

SENECA FOODS CORP /NY/
Form 11-K
June 26, 2008

UNITED STATES
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, 2007

Commission File Number: 0-01989

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, 2007 AND 2006

Bobbitt, Pittenger & Company, P.A.

SENECA FOODS CORPORATION EMPLOYEES' SAVINGS PLAN

CONTENTS

PAGE

FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM 1

STATEMENTS OF NET ASSETS AVAILABLE
FOR BENEFITS 2

STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS 3

NOTES TO FINANCIAL STATEMENTS 4

SUPPLEMENTAL SCHEDULE

SCHEDULE OF ASSETS HELD AT END OF
YEAR 8

Bobbitt, Pittenger & Company, P.A.
Certified Public Accountants

June 16, 2008

Seneca Foods Corporation
Employees' Savings Plan
Marion, New York

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have audited the accompanying statements of net assets available for benefits of Seneca Foods Corporation Employees' Savings Plan ("the Plan") as of December 31, 2007 and 2006, and the related statements of changes in net assets available for benefits for the years then ended. Seneca Foods Corporation Employees' Savings Plan's management is responsible for these financial statements. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating 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, 2007 and 2006, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule 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 schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is 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 31,	
	2007	2006
ASSETS		
INVESTMENTS:		
At fair value:		
American Beacon Balanced Fund	\$ 15,789,072	\$ 16,105,959
Seneca Foods Corporation Employer Stock Fund	11,599,040	11,962,106
First American Equity Index Fund Y	11,405,020	10,047,333
U.S. Bank Stable Asset Fund	10,747,455	10,524,955
Federated Capital Appreciation Fund A	7,747,264	8,215,211
Dreyfus International Stock Index	5,218,729	4,114,400
Wells Fargo Advantage Small Cap Val Z	4,613,624	
American Growth Fund R4	3,799,960	
Dreyfus Mid-Cap Index Fund	3,600,997	4,517,572
Dodge & Cox Stock Fund	2,780,958	2,142,400
PIMCO Real Return Fund	2,503,749	2,300,275
First American Mid Cap Growth Opp Y	497,887	
First American Mid Cap Value Fund Y	446,624	
First American Small Cap Select Fund Class Y	327,075	13,378
Wells Fargo Small Cap Value Fund Z		4,449,007
American Growth Fund of America Class R4		2,992,252
Principal cash		30,882
First American Intermediate Term Bond Fund A		8,117
Total investments	81,077,454	77,423,847
LOANS RECEIVABLE	328,347	391,973
CONTRIBUTIONS RECEIVABLE		
Employer	1,450,978	1,300,472
Participant		252,404
Total contributions receivable	1,450,978	1,552,876
NET ASSETS AVAILABLE FOR BENEFITS	\$ 82,856,779	\$ 79,368,696

See notes to financial statements.

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SENECA FOODS CORPORATION EMPLOYEES' SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31,

	2007	2006
ADDITIONS:		
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Net appreciation in fair value of investments	\$ 2,532,574	\$ 8,524,423
Interest and dividend income	1,030,232	887,486
Contributions:		
Participant	6,079,277	5,536,310
Employer	1,450,978	1,295,204
Total additions	11,093,061	16,243,423
DEDUCTIONS:		
Deductions from net assets attributed to:		
Benefits paid to participants	7,602,933	5,505,717
Other expenses	2,045	10,113
	7,604,978	5,515,830
NET INCREASE	3,488,083	10,727,593
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	79,368,696	68,641,103
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	\$ 82,856,779	\$ 79,368,696

See notes to financial statements.

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SENECA FOODS CORPORATION EMPLOYEES' SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006

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 eighteen. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions

Each year, participants may contribute up to 60 percent of pretax annual compensation, as defined by the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Company may contribute additional amounts at the discretion of the Company's Board of Directors. The Company contribution is invested directly in the Seneca Foods Corporation Employer Stock Fund and is allocated to participants based on the participants' pro rata share of total participating payroll.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contributions and (b) Plan earnings, and charged with an allocation of administrative expenses. 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 participant's vested account.

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. A participant is 100 percent vested after three years of credited service.

