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SENECA FOODS CORP /NY/
Form 11-K
July 13, 2004

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

Form 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Year Ended December 31, 2003

Seneca Foods Corporation Employees' Savings Plan
(Full title of the Plan)

Seneca Foods Corporation
(Name of issuer of the securities held pursuant to the Plan)

3736 South Main Street, Marion, New York 14505
(Address of principal executive office)

REQUIRED INFORMATION

1. Plan financial statements and schedules examined by an independent accountant prepared in accordance with financial reporting requirements of ERISA.

See accompanying index on page 3.
2. Signature

SENECA FOODS CORPORATION
EMPLOYEES' SAVINGS PLAN

REPORT ON AUDITS OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES

FOR THE YEARS ENDED
DECEMBER 31, 2003 AND 2002

Bobbitt, Pittenger & Company, P.A.

SENECA FOODS CORPORATION
EMPLOYEES' SAVINGS PLAN

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June 18, 2004

Seneca Foods Corporation
Employees' Savings Plan
Williamsburg, New York

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have audited the accompanying statements of net assets available for benefits of the Seneca Foods Corporation Employees' Savings Plan ("the Plan") as of December 31, 2003 and 2002, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2003 and 2002, and the changes in net assets available for benefits for the years then ended in conformity with generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the foregoing Table of Contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/Bobbitt, Pittenger & Company, P.A.

Certified Public Accountants

SENECA FOODS CORPORATION
EMPLOYEES' SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December

2003

ASSETS

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INVESTMENTS:

At fair value:

MFS Total Return Fund A	\$ 7,266,908
Seneca Foods Corporation Employer Stock Fund	6,935,546
Federated Capital Appreciation Fund A	6,225,592
First American Equity Index Fund Y	5,633,369
U.S. Bank Stable Asset Fund	5,301,586
Dreyfus International Stock Index	917,069
Strong Small Cap Value Fund	364,334
Dreyfus Mid-Cap Index Fund	329,388
First American Intermediate Term Bond Fund A	198,190
MFS Value Fund A	175,301
Massachusetts Investors Growth Fund A	119,998
Growth and Income Fund	
Stock Index Fund	
Stable Value Fund	
Seneca Foods Corporation common stock	
International Fund	
Balanced Fund	

Total investments	33,467,281

LOANS RECEIVABLE	125,549
CONTRIBUTIONS RECEIVABLE	
Employer	961,864
Employee	70,908

Total contributions receivable	1,032,772

NET ASSETS AVAILABLE FOR BENEFITS	\$34,625,602
	=====

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SENECA FOODS CORPORATION
EMPLOYEES' SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS

Year Ended De
2003

ADDITIONS:

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Additions to net assets attributed to:	
Net appreciation (depreciation) in fair value of investments	\$ 5,376,353
Interest and dividend income	312,835
Contributions:	
Participant	4,095,554
Employer	972,538

Total additions	10,757,280
DEDUCTIONS:	
Deductions from net assets attributed to:	
Withdrawals by participants/other	(1,138,266)

NET INCREASE	9,619,014
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	25,006,588

NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	\$34,625,602
	=====

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SENECA FOODS CORPORATION
EMPLOYEES' SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

NOTE A - DESCRIPTION OF PLAN

The following description of Seneca Foods Corporation Employees' Savings Plan ("the Plan") provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan intended to qualify as a cash or deferred arrangement under Section 401(k) of the Internal Revenue Code. Substantially all employees of Seneca Foods Corporation ("the Company") are eligible to participate after completion of twelve months employment and attainment of age twenty-one. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective January 1, 2003, the Plan was amended to conform to final Treasury Department regulations governing minimum distributions.

Contributions

Participants may elect to contribute, on a pre-tax basis (elective deferrals),

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from 1% to 15% of their compensation up to regulatory maximums. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The Company may contribute additional amounts at the discretion of the Company's Board of Directors. During the year ended December 31, 2003 the Company contributed fifty percent of the first four percent of base compensation that a participant contributes to the Plan. The Company contributions are invested directly in Seneca Foods Corporation Employer Stock Fund and are allocated to participants based on the participants pro rata share of total participating payroll.

Vesting

Participants are immediately vested in all elective contributions and related earnings. Matching contributions made by the Plan sponsor fully vest after a service period of five years.

Participant Loans

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their account balance. The loans are secured by the balance in the participant's account and bear interest at rates that range from 5 percent to 9.25 percent, which are commensurate with local prevailing rates as determined by the Company. Principal and interest is paid ratably through monthly payroll deductions over a period not to exceed five years.

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SENECA FOODS CORPORATION EMPLOYEES' SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE A - DESCRIPTION OF PLAN (CONTINUED)

Payment of Benefits

After termination of service, the participant's account balance is generally distributed in a lump sum if the balance is less than \$3,500. Benefits are recorded when paid.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and/or to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, the Administrator shall determine the method of distribution of the participants' accounts in accordance with the provisions of the plan.

Participant Accounts

Each participants' account is credited with the participants' contribution and allocations of (a) additional Company contributions, if any, and (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participants' vested account.

