As filed with the Securities and Exchange Commission on April 26, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark one)

x Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended April 2, 2011

or

o 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 001-32316

B&G FOODS, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**13-3918742**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4 Gatehall Drive, Parsippany, New Jersey	**07054**
(Address of principal executive offices)	(Zip Code)

Registrant s telephone number, including area code: **(973) 401-6500**

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 x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

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

Large accelerated filer o	Accelerated filer x
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

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

As of April 26, 2011, the registrant had 47,900,237 shares of common stock, par value $0.01 per share, issued and outstanding.

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B&G Foods, Inc. and Subsidiaries

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PART I

FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

B&G Foods, Inc. and Subsidiaries

Consolidated Balance Sheets

(In thousands, except share and per share data)

(Unaudited)

	April 2, 2011	January 1, 2011
Assets		
Current assets:		
Cash and cash equivalents	$ 99,572	$ 98,738
Trade accounts receivable, net	29,774	34,445
Inventories	77,457	74,563
Prepaid expenses	832	1,715
Income tax receivable	2,884	171
Deferred income taxes	1,278	5,439
Total current assets	211,797	215,071
Property, plant and equipment, net of accumulated depreciation of $83,227 and $80,862	60,025	60,812
Goodwill	253,744	253,744
Trademarks	228,000	228,000
Other intangibles, net	102,362	104,001
Other assets	9,874	10,095
Total assets	$ 865,802	$ 871,723
Liabilities and Stockholders Equity		
Current liabilities:		
Trade accounts payable	$ 21,024	$ 15,531
Accrued expenses	17,781	25,584
Interest rate swap		12,012
Dividends payable	10,059	8,099
Total current liabilities	48,864	61,226
Long-term debt	477,828	477,748
Other liabilities	3,098	4,232
Deferred income taxes	102,355	97,932
Total liabilities	632,145	641,138

Commitments and contingencies (Note 11)				
Stockholders equity:				
Preferred stock, $0.01 par value per share. Authorized 1,000,000 shares; no shares issued or outstanding				
Common stock, $0.01 par value per share. Authorized 125,000,000 shares; 47,900,237 and 47,639,924 shares issued and outstanding as of April 2, 2011 and January 1, 2011		479		476
Additional paid-in capital		191,304		201,770
Accumulated other comprehensive loss		(6,772)		(7,002)
Retained earnings		48,646		35,341
Total stockholders equity		233,657		230,585
Total liabilities and stockholders equity	$	865,802	$	871,723

See Notes to Consolidated Financial Statements.

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B&G Foods, Inc. and Subsidiaries

Consolidated Statements of Operations

(In thousands, except per share data)

(Unaudited)

	Thirteen Weeks Ended April 2, 2011		Thirteen Weeks Ended April 3, 2010	
Net sales	$	131,405	$	125,182
Cost of goods sold		86,538		83,154
Gross profit		44,867		42,028
Operating expenses:				
Selling, general and administrative expenses		14,150		14,052
Amortization expense		1,639		1,613
Operating income		29,078		26,363
Other expenses:				
Interest expense, net		8,190		10,622
Loss on extinguishment of debt				15,224
Income before income tax expense		20,888		517
Income tax expense		7,583		191
Net income	$	13,305	$	326
Weighted average shares outstanding:				
Basic		47,982		47,434
Diluted		48,686		47,816
Earnings per share:				
Basic	$	0.28	$	0.01
Diluted	$	0.27	$	0.01
Cash dividends declared per share	$	0.21	$	0.17

See Notes to Consolidated Financial Statements.

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B&G Foods, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

(In thousands)

(Unaudited)

	Thirteen Weeks Ended April 2, 2011	Thirteen Weeks Ended April 3, 2010
Cash flows from operating activities:		
Net income	$ 13,305	$ 326
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,954	3,659
Amortization of deferred debt financing costs and bond discount	500	515
Deferred income taxes	8,396	107
Loss on extinguishment of debt		15,224
Share-based compensation expense	715	463
Excess tax benefits from share-based compensation	(1,117)	(330)
Unrealized loss on interest rate swap		303
Realized gain on interest rate swap	(612)	
Reclassification to net interest expense for interest rate swap	423	423
Changes in assets and liabilities:		
Trade accounts receivable	4,671	3,993
Inventories	(2,894)	(2,631)
Prepaid expenses	883	993
Income tax receivable	(1,596)	7
Other assets	(179)	(17)
Trade accounts payable	5,493	2,888
Accrued expenses	(7,803)	(3,346)
Interest rate swap	(11,400)	
Other liabilities	(1,073)	(701)
Net cash provided by operating activities	11,666	21,876
Cash flows from investing activities:		
Capital expenditures	(1,504)	(2,164)
Net cash used in investing activities	(1,504)	(2,164)
Cash flows from financing activities:		
Payments for repurchase of long-term debt		(320,259)
Proceeds from issuance of long-term debt		347,448
Dividends paid	(8,099)	(8,052)
Excess tax benefits from share-based compensation	1,117	330
Payments of tax withholding on behalf of employees for net share settlement of share-based compensation	(2,236)	(1,460)
Payments of debt financing costs		(8,246)
Net cash (used in) provided by financing activities	(9,218)	9,761
Effect of exchange rate fluctuations on cash and cash equivalents	(110)	(45)
Net increase in cash and cash equivalents	834	29,428
Cash and cash equivalents at beginning of period	98,738	39,930

Cash and cash equivalents at end of period	$	99,572	$	69,358
Supplemental disclosures of cash flow information:				
Cash interest payments	$	15,082	$	10,676
Cash income tax payments	$	784	$	81
Cash income tax refunds	$		$	(2)
Non-cash transactions:				
Dividends declared and not yet paid	$	10,059	$	8,095

See Notes to Consolidated Financial Statements.

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B&G Foods, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Unaudited)

(1) Nature of Operations

B&G Foods, Inc. is a holding company, the principal assets of which are the capital stock of its subsidiaries. Unless the context requires otherwise, references in this report to B&G Foods, our company, we, us and our refer to B&G Foods, Inc. and its subsidiaries. We operate i one industry segment and manufacture, sell and distribute a diverse portfolio of high-quality shelf-stable foods across the United States, Canada and Puerto Rico. Our products are marketed under many recognized brands, including *Ac cent, B&G, B&M, Brer Rabbit, Cream of Rice, Cream of Wheat, Don Pepino, Emeril s, Grandma s Molasses, Joan of Arc, Las Palmas, Maple Grove Farms of Vermont, Ortega, Polaner, Red Devil, Regina, Sa- són, Sclafani, Trappey s, Underwood, Vermont Maid* and *Wright s.* Our products include hot cereals, fruit spreads, canned meats and beans, spices, seasonings, hot sauces, wine vinegar, maple syrup, molasses, salad dressings, Mexican-style sauces, taco shells and kits, salsas, pickles, peppers, tomato-based products and other specialty food products. We compete in the retail grocery, food service, specialty, private label, club and mass merchandiser channels of distribution. We distribute our products throughout the United States via a nationwide network of independent brokers and distributors to supermarket chains, food service outlets, mass merchants, warehouse clubs, non-food outlets and specialty food distributors.

