The Company's manufactured products are produced from raw materials which are readily available from numerous sources. With the exception of the Company's soft pretzel twisting equipment and funnel cake production equipment, which are made for J & J by independent third parties, and certain specialized packaging equipment, the Company's manufacturing equipment is readily available from various sources. Syrup for frozen beverages is purchased from The Coca-Cola Company, the Pepsi Cola Company, and Western Syrup Company. Cups, straws and lids are readily available from various suppliers. Parts for frozen beverage dispensing machines are manufactured internally and purchased from other sources. Frozen beverage dispensers are purchased primarily from IMI Cornelius, Inc.

Competition

Snack food and bakery products markets are highly competitive. The Company's principal products compete against similar and different food products manufactured and sold by numerous other companies, some of which are substantially larger and have greater resources than the Company. As the soft pretzel, frozen juice treat and dessert, bakery products and related markets grow, additional competitors and new competing products may enter the markets. Competitive factors in these markets include product quality, customer service, taste, price, identity and brand name awareness, method of distribution and sales promotions.

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The Company believes it is the only national distributor of soft pretzels. However, there are numerous regional and local manufacturers of food service and retail supermarket soft pretzels. Competition is also increasing in that there are several chains of retail pretzel stores that have aggressively expanded over the past several years. These chains compete with the Company's products.

In Frozen Beverages the Company competes directly with other frozen beverage companies. These include several companies which have the right to use the ICEE name in portions of eleven states. There are many other regional frozen beverage competitors throughout the country and one large retail chain which uses its own frozen beverage brand.

The Company competes with large soft drink

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manufacturers for counter and floor space for its frozen beverage dispensing machines at retail locations and with products which are more widely known than the ICEE and ARCTIC BLAST frozen beverages.

The Company competes with a number of other companies in the frozen juice treat and dessert and bakery products markets.

Employees

The Company has approximately 2,300 full and part time employees as of September 27, 2003. Certain production and distribution employees at the Pennsauken, New Jersey plant are covered by a collective bargaining agreement which expires in September 2005. The Company considers its employee relations to be good.

Item 2. Properties

The Company's primary east coast manufacturing facility is located in Pennsauken, New Jersey in a 70,000 square foot building on a two acre lot. Soft pretzels are manufactured at this Company-owned facility which also serves as the Company's corporate headquarters. This facility operates at approximately 80-90% of capacity. The Company leases a 101,200 square foot building adjacent to its manufacturing facility in Pennsauken, New Jersey through March 2012. The Company has constructed a large freezer within this facility for warehousing and distribution purposes. The warehouse has a utilization rate of 80-90% depending on product demand. The Company also leases, through September 2011, 16,000 square feet of office and warehouse space located next to the Pennsauken, New Jersey plant.

The Company owns a 150,000 square foot building on eight acres in Bellmawr, New Jersey. Approximately 30% of the facility is leased to a third party. The remainder is used by the Company to manufacture some of its products including funnel cake, pretzels, churros and cookies.

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The Company's primary west coast manufacturing facility is located in Vernon (Los Angeles), California. It consists of a 137,000 square foot facility in which soft pretzels, churros and various lines of baked goods are produced and warehoused. Included in the 137,000 square foot facility is a 30,000 square foot freezer used for warehousing and distribution purposes which was constructed in 1996. The facility is leased through November 2017. The Company leases an additional 45,000 square feet of office and warehouse space, adjacent to its manufacturing facility,

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through November 2017. The manufacturing facility operates at approximately 60% of capacity.

The Company owns a 52,700 square foot building located on five acres in Chicago Heights, Illinois which is presently for sale or lease.

The Company owns a 46,000 square foot frozen juice treat and dessert manufacturing facility located on three acres in Scranton, Pennsylvania. The facility, which was expanded from 26,000 square feet in 1998, operates at approximately 60% of capacity.

The Company leases a 29,635 square foot soft pretzel manufacturing facility located in Hatfield, Pennsylvania. The lease runs through June 2017. The facility operates at approximately 70% of capacity.