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Forfeited Accounts

At December 31, 2003 forfeited nonvested accounts totaled approximately \$17,000. These accounts were used to reduce employer contributions.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Valuation of Investments

All investments are valued at fair value as determined by quoted market prices. Current year increases or decreases in market value are recognized as investment appreciation or depreciation. All security transactions are recorded as of the trade date.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

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SENECA FOODS CORPORATION
EMPLOYEES' SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Payment of Benefits

Benefits are recorded when paid.

NOTE C - TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated April 30, 1999, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the plan is currently designed and being operated in compliance with applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

NOTE D - INVESTMENTS

The following presents investments that represent 5 percent or more of the Plan's net assets at December 31:

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2003

MFS Total Return Fund	\$7,266,908
Seneca Foods Corporation Employer Stock Fund	6,935,546*
Federated Capital Appreciation Fund A	6,225,592
First American Equity Index Fund Y	5,633,369
U.S. Bank Stable Asset Fund	5,301,586
Growth and Income Fund	
Stock Index Fund	
Stable Value Fund	
Seneca Foods Corporation common stock	

During 2003, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

Mutual funds	\$4,157,344
Common stock	1,219,009

	\$5,376,353
	=====

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SENECA FOODS CORPORATION
EMPLOYEES' SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE E - NONPARTICIPANT-DIRECTED INVESTMENTS

Information about the net assets and the significant components of the changes in net assets relating to the nonparticipant-directed investments is as follows:

2003

Net assets:	
Seneca Foods Corporation Employer Stock Fund	\$6,935,546
	=====
Seneca Foods Corporation common stock	
Changes in net assets:	
Contributions	\$ 715,393
Net appreciation in fair value	2,041,472
Withdrawals by participants	(180,803)
Net transfers to participant-directed investments	(65,332)

NOTE F - RECONCILIATION OF FINANCIAL STATEMENTS
TO SCHEDULE H OF FORM 5500

The Form 5500 was unavailable for review at the audit date. When it becomes available it will be read for inconsistencies. If any inconsistencies are noted, a reconciliation will be performed.

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SUPPLEMENTAL SCHEDULES

SENECA FOODS CORPORATION
EMPLOYEES' SAVINGS PLAN

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
DECEMBER 31, 2003

Identity of Issue, Borrower, Lessor or Similar Party -----	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value -----	Cost ----
Mutual Funds	MFS Total Return Fund A	\$ 6,532,531
	Federated Capital Appreciation Fund A	5,253,124
	First American Equity Index Fund Y	4,666,228
	Strong Small Cap Value Fund	299,915
	U.S. Bank Stable Asset Fund	5,111,639
	Dreyfus International Stock Index Fund	917,069
	Dreyfus Mid Cap Index Fund	289,569
	First American Intermediate	

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	Term Bond Fund A	201,149
	MFS Value Fund A	147,670
	Massachusetts Investors Growth Fund A	106,086
Unitized Fund	Seneca Foods Corporation Employer Stock Fund	5,143,150
Participant Loans	Interest rates 5% - 9.25%	

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SENECA FOODS CORPORATION
EMPLOYEES' SAVINGS PLAN

SCHEDULE H - LINE 4J - SCHEDULE OF REPORTABLE TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2003

DESCRIPTION OF ASSETS -----	PURCHASE PRICE -----	SELLING PRICE -----	COST OF ASSET -----	TRA
CATEGORY I - A Single Transaction in Excess of 5 % of Plan Assets				
Scudder Growth and Income Fund, one sale	\$	\$4,551,818	\$6,724,694	\$
Scudder Stock Index Fund, one sale		4,126,358	5,764,983	
Scudder Stable Value Fund, one sale		4,621,127	4,602,596	
US Bank Stable Asset Fund, one purchase	4,621,788		4,621,788	
First America Equity Index Fund Y, one purchase	4,126,372		4,126,372	
Federated Capital Appreciation Fund A, one purchase	4,551,810		4,551,810	
Seneca Foods Corporation Common Stock, one sale		4,424,816	3,851,430	
Seneca Food Employer				

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Stock Fund, one purchase 4,424,816 4,424,816

CATEGORY II -
A Series of Transactions
(Other Than Securities)
With Same Person
Aggregating 5% of Plan
Assets

NONE

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DESCRIPTION OF ASSETS -----	PURCHASE PRICE -----	SELLING PRICE -----	COST OF ASSET -----
CATEGORY III - A Series of Transactions in a Security Issue Aggregating 5% of Plan Assets			
US Bank Stable Asset Fund, 82 purchases	5,699,436		5,699,436
First America Equity Index Fund Y, 102 purchases	5,162,893		5,162,893
Federated Capital Appreciation Fund A, 95 purchases	5,649,896		5,649,896
Seneca Food Employer Stock Fund, 85 purchases	5,139,516		5,139,516

CATEGORY IV -
Transactions in Securities
With a Person if any Single
Transaction With That Person
was in Excess of 5% of Plan Assets

NONE

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees have duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

Seneca Foods Corporation
Employees' Savings Plan
(Name of Plan)

July 12, 2004

/s/Kraig H. Kayser

Kraig H. Kayser
Sponsor of Seneca Foods
Corporation Employees'
Savings Plan