(2) Summary of Significant Accounting Policies

Fiscal Year

Our financial statements are presented on a consolidated basis. Typically, our fiscal quarters and fiscal year consist of 13 and 52 weeks, respectively, ending on the Saturday closest to December 31 in the case of our fiscal year and fourth fiscal quarter, and on the Saturday closest to the end of the corresponding calendar quarter in the case of our fiscal quarters. As a result, a 53rd week is added to our fiscal year every five or six years. In a 53-week fiscal year our fourth fiscal quarter contains 14 weeks. Our fiscal years ending December 31, 2011 (fiscal 2011) and January 1, 2011 (fiscal 2010) each contain 52 weeks. Each quarter of fiscal 2011 and 2010 contains 13 weeks.

Basis of Presentation

The accompanying unaudited consolidated interim financial statements for the thirteen week periods ended April 2, 2011 (first quarter of 2011) and April 3, 2010 (first quarter of 2010) have been prepared by our company in accordance with accounting principles generally accepted in the United States of America pursuant to the rules and regulations of the Securities and Exchange Commission (SEC), and include the accounts of B&G Foods, Inc. and its subsidiaries. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such rules and regulations. However, our management believes, to the best of their knowledge, that the disclosures herein are adequate to make the information presented not misleading. All intercompany balances and transactions have been eliminated. The accompanying unaudited consolidated interim financial statements contain all adjustments (consisting only of normal and recurring adjustments) that are, in the opinion of management, necessary to present fairly our consolidated financial position as of April 2, 2011, the results of our operations and cash flows for the first quarter of 2011 and 2010. Our results of operations for the first quarter of 2011 are not necessarily indicative of the results to be expected for the full year. We have evaluated subsequent events for disclosure through the date of issuance of the accompanying unaudited consolidated interim financial statements. Certain reclassifications have been made to the prior year amounts to conform to the current year. The accompanying unaudited consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements and notes for fiscal 2010 included in our Annual Report on Form 10-K for fiscal 2010 filed with the SEC on March 1, 2011.

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B&G Foods, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Unaudited)

(2) Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires our management to make a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Some of the more significant estimates and assumptions made by management involve trade and consumer promotion expenses; allowances for excess, obsolete and unsaleable inventories; pension benefits; purchase accounting allocations; the recoverability of goodwill, trademarks, other intangible assets, property, plant and equipment and deferred tax assets; and the accounting for share-based compensation expense. Actual results could differ significantly from these estimates and assumptions.

Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors that management believe to be reasonable under the circumstances, including the current economic environment. We adjust such estimates and assumptions when facts and circumstances dictate. Volatility in the credit and equity markets can increase the uncertainty inherent in such estimates and assumptions.

Recently Issued Accounting Standards

There have been no significant developments to recently issued accounting standards, including the expected dates of adoption and estimated effects on our consolidated financial statements, from those disclosed in our 2010 Annual Report on Form 10-K.

(3) Inventories

Inventories are stated at the lower of cost or market and include direct material, direct labor, overhead, warehousing and product transfer costs. Cost is determined using the first-in, first-out and average cost methods. Inventories have been reduced by an allowance for excess, obsolete and unsaleable inventories. The allowance is an estimate based on our management s review of inventories on hand compared to estimated future usage and sales.

Inventories consist of the following, as of the dates indicated (in thousands):

	April 2, 2011	January 1, 2011
Raw materials and packaging	$ 18,602	$ 23,000
Work in process	167	274
Finished goods	58,688	51,289
Total	$ 77,457	$ 74,563

(4) Goodwill and Other Intangible Assets

There has been no change in the carrying amount of goodwill or trademarks (indefinite-lived intangibles) during the first quarter of 2011.

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B&G Foods, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Unaudited)

(4) Goodwill and Other Intangible Assets (Continued)

The carrying amounts of other intangible assets, as of the dates indicated, consist of the following (in thousands):

	April 2, 2011	January 1, 2011
Customer relationships	$ 129,000	$ 129,000
Other intangible assets	590	590
	129,590	129,590
Less: accumulated amortization	(27,228)	(25,589)
Total other intangible assets	$ 102,362	$ 104,001

Customer relationship intangibles are presented at cost, net of accumulated amortization, and are amortized on a straight-line basis over their estimated useful lives of 18 to 20 years. Other intangible assets are presented at cost, net of accumulated amortization, and are amortized on a straight-line basis over their estimated useful lives of two years. Amortization expense associated with customer relationships and other intangible assets for each of the first quarter of 2011 and 2010 was $1.6 million, and is recorded in operating expenses. We expect to recognize an additional $4.9 million of amortization expense associated with our customer relationships and other intangible assets during the remainder of fiscal 2011, and thereafter $6.5 million per year for each of the next four succeeding fiscal years.

(5) Long-term Debt

Long-term debt consists of the following, as of the dates indicated (in thousands):

	April 2, 2011	January 1, 2011
Senior secured credit facility:		
Revolving credit facility	$	$
Term loan	130,000	130,000
7.625% Senior Notes due 2018, net of unamortized discount of $2,172 and $2,252	347,828	347,748
Total long-term debt	$ 477,828	$ 477,748

As of April 2, 2011, the aggregate contractual maturities of long-term debt are as follows (in thousands):

Years ending December:		
2011	$	
2012		
2013		130,000
2014		
2015		
Thereafter		350,000
Total	$	480,000

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B&G Foods, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

(5) Long-term Debt (Continued)

Senior Secured Credit Facility. As amended, our $25.0 million revolving credit facility and our $130.0 million of term loan borrowings mature in February 2013. The following discussion of the credit facility describes the credit facility as amended through the date of issuance of the accompanying unaudited consolidated interim financial statements.

Interest under the revolving credit facility, including any outstanding letters of credit, is determined based on alternative rates that we may choose in accordance with the revolving credit facility, including the base lending rate per annum plus an applicable margin of 2.00%, and LIBOR plus an applicable margin of 3.00%. We pay a commitment fee of 0.50% per annum on the unused portion of the revolving credit facility. Interest under the term loan facility is determined based on alternative rates that we may choose in accordance with the credit facility, including the base lending rate per annum plus an applicable margin of 1.00%, and LIBOR plus an applicable margin of 2.00%.

Our obligations under the credit facility are jointly and severally and fully and unconditionally guaranteed on a senior basis by all of our existing and certain future domestic subsidiaries. The credit facility is secured by substantially all of our and our domestic subsidiaries assets except our and our domestic subsidiaries real property. The credit facility provides for mandatory prepayment upon certain asset dispositions and issuances of securities, as defined. The credit facility contains covenants that restrict, among other things, our ability to incur additional indebtedness, pay dividends and create certain liens. The credit facility also contains certain financial maintenance covenants, which, among other things, specify maximum capital expenditure limits, a minimum interest coverage ratio and a maximum senior and total leverage ratio, each ratio as defined. As of April 2, 2011, we were in compliance with all of the covenants in the credit facility. Proceeds of the revolving credit facility are restricted to funding our working capital requirements, capital expenditures and acquisitions of companies in the same or similar line of business as our company, subject to specified criteria. The maximum letter of credit capacity under the revolving credit facility is $10.0 million, with a fronting fee of 3.0% per annum for all outstanding letters of credit.

