

Seneca Foods Corp
Form 11-K
June 17, 2011

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, 2010

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 SCHEDULE

FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009

Bobbitt, Pittenger & Company, P.A.

SENECA FOODS CORPORATION EMPLOYEES' SAVINGS PLAN

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Bobbitt, Pittenger & Company, P.A.

Certified Public Accountants

June 14, 2011
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, 2010 and 2009, 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, 2010 and 2009, 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 information 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 in relation to the basic financial statements taken as a whole.

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

Certified Public Accountants

1605 Main Street, Suite 1010 Sarasota, FL 34236 Telephone: 941-366-4450 FAX # 941-954-7508

SENECA FOODS CORPORATION EMPLOYEES' SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2010	2009
ASSETS		
INVESTMENTS:		
At fair value:		
Key Guaranteed Portfolio Fund	\$18,295,338	\$-
Nuveen Equity Index Fund I	18,251,389	16,390,188
Oakmark Equity and Income Fund	15,880,356	14,067,550
Seneca Foods Corporation Employer Stock Fund	15,785,703	13,846,622
Dodge & Cox Stock Fund	6,340,183	6,034,960
Dreyfus International Stock Index	6,213,179	5,694,945
Keeley Small Cap Value A	5,257,313	4,933,897
PIMCO Real Return Fund	5,106,759	4,849,462
American Growth Fund R4	4,254,774	4,264,376
Dreyfus Mid-Cap Index Fund	4,008,144	2,629,604
Nuveen Mid Cap Growth Opportunity I	2,100,035	1,405,928
PIMCO Total Return Instl	1,747,478	1,675,773
Black Rock Small Cap Growth Equity	1,600,654	2,051,456
Columbia Mid Cap Value Opportunity R4	1,600,564	803,927
Columbia Small Cap Index Fund Z	1,183,512	-
Vanguard Total Bond Market Index	1,144,993	-
Thornburg International Value R4	672,422	247,523
Invesco International Growth Fund A	332,160	157,392
U.S. Bank Stable Asset Fund	-	17,613,014
Total investments	109,774,956	96,666,617
RECEIVABLES:		
Employer's contribution	1,861,984	1,724,275
Participants' contributions	-	87,762
Notes receivable from participants	648,453	545,032
	2,510,437	2,357,069
NET ASSETS AVAILABLE FOR BENEFITS	\$112,285,393	\$99,023,686

See notes to the financial statements.

SENECA FOODS CORPORATION EMPLOYEES' SAVINGS PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009
ADDITIONS:		
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Net appreciation in fair value of investment	\$8,678,448	\$12,506,986
Interest and dividend income	2,148,861	832,788
Contributions:		
Participants	7,242,760	6,649,973
Employer	1,868,081	1,725,924
Transfers from other plans	-	13,229,747
Total additions	19,938,150	34,945,418
DEDUCTIONS:		
Deductions from net assets attributed to:		
Benefits paid to participants	6,614,763	3,249,424
Administration expenses	61,680	38,846
Total deductions	6,676,443	3,288,270
NET INCREASE	13,261,707	31,657,148
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	99,023,686	67,366,538
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	\$112,285,393	\$99,023,686

See notes to the financial statements.

SENECA FOODS CORPORATION EMPLOYEES' SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

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 Plan currently offers various mutual funds and an insurance group annuity contract as investment options for participants. 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 immediately vested 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 ranging from 4 percent to 9.5 percent, which are commensurate with local prevailing rates as determined by the

SENECA FOODS CORPORATION EMPLOYEES' SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

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, 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 (not including any rollover account), is equal to or greater than \$5,000, a participant may elect to receive a deferred lump sum.

Forfeited Accounts

At December 31, 2010 and 2009 forfeited non-vested accounts totaled approximately \$45,000 and \$20,000, respectively. These accounts will be used to reduce future employer contributions.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Date of Management's Review

Subsequent events were evaluated through June 14, 2011, which is the date the financial statements were issued.

Basis of Accounting

The financial statements of the Plan are 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 certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Notes Receivable from Participants

Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest.

SENECA FOODS CORPORATION EMPLOYEES' SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note F for discussion of fair value measurements.

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. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

Operating Expenses

All expenses of maintaining the Plan are paid by the Company.

NOTE C - TAX STATUS

The Plan obtained its latest determination letter on April 30, 1999, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements 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 the applicable requirements of the Internal Revenue Code.

