REFINITIV

DELTA REPORT

10-Q

SENEA - SENECA FOODS CORP

10-Q - DECEMBER 28, 2024 COMPARED TO 10-Q - SEPTEMBER 28, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	616
CHANGES	242
DELETIONS	161
ADDITIONS	213

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark one)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended SeptemberDecember 28, 2024

or

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

For the transition period from _____ to _____

Commission File Number 0-01989

Seneca Foods Corporation

(Exact name of Registrant as specified in its charter)

New York	**16-0733425**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
350 WillowBrook Office Park, Fairport, New York	**14450**
(Address of principal executive offices)	(Zip code)

(585) 495-4100

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Exchange on Which Registered
Common Stock Class A, $0.25 Par	SENEA	NASDAQ Global Select Market
Common Stock Class B, $0.25 Par	SENEB	NASDAQ Global Select Market

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 for 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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of each of the registrant's classes of common stock as of October 25, 2024 January 24, 2025 are as follows:

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Class	Shares Outstanding
Common Stock Class A, $0.25 Par	5,257,248 5,252,348
Common Stock Class B, $0.25 Par	1,633,591 1,627,391

Seneca Foods Corporation

Quarterly Report on Form 10-Q

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SENECA FOODS CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

(Unaudited)

	September 28, 2024	September 30, 2023	March 31, 2024	December 28, 2024	December 30, 2023	March 31, 2024
Assets						
Current assets:						
Cash and cash equivalents	$ 9,545	$ 4,917	$ 4,483	$ 5,306	$ 7,168	$ 4,483
Restricted cash	7,522	7,164	7,370	7,605	7,251	7,370

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Accounts receivable, net of allowance for credit losses of $131, $61 and $53, respectively	108,533	128,380	79,767			
Accounts receivable, net of allowance for credit losses of $75, $51 and $53, respectively				70,829	89,928	79,767
Inventories	944,887	1,013,447	872,692	735,682	968,889	872,692
Refundable income taxes	4,370	960	-	360	1,153	-
Other current assets	3,110	2,643	2,703	3,321	3,906	2,703
Total current assets	1,077,967	1,157,511	967,015	823,103	1,078,295	967,015
Property, plant and equipment, net	325,860	305,856	305,016	324,305	307,714	305,016
Right-of-use assets operating, net	10,667	22,154	19,705	9,892	20,538	19,705
Right-of-use assets financing, net	16,209	26,578	20,386	14,128	23,146	20,386
Pension assets	52,066	58,506	52,442	52,403	59,003	52,442
Other assets	658	1,115	19,433	2,084	841	19,433
Total assets	$ 1,483,427	$ 1,571,720	$ 1,383,997	$ 1,225,915	$ 1,489,537	$ 1,383,997
Liabilities and Stockholders' Equity						
Current liabilities:						
Accounts payable	$ 213,015	$ 321,579	$ 40,326	$ 70,791	$ 125,182	$ 40,326
Note payable	-	-	8,926	-	-	8,926
Deferred revenue	10,060	14,637	8,185	6,982	8,708	8,185
Accrued vacation	11,844	11,295	11,632	11,567	10,997	11,632
Accrued payroll	19,725	22,446	15,845	7,125	13,083	15,845
Income taxes payable	5,900	-	2,648	4,101	5,967	2,648
Other accrued expenses	39,554	31,277	33,383	36,730	29,530	33,383
Current portion of long-term debt, finance and lease obligations	107,891	31,583	30,090	106,569	30,582	30,090
Total current liabilities	407,989	432,817	151,035	243,865	224,049	151,035
Long-term debt	406,612	492,685	585,786	298,703	611,349	585,786
Operating lease obligations	6,660	13,995	13,758	6,541	13,617	13,758
Financing lease obligations	9,973	14,202	12,259	9,210	13,102	12,259
Finance obligation	18,830	-	-	17,870	-	-
Deferred income tax liability, net	20,711	31,440	24,320	23,154	30,820	24,320
Other liabilities	13,710	3,356	13,946	13,750	3,162	13,946
Total liabilities	884,485	988,495	801,104	613,093	896,099	801,104
Commitments and contingencies						
Stockholders' equity:						
Preferred stock	351	351	351	346	351	351
Common stock	3,051	3,050	3,050	3,051	3,050	3,050
Additional paid-in capital	100,512	99,392	100,425	100,563	99,430	100,425
Treasury stock, at cost	(210,098)	(188,217)	(200,107)	(210,912)	(195,706)	(200,107)
Accumulated other comprehensive loss	(25,380)	(20,488)	(25,380)	(25,380)	(20,488)	(25,380)
Retained earnings	730,506	689,137	704,554	745,154	706,801	704,554
Total stockholders' equity	598,942	583,225	582,893	612,822	593,438	582,893
Total liabilities and stockholders' equity	$ 1,483,427	$ 1,571,720	$ 1,383,997	$ 1,225,915	$ 1,489,537	$ 1,383,997

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SENECA FOODS CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF NET EARNINGS

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(In thousands, except per share data)

(Unaudited)

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Net sales	$ 425,465	$ 407,475	$ 730,192	$ 706,139	$ 502,856	$ 444,481	$ 1,233,048	$ 1,150,620
Costs and expenses:								
Cost of products sold	382,594	349,357	644,630	592,732	453,746	390,448	1,098,376	983,180
Selling, general, and administrative expense	18,068	21,031	35,548	40,880	22,666	22,921	58,214	63,801
Plant restructuring	180	9	376	149	(57)	(42)	319	107
Other operating income, net	(56)	(1,346)	(484)	(1,543)				
Other operating expense (income), net					841	392	357	(1,151)
Total costs and expenses	400,786	369,051	680,070	632,218	477,196	413,719	1,157,266	1,045,937
Operating income	24,679	38,424	50,122	73,921	25,660	30,762	75,782	104,683
Other income and expenses:								
Other non-operating income	(1,402)	(1,338)	(2,805)	(2,675)	(1,529)	(1,825)	(4,334)	(4,500)
Interest expense, net	9,013	7,185	19,358	13,758	7,841	9,388	27,199	23,146
Earnings before income taxes	17,068	32,577	33,569	62,838	19,348	23,199	52,917	86,037
Income taxes	3,765	7,798	7,605	14,948	4,689	5,524	12,294	20,472
Net earnings	$ 13,303	$ 24,779	$ 25,964	$ 47,890	$ 14,659	$ 17,675	$ 40,623	$ 65,565
Earnings per share:								
Basic	$ 1.92	$ 3.32	$ 3.74	$ 6.36	$ 2.12	$ 2.47	$ 5.86	$ 8.86
Diluted	$ 1.90	$ 3.29	$ 3.70	$ 6.30	$ 2.10	$ 2.45	$ 5.81	$ 8.78
Weighted average common shares outstanding:								
Basic	6,915	7,445	6,938	7,521	6,887	7,131	6,921	7,391
Diluted	6,982	7,512	7,005	7,588	6,954	7,198	6,988	7,458

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SENECA FOODS CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

(Unaudited)

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Comprehensive income:								
Net earnings	$ 13,303	$ 24,779	$ 25,964	$ 47,890	$ 14,659	$ 17,675	$ 40,623	$ 65,565
Total	$ 13,303	$ 24,779	$ 25,964	$ 47,890	$ 14,659	$ 17,675	$ 40,623	$ 65,565

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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SENECA FOODS CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Six Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	December 28, 2024	December 30, 2023
Cash flows from operating activities:				
Net earnings	$ 25,964	$ 47,890	$ 40,623	$ 65,565
Adjustments to reconcile net earnings to net cash from operating activities:				
Depreciation and amortization	22,030	21,769	33,556	32,724
Non-cash lease expense	2,932	3,656	4,017	5,346
LIFO charge	12,059	7,616	22,978	19,643
Deferred income tax expense	(3,609)	(41)	(1,166)	(661)
Gain on the sale of assets	(332)	(1,785)		
Loss (gain) on the sale of assets			646	(1,843)
Stock-based compensation expense	81	169	127	207
Pension expense	376	798	20	300
Changes in operating assets and liabilities:				
Accounts receivable	(28,766)	(31,279)	8,938	7,173
Inventories	(84,254)	(350,165)	114,032	(317,634)
Other assets	(498)	7	(735)	(1,112)
Accounts payable	172,689	252,347	30,465	55,950
Accrued expenses and other	8,314	16,723	(10,994)	(5,574)
Income taxes	(1,118)	6,016	1,093	11,790
Net cash provided by (used in) operating activities	125,868	(26,279)	243,600	(128,126)
Cash flows from investing activities:				
Additions to property, plant and equipment	(17,657)	(26,452)	(26,731)	(31,843)
Proceeds from the sale of assets	407	7,566	519	7,987
Increase in non-current deposits	(2,666)	-	(2,666)	-
Net cash used in investing activities	(19,916)	(18,886)	(28,878)	(23,856)
Cash flows from financing activities:				
Borrowings under revolving credit facility	231,744	370,528	414,302	657,476
Repayments under revolving credit facility	(322,548)	(416,255)	(609,331)	(579,966)
Borrowings under term loans, finance obligation and note payable	12,394	124,433	12,394	124,433
Payments on term loans	(9,500)	(9,500)		
Payments on term loans and finance obligation			(14,877)	(14,252)
Payments on financing leases	(2,825)	(4,560)	(3,800)	(6,401)
Purchase of treasury stock	(9,991)	(19,644)	(10,805)	(27,133)
Payment of debt issuance costs			(1,535)	-
Dividends	(12)	(12)	(12)	(12)
Net cash (used in) provided by financing activities	(100,738)	44,990	(213,664)	154,145
Net increase (decrease) in cash, cash equivalents and restricted cash	5,214	(175)		
Net increase in cash, cash equivalents and restricted cash			1,058	2,163
Cash, cash equivalents and restricted cash, beginning of the period	11,853	12,256	11,853	12,256
Cash, cash equivalents and restricted cash, end of the period	$ 17,067	$ 12,081	$ 12,911	$ 14,419

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Supplemental disclosures of cash flow information:				
Cash paid for interest, net of capitalized interest	$ 19,780	$ 12,749	$ 28,326	$ 22,112
Cash paid for income taxes, net	$ 12,406	$ 8,481	$ 12,424	$ 8,791
Non-cash transactions:				
Reduction of note payable and non-current deposits associated with finance obligation	$ 21,320	$ -		
Exchange of note payable for finance obligation and non-current deposits for property, plant and equipment			$ 21,320	$ -
Right-of-use assets obtained in exchange for lease obligations	$ 2,117	$ 4,136	$ 2,389	$ 4,268
Right-of-use assets derecognized upon early lease termination	$ 8,230	$ 2,298	$ 8,116	$ 2,392
Assets acquired from exercise of finance lease purchase options, net of accumulated depreciation	$ 1,739	$ 2,987	$ 2,965	$ 5,183
Property, plant and equipment purchased on account	$ 421	$ 934	$ 700	$ 95

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SENECA FOODS CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except per share data)

(Unaudited)

	Preferred Stock	Common Stock	Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Total	Preferred Stock	Common Stock	Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Reta Earn
First Quarter FY 2024:													
Balance, March 31, 2023	$ 351	$ 3,049	$ 99,152	$ (168,573)	$ (20,488)	$ 641,259	$ 554,750	$ 351	$ 3,049	$ 99,152	$ (168,573)	$ (20,488)	$ 641
Net earnings	-	-	-	-	-	23,111	23,111	-	-	-	-	-	23
Cash dividends declared on preferred stock	-	-	-	-	-	(12)	(12)	-	-	-	-	-	
Stock issued for profit sharing plan	-	-	72	-	-	-	72	-	-	72	-	-	
Equity incentive program	-	-	80	-	-	-	80	-	-	80	-	-	
Purchase treasury stock	-	-	-	(2,177)	-	-	(2,177)	-	-	-	(2,177)	-	