At April 2, 2011, the available borrowing capacity under our revolving credit facility, net of outstanding letters of credit of $0.5 million, was $24.5 million. We have not drawn upon the revolving credit facility since its inception in October 2004 and, based upon our cash on hand and working capital requirements, we have no plans to do so for the foreseeable future.

In February 2007, we entered into a six year interest rate swap agreement in order to effectively fix at 7.0925% the interest rate payable for $130.0 million of term loan borrowings under the credit agreement through the life of the term loan borrowings. On January 18, 2011, we terminated the interest rate swap agreement by making a payment of $12.4 million, including $1.0 million of accrued interest, to the counterparty. In connection with the termination, we and the counterparty released each other from all obligations under the interest rate swap agreement, including, without limitation, the obligation to make periodic payments thereunder. We did not pay any termination penalty in connection with the termination of the interest rate swap agreement. As a result of the termination, our interest obligations for the term loan borrowings through maturity in 2013 will now be determined based upon a floating rate as described above. As of April 2, 2011, the interest rate for the term loan was 2.31% based upon a three-month LIBOR contract that expires on June 2, 2011. The amount recorded in accumulated other comprehensive loss will be reclassified to net interest expense over the remaining life of the term loan borrowings as we make interest payments. Net interest expense in the first quarter of 2011 includes a $0.6 million benefit relating to the realized gain on the interest rate swap and a reclassification of $0.4 million of the amount recorded in accumulated other comprehensive loss related to the swap. Net interest expense in the first quarter of 2011 also includes a reduction in interest income primarily due to lower interest rates. During the remainder of

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B&G Foods, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

(5) Long-term Debt (Continued)

fiscal 2011, we expect to reclassify to net interest expense $1.3 million of the amount recorded in accumulated other comprehensive loss.

7.625% Senior Notes due 2018. In January 2010, we issued $350.0 million aggregate principal amount of 7.625% senior notes due 2018 at a public offering price of 99.271% of face value. The original issue discount of $2.6 million is being amortized over the life of the notes as interest expense. Interest on the senior notes is payable on January 15 and July 15 of each year. The senior notes will mature on January 15, 2018, unless earlier retired or redeemed as described below.

Beginning January 15, 2014, we may redeem some or all of the senior notes at a redemption price of 103.813%, and thereafter at prices declining annually to 100% on or after January 15, 2017, plus accrued and unpaid interest to the date of redemption. We may redeem up to 35% of the aggregate principal amount of the notes prior to January 15, 2013 with the net proceeds from certain equity offerings at a redemption price of 107.625% plus accrued and unpaid interest to the date of redemption. We may also redeem some or all of the notes at any time prior to January 15, 2014 at a redemption price equal to a specified make-whole amount plus accrued and unpaid interest to the date of redemption. In addition, if we undergo a change of control, we may be required to offer to repurchase the notes at the repurchase price of 101% plus accrued and unpaid interest to the date of redemption.

We may also, from time to time, seek to retire senior notes through cash repurchases of senior notes and/or exchanges of senior notes for equity securities, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Our obligations under the senior notes are jointly and severally and fully and unconditionally guaranteed on a senior basis by all of our existing and certain future domestic subsidiaries. The senior notes and the subsidiary guarantees are our and the guarantors general unsecured obligations and are effectively junior in right of payment to all of our and the guarantors secured indebtedness and to the indebtedness and other liabilities of our non-guarantor subsidiaries; are *pari passu* in right of payment to all of our and the guarantors existing and future unsecured senior debt; and are senior in right of payment to all of our and the guarantors future subordinated debt. Our foreign subsidiary is not a guarantor, and any future foreign or partially owned domestic subsidiaries will not be guarantors, of our senior notes.

Our senior notes indenture contains covenants with respect to us and the guarantors and restricts the incurrence of additional indebtedness and the issuance of capital stock; the payment of dividends or distributions on, and redemption of, capital stock; a number of other restricted payments, including certain investments; specified creation of liens, certain sale-leaseback transactions and sale of certain specified assets; fundamental changes, including consolidation, mergers and transfers of all or substantially all of our assets; and specified transactions with affiliates. Each of the covenants is subject to a number of important exceptions and qualifications. As of April 2, 2011, we were in compliance with all of the covenants in the senior notes indenture.

12% Senior Subordinated Notes due 2016. In January 2010, we repurchased $44.7 million aggregate principal amount of the senior subordinated notes with a portion of the proceeds of our public offering of 7.625% senior notes due 2018 at a repurchase price of 106.5% of such principal amount plus accrued and unpaid interest. In February 2010, we repurchased or redeemed the remaining $24.8 million aggregate principal amount of the senior subordinated notes at a price equal to 106.0% of such principal amount, plus accrued and unpaid interest.

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B&G Foods, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

(5) Long-term Debt (Continued)

8 % Senior Notes due 2011. In January 2010, we repurchased $238.9 million aggregate principal amount of the 8% senior notes with a portion of the proceeds of our public offering of 7.625% senior notes due 2018 at a repurchase price of 102.375% of such principal amount plus accrued and unpaid interest. In February 2010, we repurchased or redeemed the remaining $1.1 million aggregate principal amount of the 8% senior notes at a price equal to 102.0% of such principal amount, plus accrued and unpaid interest.

Subsidiary Guarantees. We have no assets or operations independent of our direct and indirect subsidiaries. All of our present domestic subsidiaries jointly and severally and fully and unconditionally guarantee our long-term debt, and management has determined that our Canadian subsidiary, which is our only subsidiary that is not a guarantor of our long-term debt, is a minor subsidiary as that term is used in Rule 3-10 of Regulation S-X promulgated by the SEC. There are no significant restrictions on our ability and the ability of our subsidiaries to obtain funds from our respective subsidiaries by dividend or loan. Consequently, separate financial statements have not been presented for our subsidiaries because management has determined that they would not be material to investors.

Deferred Debt Financing Costs. In connection with the issuance of our 7.625% senior notes in January 2010, we capitalized approximately $8.2 million of debt financing costs during the first quarter of 2010, which will be amortized over the term of the senior notes. During the first quarter of 2010, we wrote-off and expensed $4.5 million of deferred debt financing costs relating to the retirement during the quarter of our remaining $69.5 million principal amount of 12% senior subordinated notes and $240.0 million principal amount of 8% senior notes. As of April 2, 2011 and January 1, 2011 we had net deferred debt financing costs of $8.3 million and $8.7 million, respectively.

In connection with the retirement of our remaining 8% senior notes and 12% senior subordinated notes, we incurred a loss on extinguishment of debt of approximately $15.2 million during the first quarter of 2010, including the repurchase premium and other expenses of $10.7 million and a write-off and expense of $4.5 million of deferred debt financing costs.