NOTE D - INVESTMENTS

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

	2010	2009
Key Guaranteed Portfolio Fund	\$18,295,338	\$-
Nuveen Equity Index Fund I	18,251,389	16,390,188
Oakmark Equity and Income Fund	15,880,356	14,067,550
* Seneca Foods Corporation Employer Stock Fund	15,785,703	13,846,622
Dodge & Cox Stock Fund	6,340,183	-
Dreyfus International Stock Index	6,213,179	5,694,945
U.S. Bank Stable Asset Fund	-	17,613,014
*Nonparticipant-directed		

SENECA FOODS CORPORATION EMPLOYEES' SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE D – INVESTMENTS (CONTINUED)

During 2010 and 2009, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$8,678,448 and \$12,506,986, respectively. The appreciation in each fund category is as follows:

	2010	2009
Mutual funds	\$8,337,007	\$12,253,833
Collective investment funds	341,441	253,153
	\$8,678,448	\$12,506,986

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 at December 31:

	2010	2009
Net assets:		
Seneca Foods Corporation Employer Stock Fund	\$15,785,703	\$13,846,622
Changes in net assets:		
Contributions	\$1,966,577	\$1,808,136
Net appreciation in fair value	1,630,706	1,700,434
Withdrawals by participants	(1,658,202)	(1,041,617)
	\$1,939,081	\$2,466,953

NOTE F – FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

SENECA FOODS CORPORATION EMPLOYEES' SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE F – FAIR VALUE MEASUREMENTS (CONTINUED)

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end.

Level 2 Fair Value Measurements

The fair value of collective investment funds and the Seneca Foods Corporation Employer Stock Fund for which quoted market prices are not available are valued at the underlying asset value of the funds at year-end. The group annuity contract is valued at contract value, which approximates fair value (see Note G).

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of:

	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
December 31, 2010			
Mutual Funds	\$75,693,915	\$75,693,915	\$
Group annuity contract	18,295,338		18,295,338
Seneca Foods Corporation			
Employer Stock Funds	15,785,703		15,785,703
	\$109,774,956	\$75,693,915	\$34,081,041

SENECA FOODS CORPORATION EMPLOYEES' SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE F – FAIR VALUE MEASUREMENTS (CONTINUED)

	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
December 31, 2009			
Mutual Funds	\$65,206,981	\$65,206,981	\$
Group annuity contract	17,613,014		17,613,014
Seneca Foods Corporation			
Employer Stock Funds	13,846,622		13,846,622
	\$96,666,617	\$65,206,981	\$31,459,636

NOTE G – GROUP ANNUITY CONTRACT

The Plan has a fully benefit responsive group annuity contract with an insurance company, which is called the Key Guaranteed Portfolio Fund. The insurance company maintains the contributions in a general account, which is credited with earnings and charged for participant withdrawals and administrative expenses. The group annuity contract is included in the financial statements at fair value which is equal to contract value.

Certain events limit the Plan's ability to transact at contract value with the insurance company. Such events include the following: (1) premature termination of the contracts by the Plan, (2) plant closings, (3) layoffs, (4) Plan termination, (5) bankruptcy, (6) and early retirement incentives. Plan management believes that the occurrence of events that would cause the Plan to transact at less than contract value is not probable. The insurance company may not terminate the contract at any amount less than the contract value.

The insurance company is contractually obligated to pay the principal and specified interest rate that is guaranteed to the Plan. The crediting interest rate is based on a formula agreed upon with the insurance company. Such interest rates are reviewed on a quarterly basis for resetting. The crediting rate of the product will be established based on the earnings of the underlying assets in the entire medium-long term portfolio compared to the minimum interest crediting rate, as stated in the contract, and prevailing market conditions. The average yield earned by the Plan for the group annuity contract is derived by averaging the quarterly gross interest rates for the fund over the year. The average for 2010 was 2.40%. The actual average yield earned by the Plan for the group annuity contract is derived by averaging the Plan's quarterly interest rates. The average for 2010 was 3.05%.

SENECA FOODS CORPORATION EMPLOYEES' SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE H - 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 I - 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 J – 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.

NOTE K – TRANSFERS FROM OTHER PLANS

Effective January 1, 2010, the Seneca Foods, LLC Retirement Savings Plan merged with the Seneca Foods Corporation Employees' Savings Plan. Net assets totaling \$13,229,747 were transferred from the Seneca Foods, LLC Retirement Savings Plan to the Plan effective December 31, 2009.

SUPPLEMENTAL SCHEDULE

SENECA FOODS CORPORATION EMPLOYEES' SAVINGS PLAN

SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2010

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
	American Funds	Growth Fund of America Class R4		\$4,254,774
	BlackRock	Small Cap Growth Equity		1,600,654
	Columbia	Small Cap Index Fund Z		1,183,512
		Mid Cap Value Opportunity R4		1,600,564
	Dodge & Cox	Stock Fund		6,340,183
	Dreyfus	Mid Cap Index Fund		4,008,144
		International Stock Index Fund		6,213,179
*	Great-West Life and Annuity Insurance	Key Guaranteed Portfolio Fund		18,295,338
	Invesco	International Growth Fund A		332,160
	Keeley	Small Cap Value A		5,257,313
	Nuveen	Mid Cap Growth Opportunity I		2,100,035
		Equity Index Fund I		18,251,389
	Oakmark	Equity and Income Fund		15,880,356
	Pimco Funds	Real Return Fund		5,106,759
		Total Return Fund		1,747,478
*	Seneca Foods Corporation	Employer Stock Fund	10,350,339	15,785,703
	Thornburg	International Value R4		672,422
	Vanguard	Total Bond Market Index		1,144,993

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Participant Loans	Interest rates 4% - 9.5%	648,453
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*Indicates a party-in-interest.

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
Sponsor of Seneca Foods
Corporation Employees'
Savings Plan

June 17, 2011