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Balance, July 1, 2023	$ 351	$ 3,049	$ 99,304	$ (170,750)	$ (20,488)	$ 664,358	$ 575,824	$ 351	$ 3,049	$ 99,304	$ (170,750)	$ (20,488)	$ 664
Second Quarter FY 2024:													
Net earnings	-	-	-	-	-	24,779	24,779	-	-	-	-	-	24
Equity incentive program	-	1	88	-	-	-	89	-	1	88	-	-	
Purchase treasury stock	-	-	-	(17,467)	-	-	(17,467)	-	-	-	(17,467)	-	
Balance, September 30, 2023	$ 351	$ 3,050	$ 99,392	$ (188,217)	$ (20,488)	$ 689,137	$ 583,225	$ 351	$ 3,050	$ 99,392	$ (188,217)	$ (20,488)	$ 689
Third Quarter FY 2024:													
Net earnings								-	-	-	-	-	17
Cash dividends declared on preferred stock								-	-	-	-	-	
Equity incentive program								-	-	38	-	-	
Purchase treasury stock								-	-	-	(7,489)	-	
Balance, December 30, 2023								$ 351	$ 3,050	$ 99,430	$ (195,706)	$ (20,488)	$ 706
First Quarter FY 2025:													
Balance, March 31, 2024	$ 351	$ 3,050	$ 100,425	$ (200,107)	$ (25,380)	$ 704,554	$ 582,893	$ 351	$ 3,050	$ 100,425	$ (200,107)	$ (25,380)	$ 704
Net earnings	-	-	-	-	-	12,661	12,661	-	-	-	-	-	12
Cash dividends declared on preferred stock	-	-	-	-	-	(12)	(12)	-	-	-	-	-	

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Stock issued for profit sharing plan	-	-	7	-	-	-	7	-	-	7	-	-	
Equity incentive program	-	-	37	-	-	-	37	-	-	37	-	-	
Purchase treasury stock	-	-	-	(6,640)	-	-	(6,640)	-	-	-	(6,640)	-	
Balance, June 29, 2024	$ 351	$ 3,050	$ 100,469	$ (206,747)	$ (25,380)	$ 717,203	$ 588,946	$ 351	$ 3,050	$ 100,469	$ (206,747)	$ (25,380)	$ 717
Second Quarter FY 2025:													
Net earnings	-	-	-	-	-	13,303	13,303	-	-	-	-	-	13
Equity incentive program	-	1	43	-	-	-	44	-	1	43	-	-	
Purchase treasury stock	-	-	-	(3,351)	-	-	(3,351)	-	-	-	(3,351)	-	
Balance, September 28, 2024	$ 351	$ 3,051	$ 100,512	$ (210,098)	$ (25,380)	$ 730,506	$ 598,942	$ 351	$ 3,051	$ 100,512	$ (210,098)	$ (25,380)	$ 730
Third Quarter FY 2025:													
Net earnings								-	-	-	-	-	14
Cash dividends declared on preferred stock								-	-	-	-	-	
Equity incentive program								-	-	46	-	-	
Preferred stock conversion								(5)	-	5	-	-	
Purchase treasury stock								-	-	-	(814)	-	
Balance, December 28, 2024								$ 346	$ 3,051	$ 100,563	$ (210,912)	$ (25,380)	$ 745

6% Voting 10% Voting 6% Voting 10% Voting

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	Cumulative Callable Par $0.25	Cumulative Convertible Par $0.025	Participating Convertible Par $0.025	Class A Common Par $0.25	Class B Common Par $0.25	Cumulative Callable Par $0.25	Cumulative Convertible Par $0.025	Participating Convertible Par $0.025	Class A Common Par $0.25	Class B Common Par $0.25
Shares authorized and designated:										
September 28, 2024	200,000	1,400,000	8,292	20,000,000	10,000,000					
December 28, 2024						200,000	1,400,000	7,891	20,000,000	10,000,000
Shares outstanding:										
September 28, 2024	200,000	807,240	8,292	5,256,808	1,633,631					
December 28, 2024						200,000	807,240	7,891	5,246,148	1,633,591

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SENECA FOODS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Preparation and Presentation

Seneca Foods Corporation (the “Company”) is a leading provider of packaged fruits and vegetables with 26 facilities in eight states in support of its main operations. The Company’s product offerings include canned, frozen and jarred produce, and snack chips. The Company’s fruits and vegetables are sold nationwide by major grocery outlets, including supermarkets, mass merchandisers, limited assortment stores, club stores and dollar stores. The Company also sells its products to foodservice distributors, restaurant chains, industrial markets, other food processors, and export customers in approximately 55 countries, as well as federal, state and local governments for school and other food programs. Additionally, the Company packs canned and frozen vegetables under contract packing agreements.

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

The unaudited condensed consolidated financial statements included herein have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”) applicable to interim financial statements. While these statements reflect all adjustments (consisting of items of a normal recurring nature) that are, in the opinion of management, necessary for a fair presentation of the results of the interim period, they do not include all of the information and footnotes required by generally accepted accounting principles in the United States (“GAAP”) for complete financial statement presentation. The condensed consolidated financial statements should be read in conjunction with the financial statement disclosures in the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2024.

Due to the seasonal nature of the business, quarterly operating results and cash flows are not necessarily indicative of the results that may be expected for other interim periods or the full year. All references to years are fiscal years ended or ending March 31 unless otherwise indicated. Certain percentage tables may not foot due to rounding.

In certain circumstances, the preparation of financial statements in conformity with GAAP requires management to use judgment to make certain estimates and assumptions. Such estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of net sales and expenses during the reporting period. The Company evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors that management believes to be reasonable under the circumstances, including the current economic environment. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Actual results may differ from these estimates.

The Company uses the same accounting policies in preparing quarterly and annual financial statements. A summary of significant accounting policies followed by the Company are set forth in Note 1 to the Consolidated Financial Statements in the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2024 that was filed with the SEC on June 13, 2024.

Reclassifications — Certain prior year amounts have been reclassified for consistency with the current year presentation within the condensed consolidated financial statements. There was no impact to any totals or subtotals previously reported on the condensed consolidated financial statements as a result of the reclassifications. Beginning in fiscal year 2024, the restricted cash line item was separately presented on the condensed consolidated balance sheets.

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Cash, Cash Equivalents and Restricted Cash — The following table reconciles cash, cash equivalents and restricted cash as reported on the condensed consolidated balance sheets to the total amounts shown in the Company's condensed consolidated statements of cash flows (in thousands):

	As of:			As of:		
	September 28, 2024	September 30, 2023	March 31, 2024	December 28, 2024	December 30, 2023	March 31, 2024
Cash and cash equivalents	$ 9,545	$ 4,917	$ 4,483	$ 5,306	$ 7,168	$ 4,483
Restricted cash	7,522	$ 7,164	7,370	7,605	7,251	7,370
Total cash, cash equivalents and restricted cash	$ 17,067	$ 12,081	$ 11,853	$ 12,911	$ 14,419	$ 11,853

Recently Issued Accounting Pronouncements — In December 2023, November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03") which requires detailed disclosures in the notes to financial statements disaggregating specific expense categories and certain other disclosures to provide enhanced transparency into the nature and function of expenses. The FASB further clarified the effective date in January 2025 with the issuance of ASU 2025-01, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date* ("ASU 2025-01"). ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The requirements should be applied on a prospective basis while retrospective application is permitted. The Company plans to adopt this pronouncement for its fiscal year beginning April 1, 2027, and is in the process of analyzing the impact on its consolidated financial statements.
In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023- 09" 2023-09") related to income tax disclosures. The amendments in this update are intended to enhance the transparency and decision usefulness of income tax disclosures primarily through changes to the rate reconciliation and income taxes paid information. This update is effective for annual periods beginning after December 15, 2024, though early adoption is permitted. The Company plans to adopt this pronouncement for its fiscal year beginning April 1, 2025, and is in the process of analyzing the impact on its consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07") to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. This update is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years annual reporting periods beginning after December 15, 2024, and requires retrospective application to all prior periods presented in the financial statements. Early adoption is permitted. The Company will adopt this pronouncement when it becomes effective for the fiscal year ending March 31, 2025 annual reporting and is in reporting. Other than the process of analyzing new disclosure requirements, the adoption will not have a significant impact on its the Company's consolidated financial statements.

All other newly issued accounting pronouncements not yet effective have been deemed either not applicable or were related to technical amendments or codification.
Subsequent Events — The Company has evaluated subsequent events for disclosure through the date of issuance of the accompanying condensed consolidated financial statements. On February 3, 2025, the Company received approval from the City of Rochester, Minnesota for the sale of land to the city at a selling price of $5.0 million, net of applicable closing costs. The land has a carrying value of $0.6 million. The transaction is expected to close during the fourth quarter of the Company's current fiscal year.

2. Revenue Recognition

Revenue recognition is completed for most customers at a point in time when product control is transferred to the customer. In general, control transfers to the customer when the product is shipped or delivered to the customer based upon applicable shipping terms, as the customer can direct the use and obtain substantially all of the remaining benefits from the asset at this point in time. The Company does sell certain finished goods inventory for cash on a bill and hold basis. The terms of the bill and hold agreement(s) provide that title to the specified inventory is transferred to the customer(s) prior to shipment and the Company has the right to payment (prior to physical delivery) which results in recorded revenue as determined under the revenue recognition standard.

In the following table, revenue is disaggregated by product category groups (in thousands):

	Three Months Ended	Six Months Ended	Three Months Ended	Nine Months Ended

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	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Canned vegetables	$ 351,268	$ 328,586	$ 605,017	$ 579,536	$ 426,225	$ 372,690	$ 1,031,242	$ 952,226
Frozen vegetables	39,086	43,046	64,420	64,585	26,945	27,454	91,365	92,039
Fruit products	22,315	22,801	41,156	39,539	35,477	32,022	76,633	71,561
Snack products	4,038	4,256	6,903	7,354	4,700	3,463	11,603	10,817
Other	8,758	8,786	12,696	15,125	9,509	8,852	22,205	23,977
Total	$ 425,465	$ 407,475	$ 730,192	$ 706,139	$ 502,856	$ 444,481	$ 1,233,048	$ 1,150,620

As a result of certain contracts with customers, the Company has contract asset balances of $0.7 million $0.9 million, $0.5 million, and $0.4 million as of September 28, 2024 December 28, 2024, September 30, 2023 December 30, 2023, and March 31, 2024, respectively, which are recorded as part of other current assets on the condensed consolidated balance sheets. The Company has contract liabilities in the form of deferred revenue representing payments received from certain of its co-pack customers in advance of completion of the Company's respective performance obligations. The majority of the balance is comprised of prepaid case and labeling and storage services which have been collected from bill and hold sales, as well as amounts invoiced in accordance with the terms of a co-pack agreement.

The deferred revenue activity is shown in the following table (in thousands):

	Six Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	December 28, 2024	December 30, 2023
Beginning balance	$ 8,185	$ 9,956	$ 8,185	$ 9,956
Deferral of revenue	9,994	13,871	10,895	16,231
Recognition of unearned revenue	(8,119)	(9,190)	(12,098)	(13,557)
Settlement of liability (1)			-	(3,922)
Ending balance	$ 10,060	$ 14,637	$ 6,982	$ 8,708

(1) Represents settlement of a portion of the deferred revenue liability in connection with the asset acquisition discussed in Note 14.