Accrued Interest. At April 2, 2011 and January 1, 2011 accrued interest of $6.0 million and $13.2 million, respectively, is included in accrued expenses in the accompanying consolidated balance sheets.

(6) Fair Value Measurements

The authoritative accounting literature relating to fair value measurements defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The accounting literature outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. Under generally accepted accounting principles, certain assets and liabilities must be measured at fair value, and the accounting literature details the disclosures that are required for items measured at fair value.

Financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy under the accounting literature. The three levels are as follows:

Level 1 Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs, other than quoted market prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. We used a discounted cash flow analysis of the implied yield curves to value the interest rate swap. While these inputs were observable, they were not all quoted market prices, so the fair values of our interest rate swap fell in Level 2.

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B&G Foods, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

(6) Fair Value Measurements (Continued)

Level 3 Unobservable inputs that reflect our assumptions about the assumptions that market participants would use in pricing the asset or liability.

In accordance with the fair value hierarchy described above, the following table shows the fair value of the interest rate swap as of January 1, 2011, which as of such date is included in current liabilities in our consolidated balance sheet (in thousands):

		Fair Value Measurements		
	Description	**Level 1**	**Level 2**	**Level 3**
January 1, 2011	Interest rate swap	$	$ 12,012	$

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

The carrying values and fair values of our term loan borrowings and senior notes as of April 2, 2011 and January 1, 2011 are as follows (in thousands):

	April 2, 2011		January 1, 2011	
	Carrying Value	**Fair Value(1)**	**Carrying Value**	**Fair Value(1)**
Senior Secured Term Loan due 2013	$ 130,000	$ 129,194	$ 130,000	$ 128,050
7.625% Senior Notes due 2018	347,828(2)	378,000	347,748(2)	362,250

(1) Fair values are estimated based on quoted market prices.

(2) The carrying values of the 7.625% senior notes are net of discount. The face amount of the senior notes is $350.0 million.

(7) Disclosures about Derivative Instruments and Hedging Activities

The following table presents the fair value and the location within our consolidated balance sheet of all assets and liabilities associated with derivative instruments not designated as hedging instruments for accounting purposes (in thousands):

Derivatives not designated as hedging instruments	**Balance Sheet Location**	**Asset Derivatives Fair Value at January 1, 2011**	**Liability Derivatives Fair Value at January 1, 2011**
Interest rate swap	Current liabilities	$	$ 12,012

See notes 5 and 6 for additional information regarding the interest rate swap. We do not currently have any derivatives designated as hedging instruments.

The following table presents the impact of derivative instruments and their location within our consolidated statement of operations (in thousands):

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B&G Foods, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

(7) Disclosures about Derivative Instruments and Hedging Activities (Continued)

Derivatives not designated as hedging instruments	Amount of Gain Recognized in Income on Derivatives Thirteen Weeks Ended April 2, 2011	Amount of Loss Recognized in Income on Derivatives Thirteen Weeks Ended April 3, 2010	Location of (Gain) Loss Recognized in Income on Derivatives
Interest rate swap	$ (189)*	$ 726*	Interest expense, net

* The amount included in net interest expense for the first quarter of 2011 consists of $612 realized gain on our interest rate swap and $423 (pre-tax) reclassified to net interest expense from accumulated other comprehensive loss. The amount included in net interest expense for the first quarter of 2010 consists of $303 unrealized loss on our interest rate swap and $423 (pre-tax) reclassified to net interest expense from accumulated other comprehensive loss.

(8) Comprehensive Income

Comprehensive income includes net income, foreign currency translation adjustments relating to assets and liabilities located in our Canadian subsidiary, changes in our pension benefits, net of tax and the change in the fair value of an interest rate swap during the period it was designated as an effective cash flow hedge, net of tax. The amount recorded in accumulated other comprehensive loss related to the swap will be reclassified to net interest expense over the remaining life of the term loan as we make interest payments.

The components of comprehensive income are as follows (in thousands):

	Thirteen Weeks Ended	
	April 2, 2011	April 3, 2010
Net income	$ 13,305	$ 326
Other comprehensive income:		
Foreign currency translation adjustments	(86)	(13)
Amortization of unrecognized prior service cost and pension deferrals, net of tax	51	76
	265	263

Reclassification to net interest expense for interest rate swap, net of tax				
Comprehensive income	$	13,535	$	652

(9) Stock and Debt Repurchase Program

On February 22, 2011, our board of directors authorized a stock and debt repurchase program for the repurchase of up to $25.0 million of our common stock and/or 7.625% senior notes through March 31, 2012. Under the authorization, our company may purchase shares of common stock and/or senior notes from time to time in the open market or in privately negotiated transactions in compliance with the applicable rules and regulations of the Securities and Exchange Commission.

The timing and amount of stock and/or debt repurchases under the program, if any, will be at the discretion of management, and will depend on available cash, market conditions and other considerations. Therefore, there can be no assurance as to the number of shares, if any, that will be repurchased under the repurchase program, or the aggregate dollar amount of the shares or principal amount of senior notes, if any,

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B&G Foods, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

(9) Stock and Debt Repurchase Program (Continued)

repurchased. We may discontinue the program at any time. Any shares or senior notes repurchased pursuant to the repurchase program will be cancelled.

We did not repurchase any shares of common stock or 7.625% senior notes during the first quarter of 2011 or 2010.

(10) Pension Benefits

Net periodic pension costs for the first quarter of 2011 and 2010 include the following components (in thousands):

	Thirteen Weeks Ended	
	April 2, 2011	April 3, 2010
Service cost benefits earned during the period	$ 437	$ 441
Interest cost on projected benefit obligation	487	487
Expected return on plan assets	(626)	(487)
Amortization of unrecognized prior service cost	11	11
Amortization of loss	70	111
Net periodic pension cost	$ 379	$ 563

During the first quarter of 2011, we made $1.6 million of defined benefit pension plan contributions. We plan on making approximately $1.5 million in additional contributions during the remainder of fiscal 2011.

(11) Commitments and Contingencies

Operating Leases. As of April 2, 2011, future minimum lease payments under non-cancelable operating leases in effect at quarter-end were as follows (in thousands):

Fiscal year ending:		**Third Parties**
2011	$	4,212
2012		5,411
2013		4,359
2014		3,282
2015		621
Thereafter		2,738
Total	$	20,623

Legal Proceedings. We are from time to time involved in various claims and legal actions arising in the ordinary course of business, including proceedings involving product liability claims, worker s compensation and other employee claims, and tort and other general liability claims, as well as trademark, copyright, patent infringement and related claims and legal actions. In the opinion of our management, the ultimate disposition of any currently pending claims or actions will not have a material adverse effect on our consolidated financial position, results of operations or liquidity.

Environmental. We are subject to environmental laws and regulations in the normal course of business. We did not make any material expenditures during the first quarter of 2011 or 2010 in order to comply with environmental laws and regulations. Based on our experience to date, management believes that

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B&G Foods, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

(11) Commitments and Contingencies (Continued)

the future cost of compliance with existing environmental laws and regulations (and liability for any known environmental conditions) will not have a material adverse effect on our consolidated financial position, results of operations or liquidity. However, we cannot predict what environmental or health and safety legislation or regulations will be enacted in the future or how existing or future laws or regulations will be enforced, administered or interpreted, nor can we predict the amount of future expenditures that may be required in order to comply with such environmental or health and safety laws or regulations or to respond to such environmental claims.