The Company leases a 19,200 square foot soft pretzel manufacturing facility located in Carrollton, Texas. The lease runs through April 2004. The facility operates at less than 50% of capacity.

The Company's fresh bakery products manufacturing facility offices are located in Bridgeport, New Jersey in two buildings totaling 94,320 square feet. The buildings are leased through December 2011. The manufacturing facility operates at approximately 50% of capacity.

The Company's Bavarian Pretzel Bakery headquarters and warehouse and distribution facilities are located in a 11,000 square foot owned building in Lancaster, Pennsylvania.

The Company also leases approximately 100 warehouse and distribution facilities in 42 states, Mexico and Canada.

Item 3. Legal Proceedings

The Company has no material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the Company or any of its subsidiaries is a party or of which any of their property is subject.

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Item 4. Submission Of Matters To A Vote Of Security Holders

There were no matters submitted to a vote of the security holders during the quarter ended September 27, 2003.

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PART II

Item 5. Market For Registrant's Common Equity And Related Stockholder Matters

The Company's common stock is traded on the over-the-counter market on the NASDAQ National Market System under the symbol ''JJSF.'' The following table sets forth the high and low final sale price quotations as reported by NASDAQ for the common stock for each quarter of the years ended September 27, 2003 and September 28, 2002.

| | High | Low |
|----------------|---------|---------|
| Fiscal 2002 | | |
| First quarter | \$26.25 | \$18.10 |
| Second quarter | 40.40 | 23.22 |
| Third quarter | 45.15 | 32.42 |
| Fourth quarter | 44.97 | 34.85 |
| Fiscal 2003 | | |
| First quarter | \$40.25 | \$30.27 |
| Second quarter | 37.85 | 25.31 |
| Third quarter | 34.00 | 28.65 |
| Fourth quarter | 37.67 | 29.33 |

On December 8, 2003, there were 8,783,402 shares of common stock outstanding. Those shares were held by approximately 2,200 beneficial shareholders and shareholders of record.

The Company has never paid a cash dividend on its common stock and does not anticipate paying cash dividends in the foreseeable future.

For information on the Company's Equity Compensation Plans, please see Item 12 herein.

Item 6. Selected Financial Data

The information set forth under the caption ''Financial Highlights'' of the 2003 Annual Report to Shareholders is incorporated herein by reference.

Item 7. Management's Discussion And Analysis Of Financial Condition And Results Of Operations

The information set forth under the caption ''Management's Discussion and Analysis of Financial Condition and Results of Operations'' of the 2003 Annual Report to Shareholders is incorporated herein by reference.

Item 7a. Quantitative And Qualitative Disclosures About
Market Risk

The following is the Company's quantitative and qualitative analysis of its financial market risk:

Interest Rate Sensitivity

The Company has in the past entered into interest rate swaps to limit its exposure to interest rate risk and may continue to do so in the future if the Board of Directors feels that such non-trading purpose is in the best interest of the Company and its shareholders. As of September 27, 2003, the Company had no interest rate swap contracts.

Interest Rate Risk

At September 27, 2003, the Company had no long-term debt obligations.

The Company's most significant raw material requirements include flour, shortening, corn syrup, chocolate, and macadamia nuts. The Company attempts to minimize the effect of future price fluctuations related to the purchase of raw materials primarily through forward purchasing to cover future manufacturing requirements, generally for periods from 1 to 24 months. Futures contracts are not used in combination with forward purchasing of these raw materials. The Company's procurement practices are intended to reduce the risk of future price increases, but also may potentially limit the ability to benefit from possible price decreases.

Foreign Exchange Rate Risk

The Company has not entered into any forward exchange contracts to hedge its foreign currency rate risk as of September 27, 2003 because it does not believe its foreign exchange exposure is significant.