3. **Earnings per Common Share**

Earnings per share for the three and six nine months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023 are as follows (in thousands, except per share amounts):

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Basic								
Net earnings	$ 13,303	$ 24,779	$ 25,964	$ 47,890	$ 14,659	$ 17,675	$ 40,623	$ 65,565
Deduct preferred stock dividends paid	-	6	12	12				
Deduct preferred stock dividends					11	6	23	17
Undistributed net earnings	13,303	24,773	25,952	47,878	14,648	17,669	40,600	65,548
Earnings attributable to participating preferred shareholders	16	28	31	53	17	21	48	73
Earnings attributable to common shareholders	$ 13,287	$ 24,745	$ 25,921	$ 47,825	$ 14,631	$ 17,648	$ 40,552	$ 65,475

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Weighted average common shares outstanding	6,915	7,445	6,938	7,521	6,887	7,131	6,921	7,391
Basic earnings per common share	$ 1.92	$ 3.32	$ 3.74	$ 6.36	$ 2.12	$ 2.47	$ 5.86	$ 8.86
Diluted								
Earnings attributable to common shareholders	$ 13,287	$ 24,745	$ 25,921	$ 47,825	$ 14,631	$ 17,648	$ 40,552	$ 65,475
Add dividends on convertible preferred stock	5	5	10	10	5	5	15	15
Earnings attributable to common stock on a diluted basis	$ 13,292	$ 24,750	$ 25,931	$ 47,835	$ 14,636	$ 17,653	$ 40,567	$ 65,490
Weighted average common shares outstanding - basic	6,915	7,445	6,938	7,521	6,887	7,131	6,921	7,391
Additional shares to be issued under full conversion of preferred stock	67	67	67	67	67	67	67	67
Total shares for diluted	6,982	7,512	7,005	7,588	6,954	7,198	6,988	7,458
Diluted earnings per common share	$ 1.90	$ 3.29	$ 3.70	$ 6.30	$ 2.10	$ 2.45	$ 5.81	$ 8.78

4. Inventories

The Company uses the last-in, first-out ("LIFO") method of valuing inventory as it believes this method allows for better matching of current production cost to current revenue. An actual valuation of inventory under the LIFO method is made at the end of each fiscal year based on the inventory levels and costs at that time. Accordingly, interim LIFO calculations are based on management's estimates of expected year-end inventory levels, production pack yields, sales and the expected rate of inflation or deflation for the year. The interim LIFO calculations are subject to adjustment in the final year-end LIFO inventory valuation.

As of September 28, 2024 December 28, 2024, September 30, 2023 December 30, 2023, and March 31, 2024, first-in, first-out ("FIFO") based inventory costs exceeded LIFO based inventory costs, resulting in a LIFO reserve of $336.8 million $347.8 million, $310.1 $322.1 million, and $324.8 million, respectively. In order to state inventories at LIFO, the Company recorded an increase to cost of products sold of $15.0 million $10.9 million and $9.3 million $12.0 million for the three months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023, respectively, and an increase to cost of products sold of $12.1 million $23.0 million and $7.6 million $19.6 million for the six nine months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023, respectively.

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The inventories by category and the impact of using the LIFO method are shown in the following table (in thousands):

	As of:			As of:		
	September 28, 2024	September 30, 2023	March 31, 2024	December 28, 2024	December 30, 2023	March 31, 2024
Finished products	$ 965,937	$ 988,307	$ 795,993	$ 794,430	$ 912,430	$ 795,993
In process	110,904	87,463	125,027			
Work in process				118,381	111,939	125,027
Raw materials and supplies	204,887	247,733	276,454	170,631	266,603	276,454
	1,281,728	1,323,503	1,197,474	1,083,442	1,290,972	1,197,474
Less excess of FIFO cost over LIFO cost	336,841	310,056	324,782			
Less: excess of FIFO cost over LIFO cost				(347,760)	(322,083)	(324,782)
Total inventories	$ 944,887	$ 1,013,447	$ 872,692	$ 735,682	$ 968,889	$ 872,692

5. Property, Plant and Equipment

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Property, plant and equipment is comprised of the following (in thousands):

	As of:		
	September 28, 2024	September 30, 2023	March 31, 2024
Land and land improvements	$ 50,679	$ 48,385	$ 49,627
Buildings and improvements	238,376	231,736	236,141
Machinery and equipment	498,540	440,206	457,433
Office equipment, furniture, vehicles and computer software	15,505	13,149	14,971
Construction in progress	9,499	23,575	14,450
Property, plant and equipment, cost	812,599	757,051	772,622
Less: accumulated depreciation	(486,739)	(451,195)	(467,606)
Property, plant and equipment, net	$ 325,860	$ 305,856	$ 305,016

	As of:		
	December 28, 2024	December 30, 2023	March 31, 2024
Land and land improvements	$ 51,881	$ 48,401	$ 49,627
Buildings and improvements	238,380	233,255	236,141
Machinery and equipment	502,553	444,709	457,433
Office equipment, furniture, vehicles and computer software	15,555	13,934	14,971
Construction in progress	12,844	27,703	14,450
Property, plant and equipment, cost	821,213	768,002	772,622
Less: accumulated depreciation	(496,908)	(460,288)	(467,606)
Property, plant and equipment, net	$ 324,305	$ 307,714	$ 305,016

Depreciation expense totaled $9.9 million $10.5 million and $9.3 million for the three months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023, respectively. For the six nine months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023, depreciation expense totaled $19.4 million $29.9 million and $18.1 million $27.4 million, respectively.

6. Debt

Note Payable and Finance Obligation— During fiscal year 2024, the Company entered into an unsecured note payable with an individual lender for an interim financing arrangement associated with deposits paid to vendors for the installation of a new can manufacturing line located at one of the Company's plant facilities. The note payable had a variable interest rate based upon the Secured Overnight Financing Rate ("SOFR") plus 1.80% with interest payable monthly.

Subsequent to the final installation of the can manufacturing line in September 2024, the Company took title and recorded an addition to property, plant and equipment of $21.3 million and a corresponding reduction of the vendor deposits which were recorded within other assets on the condensed consolidated balance sheet. After taking title to the equipment, the Company and the lender entered into a financing agreement for the can manufacturing line which commenced in September 2024 and is recorded as a finance obligation. obligation in the accompanying condensed consolidated balance sheets. The finance obligation has a maturity date of September 14, 2031. In connection with this transaction the note payable was cancelled.

Future minimum payments under the finance obligation noted above as of September 28, 2024 are as follows (in thousands):

Years ending March 31:	
Balance of 2025	$ 2,047
2026	3,684
2027	3,684
2028	3,684
2029	3,684
2030 and thereafter	9,003
Total minimum payments required	25,786

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Less interest	4,466
Total finance obligation	21,320
Amount due within one year	2,490
Finance obligation, less current portion	$ 18,830

As of September 28, 2024, the finance obligation had a remaining term of 6.9 years and a discount rate of 5.56%. No cash payments were made by the Company during the six month period ended September 28, 2024, and the fair value of the finance obligation approximated its carrying value as of September 28, 2024.

Future minimum payments under the finance obligation noted above as of December 28, 2024 are as follows (in thousands):

Years ending March 31:		
Balance of 2025	$	614
2026		3,684
2027		3,684
2028		3,684
2029		3,684
2030 and thereafter		9,208
Total minimum payment required		24,558
Less interest		4,077
Total finance obligation		20,481
Amount due within one year		2,611
Finance obligation, less current portion	$	17,870

As of December 28, 2024, the finance obligation had a remaining term of 6.7 years and a fixed interest rate of 5.56%. Cash payments of $0.6 million were made by the Company during the nine months ended December 28, 2024.

Long-term debt is comprised of the following (in thousands):

	As of:		
	September 28, 2024	September 30, 2023	March 31, 2024
Revolving credit facility	$ 146,421	$ 134,757	$ 237,225
Term loans			
Term Loan A-1			
Outstanding principal	83,000	87,000	85,000
Unamortized debt issuance costs	(21)	(53)	(37)
Term Loan A-1, net	82,979	86,947	84,963
Term Loan A-2			
Outstanding principal	276,000	291,000	283,500
Unamortized debt issuance costs	(788)	(1,019)	(902)
Term Loan A-2, net	275,212	289,981	282,598
Other	-	216	-
Total long-term debt	504,612	511,901	604,786
Less current portion	98,000	19,216	19,000
Long-term debt, less current portion	$ 406,612	$ 492,685	$ 585,786

As of:

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	December 28, 2024	December 30, 2023	March 31, 2024
Revolving credit facility	$ 42,196	$ 258,108	$ 237,225
Term loans			
Term Loan A-1			
Outstanding principal	82,000	86,000	85,000
Unamortized debt issuance costs	(12)	(45)	(37)
Term Loan A-1, net	81,988	85,955	84,963
Term Loan A-2			
Outstanding principal	272,250	287,250	283,500
Unamortized debt issuance costs	(731)	(964)	(902)
Term Loan A-2, net	271,519	286,286	282,598
Other	-	214	-
Total long-term debt	395,703	630,563	604,786
Less current portion	97,000	19,214	19,000
Long-term debt, less current portion	$ 298,703	$ 611,349	$ 585,786

Revolving Credit Facility —On March 24, 2021 December 23, 2024, the Company entered into a Fourth Amended and Restated Loan and Security Agreement that provides (the "Agreement"), with Wells Fargo Bank, National Association as agent for the various lenders of a senior revolving credit facility of up to $400.0 million $450 million that is seasonally adjusted (the "Revolver").

On September 14, 2022, to a maximum of $400 million during the Company entered into a First Amendment to the Fourth Amended and Restated Loan and Security Agreement (the "Revolver Amendment") which amended several provisions to replace the London Interbank Offered Rate ("LIBOR") with the SOFR plus a spread adjustment as the interest rate benchmark on the Revolver. The transition to SOFR did not materially impact the interest rates applied to the Company's borrowings. No other material changes were made to the terms months of the Company's Revolver as a result of the Revolver Amendment.

On May 5, 2023, the Company entered into a Second Amendment to the Fourth Amended and Restated Loan and Security Agreement (the "2023 Revolver Amendment") which updated certain provisions relating to permitted indebtedness. No other material changes were made as a result of the 2023 Revolver Amendment.

On March 8, 2024, the Company entered into a Third Amendment to the Fourth Amended and Restated Loan and Security Agreement (the "2024 Revolver Amendment") which increased the seasonal borrowing amount for the period from April through July by $50.0 million (the "Revolver"). No other material changes were made as a result of the 2024 Revolver Amendment.

Maximum borrowing availability under the Revolver totals $350.0 million from April through July and $400.0 million from August through March. In order to maintain availability of funds under the facility, the Company pays a commitment fee on the unused portion of the Revolver, which as of September 28, 2024 was $246.6 million. The Revolver balance is included in Long-Term Debt in the accompanying condensed consolidated balance sheets due to the Revolver's March 24, 2026 maturity.

The Revolver is secured by substantially all of the Company's accounts receivable and inventories and contains borrowing base requirements as well as a financial covenant, if certain circumstances apply. The Company utilizes its Revolver for general corporate purposes, including seasonal working capital needs, to pay debt principal and interest obligations, and to fund capital expenditures and acquisitions. Seasonal working capital needs are affected by the growing cycles of the vegetables the Company packages. The majority of vegetable inventories are produced during the months of June through November and are then sold over the following year. Payment terms for vegetable produce are generally three months but may vary and range from approximately one to seven months. Accordingly, the Company's need to draw on the Revolver may fluctuate significantly throughout the year.

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The Revolver contains customary affirmative and negative covenants, including covenants that restrict the Company's ability to incur additional indebtedness, incur liens, pay dividends on the Company's capital stock, make other restricted payments, including investments, transfer all or substantially all of the Company's assets, enter into consolidations or mergers, and enter into transactions with affiliates. The Revolver also requires the Company to meet a financial covenant related to a minimum fixed charge coverage ratio if (a) an event of default under the Agreement has occurred or (b) availability under the Credit Facility is less than the greater of (i) 10% of the commitments then in effect and (ii) $30.0 million.

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The interest rate benchmark for borrowings under the Revolver is the Secured Overnight Financing Rate ("SOFR") plus an applicable margin, as defined in the Agreement. In order to maintain availability of funds under the revolving credit facility, the Company pays a commitment fee on the unused portion of the Revolver. As of December 28, 2024, the unused portion of the Revolver was $400.8 million. The Revolver has a five-year term and matures on December 24, 2029. Accordingly, the Revolver balance is included in Long-Term Debt in the accompanying condensed consolidated balance sheets.