Collective Bargaining Agreements. Approximately 362 of our 749 employees, or 48.3%, as of April 2, 2011, were covered by collective bargaining agreements. None of our collective bargaining agreements is scheduled to expire within one year. During the first quarter of 2011, we reached an agreement with the Drivers, Salesmen, Warehousemen, Milk Processors, Cannery, Dairy Employees and Helpers Union (Local No. 695), to extend for an additional five-year period ending March 31, 2016, a collective bargaining agreement that covers approximately 173 of our employees at our Stoughton, Wisconsin facility.

Severance and Change of Control Agreements. We have employment agreements with each of our six executive officers. The agreements generally continue until terminated by the executive or by us, and provide for severance payments under certain circumstances, including termination by us without cause (as defined) or as a result of the employees death or disability, or termination by us or a deemed termination upon a change of control (as defined). Severance benefits include payments for salary continuation, continuation of health care and insurance benefits, present value of additional pension credits and, in the case of a change of control, accelerated vesting under compensation plans and potential excise tax liability and gross up payments.

(12) Earnings per Share

Basic earnings per share is calculated by dividing net income by the weighted average number of shares of common stock outstanding. Diluted earnings per share is calculated by dividing net income by the weighted average number of shares of common stock outstanding plus all additional shares of common stock that would have been outstanding if potentially dilutive shares of common stock related to performance shares that may be earned under long-term incentive awards had been issued as of the beginning of the period using the treasury stock method.

	Thirteen Weeks Ended	
	April 2, 2011	**April 1, 2010**
Weighted average shares outstanding:		

Basic	47,982,017	47,433,586
Net effect of potentially dilutive share-based compensation awards	703,542	382,188
Diluted	48,685,559	47,815,774

(13) Business and Credit Concentrations and Geographic Information

Our exposure to credit loss in the event of non-payment of accounts receivable by customers is estimated in the amount of the allowance for doubtful accounts. We perform ongoing credit evaluations of our customers financial conditions. As of April 2, 2011, we do not believe we have any significant concentration of credit risk with respect to our trade accounts receivable. Our top ten customers accounted for approximately 50.9% and 50.2% of consolidated net sales for the first quarter of 2011 and 2010, respectively. Our top ten

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B&G Foods, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

(13) Business and Credit Concentrations and Geographic Information (Continued)

customers accounted for approximately 51.4% and 53.2% of our receivables as of April 2, 2011 and January 1, 2011, respectively. Other than Wal-Mart, which accounted for 17.1% of our consolidated net sales for the first quarter of 2011 and 2010, no single customer accounted for more than 10.0% of our consolidated net sales for the first quarter of 2011 or 2010. Other than Wal-Mart, which accounted for 13.1% and 15.0% of our consolidated receivables as of April 1, 2011 and January 1, 2011, respectively, no single customer accounted for more than 10.0% of our consolidated receivables.

During the first quarter of 2011 and 2010, our sales to foreign countries represented less than 1.0% of net sales. Our foreign sales are primarily to customers in Canada.

(14) Share-Based Payments

Our company makes annual grants of performance share long-term incentive awards to our executive officers and certain other members of senior management. The performance share long-term incentive awards entitle the participants to earn shares of common stock upon the attainment of certain performance goals. In addition, our non-employee directors receive annual equity grants as part of their non-employee director compensation.

The following table summarizes amounts related to share-based payments (in thousands):

Consolidated Statements of Operations Location	First Quarter 2011	First Quarter 2010
Compensation expense included in cost of goods sold	$ 174	$ 85
Compensation expense included in selling, general and administrative expenses	541	378
Total compensation expense for share-based payments	$ 715	$ 463

As of April 2, 2011, there was $5.6 million of unrecognized compensation expense related to performance share long-term incentive awards, which is expected to be recognized over the next 33 months.

The following table details the activity in our non-vested performance share long-term incentive awards for the first quarter of 2011:

	Number of Performance Shares		Weighted Average Grant Date Fair Value (per share)(2)
Beginning of fiscal 2011	2,041,440(1)	$	4.46
Granted	347,688(1)	$	11.78
Vested	(403,431)	$	6.85
Forfeited			
End of first quarter 2011	1,985,697(1)	$	5.25

(1) Solely for purposes of this table, the number of performance shares is based on the participants earnings their maximum number of performance shares (i.e., 300% of the target number of performance shares).

(2) The fair value of the awards was determined based upon the closing price of our common stock on the applicable measurement dates (i.e., the deemed grant dates for accounting purposes) reduced by the present value of expected dividends using the risk-free interest-rate as the award holders are not entitled to dividends or dividend equivalents during the vesting period.

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B&G Foods, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

(14) Share-Based Payments (Continued)

The following table details the number of shares of common stock issued by our company during the first quarters of 2011 and 2010 upon the vesting of performance share long-term incentive awards:

	First Quarter 2011	First Quarter 2010
Number of performance shares vested	403,431	399,842
Shares withheld to fund statutory minimum tax withholding	152,126	148,474
Number of shares of common stock issued	251,305	251,368
Excess tax benefit recorded to additional paid in capital	$ 1,117	$ 330

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

The following Management s Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under the heading Forward-Looking Statements below and elsewhere in this report. The following discussion should be read in conjunction with the unaudited consolidated interim financial statements and related notes for the thirteen weeks ended April 2, 2011 (first quarter of 2011) included elsewhere in this report and the audited consolidated financial statements and related notes for the fiscal year ended January 1, 2011 (fiscal 2010) included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on March 1, 2011 (which we refer to as our 2010 Annual Report on Form 10-K).

General

We manufacture, sell and distribute a diverse portfolio of branded, high quality, shelf-stable food products, many of which have leading regional or national market shares. In general, we position our branded products to appeal to the consumer desiring a high quality and reasonably priced product. We complement our branded product retail sales with institutional and food service sales and limited private label sales.

Our goal is to continue to increase sales, profitability and cash flows by enhancing our existing portfolio of branded shelf stable products and by capitalizing on our competitive strengths. We intend to implement our growth strategy through the following initiatives: expanding our brand portfolio with disciplined acquisitions of complementary branded businesses, continuing to develop new products and delivering them to market quickly, leveraging our multiple channel sales and distribution system and continuing to focus on higher growth customers and distribution channels.

We are subject to a number of challenges that may adversely affect our businesses. These challenges, which are discussed below and under the heading Forward-Looking Statements, include:

Fluctuations in Commodity Prices and Production and Distribution Costs: We purchase raw materials, including agricultural products, meat, poultry, ingredients and packaging materials from growers, commodity processors, other food companies and packaging suppliers located in U.S. and foreign locations. Raw materials and other input costs, such as fuel, are subject to fluctuations in price attributable to a number of factors. Fluctuations in commodity prices can lead to retail price volatility and intensive price competition, 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.