Item 8. Financial Statements And Supplementary Data

The following consolidated financial statements of the Company set forth in the 2003 Annual Report to Shareholders are incorporated herein by reference:

Consolidated Balance Sheets as of September 27, 2003 and
September 28, 2002

Consolidated Statements of Earnings for the fiscal years
ended September 27, 2003, September 28, 2002 and
September 29, 2001

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Consolidated Statement of Stockholders' Equity for the three fiscal years ended September 27, 2003

Consolidated Statements of Cash Flows for the fiscal years ended September 27, 2003, September 28, 2002 and September 29, 2001

Notes to Consolidated Financial Statements

Report of Independent Certified Public Accounts

Item 9. Changes In And Disagreements With Accountants On Accounting And Financial Disclosure

None.

Item 9A. Controls and Procedures

Quarterly evaluation of the Company's Disclosure and Internal Controls. The Company evaluated (i) the effectiveness of the design and operation of its disclosure controls and procedures (the ''Disclosure Controls'') as of the end of the period covered by this Form 10-K and (ii) any changes in internal controls over financial reporting that occurred during the last quarter of its fiscal year. This evaluation (''Controls Evaluation'') was done under the supervision and with the participation of management, including the Chief Executive Officer (''CEO'') and Chief Financial Officer (''CFO'').

Limitations on the Effectiveness of Controls. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. Because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected. The Company conducts periodic evaluations of its internal controls to enhance, where necessary, its procedures and controls.

Conclusions. Based upon the Controls Evaluation, the CEO and CFO have concluded that the Disclosure Controls are effective in reaching a reasonable level of assurance that management is timely alerted to material information relating to the Company during the period when its periodic reports are being prepared. In accord with the U.S. Securities and Exchange Commission's requirements, the CEO

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and CFO conducted an evaluation of the Company's internal control over financial reporting (the ''Internal Controls'') to determine whether there have been any changes in Internal Controls that occurred during the quarter which

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have materially affected or which are reasonable likely to materially affect Internal Controls. Based on this evaluation, there have been no such changes in Internal Controls during the quarter covered by this report.

PART III

Item 10. Directors And Executive Officers Of The Registrant

Portions of the information concerning directors, appearing under the captions "'Information Concerning Nominees For Election To Board'" and "'Information Concerning Continuing Directors And Executive Officers'" in the Company's Proxy Statement filed with the Securities and Exchange Commission in connection with the Annual Meeting of Shareholders to be held on February 5, 2004, is incorporated herein by reference.

The Company has adopted a Code of Ethics pursuant to Section 406 of the Sarbanes-Oxley Act of 2002, which applies to the Company's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions and other designated officers and employees.

Item 11. Executive Compensation

Information concerning executive compensation appearing in the Company's Proxy Statement under the caption "'Management Remuneraton'" is incorporated herein by reference.

The following is a list of the executive officers of the Company and their principal past occupations or employment. All such persons serve at the pleasure of the Board of Directors and have been elected to serve until the Annual Meeting of Shareholders on February 5, 2004 or until their successors are duly elected.

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| Name | Age | Position |
|--------------------|-----|---|
| Gerald B. Shreiber | 62 | Chairman of the Board, President, Chief Executive Officer and Director |
| Dennis G. Moore | 48 | Senior Vice President, Chief Financial Officer, Secretary, Treasurer and Director |
| Robert M. Radano | 54 | Senior Vice President, Sales, Chief Operating |

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| | | |
|-----------------|----|---|
| | | Officer and Director |
| Dan Fachner | 43 | President of The ICEE Company Subsidiary |
| Michael Karaban | 57 | Senior Vice President, Marketing |

Gerald B. Shreiber is the founder of the Company and has served as its Chairman of the Board, President, and Chief Executive Officer since its inception in 1971. His term as a director expires in 2005.

Dennis G. Moore joined the Company in 1984. He served in various controllership functions prior to becoming the Chief Financial Officer in June 1992. His term as a director expires in 2007.

Robert M. Radano joined the Company in 1972 and in May 1996 was named Chief Operating Officer of the Company. Prior to becoming Chief Operating Officer, he was Senior Vice President, Sales responsible for national food service sales of J & J. His term as a director expires in 2006.