The Agreement refinanced and replaced in its entirety the Fourth Amended and Restated Loan and Security Agreement dated as of March 24, 2021, as amended from time to time, with Bank of America, N.A. as agent, issuing bank, and syndication agent, and BofA Securities, Inc. as lead arranger (the "2021 Agreement"). The Agreement maintains many of the key characteristics of the 2021 Agreement including the variable interest rate based on SOFR plus an applicable margin, type of collateral, borrowing base requirements and financial covenant calculation, if applicable.

In connection with the Revolver refinance, certain lenders exited the syndicate and were replaced by new syndicate members. The portion of the transaction in which certain lenders exited was accounted for as an extinguishment resulting in the write-off of an immaterial amount of unamortized deferred costs. The portion of the transaction comprised of lenders that remained in the syndicate was accounted for as a modification, resulting in the Company continuing to defer the remaining unamortized costs over the term of the Revolver. Additionally, the Company incurred approximately $1.5 million of new debt issuance costs which will be deferred over the term of the Revolver and amortized on a straight-line basis. On the closing date, a repayment of $70.0 million was made to satisfy the outstanding revolving credit facility obligations immediately prior to the refinance transaction, and a corresponding Revolver borrowing of the same amount was drawn to fund the payment. The condensed consolidated statement of cash flows reflects the payment of debt issuance costs and the gross repayment and borrowing amounts for the Revolver within financing activities.

The following table summarizes certain quantitative data for Revolver borrowings during fiscal year 2025 and fiscal year 2024 (in thousands):

	As of:			As of:		
	September 28, 2024	September 30, 2023	March 31, 2024	December 28, 2024	December 30, 2023	March 31, 2024
Outstanding borrowings	$ 146,421	$ 134,757	$ 237,225	$ 42,196	$ 258,108	$ 237,225
Interest rate	6.76 %	6.93 %	6.93 %	5.84 %	6.70 %	6.93 %

	Three Months Ended		Six Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Maximum amount of borrowings drawn during the period	$ 209,189	$ 134,757	$ 233,063	$ 180,785
Average outstanding borrowings	$ 172,039	$ 75,955	$ 194,398	$ 92,218
Weighted average interest rate	7.02 %	6.95 %	7.02 %	6.67 %

	Three Months Ended		Nine Months Ended	
	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Maximum amount of borrowings drawn during the period	$ 150,103	$ 275,912	$ 233,063	$ 275,912
Average outstanding borrowings	$ 96,863	$ 210,034	$ 161,767	$ 131,346
Weighted average interest rate	6.50 %	6.76 %	6.92 %	6.77 %

Term Loans — On May 28, 2020, the Company entered into an Amended and Restated Loan and Guaranty Agreement with Farm Credit East, ACA that provides for a $100.0 million unsecured term loan (the "Term Loan"). The amended and restated agreement has a maturity date of June 1, 2025 and converted the Term Loan to a fixed interest rate of 3.3012% until maturity rather than a variable interest rate in addition to requiring quarterly principal payments of $1.0 million, which commenced during fiscal year 2021. This agreement contains certain covenants, including maintaining a minimum EBITDA and minimum tangible net worth.

On January 20, 2023, the Company entered into a Second Amended and Restated Loan and Guaranty Agreement with Farm Credit East, ACA (the "Agreement") which governs two term loans, as summarized below:

Term Loan A-1: The Agreement continues certain aspects of the $100.0 million term loan described above, namely Term Loan A-1 will continue to bear interest at a fixed interest rate of 3.3012%, mature on June 1, 2025, and remain unsecured. The Company's historical practice is to hold term debt until maturity. The Company expects to maintain or have access to sufficient liquidity to retire or refinance long-term debt at maturity or otherwise, from operating cash flows, access to the capital markets, and its Revolver. The Company

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continuously evaluates opportunities to refinance its debt; however, any refinancing is subject to market conditions and other factors, including financing options that may be available to the Company from time to time, and there can be no assurance that the Company will be able to successfully refinance any debt on commercially acceptable terms at all.

Term Loan A-2: The Agreement adds an additional term loan in the amount of $175.0 million that will mature on January 20, 2028, and is secured by a portion of the Company's property, plant and equipment. Term Loan A-2 bears interest at a variable interest rate based upon SOFR plus an additional margin determined by the Company's leverage ratio. Quarterly payments of principal outstanding on Term Loan A-2 in the amount of $1.5 million commenced on March 1, 2023.

On May 23, 2023, the Agreement was amended by the Second Amended and Restated Loan and Guaranty Agreement Amendment which amends, restates and replaces in its entirety Term Loan A-2 (the "Amendment"). The Amendment provides a single advance term facility in the principal amount of $125.0 million to be combined with the outstanding principal balance of $173.5 million on Term Loan A-2 into one single $298.5 million term loan ("Amended Term Loan A-2"). Amended Term Loan Term A-2 is secured by a portion of the Company's property, plant and equipment and bears interest at a variable interest rate based upon SOFR plus an additional margin determined by the Company's leverage ratio. The maturity date of Amended Term Loan A-2 is January 20, 2028. Quarterly payments of principal outstanding on Amended Term Loan A-2 in the amount of $3.75 million commenced on June 1, 2023. The Amendment continues all aspects of Term Loan A-1 as defined in the Agreement. As of September 28, 2024 December 28, 2024, the interest rate on Amended Term Loan A-2 was 7.11% 6.59%.

The Amendment for Term Loan A-1 and Term Loan A-2 (collectively, the "Term Loans") contains restrictive covenants usual and customary for loans of its type, in addition to financial covenants including minimum EBITDA and minimum tangible net worth which apply to both Terms Loans described above. In connection with the Amended Term Loan A-2, the Company incurred $1.1 million of financing costs which will be deferred and amortized over the life of the term loan.

As of September 28, 2024 December 28, 2024, the Company was in compliance with all covenants for its revolving credit facility and term loan agreements.

Standby Letters of Credit — The Company has standby letters of credit for certain insurance-related requirements. The majority of the Company's standby letters of credit are automatically renewed annually, unless the issuer gives cancellation notice in advance. On September 28, 2024 December 28, 2024, the Company had $7.0 million in outstanding standby letters of credit. These standby letters of credit are supported by the Company's Revolver and reduce borrowings available under the Revolver.

7. Leases

The Company determines whether an arrangement is a lease at inception of the agreement. Presently, the Company leases land, machinery and equipment under various operating and financing leases.

Right-of-use ("ROU") assets represent the Company's right to use the underlying assets for the lease term, and lease obligations represent the net present value of the Company's obligation to make payments arising from these leases. ROU assets and lease obligations are recognized at commencement date based on the present value of lease payments over the lease term using the implicit lease interest rate or, when unknown, an incremental borrowing rate based on the information available at commencement date or April 1, 2019 for leases that commenced prior to that date. ROU assets and lease obligations for the Company's operating and financing leases are disclosed separately in the Company's condensed consolidated balance sheets.

Lease terms may include options to extend or terminate the lease, and the impact of these options are included in the calculation of the ROU asset and lease obligation only when the exercise of the option is at the Company's sole discretion and it is reasonably certain that the Company will exercise that option. The Company will not separate lease and non-lease components for its leases when it is impractical to separate the two. In addition, the Company may have certain leases that have variable payments based solely on output or usage of the leased asset. These variable operating lease assets are excluded from the Company's condensed consolidated balance sheet presentation and expensed as incurred. Leases with an initial term of 12 months or less, or short-term leases, are not recorded on the accompanying condensed consolidated balance sheets and are expensed as incurred.

The components of lease cost were as follows (in thousands):

	Three Months Ended		Six Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Lease cost:				
Amortization of right-of-use assets	$ 1,179	$ 1,644	$ 2,306	$ 3,484

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Interest on lease obligations	207	199	361	422
Finance lease cost	1,386	1,843	2,667	3,906
Operating lease cost	1,442	1,809	3,274	4,158
Short-term lease cost	2,821	2,547	5,566	3,877
Total lease cost	$ 5,649	$ 6,199	$ 11,507	$ 11,941
Cash paid for amounts included in the measurement of lease obligations:				
Operating cash flows from finance leases			$ 361	$ 422
Operating cash flows from operating leases			4,475	6,976
Financing cash flows from finance leases			2,825	4,560
			$ 7,661	$ 11,958
Right-of-use assets obtained in exchange for new finance lease obligations			$ -	$ 73
Right-of-use assets obtained in exchange for new operating lease obligations			$ 2,117	$ 4,063
Right-of-use assets derecognized upon early termination of finance leases			$ 8	$ 530
Right-of-use assets derecognized upon early termination of operating leases			$ 8,222	$ 1,768
Weighted-average lease term (years):				
Financing leases			4.1	4.5
Operating leases			4.3	4.7
Weighted-average discount rate (percentage):				
Financing leases			4.0 %	3.9 %
Operating leases			4.9 %	4.7 %

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The components of lease cost were as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Lease cost:				
Amortization of right-of-use assets	$ 838	$ 1,419	$ 3,144	$ 4,903
Interest on lease obligations	65	180	426	602
Finance lease cost	903	1,599	3,570	5,505
Operating lease cost	1,240	1,919	4,514	6,077
Short-term lease cost	1,593	1,118	7,159	4,995
Total lease cost	$ 3,736	$ 4,636	$ 15,243	$ 16,577
Cash paid for amounts included in the measurement of lease obligations:				
Operating cash flows from finance leases			$ 426	$ 602
Operating cash flows from operating leases			5,330	7,880
Financing cash flows from finance leases			3,800	6,401
			$ 9,556	$ 14,883
Right-of-use assets obtained in exchange for new finance lease obligations			$ -	$ 106
Right-of-use assets obtained in exchange for new operating lease obligations			$ 2,389	$ 4,162
Right-of-use assets derecognized upon early termination of finance leases			$ 20	$ 598
Right-of-use assets derecognized upon early termination of operating leases			$ 8,096	$ 1,794
Weighted-average lease term (years):				

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Financing leases	4.0	4.5
Operating leases	4.2	4.6
Weighted-average discount rate (percentage):		
Financing leases	4.1 %	3.9 %
Operating leases	5.0 %	4.7 %

Undiscounted future lease payments under non-cancelable operating and financing leases, along with a reconciliation of undiscounted cash flows to operating and financing lease obligations, respectively, as of September 28, 2024 December 28, 2024 were as follows (in thousands):

Years ending March 31:	Operating	Financing	Operating	Financing
Balance of 2025	$ 1,183	$ 2,180	$ 362	$ 1,136
2026	3,093	4,276	3,223	4,269
2027	2,103	3,218	2,268	3,218
2028	1,717	2,811	1,816	2,811
2029	1,150	1,659	1,156	1,659
2030 and thereafter	1,624	1,307	1,623	1,306
Total minimum payments required	10,870	15,451		
Total minimum payment required			10,448	14,399
Less interest	1,086	1,201	1,002	1,136
Present value of minimum lease payments	9,784	14,250	9,446	13,263
Amount due within one year	3,124	4,277	2,905	4,053
Long-term lease obligations	$ 6,660	$ 9,973	$ 6,541	$ 9,210

8. Income Taxes

The Company's effective tax rate was 22.7% 23.2% and 23.8% for the six nine months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023, respectively. The effective tax rate decreased in the current six-month nine-month period as compared to the prior year six-month nine-month period driven primarily by the impact of federal credits which reduced the effective rate by 1.1% 0.4% and interest received on a federal income tax refund which reduced the effective tax rate by 0.4% 0.2%. These decreases were partially offset by the impact of state rate changes driven by apportionment which increased the effective rate by 0.4%.