We attempt to manage cost inflation risks by locking in prices through short-term supply contracts and advance commodities 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 also may limit our ability to quickly raise prices in response to rising costs.

We currently expect our input and other operating costs for fiscal 2011 as compared to fiscal 2010 to increase in the aggregate by approximately 1.5% of projected 2011 net sales. This expectation is based in part on our having locked into pricing and supply for substantially all of our major commodities and packaging through 2011. During 2010, our sales price increases and our cost saving measures more than offset our cost increases. To the extent we are unable to avoid or offset the impact of 2011 and future cost increases by locking in our costs, implementing cost saving measures or increasing prices to our customers, our operating results could be materially adversely affected. In addition, should input costs begin to decline, customers may look for price reductions in situations where we have locked into purchases at higher costs.

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Consolidation in the Retail Trade and Consequent Inventory Reductions: As the retail grocery trade continues to consolidate and our retail customers grow larger and become more sophisticated, our retail customers may demand lower pricing and increased promotional programs. These customers are also reducing their inventories and increasing their emphasis on private label products.

Changing Customer Preferences: Consumers in the market categories in which we compete frequently change their taste preferences, dietary habits and product packaging preferences.

Consumer Concern Regarding Food Safety, Quality and Health: The food industry is subject to consumer concerns regarding the safety and quality of certain food products. If consumers in our principal markets lose confidence in the safety and quality of our food products even as a result of a product liability claim or a product recall by a food industry competitor, our business could be adversely affected.

Fluctuations in Currency Exchange Rates: We purchase the majority of our maple syrup requirements from suppliers located in Québec, Canada. Any further weakening of the U.S. dollar against the Canadian dollar, could significantly increase our costs relating to the production of our maple syrup products to the extent we have not purchased Canadian dollars in advance of any such weakening of the U.S. dollar.

To confront these challenges, we continue to take steps to build the value of our brands, to improve our existing portfolio of products with new product and marketing initiatives, to reduce costs through improved productivity, to address consumer concerns about food safety, quality and health and to favorably manage currency fluctuations.

Critical Accounting Policies; Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires our management to make a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Some of the more significant estimates and assumptions made by management involve trade and consumer promotion expenses; allowances for excess, obsolete and unsaleable inventories; pension benefits; purchase accounting allocations; the recoverability of goodwill, trademarks, other intangible assets, property, plant and equipment, and deferred tax assets; and the accounting for share-based compensation expense. Actual results could differ significantly from these estimates and assumptions.

In our 2010 Annual Report on Form 10-K, we identified the critical accounting policies which affect our more significant estimates and assumptions used in preparing our consolidated financial statements. There have been no significant changes to these policies since January 1, 2011.

Results of Operations

The following table sets forth the percentages of net sales represented by selected items for the first quarter of 2011 and 2010 reflected in our consolidated statements of operations. The comparisons of financial results are not necessarily indicative of future results:

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	Thirteen Weeks Ended	
	April 2, 2011	April 3, 2010
Statement of Operations:		
Net sales	100.0%	100.0%
Cost of goods sold	65.9%	66.4%
Gross profit	34.1%	33.6%
Selling, general and administrative expenses	10.8%	11.2%
Amortization expense	1.2%	1.3%
Operating income	22.1%	21.1%
Interest expense, net	6.2%	12.2%
Loss on extinguishment of debt		8.5%
Income before income tax expense	15.9%	0.4%
Income tax expense	5.8%	0.1%
Net income	10.1%	0.3%

As used in this section the terms listed below have the following meanings:

Net Sales. Our net sales represents gross sales of products shipped to customers plus amounts charged to customers for shipping and handling, less cash discounts, coupon redemptions, slotting fees and trade promotional spending.

Gross Profit. Our gross profit is equal to our net sales less cost of goods sold. The primary components of our cost of goods sold are cost of internally manufactured products, purchases of finished goods from co-packers plus freight costs to our distribution centers and to our customers.

Selling, General and Administrative Expenses. Our selling, general and administrative expenses include costs related to selling our products, as well as all other general and administrative expenses. Some of these costs include administrative, marketing and internal sales force employee compensation and benefits costs, consumer advertising programs, brokerage costs, warehouse facility and distribution costs, information technology and communication costs, office rent, utilities, supplies, professional services and other general corporate expenses.

Amortization Expense. Amortization expense includes the amortization expense associated with customer relationship and other intangibles.

Net Interest Expense. Net interest expense includes interest relating to our outstanding indebtedness, amortization of bond discount and amortization of deferred debt financing costs, net of interest income and subsequent to our determination in September 2008 that our interest rate swap was no longer an effective hedge for accounting purposes, unrealized gains or losses on the interest rate swap and the reclassification of amounts recorded in accumulated other comprehensive loss related to the swap.

Loss on Extinguishment of Debt. Loss on extinguishment of debt includes costs relating to the retirement of indebtedness, including any repurchase premium and write-off of deferred debt financing costs.

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Non-GAAP Financial Measures

Certain disclosures in this report include non-GAAP financial measures. A non-GAAP financial measure is defined as a numerical measure of our financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in our consolidated balance sheets and related consolidated statements of operations, changes in stockholders equity and comprehensive income, and cash flows.

EBITDA is a measure used by management to measure operating performance. We define EBITDA as net income before net interest expense (as defined above), income taxes, depreciation and amortization and loss on extinguishment of debt (as defined above). Management believes that it is useful to eliminate net interest expense, income taxes, depreciation and amortization and loss on extinguishment of debt because it allows management to focus on what it deems to be a more reliable indicator of ongoing operating performance and our ability to generate cash flow from operations. We use EBITDA in our business operations, among other things, to evaluate our operating performance, develop budgets and measure our performance against those budgets, determine employee bonuses and evaluate our cash flows in terms of cash needs. We also present EBITDA because we believe it is a useful indicator of our historical debt capacity and ability to service debt and because covenants in our credit facility and our senior notes indenture contain ratios based on this measure. As a result, internal management reports used during monthly operating reviews feature the EBITDA metric. However, management uses this metric in conjunction with traditional GAAP operating performance and liquidity measures as part of its overall assessment of company performance and liquidity and therefore does not place undue reliance on this measure as its only measure of operating performance and liquidity.

EBITDA is not a recognized term under GAAP and does not purport to be an alternative to operating income or net income as an indicator of operating performance or any other GAAP measure. EBITDA is not a complete net cash flow measure because EBITDA is a measure of liquidity that does not include reductions for cash payments for an entity s obligation to service its debt, fund its working capital, capital expenditures and acquisitions and pay its income taxes and dividends. Rather, EBITDA is a potential indicator of an entity s ability to fund these cash requirements. EBITDA is not a complete measure of an entity s profitability because it does not include costs and expenses for depreciation and amortization, interest and related expenses, loss on extinguishment of debt and income taxes. Because not all companies use identical calculations, this presentation of EBITDA may not be comparable to other similarly titled measures of other companies. However, EBITDA can still be useful in evaluating our performance against our peer companies because management believes this measure provides users with valuable insight into key components of GAAP amounts.