Dan Fachner has been an employee of ICEE-USA Corp., which was acquired by the Company in May 1987, since 1979. He was named Senior Vice President of The ICEE Company in April 1994 and became President in May 1997.

Michael Karaban has been an employee of the Company in charge of its marketing department since 1990 and in February 2002 was elected Senior Vice President, Marketing.

Item 12. Security Ownership Of Certain Beneficial Owners And Management

Information concerning the security ownership of certain beneficial owners and management appearing in the Company's Proxy Statement under the caption 'Principal Shareholders' is incorporated herein by reference.

The following table details information regarding the Company's existing equity compensation plans as of September 27, 2003.

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| | (a) | (b) | (c) |
|---------------|---|--|---|
| | | | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average price of outstanding options, warrants and rights | |

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| | | | |
|--|---------|-------|---------|
| Equity compensation plans approved by security holders | 924,629 | 20.98 | 612,000 |
| Equity compensation plans not approved by security holders | - | - | - |
| Total | 924,629 | 20.98 | 612,000 |

Item 13. Certain Relationships And Related Transactions

None to Report.

Item 14. Principal Accounting Fees and Services

Information concerning the Principal Accounting Fees and Services in the Company's Proxy Statement for the 2003 Annual Meeting of Stockholders is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules And Reports On Form 8-K

(a) Financial Statements

The following are incorporated by reference in Part II of this report:

Report of Independent Certified Public Accountants Consolidated Balance Sheets as of September 27, 2003 and September 28, 2002

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Consolidated Statements of Earnings for the fiscal years ended September 27, 2003, September 28, 2002 and September 29, 2001

Consolidated Statement of Stockholders' Equity for the three fiscal years ended September 27, 2003

Consolidated Statements of Cash Flows for the fiscal years ended September 27, 2003, September 28, 2002 and September 29, 2001

Notes to Consolidated Financial Statements

Financial Statement Schedule

The following are included in Part IV of this report:

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| | Page |
|--|------|
| Report of Independent Certified Public Accounts on Schedule | 25 |
| Schedule: | |
| II. Value and Qualifying Accounts | 26 |

All other schedules are omitted either because they are not applicable or because the information required is contained in the financial statements or notes thereto.

Exhibits

- 3.1 Amended and Restated Certificate of Incorporation filed February 28, 1990. (Incorporated by reference from the Company's Form 10-Q dated May 4, 1990.)
- 3.2 Amended and Restated Bylaws adopted May 15, 1990. (Incorporated by reference from the Company's Form 10-Q dated August 3, 1990.)
- 4.3 Loan Agreement dated as of December 4, 2001 by and among J & J Snack Foods Corp. and Certain of its Subsidiaries and Citizens Bank of Pennsylvania, as Agent. (Incorporated by reference from the Company's Form 10-K dated December 21, 2001.)
- 10.1 Proprietary Exclusive Manufacturing Agreement dated July 17, 1984 between J & J Snack Foods Corp. and Wisco Industries, Inc. (Incorporated by reference from the Company's Form S-1 dated February 4, 1986, file no. 33-2296).
- 10.2*J & J Snack Foods Corp. Stock Option Plan. (Incorporated by reference from the Company's Definitive Proxy Statement dated December 19, 2002.)
- 10.3* J & J Snack Foods Corp. 401(k) Profit Sharing Plan, As Amended, Effective January 1, 1989. (Incorporated by reference from the Company's 10-K dated December 18, 1992.)
- 10.4* First, Second and Third Amendments to the J & J Snack Foods Corp. 401(k) Profit Sharing Plan. (Incorporated by reference from the Company's 10-K dated December 19, 1996.)
- 10.6 Lease dated September 24, 1991 between J & J Snack Foods Corp. of New Jersey and A & H Bloom Construction Co. for the 101,200 square foot building next to the Company's manufacturing facility in Pennsauken, New Jersey. (Incorporated by reference from the Company's Form 10-K dated December 17, 1991.)
- 10.7 Lease dated August 29, 1995 between J & J Snack Foods Corp. and 5353 Downey Associated Ltd. for

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the lease of the Vernon, CA facility.
(Incorporated by reference from the Company's
Form 10-K dated December 21, 1995.)