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9. Retirement Plans

The net periodic benefit (income) cost for the Company's pension plan consisted of (in thousands):

	Three Months Ended		Six Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Service cost including administrative expenses	$ 1,590	$ 1,737	$ 3,181	$ 3,473
Interest cost	2,941	2,818	5,883	5,636
Expected return on plan assets	(4,422)	(4,175)	(8,845)	(8,349)
Amortization of net loss	76	-	152	-
Amortization of prior service cost	3	19	5	38
Net periodic benefit cost	$ 188	$ 399	$ 376	$ 798
	Three Months Ended		Nine Months Ended	
	December 28,	December 30,	December 28,	December 30,

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	2024	2023	2024	2023
Service cost including administrative expenses	$ 1,173	$ 1,327	$ 4,354	$ 4,800
Interest cost	3,092	2,914	8,975	8,550
Expected return on plan assets	(5,034)	(4,926)	(13,879)	(13,275)
Amortization of net loss	411	165	563	165
Amortization of prior service cost	2	22	7	60
Net periodic benefit (income) cost	$ (356)	$ (498)	$ 20	$ 300

There were no pension contributions made during the six nine months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023.

10. **Stockholders' Equity**

During the six nine months ended September 28, 2024 December 28, 2024, the Company repurchased 173,379 184,479 shares of its Class A Common Stock at a cost of $10.0 million $10.8 million, which are included in treasury stock in the condensed consolidated balance sheets. During the six nine months ended September 30, 2023 December 30, 2023, the Company repurchased 386,681 524,598 shares of its Class A Common Stock at a cost of $19.6 million $27.1 million. The Company did not repurchase any of its Class B Common Stock in either six-month nine-month interim period. As of September 28, 2024 December 28, 2024, there are 5,318,797 5,329,897 shares or $210.1 million $210.9 million of repurchased stock being held as treasury stock. These shares are not considered outstanding and the Company accounts for treasury stock under the cost method.

11. Fair Value of Financial Instruments

Cash and cash equivalents, restricted cash, accounts receivable, accounts payable, and accrued expenses are reflected in the condensed consolidated balance sheets at carrying value, which approximates fair value due to the short-term maturity of these instruments.

On a quarterly basis, the Company estimates the fair values for financial instruments that are recorded at carrying value on the condensed consolidated balance sheets. The estimated fair value for long-term debt and finance obligation (classified as Level 2 in the fair value hierarchy) is determined by the quoted market prices for similar debt (comparable to the Company's financial strength) or current rates offered to the Company for debt with the same maturities. The fair value and carrying value of the Company's long-term debt and finance obligation are as follows (in thousands):

	As of:			As of:		
	September 28, 2024	September 30, 2023	March 31, 2024	December 28, 2024	December 30, 2023	March 31, 2024
Carrying value	$ 504,612	$ 511,901	$ 604,786	$ 416,184	$ 630,563	$ 604,786
Fair value	$ 501,239	$ 504,262	$ 599,408	$ 409,061	$ 624,896	$ 599,408

12. Segment Information

The Company conducts its business almost entirely in food packaging with two reportable segments: Vegetable and Fruit/Snack. The reportable segments reflect how the Company's Chief Executive Officer, who is the Chief Operating Decision Maker ("CODM"), allocates resources and evaluates performance, and how the Company's internal management financial reporting is structured. The Company's CODM evaluates the performance of these reportable segments with a focus on earnings (loss) before income taxes as the measure of segment profit or loss.

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The Other category consists of the Company's non-food operations including revenue derived from the sale of cans, ends, seed, outside revenue from the Company's aircraft operations, and certain corporate items. These ancillary activities do not qualify as an operating segment and are not eligible for aggregation with one of the identified operating segments; therefore they are combined and presented within the “Other” category.

Segment information is provided on a FIFO basis which is consistent with how financial information is prepared internally and provided to the CODM. The LIFO impact on earnings (loss) before income taxes and total assets is shown separately for purposes of reconciling to the GAAP financial statement measure shown on the condensed consolidated statements of net earnings and condensed consolidated balance sheets.

The following table summarizes certain financial data for the Company’s reportable segments (in thousands):

	Three Months Ended September 28, 2024					
	Vegetable	Fruit and Snack	Other	Subtotal (FIFO basis)	LIFO Impact	Total
Net sales	$ 390,354	$ 26,353	$ 8,758	$ 425,465	$ -	$ 425,465
Earnings (loss) before income taxes	26,814	3,521	1,710	32,045	(14,977)	17,068
Total assets	1,696,199	120,530	3,539	1,820,268	(336,841)	1,483,427

	Three Months Ended December 28, 2024					
	Vegetable	Fruit and Snack	Other	Subtotal (FIFO basis)	LIFO Impact	Total
Net sales	$ 453,170	$ 40,177	$ 9,509	$ 502,856	$ -	$ 502,856
Earnings (loss) before income taxes	23,876	3,872	2,519	30,267	(10,919)	19,348
Total assets	1,467,960	103,117	2,598	1,573,675	(347,760)	1,225,915

	Three Months Ended September 30, 2023					
	Vegetable	Fruit and Snack	Other	Subtotal (FIFO basis)	LIFO Impact	Total
Net sales	$ 371,632	$ 27,057	$ 8,786	$ 407,475	$ -	$ 407,475
Earnings (loss) before income taxes	38,433	1,997	1,463	41,893	(9,316)	32,577
Total assets	1,758,522	119,931	3,323	1,881,776	(310,056)	1,571,720

	Three Months Ended December 30, 2023					
	Vegetable	Fruit and Snack	Other	Subtotal (FIFO basis)	LIFO Impact	Total
Net sales	$ 400,144	$ 35,485	$ 8,852	$ 444,481	$ -	$ 444,481
Earnings (loss) before income taxes	33,304	2,217	(295)	35,226	(12,027)	23,199
Total assets	1,705,008	103,542	3,070	1,811,620	(322,083)	1,489,537

	Six Months Ended September 28, 2024					
	Vegetable	Fruit and Snack	Other	Subtotal (FIFO basis)	LIFO Impact	Total
Net sales	$ 669,437	$ 48,059	$ 12,696	$ 730,192	$ -	$ 730,192
Earnings (loss) before income taxes	38,156	5,523	1,949	45,628	(12,059)	33,569
Total assets	1,696,199	120,530	3,539	1,820,268	(336,841)	1,483,427

	Nine Months Ended December 28, 2024					
	Vegetable	Fruit and Snack	Other	Subtotal (FIFO basis)	LIFO Impact	Total
Net sales	$ 1,122,607	$ 88,236	$ 22,205	$ 1,233,048	$ -	$ 1,233,048
Earnings (loss) before income taxes	62,032	9,395	4,468	75,895	(22,978)	52,917
Total assets	1,467,960	103,117	2,598	1,573,675	(347,760)	1,225,915

	Six Months Ended September 30, 2023					
	Vegetable	Fruit and Snack	Other	Subtotal (FIFO basis)	LIFO Impact	Total
Net sales	$ 644,121	$ 46,893	$ 15,125	$ 706,139	$ -	$ 706,139
Earnings (loss) before income taxes	63,505	2,196	4,753	70,454	(7,616)	62,838
Total assets	1,758,522	119,931	3,323	1,881,776	(310,056)	1,571,720

	Nine Months Ended December 30, 2023					
	Vegetable	Fruit and Snack	Other	Subtotal (FIFO basis)	LIFO Impact	Total
Net sales	$ 1,044,265	$ 82,378	$ 23,977	$ 1,150,620	$ -	$ 1,150,620
Earnings (loss) before income taxes	92,461	4,416	8,803	105,680	(19,643)	86,037
Total assets	1,705,008	103,542	3,070	1,811,620	(322,083)	1,489,537

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13. Legal Proceedings and Other Contingencies

In the ordinary course of its business, the Company is made a party to certain legal proceedings seeking monetary damages, including proceedings involving product liability claims, workers' compensation along with other employee claims, tort and other general liability claims, for which it carries insurance, as well as patent infringement and related litigation. The Company is in a highly regulated industry and is also periodically involved in government actions for regulatory violations and other matters surrounding the manufacturing of its products, including, but not limited to, environmental, employee, and product safety issues. While it is not feasible to predict or determine the ultimate outcome of these matters, the Company does not believe that an adverse decision in any of these legal proceedings would have a material impact on its financial position, results of operations, or cash flows.

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14. Asset Acquisition

On November 8, 2023, the Company executed an Asset Purchase Agreement and associated License Agreement with B&G Foods, Inc., (the "Seller") to acquire certain assets from the Seller relating to its *Green Giant*® shelf-stable vegetable product line (the "transaction"). The acquired assets include inventory and an associated license which allows the Company to manufacture, market, distribute, and sell *Green Giant*® shelf-stable vegetable products within the United States in perpetuity. The purchase price was $55.2 million in cash and was funded from borrowings under the Company's Revolver.

The transaction was accounted for as an asset acquisition in accordance with ASC 805, *Business Combinations*, because substantially all of the fair value of the gross assets acquired were concentrated in a singular asset, the acquired inventory, which was recorded at a value of $52.5 million. Additionally, a portion of the purchase price was used to settle preexisting liabilities of $2.7 million. The amount was comprised of $3.9 million of deferred revenue for which the associated performance obligation had not yet been performed by the Company for the Seller prior to the transaction date, offset by $1.2 million of accompanying deferred costs.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Seneca Foods Corporation is a leading provider of packaged fruits and vegetables, with facilities located throughout the United States. Our product offerings include canned, frozen and jarred produce, and snack chips that are sold under private label as well as national and regional brands that the Company owns or licenses, including Seneca®, Libby's®, Green Giant®, Aunt Nellie's®, Cherryman®, Green Valley® and READ®. Our products are sold nationwide by major grocery outlets, including supermarkets, mass merchandisers, limited assortment stores, club stores and dollar stores. We also sell products to foodservice distributors, restaurant chains, industrial markets, other food processors, export customers in approximately 55 countries and federal, state and local governments for school and other food programs. Additionally, the Company packs canned and frozen vegetables under contract packing agreements.

Business Trends

We purchase raw materials, including raw produce, steel, ingredients and packaging materials from growers, commodity processors, steel producers and packaging suppliers. Raw materials and other input costs, such as labor, fuel, utilities and transportation, are subject to fluctuations in price attributable to a number of factors. Fluctuations in commodity prices can lead to retail price volatility and can influence consumer and trade buying patterns. The cost of raw materials, fuel, labor, distribution and other costs related to our operations can increase from time to time significantly and unexpectedly. unexpectedly, the impact of which could increase our cost of products sold and reduce our profitability.

We experienced material cost increases to various production inputs during the last several years due to a number of factors, including but not limited to, supply chain disruptions, steel supply and pricing, raw material shortages, labor shortages, and the conflicts between Russia and Ukraine. While we have no direct exposure to this foreign conflict, it had a negative impact on the global economy which increased certain of our input costs. While certain some of the factors mentioned above have started to ease and stabilize during the current six-month nine-month interim period, our costs remain elevated as compared to historical levels.

We attempt to manage costs by locking in prices through short-term supply contracts, advance grower purchase agreements, and by implementing cost saving measures. We also attempt to offset rising input costs by raising sales prices to our customers. However, increases in the prices we charge our customers may lag behind rising input costs. Competitive pressures and pricing methodologies employed in the various sales channels in which we compete may also may limit our ability to raise prices in response to rising costs. To the extent we are unable to avoid or offset any present or future cost increases, our operating results could be materially adversely affected.