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, whichever is less. The loans are secured by the balance in the participant's account and bear interest at rates that range from 4% to 9.5%, which are commensurate with local prevailing rates as determined by the

NOTE A - DESCRIPTION OF PLAN (CONTINUED)

Participant Loans (Continued)

Plan. Principal and interest is paid ratably through monthly payroll deductions. The term of the loan should not exceed five years except in the case of a loan used to acquire a dwelling unit that is to be the principal residence of the participant.

Payment of Benefits

On termination of service due to death, disability or retirement, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in a current lump sum if the balance is less than \$5,000 or a deferred lump sum if the balance is greater than \$5,000. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump sum distribution, however, if the value exceeds \$1,000 (\$5,000 before March 28, 2005), no distribution shall be made before the participant's 65th birthday without written consent.

Forfeited Accounts

At December 31, 2007 and 2006 forfeited non-vested accounts totaled approximately \$15,000 and \$8,000, respectively. These accounts will be used to reduce future 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.

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 changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. If available, quoted market prices are used to value investments. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year-end. Participant loans are valued at their outstanding balances, which approximate fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

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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 Plan by a letter dated April 30, 1999, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

NOTE D - INVESTMENTS

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

	2007	2006
American Beacon Balanced Fund	\$ 15,789,072	\$ 16,105,959
Seneca Foods Corporation Employer Stock Fund	11,599,040	11,962,106*
First American Equity Index Fund Y	11,405,020	10,047,333
U.S. Bank Stable Asset Fund	10,747,455	10,524,955
Federated Capital Appreciation Fund A	7,747,264	8,215,211
Dreyfus International Stock Index	5,218,729	
Wells Fargo Advantage Small Cap Val Z	4,613,624	
Dreyfus Mid-Cap Index Fund		4,517,572
Wells Fargo Small Cap Value Fund Z		4,449,007
Dreyfus International Stock Index		4,114,400

* Nonparticipant-directed

During 2007, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$2,532,574. The appreciation (depreciation) in each fund category is as follows:

Mutual funds	\$3,260,764
Collective investment funds	(728,190)

\$2,532,574

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SENECA FOODS CORPORATION EMPLOYEES' SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE E - 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, participants will become 100 percent vested in their accounts. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed in such a manner as the company may determine.

NOTE F - 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 at December 31:

2007	2006		
Net assets:			
Seneca Foods Corporation Employer Stock Fund	\$11,599,040	\$11,962,106	
Changes in net assets:			
Contributions		\$1,658,128	\$ 250,916
Net (depreciation) appreciation in fair value	(852,886)	3,852,840	
Withdrawals by participants		(1,168,308)	(532,884)
\$ (363,066)	\$3,570,872		

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

No reconciliation of net assets available for benefits and changes in net assets available for benefits per the financial statements to the Form 5500 is required.

NOTE H – RISKS AND UNCERTAINTIES

The plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

SUPPLEMENTAL SCHEDULE

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SENECA FOODS CORPORATION EMPLOYEES' SAVINGS PLAN

SCHEDULE OF ASSETS HELD AT END OF YEAR

DECEMBER 31, 2007

(a)	Identity of issue, borrower, lessor or similar party (b)	Description of investment including maturity date, rate of interest, collateral, par or maturity value (c)	Cost (d)	Current Value (e)
	American Beacon	Balanced Fund		\$ 15,789,072
	American Funds	Growth Fund of America Class R4		3,799,960
	Dodge & Cox	Stock Fund		2,780,958
	Dreyfus	Mid Cap Index Fund		3,600,997
		International Stock Index Fund		5,218,729
	Federated	Capital Appreciation Fund A		7,747,264
	First American	Small Cap Select Fund Class Y		327,075
		Equity Index Fund Y		11,405,020
		Mid Cap Growth Y		497,887
		Mid Cap Value Y		446,624
	Pimco Funds	Real Return Fund		2,503,749
	Wells Fargo Advantage	Small Cap Value Fund Z		4,613,624
	U.S. Bank	Stable Asset Fund		10,747,455
*	Seneca Foods Corporation	Employer Stock Fund	7,776,078	11,599,040
	Participant Loans	Interest rates 4% - 9.5%		328,347

* Indicates a party-in-interest

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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)

/s/Kraig H. Kayser

Kraig H. Kayser June 26, 2008
Sponsor of Seneca Foods
Corporation Employees'
Savings Plan