- 10.8* J & J Snack Foods Corp. Employee Stock Purchase plan (Incorporated by reference from the Company's Form S-8 dated May 16, 1996).
- 10.11 Amendment No. 1 to Lease dated August 29, 1995 between J & J Snack Foods Corp. and 5353 Downey Associated Ltd. for the lease of the Vernon, CA facility. (Incorporated by reference from the Company's Form 10-K dated December 18, 2002).
- 10.12* Fourth and Fifth Amendments to the J & J Snack Foods Corp. 401(k) Profit Sharing Plan. (Incorporated by reference from the Company's Form 10-K dated December 18, 2002).
- 13.1 Company's 2003 Annual Report to Shareholders (except for the captions and information thereof expressly incorporated by reference in this Form 10-K, the Annual Report to Shareholders is provided solely for the information of the Securities and Exchange Commission and is not deemed "'filed'" as part of the Form 10-K.) (Page 27.)
- 14.0 Code of Ethics Pursuant to Section 406 of the Sarbanes-Oxley Act of 2002. (Page 64-70.)

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- 22.1 Subsidiaries of J & J Snack Foods Corp. (Page 71.)
- 24.1 Consent of Independent Certified Public Accountants. (Page 72.)
- 31.1 Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Page 21-22.)
- 31.2 Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Page 23-24.)
- 99.5 Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 Of The Sarbanes-Oxley Act of 2002. (Page 73.)

*Compensatory Plan

(b) Reports on Form 8-K

Reports on Form 8-K were filed on July 23, 2003 and November 5, 2003.

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SIGNATURES

Pursuant to the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused report to be signed on its behalf by the undersigned, thereunto duly authorized.

J & J SNACK FOODS CORP.

September 9, 2004

By /s/ Gerald B. Shreiber
Gerald B. Shreiber,
Chairman of the Board,
President, Chief Executive
Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

September 9, 2004

/s/ Robert M. Radano
Robert M. Radano, Senior Vice
President, Sales, Chief
Operating Officer and Director

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| | |
|-------------------|---|
| September 9, 2004 | /s/ Dennis G. Moore Dennis G. Moore, Senior Vice President, Chief Financial Officer and Director |
| September 9, 2004 | /s/ Sidney R. Brown Sidney R. Brown, Director |
| September 9, 2004 | /s/ Peter G. Stanley Peter G. Stanley, Director |
| September 9, 2004 | /s/ Leonard M. Lodish Leonard M. Lodish, Director |

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REPORT OF INDEPENDENT CERTIFIED PUBLIC
ACCOUNTANTS ON SCHEDULE

Board of Directors J & J Snack Foods Corp.

In connection with our audit of the consolidated financial statements of J & J Snack Foods Corp. and Subsidiaries referred to in our report dated November 5, 2003 which is included in the Annual Report to Shareholders and incorporated by reference in Part II of this form, we have also audited Schedule II for each of the three fiscal years in the period ended September 27, 2003 (52 weeks, 52 weeks and 52 weeks, respectively). In our opinion, this schedule presents fairly, in all material respects, the information required to be set forth therein.

/s/ GRANT THORNTON LLP

Philadelphia, Pennsylvania
November 5, 2003

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

| Year | Description | Opening Balance | Charged to expense | Deductions | Closing Balance |
|------|------------------------------------|--------------------|-----------------------|-----------------|--------------------|
| 2003 | Allowance for doubtful accounts | \$1,839,000 | \$556,000 | \$1,404,000 (1) | \$ 991,000 |
| 2002 | Allowance for doubtful accounts | 1,672,000 | 372,000 | 205,000 (1) | 1,839,000 |
| 2001 | Allowance for doubtful accounts | 1,573,000 | 438,000 | 339,000 (1) | 1,672,000 |

(1) Write-off uncollectible accounts receivable.