Results of Operations

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Net Sales:

The following table presents net sales by product category (in thousands):

	Three Months Ended		Six Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Canned vegetables	$ 351,268	$ 328,586	$ 605,017	$ 579,536
Frozen vegetables	39,086	43,046	64,420	64,585
Fruit products	22,315	22,801	41,156	39,539
Snack products	4,038	4,256	6,903	7,354
Other	8,758	8,786	12,696	15,125
Total	$ 425,465	$ 407,475	$ 730,192	$ 706,139

	Three Months Ended		Nine Months Ended	
	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Canned vegetables	$ 426,225	$ 372,690	$ 1,031,242	$ 952,226
Frozen vegetables	26,945	27,454	91,365	92,039
Fruit products	35,477	32,022	76,633	71,561
Snack products	4,700	3,463	11,603	10,817
Other	9,509	8,852	22,205	23,977
Total	$ 502,856	$ 444,481	$ 1,233,048	$ 1,150,620

Three Months Ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023

Net sales totaled $425.5 million $502.9 million for the three months ended September 28, 2024 December 28, 2024 as compared with $407.5 million $444.5 million for the three months ended September 30, 2023 December 30, 2023. The overall net sales increase of $18.0 $58.4 million, or 4.4% 13.1%, was due to driven by higher sales volumes contributing favorability of $8.5 million $70.1 million, coupled with product mix and increased offset by lower selling prices which had a favorable an unfavorable impact of $9.5 million $11.7 million as compared to the prior year three-month interim period.

Net sales of canned vegetables and frozen vegetables increased by a combined $18.7 million $53.0 million over the prior year quarter. The categories were impacted experienced favorable demand driving $66.3 million in higher sales volume, which was partially offset by overall higher demand, complemented $13.3 million contributed by increased pricing and favorable product mix. lower pricing. Net sales in the fruit products category increased by $3.5 million driven by $2.4 million of increased sales volume and $1.1 million due to higher selling prices and product mix. The snack products categories remained relatively consistent with the prior year quarter with category contributed a nominal combined $0.7 million decrease. Net net sales increase of $1.2 million mainly due to increased sales volume. Lastly, net sales attributable to the other category also remained flat contributed a nominal $0.7 million increase as compared to the prior year quarter for seed, cans and ends, and outside revenue from aircraft operations, which are ancillary to the Company's main operations.

Six Nine Months Ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023

Net sales totaled $730.2 million $1,233.0 million for the six nine months ended September 28, 2024 December 28, 2024 as compared with $706.1 million $1,150.6 million for the six nine months ended September 30, 2023 December 30, 2023. The overall net sales increase of $24.1 $82.4 million, or 3.4% 7.2%, was mainly due to higher sales volumes contributing favorability of $20.0 million, coupled with product mix and increased selling prices which had a favorable impact of $4.1 million $87.3 million as compared to the prior year six-month nine-month interim period. Partially offsetting that amount was net unfavorable sales of $4.9 million driven by a combination of reduced selling prices and the impact of product mix as compared to the prior year nine-month interim period.

Net sales of canned vegetables and frozen vegetables increased $25.4 million by a combined $78.3 million over the prior year six-month nine-month interim period primarily period. Higher sales volume in these categories contributed $83.7 million of sales favorability, which was partially offset by $5.4 million driven by increased demand, combined with favorability from a combination of reduced selling prices and the impact of product mix and increased pricing for this category. Net sales of frozen vegetables remained flat as compared to the prior year six-month period. mix. Fruit products increased over the prior year six-month nine-month interim period by $1.6 million $5.1 million, primarily due

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to comprised of $2.1 million of increased sales volume and $3.0 million of increased pricing. Net sales in the snack products category remained relatively consistent year-over-year with a slight decrease increase of $0.5 million $0.8 million. The remaining net sales decrease of $2.4 million $1.8 million, driven by lower demand as compared to the prior year six-month nine-month period, was contributed by non-food packaging sales related to the sale of seed, cans and ends, and outside revenue from aircraft operations, which are ancillary to the Company's main operations.

Operating Income:

The following table presents components of operating and non-operating income as a percentage of net sales (percentages shown as absolute values):

	Three Months Ended		Six Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Gross margin	10.1 %	14.3 %	11.7 %	16.1 %
Selling, general, and administrative expense	4.2 %	5.2 %	4.9 %	5.8 %
Restructuring	0.0 %	0.0 %	0.1 %	0.0 %
Other operating income, net	0.0 %	0.3 %	0.1 %	0.2 %
Operating income	5.8 %	9.4 %	6.9 %	10.5 %
Other non-operating income	0.3 %	0.3 %	0.4 %	0.4 %
Interest expense, net	2.1 %	1.8 %	2.7 %	1.9 %
Income taxes	0.9 %	1.9 %	1.0 %	2.1 %

	Three Months Ended		Nine Months Ended	
	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Gross margin	9.8 %	12.2 %	10.9 %	14.6 %
Selling, general, and administrative expense	4.5 %	5.2 %	4.7 %	5.5 %
Restructuring	0.0 %	0.0 %	0.0 %	0.0 %
Other operating expense (income), net	0.2 %	0.1 %	0.0 %	0.1 %
Operating income	5.1 %	6.9 %	6.1 %	9.1 %
Other non-operating income	0.3 %	0.4 %	0.4 %	0.4 %
Interest expense, net	1.6 %	2.1 %	2.2 %	2.0 %
Income taxes	0.9 %	1.2 %	1.0 %	1.8 %

Three Months Ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023

Gross Margin: Gross margin for the three months ended September 28, 2024 December 28, 2024 was 10.1% 9.8% as compared to 14.3% 12.2% for the three months ended September 30, 2023 December 30, 2023. The decrease in gross margin for the three months ended September 28, 2024 December 28, 2024 was mainly due to continued elevated costs. costs, which outpaced the increase in net sales as compared to the three months ended December 30, 2023. Finished goods sold by the Company during the current three-month interim period consisted of products produced during either the preceding year or current year seasonal packs; both of which have a higher cost on a per unit basis as compared to the prior year three-month period. Refer to the business trends section above and the material cash requirements section below for additional discussion regarding business trends. of the factors impacting the respective seasonal packs. The Company's LIFO charge for the three months ended September 28, 2024 December 28, 2024 was $15.0 million $10.9 million as compared to a LIFO charge of $9.3 million $12.0 million for the three months ended September 30, 2023 December 30, 2023. The LIFO charge amounts have the impact of increasing cost of products sold.

Selling, General, and Administrative: Selling, general and administrative expense for the three months ended September 28, 2024 December 28, 2024 decreased $3.0 million $0.2 million from the three months ended September 30, 2023 December 30, 2023. Selling, general, and administrative expense as a percentage of net sales for the three months ended September 28, 2024 December 28, 2024, was 4.2% 4.5% as compared with 5.2% for the prior year quarter. The decrease in selling, general, and administrative expense as a percentage of net sales was mainly due to the increase in net sales and the fixed nature of certain expenses.

Restructuring: The Company incurred minimal restructuring charges during the three months ended September 28, 2024, attributable to equipment moves for the Northeast trucking fleet which ceased operations in the previous fiscal year. During the December 28, 2024 and three months ended September 30, 2023 December 30, 2023, the Company incurred restructuring charges respectively. The amounts for both interim periods were primarily due attributable to equipment moves from ceasing production of green beans at a plant plants that were closed in the Northeast in the previous fiscal year. periods.

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Other Operating Income, Expense, net: The Company had net other operating income expense of $0.1 million $0.8 million during the three months ended September 28, 2024 December 28, 2024, which was primarily driven primarily by the sale $1.0 million for disposal of a small portion of land in the Midwest. various spare equipment. During the three months ended September 30, 2023 December 30, 2023, the Company had net other operating income expense of $1.3 million $0.4 million, which was driven primarily by $0.6 million of transition service fees incurred in connection with the sale of non-operational assets in asset acquisition that occurred during the Pacific Northwest. quarter.

Non-Operating Income (Expense): (Income) Expense:

Other Non-Operating Income: Other non-operating income totaled $1.4 million $1.5 million and $1.3 million $1.8 million for the three months ended September 28, 2024 December 28, 2024, and September 30, 2023 December 30, 2023, respectively, and is comprised of the non-service related pension amounts that are actuarially determined.

Interest Expense, net: Interest expense as a percentage of net sales was 1.6% for the three months ended December 28, 2024, as compared to 2.1% for the three months ended September 28, 2024, as compared to 1.8% for the three months ended September 30, 2023 December 30, 2023. Interest expense increased decreased from $7.2 million $9.4 million in the prior year quarter to $9.0 million $7.8 million for the current quarter as a result of higher interest rates and increased primarily driven by lower average borrowings outstanding under the Company's revolving credit facility as compared to the prior year quarter.

Six Nine Months Ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023

Gross Margin: Gross margin for the six nine months ended September 28, 2024 December 28, 2024 was 11.7% 10.9% as compared to 16.1% 14.6% for the six nine months ended September 30, 2023 December 30, 2023. The decrease in gross margin for the six nine months ended September 28, 2024 December 28, 2024 was mainly due to primarily driven by continued elevated costs. costs, which outpaced the increase in net sales as compared to the nine months ended December 30, 2023. Finished goods sold by the Company thus far in fiscal year 2025 consisted of products produced during either the preceding year or current year seasonal packs; both of which have a higher cost on a per unit basis as compared to the prior year nine-month interim period. Refer to the business trends section above and the material cash requirements section below for additional discussion regarding business trends. of the factors impacting the respective seasonal packs. The Company's LIFO charge for the six nine months ended September 28, 2024 December 28, 2024 was $12.1 million $23.0 million as compared to a LIFO charge of $7.6 million $19.6 million for the six nine months ended September 30, 2023 December 30, 2023. The LIFO charge amounts have the impact of increasing cost of products sold.

Selling, General, and Administrative: Selling, general and administrative expense for the six nine months ended September 28, 2024 December 28, 2024 decreased $5.3 million $5.6 million from the six nine months ended September 30, 2023 December 30, 2023. Selling, general, and administrative expense as a percentage of net sales for the six nine months ended September 28, 2024 December 28, 2024, was 4.9% 4.7% as compared with 5.8% 5.5% for the prior year six-month nine-month interim period. The decrease in selling, general, and administrative expense as a percentage of net sales was mainly due to the increase in net sales and the fixed nature of certain expenses.

Restructuring: The Company incurred minimal restructuring charges during the six nine months ended September 28, 2024 December 28, 2024, attributable to mainly driven by equipment moves for the Northeast trucking fleet which ceased operations in the previous fiscal year. During the six nine months ended September 30, 2023 December 30, 2023, the Company incurred minimal restructuring charges primarily due to equipment moves from ceasing production of green beans at a plant in the Northeast plants that were closed in the previous fiscal year.

Other Operating Income, Expense (Income), net: The Company had net other operating income expense of $0.5 million $0.4 million during the six nine months ended September 28, 2024 December 28, 2024, primarily driven by $1.0 million for disposal of various spare equipment which was driven primarily offset by $0.2 million received for the sale of a small portion of land in the Midwest. Midwest and $0.2 million received for miscellaneous equipment sales. During the six nine months ended September 30, 2023 December 30, 2023, the Company had net other operating income of $1.5 million $1.2 million, which was driven primarily by $1.8 million from the sale of non-operational assets in the Pacific Northwest. Northwest, offset by $0.6 million of transition service fees in connection with the asset acquisition that occurred during the nine-month period.

Non-Operating Income (Expense): (Income) Expense:

Other Non-Operating Income: Other non-operating income totaled $2.8 million $4.3 million and $2.7 million $4.5 million for the six nine months ended September 28, 2024 December 28, 2024, and September 30, 2023 December 30, 2023, respectively, and is comprised of the non-service related pension amounts that are actuarially determined.

Interest Expense, net: Interest expense as a percentage of net sales was 2.7% 2.2% for the six nine months ended September 28, 2024 December 28, 2024, as compared to 1.9% 2.0% for the six nine months ended September 30, 2023 December 30, 2023. Interest expense increased from $13.8 million $23.1 million in the prior year six-month nine-month interim period to $19.4 million $27.2 million for the current six-month nine-month interim period as a result of higher interest rates and increased average borrowings outstanding under the Company's revolving credit facility as compared to the prior year. year nine-month interim period. Additionally, the six nine months ended September 30, 2023 December 30, 2023 did not have Term Loan A-2 outstanding for the entire period which contributed to a lower interest expense amount for that prior year interim period.