A reconciliation of EBITDA to net income and to net cash provided by operating activities for the first quarter of 2011 and 2010 along with the components of EBITDA follows:

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	Thirteen Weeks Ended April 2, 2011 (in thousands)	Thirteen Weeks Ended April 3, 2010 (in thousands)
Net income	$ 13,305	$ 326
Income tax expense	7,583	191
Interest expense, net	8,190	10,622
Depreciation and amortization	3,954	3,659
Loss on extinguishment of debt		15,224
EBITDA	33,032	30,022
Income tax expense	(7,583)	(191)
Interest expense, net	(8,190)	(10,622)
Deferred income taxes	8,396	107
Amortization of deferred financing costs and bond discount	500	515
Unrealized loss on interest rate swap		303
Realized gain on interest rate swap	(612)	
Reclassification to net interest expense for interest rate swap	423	423
Share-based compensation expense	715	463
Excess tax benefits from share-based compensation	(1,117)	(330)
Changes in assets and liabilities	(13,898)	1,186
Net cash provided by operating activities	$ 11,666	$ 21,876

First quarter of 2011 compared to the first quarter of 2010

Net Sales. Net sales increased $6.2 million or 5.0% to $131.4 million for the first quarter of 2011 from $125.2 million for the first quarter of 2010. The increase was attributable to unit volume and sales price increases of $5.9 million and $0.3 million, respectively.

Net sales of our *Don Pepino* and *Sclafani* brands, which we acquired during the fourth quarter of 2010, contributed $3.6 million to the overall unit volume increase for the first quarter of 2011. Net sales of our *Ortega, Cream of Wheat* and *B&M* products increased by $1.8 million, $0.9 million and $0.5 million or 5.7%, 4.7% and 12.9%, respectively. These increases were offset by a reduction in net sales of *Grandma s* and *Joan of Arc* products of $0.5 million and $0.4 million or 27.1% and 14.3%, respectively. In the aggregate, net sales for all other brands increased $0.3 million or 0.6%.

Gross Profit. Gross profit increased $2.9 million or 6.8% to $44.9 million for the first quarter of 2011 from $42.0 million for the first quarter of 2010. Gross profit expressed as a percentage of net sales increased 0.5 percentage points to 34.1% in the first quarter of 2011 from 33.6% in the first quarter of 2010. The increase in gross profit expressed as a percentage of net sales was primarily attributable to a sales mix shift to higher margin products and slightly reduced input costs.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased $0.1 million or 0.7% to $14.2 million for the first quarter of 2011 from $14.1 million for the first quarter of 2010. This increase is primarily due to an increase in compensation expense of $0.3 million and brokerage expenses of $0.2 million, offset by a decrease in consumer marketing and trade spending of $0.3 million and warehousing costs resulting from warehouse consolidations of $0.1 million. Expressed as a percentage of net sales, our selling, general and administrative expenses decreased 0.4 percentage points to 10.8% for the first quarter of 2011 from 11.2% for the first quarter of 2010.

Amortization Expense. Amortization expense remained consistent at $1.6 million for the first quarter of 2011 as compared to the first quarter of 2010.

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Operating Income. As a result of the foregoing, operating income increased $2.7 million or 10.3% to $29.1 million for the first quarter of 2011 from $26.4 million for the first quarter of 2010. Operating income expressed as a percentage of net sales increased to 22.1% in the first quarter of 2011 from 21.1% in the first quarter of 2010.

Net Interest Expense. Net interest expense decreased $2.4 million or 22.9% to $8.2 million for the first quarter of 2011 from $10.6 million in the first quarter of 2010. The decrease in net interest expense in the first quarter of 2011 was primarily attributable to a reduction in the effective interest rate on our $130.0 million of term loan borrowings from 7.0925% to 2.31% due to the termination of the interest rate swap. See Liquidity and Capital Resources Debt below.

Loss on Extinguishment of Debt. During the first quarter of 2011, we did not extinguish any debt. Loss on extinguishment of debt for the first quarter of 2010 includes $15.2 million of costs relating to our repurchase and redemption of $69.5 million aggregate principal amount of 12% senior subordinated notes and $240.0 million aggregate principal amount of 8% senior notes, including $10.7 million for the payment of a repurchase premium and a non-cash charge of $4.5 million for the write-off of unamortized deferred debt financing costs associated with the notes repurchased.

Income Tax Expense. Income tax expense increased $7.4 million to $7.6 million for the first quarter of 2011 from $0.2 million for the first quarter of 2010. Our effective tax rate was 36.3% for the first quarter of 2011 and 36.9% for the first quarter of 2010. The decrease in our effective tax rate is primarily attributable to a reduction in our blended state tax rate to 2.4% versus 2.9% in 2010, and incremental tax deductions for manufacturing credits.

Liquidity and Capital Resources

Our primary liquidity requirements include debt service, capital expenditures and working capital needs. See also, Dividend Policy and Commitments and Contractual Obligations below. We fund our liquidity requirements, as well as our dividend payments and financing for acquisitions, primarily through cash generated from operations and to the extent necessary, through borrowings under our credit facility.

Cash Flows. Net cash provided by operating activities decreased $10.2 million to $11.7 million for the first quarter of 2011 from $21.9 million for the first quarter of 2010. The decrease in net cash provided by operating activities in the first quarter of 2011 as compared to the first quarter of 2010 was primarily due to our payment in January 2011 of $12.4 million, including $1.0 million of accrued interest, to terminate our interest rate swap.

Net cash used in investing activities for the first quarter of 2011 decreased $0.7 million to $1.5 million from $2.2 million for the first quarter of 2010. Net cash used in investing activities for the first quarter of 2011 and 2010 consisted entirely of capital spending. Capital expenditures in the first quarter of 2011 and 2010 included expenditures for building improvements, purchases of manufacturing and computer equipment and capitalized interest.

Net cash used in financing activities for the first quarter of 2011 was $9.2 million as compared to net cash provided by financing activities of $9.8 million for the first quarter of 2010. Net cash used in financing activities for the first quarter of 2011 includes $8.1 million of dividend payments and $2.2 million of payments of tax withholding on behalf of employees for net share settlement of share-based compensation. Net cash used in financing activities was reduced by $1.1 million of excess tax benefits from share-based compensation. Net cash provided by financing activities for the first quarter of 2010 includes net proceeds of $347.4 million from the issuance of our 7.625% senior notes and a $0.3 million excess tax benefits from share-based compensation. Net cash provided by financing activities were reduced by $320.3 million in payments for the repurchase and redemption of $69.5 million principal amount of our 12% senior subordinated notes and $240.0 million principal amount of our 8% senior notes, $8.2 million of deferred financing costs, $8.1 million of

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dividend payments and $1.5 million in payments of tax withholding on behalf of employees for net share settlement of share-based compensation.