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Income Taxes:

The Company's effective tax rate was 22.7% 23.2% and 23.8% for the six nine months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023, respectively. The effective tax rate decreased in the current six-month nine-month period as compared to the prior year six-month nine-month period driven primarily by the impact of federal credits which reduced the effective rate by 1.1% 0.4% and interest received on a federal income tax refund which reduced the effective tax rate by 0.4% 0.2%. These decreases were partially offset by the impact of state rate changes driven by apportionment which increased the effective rate by 0.4%.

Liquidity and Capital Resources

The financial condition of the Company is summarized in the following table and explanatory review (dollar amounts in thousands, except per share data):

	September 28, 2024	September 30, 2023	March 31, 2024	March 31, 2023	December 28, 2024	December 30, 2023	March 31, 2024	March 31, 2023
Working capital:								
Balance	$ 669,978	$ 724,694	$ 815,980	$ 637,851	$ 579,238	$ 854,246	$ 815,980	$ 637,851
Change in quarter	$ (36,194)	$ 86,958			$ (90,740)	$ 129,552		
Current portion of long-term debt, finance and lease obligations	$ 107,891	$ 31,583	$ 30,090	$ 25,792	$ 106,569	$ 30,582	$ 30,090	$ 25,792
Long-term debt	$ 406,612	$ 492,685	$ 585,786	$ 432,695	$ 298,703	$ 611,349	$ 585,786	$ 432,695
Operating lease obligations	$ 6,660	$ 13,995	$ 13,758	$ 16,675	$ 6,541	$ 13,617	$ 13,758	$ 16,675
Financing lease obligations	$ 9,973	$ 14,202	$ 12,259	$ 17,293	$ 9,210	$ 13,102	$ 12,259	$ 17,293
Finance obligation	$ 18,830	$ -	$ -	$ -	$ 17,870	$ -	$ -	$ -
Total stockholders' equity per equivalent common share (1)	$ 85.98	$ 79.55	$ 81.69	$ 71.95	$ 88.11	$ 82.50	$ 81.69	$ 71.95
Stockholders' equity per common share	$ 86.87	$ 80.34	$ 82.51	$ 72.61	$ 89.03	$ 83.33	$ 82.51	$ 72.61
Current ratio	2.64	2.67	6.40	5.08	3.38	4.81	6.40	5.08

(1) Equivalent common shares are either common shares or, for convertible preferred shares, the number of common shares that the preferred shares are convertible into. See Note 11 of the Notes to Consolidated Financial Statements of the Company's 2024 Annual Report on Form 10-K for conversion details.

***Material Cash Requirements*:** The Company's primary liquidity requirements include debt service, capital expenditures and working capital needs. The Company may also seek strategic acquisitions to leverage existing capabilities and further build upon its existing business. Liquidity requirements are funded primarily through cash generated from operations and external sources of financing, including the revolving credit facility.

During the preceding fiscal years, working capital needs trended higher than previously experienced by the Company in part because of larger annual pack sizes needed to replenish the Company's post-pandemic inventory levels to meet customer demand, and because of supply chain challenges and inflationary pressure in the steel industry which impacted can manufacturing operations. To successfully navigate the uncertainty driven by inflation and import tariffs, and a desire to diversify its steel supply, the Company employed a strategic approach during those fiscal years and increased steel coil purchases to better position itself for subsequent years. The higher cost of steel coil raw materials translated into an elevated container cost and ultimately resulted in an increased cost per unit for the associated finished good product. Working capital was likewise unfavorably impacted during the preceding fiscal years as the Company experienced material cost increases implemented by suppliers affecting various other production inputs aside from steel. These economic conditions contributed to higher cash outflows and an increased cost per unit for the associated finished good product.
From the standpoint of available inventory, the Company's larger seasonal pack sizes in fiscal year 2024 driven by favorable growing conditions, coupled with lower fiscal year 2024 sales, in an industry that is experiencing negative sales category trends overall, resulted in higher inventory levels for finished goods as of the end of fiscal year 2024. This will have a favorable impact on These higher inventory levels provided the Company with additional availability of products in leading into fiscal year 2025, resulting in a lower planned seasonal pack and the opportunity to normalize working capital trends, specifically surrounding inventory.

During the current fiscal year, the Company has experienced an easing of working capital needs driven by the factors previously mentioned. However, adverse weather conditions during the planting and harvesting seasons have had a notable impact, especially in the upper Midwest where the Company has its primary growing region. Reduced Challenging growing conditions and reduced crop yields resulted in a seasonal pack that is lower than originally planned. This in turn has resulted in a higher-cost seasonal pack on a per unit

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basis as of the six nine months ended September 28, 2024 December 28, 2024; however, the overall costs from a cash requirements perspective are favorable as compared to the preceding fiscal years.

The Company believes that its operations along with existing liquidity sources will satisfy its cash requirements for at least the next twelve months. This includes the Company's expectation with respect to Term Loan A-1 that matures on June 1, 2025, that it will maintain or have access to sufficient liquidity to retire or refinance long-term debt at maturity or otherwise, using operating cash flows, access to the capital markets, and access to its revolving credit facility. The Company has borrowed funds and continues to believe that it has the ability to do so at reasonable interest rates, however additional borrowings would result in increased interest expense. The Company does not have any off-balance sheet financing arrangements.

***Summary of Cash Flows*: ** The following table presents a summary of the Company's cash flows from operating, investing and financing activities (in thousands):

	Six Months Ended	
	September 28, 2024	September 30, 2023
Cash provided by (used in) operating activities	$ 125,868	$ (26,279)
Cash used in investing activities	(19,916)	(18,886)
Cash (used in) provided by financing activities	(100,738)	44,990
Net increase (decrease) in cash, cash equivalents and restricted cash	5,214	(175)
Cash, cash equivalents and restricted cash, beginning of period	11,853	12,256
Cash, cash equivalents and restricted cash, end of period	$ 17,067	$ 12,081

	Nine Months Ended	
	December 28, 2024	December 30, 2023
Cash provided by (used in) operating activities	$ 243,600	$ (128,126)
Cash used in investing activities	(28,878)	(23,856)
Cash (used in) provided by financing activities	(213,664)	154,145
Net increase in cash, cash equivalents and restricted cash	1,058	2,163
Cash, cash equivalents and restricted cash, beginning of period	11,853	12,256
Cash, cash equivalents and restricted cash, end of period	$ 12,911	$ 14,419

***Net Cash Provided by (Used in) Operating Activities*: ** For the six nine months ended September 28, 2024 December 28, 2024, cash provided by operating activities was $125.9 million $243.6 million, which consisted of $66.4 million $142.8 million from changes in operating assets and liabilities, coupled with net earnings of $26.0 million $40.6 million and non-cash charges of $33.5 million $60.2 million. The non-cash charges were driven by $22.0 million mainly comprised of $33.6 million of depreciation and amortization, $2.9 million $4.0 million of non-cash lease expense, and a $12.1 million $23.0 million LIFO charge. The change in operating assets and liabilities was largely due to favorably impacted by improved working capital needs as during the six-month nine-month period which covered the primary seasonal pack harvest months. Cash utilized for inventories and higher accounts payable activity were the main drivers, although the use The Company experienced a lower utilization of cash for these items was lower than in inventories resulting from the prior higher inventory levels carried into the current fiscal year six-month interim period resulting from along with a reduced fiscal year 2025 seasonal pack due to adverse weather conditions. This is consistent with the factors discussed above within the material cash requirements section.

For the six nine months ended September 30, 2023 December 30, 2023, cash used in operating activities was $26.3 million $128.1 million, which consisted of a use of cash of $249.4 million by operating assets and liabilities partially offset by net earnings of $47.9 million $65.6 million, adjusted by non-cash charges of $32.2 million, partially offset by operating assets and liabilities using cash of $106.4 million $55.7 million. The non-cash charges were largely driven by $21.8 million $32.7 million of depreciation and amortization, $3.7 million $5.3 million of non-cash lease expense, and a $7.6 million $19.6 million LIFO charge. The change in operating assets and liabilities was due to inventories being a use of cash as the six-month nine-month period covered the primary seasonal pack harvest months, in addition to material cost inflation to affecting various production inputs. The increase in inventories was also impacted by finished goods acquired in the asset acquisition which occurred during the nine-month period.

The cash requirements of the business fluctuate significantly throughout the year to coincide with the seasonal growing cycles of vegetables. The majority of the inventories are produced during the packing months, from June through November, and are then sold over the following twelve months. Cash flow from operating activities is one of the Company's main sources of liquidity, excluding usual seasonal working capital swings.

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Net Cash Used in Investing Activities**:** Net cash used in investing activities was $19.9 million $28.9 million for the six nine months ended September 28, 2024 December 28, 2024, and consisted of cash used for capital expenditures of $17.6 million $26.7 million and $2.7 million paid as deposits to vendors for the installation of a new can manufacturing line. Offsetting those amounts, the Company received proceeds from the sale of assets totaling $0.4 million $0.5 million.

Net cash used in investing activities was $18.9 million $23.8 million for the six nine months ended September 30, 2023 December 30, 2023, and consisted of cash used for capital expenditures of $26.5 million $31.8 million partially offset by proceeds from the sale of assets totaling $7.6 million $8.0 million.

Net Cash (Used in) Provided by Financing Activities**:** Net cash used in financing activities was $100.7 million $213.7 million for the six nine months ended September 28, 2024 December 28, 2024, driven primarily by a net paydown on the Company's revolving credit facility of $90.8 million $195.0 million. The Company also made payments totaling $14.9 million on its term loans and term loan payments of $9.5 million finance obligation during the six-month interim nine-month period. Offsetting the outflows was a $12.4 million increase in the note payable borrowings associated with the Company's new can manufacturing line. line which was converted to a finance obligation during the nine-month period. Additionally, the Company used cash of $10.0 million $10.8 million to purchase treasury stock and made payments of $2.8 million $3.8 million on financing leases.

Net cash provided by financing activities was $45.0 million $154.1 million for the six nine months ended September 30, 2023 December 30, 2023, driven primarily by a net paydown increase in borrowings on the Company's revolving credit facility of $45.7 million $77.5 million and term loan payments of $9.5 million. That activity was offset by the Company receiving proceeds of $124.4 million from a new term loan during the six-month interim nine-month period. The increases were partially offset by term loan payments of $14.3 million and $6.4 million of payments on financing leases. Additionally, the Company used cash of $19.6 million $27.1 million to purchase treasury stock and made payments of $4.6 million on financing leases, which partially offset the increased cash provided. stock.

Impact of Seasonality on Financial Position and Results of Operations:

The Company's production cycle begins with planting in the spring followed by harvesting and packaging during the second and third fiscal quarters with sales spanning over the following twelve months. Minimal food packaging occurs in the Company's last fiscal quarter ending March 31, which is the optimal time for maintenance, repairs and equipment changes in its packaging plants. The supply of commodities, current pricing, and expected new crop quantity and quality affect the timing and amount of the Company's sales and earnings. When the seasonal harvesting periods of the Company's major vegetables are newly completed, inventories for these packaged vegetables are at their highest levels. For peas, the peak inventory time is mid-summer and for corn and green beans, the Company's highest volume vegetables, the peak inventory is in mid-autumn. The seasonal nature of the Company's production cycle results in inventory and accounts payable reaching their lowest point in mid-to-late first quarter prior to the new seasonal pack commencing. As the seasonal pack progresses, these components of working capital both increase until the pack is complete.

The Company's fruit and vegetable sales exhibit seasonal increases in the third fiscal quarter due to increased retail demand during the holiday seasons. In addition, the Company sells canned and frozen vegetables to a co-pack customer on a bill and hold basis during the pack cycle, the majority of which typically occurs in the second and third quarters. The seasonal nature of the Company's sales, particularly holiday driven retail sales, result in the accounts receivable balance reaching its highest point at the end of the second and third fiscal quarters, while typically being the lowest at the end of the first quarter.

Non-GAAP Financial Measures:

Adjusted net earnings, EBITDA, and FIFO EBITDA are non-GAAP financial measures and are provided for informational purposes only. The Company believes these non-GAAP financial measures provide investors with helpful information to evaluate financial performance, perform comparisons from period to period, and to compare results against the Company's industry peers. A non-GAAP financial measure is defined as a numerical measure of the Company's financial performance that excludes or includes amounts so as to be different from the most directly comparable measure calculated and presented in accordance with GAAP in the condensed consolidated balance sheets and related condensed consolidated statements of net earnings, comprehensive income, stockholders' equity and cash flows. The Company does not intend for this information to be considered in isolation or as a substitute for other measures prepared in accordance with GAAP.

Adjusted net earnings are calculated on a FIFO basis which excludes the impact from the application of LIFO. Set forth below is a reconciliation of reported net earnings before income taxes to adjusted net earnings (in thousands):

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Earnings before income taxes, as reported	$ 17,068	$ 32,577	$ 33,569	$ 62,838	$ 19,348	$ 23,199	$ 52,917	$ 86,037
LIFO charge	14,977	9,316	12,059	7,616	10,919	12,027	22,978	19,643
Adjusted earnings before income taxes	32,045	41,893	45,628	70,454	30,267	35,226	75,895	105,680

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Income taxes (1)	7,434	10,118	10,559	16,844	7,353	8,519	17,901	25,363
Adjusted net earnings	$ 24,611	$ 31,775	$ 35,069	$ 53,610	$ 22,914	$ 26,707	$ 57,994	$ 80,317

(1) For the three months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023, income taxes on adjusted earnings before taxes were calculated using the income tax provision amounts of $3.8 million $4.7 million and $7.8 million $5.5 million, respectively, and applying the statutory tax rates of 24.5% 24.4% and 24.9%, respectively, for each of the respective periods to the pre-tax LIFO charge.

For the six nine months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023, income taxes on adjusted earnings before taxes were calculated using the income tax provision amounts of $7.6 million $12.3 million and $14.9 million $20.5 million, respectively, and applying the statutory tax rates of 24.5% 24.4% and 24.9%, respectively, for each of the respective periods to the pre-tax LIFO charge.

The Company believes EBITDA is often a useful measure of a Company's operating performance because EBITDA excludes charges for depreciation, amortization, non-cash lease expense, and interest expense as well as the Company's provision for income tax expense. EBITDA is frequently used as one of the bases for comparing businesses in the Company's industry. FIFO EBITDA also excludes non-cash charges related to the LIFO inventory valuation method. The Company's revolving credit facility and term loan agreements use FIFO EBITDA in the financial covenants thereunder.

Set forth below is a reconciliation of reported net earnings to EBITDA and FIFO EBITDA (in thousands):

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Net earnings	$ 13,303	$ 24,779	$ 25,964	$ 47,890	$ 14,659	$ 17,675	$ 40,623	$ 65,565
Income taxes	3,765	7,798	7,605	14,948	4,689	5,524	12,294	20,472
Interest expense, net of interest income	9,013	7,185	19,358	13,758	7,841	9,388	27,199	23,146
Depreciation and amortization (1)	12,516	12,822	24,962	25,425	12,611	12,645	37,573	38,070
Interest amortization (2)	(116)	(114)	(231)	(214)	(177)	(113)	(408)	(327)
EBITDA	38,481	52,470	77,658	101,807	39,623	45,119	117,281	146,926
LIFO charge	14,977	9,316	12,059	7,616	10,919	12,027	22,978	19,643
FIFO EBITDA	$ 53,458	$ 61,786	$ 89,717	$ 109,423	$ 50,542	$ 57,146	$ 140,259	$ 166,569

(1) Includes non-cash lease expense consistent with financial covenant calculations.

(2) Reconciling item needed to exclude debt issuance cost amortization from the amount shown for interest expense.

New Accounting Standards

Refer to Note 1, "Basis of Preparation and Presentation", to the Condensed Consolidated Financial Statements contained herein.

Critical Accounting Estimates

A description of the Company's critical accounting estimates is contained in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2024. There were no material changes to the Company's critical accounting policies or estimates during the six nine months ended September 28, 2024 December 28, 2024.

Forward-Looking Information

This Quarterly Report on Form 10-Q contains "forward-looking statements" as that term is used in the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they address future events, developments, and results and do not relate strictly to historical facts. Any statements contained herein that are not

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statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate, or imply future results, performance, or achievements, and may contain the words "will," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "seeks," "should," "likely," "targets," "may," "can" and variations thereof and similar expressions. Forward-looking statements are subject to known and unknown risks, uncertainties, and other important factors that could cause actual results to differ materially from those expressed. We believe important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- the effects of rising costs and availability of raw fruit and vegetables, steel, ingredients, packaging, other raw materials, distribution and labor;
- crude oil prices and their impact on distribution, packaging and energy costs;
- an overall labor shortage, ability to retain a sufficient seasonal workforce, lack of skilled labor, labor inflation or increased turnover impacting our ability to recruit and retain employees;
- climate and weather affecting growing conditions and crop yields;
- our ability to successfully implement sales price increases and cost saving measures to offset cost increases;
- the loss of significant customers or a substantial reduction in orders from these customers;
- effectiveness of our marketing and trade promotion programs;
- competition, changes in consumer preferences, demand for our products and local economic and market conditions;
- the impact of a pandemic on our business, suppliers, customers, consumers and employees;
- unanticipated expenses, including, without limitation, litigation or legal settlement expenses;
- product liability claims;
- the anticipated needs for, and the availability of, cash;
- the availability of financing;
- leverage and the ability to service and reduce debt;
- foreign currency exchange and interest rate fluctuations;
- the risks associated with the expansion of our business;
- the ability to successfully integrate acquisitions into our operations;
- our ability to protect information systems against, or effectively respond to, a cybersecurity incident or other disruption;
- other factors that affect the food industry generally, including:
  - recalls if products become adulterated or misbranded, liability if product consumption causes injury, ingredient disclosure and labeling laws and regulations and the possibility that consumers could lose confidence in the safety and quality of certain food products;
  - competitors’ pricing practices and promotional spending levels;
  - fluctuations in the level of our customers’ inventories and credit and other business risks related to our customers operating in a challenging economic and competitive environment; and
  - the risks associated with third-party suppliers, including the risk that any failure by one or more of our third-party suppliers to comply with food safety or other laws and regulations may disrupt our supply of raw materials or certain finished goods products or injure our reputation; and
- changes in, or the failure or inability to comply with, U.S., foreign and local governmental regulations, including health, environmental, and safety regulations.

Any of these factors, as well as such other factors as discussed in our other periodic filings with the SEC, could cause our actual results to differ materially from our anticipated results. The information provided in this Form 10-Q is based upon the facts and circumstances known as of the date of this report, and any forward-looking statements made by us in this Form 10-Q speak only as of the date on which they are made. Except as required by law, we undertake no obligation to update these forward-looking statements after the date of this Form 10-Q to reflect events or circumstances after such date, or to reflect the occurrence of unanticipated events.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the ordinary course of business, the Company is exposed to various market risk factors, including changes in general economic conditions, competition and raw material pricing and availability. There have been no material changes to the Company’s exposure to market risk since March 31, 2024. In addition, the Company is exposed to fluctuations in interest rates, primarily related to its revolving credit facility and Amended Term Loan A-2. To manage interest rate risk, the Company uses both fixed and variable interest rate debt plus fixed interest rate lease obligations.

Item 4. Controls and Procedures

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The Company maintains a system of internal and disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported on a timely basis. The Company's Board of Directors, operating through its Audit Committee, which is composed entirely of independent outside directors, provides oversight to the financial reporting process.

An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities and Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that, as of September 28, 2024 December 28, 2024, our disclosure controls and procedures were effective. The Company continues to examine, refine and formalize its disclosure controls and procedures and to monitor ongoing developments in this area.

There have been no changes during the period covered by this report to the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Refer to Note 13, "Legal Proceedings and Other Contingencies," to the Condensed Consolidated Financial Statements contained herein.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in the Company's Annual Report Form 10-K for the period ended March 31, 2024, except to the extent factual information disclosed elsewhere in this Form 10-Q relates to such risk factors.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

	Total Number of Shares Purchased		Average Price Paid per Share		Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
Period	Class A Common	Class B Common	Class A Common	Class B Common		
07/01/2024 – 07/31/2024 (1)	10,940	-	$ 59.90	-	-	
08/01/2024 – 08/31/2024	17,864	-	$ 58.33	-	17,864	
09/01/2024 – 09/30/2024 (2)	27,313	-	$ 60.49	-	15,863	
Total	56,117	-	$ 59.69	-	33,727	361,878

	Total Number of Shares Purchased		Average Price Paid per Share		Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
Period	Class A Common	Class B Common	Class A Common	Class B Common		
10/01/2024 – 10/31/2024		-		-	-	
11/01/2024 – 11/30/2024		-		-	-	
12/01/2024 – 12/31/2024 (1)	11,100	-	$ 73.37	-	-	
Total	11,100	-	$ 73.37	-	0	361,878

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(1) Includes 10,940 shares that were purchased from the Seneca Foods Corporation Employees' Savings Plan to satisfy the cash needs for transfers and payments in connection with the employer stock investment fund under the plan.

(2) Includes 11,450 11,100 shares that were purchased from the Seneca Foods Corporation Employees' Savings Plan to satisfy the cash needs for transfers and payments in connection with the employer stock investment fund under the plan.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

(c) Trading Plans

During the quarterly period ended September 28, 2024 December 28, 2024, no director or Section 16 officer adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements (in each case, as defined in Item 408(a) of Regulation S-K).

Item 6. Exhibits

Exhibit Number	Description
10.1	Loan and Security Agreement dated as of December 23, 2024 by and among Seneca Foods Corporation, Seneca Snack Company, Green Valley Foods, LLC and certain other subsidiaries of Seneca Foods Corporation, the financial institutions party thereto as lenders and Wells Fargo Bank, National Association, as agent, issuing bank, and lead arranger (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 23, 2024)
31.1	Certification of Paul L. Palmby pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Michael S. Wolcott pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document
101.1.SCH	Inline XBRL Taxonomy Extension Calculation Schema Document
101.2.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.3.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.4.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.5.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)

SIGNATURES

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

SENECA FOODS CORPORATION

By: /s/ Paul L. Palmby
Paul L. Palmby
President and Chief Executive Officer
(Principal Executive Officer)

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November February 6, 2024 2025

By: /s/ Michael S. Wolcott
Michael S. Wolcott
Chief Financial Officer
(Principal Financial Officer)

November February 6, 2024 2025

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EXHIBIT 31.1

CERTIFICATION

I, Paul L. Palmby, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Seneca Foods Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

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/s/ Paul L. Palmby

Paul L. Palmby

President and Chief Executive Officer

(Principal Executive Officer)

November February 6, 2024 2025

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EXHIBIT 31.2

CERTIFICATION

I, Michael S. Wolcott, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Seneca Foods Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

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(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Michael S. Wolcott

Michael S. Wolcott

Chief Financial Officer

(Principal Financial Officer)

November February 6, 2024 2025

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EXHIBIT 32

CERTIFICATION PURSUANT TO
18. U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Seneca Foods Corporation (the "Registrant") on Form 10-Q for the quarterly period ended September 28, 2024 December 28, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Paul L. Palmby, President and Chief Executive Officer, and Michael S. Wolcott, Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, that, to our knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Paul L. Palmby

Paul L. Palmby

President and Chief Executive Officer

(Principal Executive Officer)

November February 6, 2024 2025

/s/ Michael S. Wolcott

Michael S. Wolcott

Chief Financial Officer

(Principal Financial Officer)

November February 6, 2024 2025

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