Based on a number of factors, including our trademark, goodwill and other intangible assets amortization for tax purposes from our prior acquisitions, we realized a significant reduction in cash taxes in fiscal 2010 and 2009 as compared to our tax expense for financial reporting purposes. We believe that we will realize a benefit to our cash taxes payable from amortization of our trademarks, goodwill and other intangible assets for the taxable years 2011 through 2025. If there is a change in U.S. federal tax policy that reduces any of these available deductions or results in an increase in our corporate tax rate, our cash taxes payable may increase further, which could significantly reduce our future cash and impact our ability to make interest and dividend payments.

Dividend Policy

Our dividend policy reflects a basic judgment that our stockholders would be better served if we distributed a substantial portion of our cash available to pay dividends to them instead of retaining it in our business. Under this policy, a substantial portion of the cash generated by our company in excess of operating needs, interest and principal payments on indebtedness, capital expenditures sufficient to maintain our properties and other assets is in general distributed as regular quarterly cash dividends (up to the intended dividend rate as determined by our board of directors) to the holders of our common stock and not retained by us. From the date of our initial public offering in October 2004 through the dividend payment we made on October 30, 2008, the dividend rate for our common stock was $0.848 per share per annum. Beginning with the dividend payment we made on January 30, 2009 through the dividend payment paid on January 31, 2011, the dividend rate was $0.68 per share per annum. Beginning with the dividend previously declared and payable on May 2, 2011, our board of directors has increased the dividend rate to $0.84 per share per annum.

Dividend payments, however, are not mandatory or guaranteed and holders of our common stock do not have any legal right to receive, or require us to pay, dividends. Furthermore, our board of directors may, in its sole discretion, amend or repeal this dividend policy. Our board of directors may decrease the level of dividends below the intended dividend rate or discontinue entirely the payment of dividends. Future dividends with respect to shares of our common stock depend on, among other things, our results of operations, cash requirements, financial condition, contractual restrictions, business opportunities, acquisition opportunities, the condition of the debt and equity financing markets, provisions of applicable law and other factors that our board of directors may deem relevant. Our board of directors is free to depart from or change our dividend policy at any time and could do so, for example, if it was to determine that we have insufficient cash to take advantage of growth opportunities. In addition, over time, our EBITDA and capital expenditure, working capital and other cash needs will be subject to uncertainties, which could impact the level of dividends, if any, we pay in the future. Our senior notes indenture and the terms of our credit facility contain significant restrictions on our ability to make dividend payments. In addition, certain provisions of the Delaware General Corporation Law may limit our ability to pay dividends.

As a result of our dividend policy, we may not retain a sufficient amount of cash to finance growth opportunities or unanticipated capital expenditure needs or to fund our operations in the event of a significant business downturn. We may have to forego growth opportunities or capital expenditures that would otherwise be necessary or desirable if we do not find alternative sources of financing. If we do not have sufficient cash for these purposes, our financial condition and our business will suffer.

For the first quarter of 2011 and 2010, we had cash flows provided by operating activities of $11.7 million and $21.9 million, and distributed $8.1 million and $8.1 million, respectively, as dividends. At our current intended dividend rate of $0.84 per share per annum, we expect our aggregate dividend payments in fiscal 2011 to be $38.3 million. If our cash flows from operating activities for future periods were to fall below our minimum expectations (or if our assumptions as to capital expenditures or interest expense were too low or our assumptions as to the sufficiency of our revolving credit facility to finance our working capital needs were to prove incorrect), we would need either to further reduce or eliminate dividends or, to the extent permitted under our senior notes indenture and the terms of our credit facility, fund a portion of our dividends with borrowings or from other sources. If we were to use working capital or permanent borrowings to fund dividends, we would have less cash and/or borrowing capacity available for future dividends and other purposes, which could negatively impact our financial position, our results of operations, our liquidity and our ability to maintain or expand our business.

Acquisitions

Our liquidity and capital resources have been significantly impacted by acquisitions and may be impacted in the foreseeable future by additional acquisitions. As discussed elsewhere in this report, as part of our growth strategy we plan to expand our brand portfolio with disciplined acquisitions of complementary brands. We have historically financed acquisitions with borrowings and cash flows from operating activities. As a result, our interest expense has in the past increased as a result of additional indebtedness we have incurred in connection with acquisitions, and will increase with any additional indebtedness we may incur to finance future acquisitions, if any. The impact of future acquisitions, whether financed with additional indebtedness or otherwise, may have a material impact on our liquidity.

Environmental and Health and Safety Costs

We have not made any material expenditures during the first quarter of 2011 in order to comply with environmental laws or regulations. Based on our experience to date, we believe that the future cost of compliance with existing environmental laws and regulations (and liability for known environmental conditions) will not have a material adverse effect on our consolidated financial condition, results of operations or liquidity. However, we cannot predict what environmental or health and safety legislation or regulations will be enacted in the future or how existing or future laws or regulations will be enforced, administered or interpreted, nor can we predict the amount of future expenditures that may be required in order to comply with such environmental or health and safety laws or regulations or to respond to such environmental claims.

Debt

Senior Secured Credit Facility. As amended, our $25.0 million revolving credit facility and our $130.0 million of term loan borrowings mature in February 2013. The following discussion of the credit facility describes the credit facility as amended through the date of issuance of the accompanying unaudited consolidated interim financial statements.

Interest under the revolving credit facility, including any outstanding letters of credit, is determined based on alternative rates that we may choose in accordance with the revolving credit facility, including the base lending rate per annum plus an applicable margin of 2.00%, and LIBOR plus an applicable margin of 3.00%. We pay a commitment fee of 0.50% per annum on the unused portion of the revolving credit facility. Interest under the term loan facility is determined based on alternative rates that we may choose in accordance with the credit facility, including the base lending rate per annum plus an applicable margin of 1.00%, and LIBOR plus an applicable margin of 2.00%.

Our obligations under the credit facility are jointly and severally and fully and unconditionally guaranteed on a senior basis by all of our existing and certain future domestic subsidiaries. The credit facility is secured by substantially all of our and our domestic subsidiaries assets except our and our domestic subsidiaries real property. The credit facility provides for mandatory prepayment upon certain asset dispositions and issuances of securities, as defined. The credit facility contains covenants that restrict, among other things, our ability to incur additional indebtedness, pay dividends and create certain liens. The credit facility also contains certain financial maintenance covenants, which, among other things, specify maximum capital expenditure limits, a minimum interest coverage ratio and a maximum senior and total leverage ratio, each ratio as defined.
As of April 2, 2011, we were in compliance with all of the covenants in the credit

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facility. Proceeds of the revolving credit facility are restricted to funding our working capital requirements, capital expenditures and acquisitions of companies in the same line of business as our company, subject to specified criteria. The maximum letter of credit capacity under the revolving credit facility is $10.0 million, with a fronting fee of 3.0% per annum for all outstanding letters of credit.

At April 2, 2011, the available borrowing capacity under our revolving credit facility, net of outstanding letters of credit of $0.5 million, was $24.5 million. We have not drawn upon the revolving credit facility since its inception in October 2004 and, based upon our cash and cash equivalents on hand and working capital requirements, we have no plans to do so for the foreseeable future.

In February 2007, we entered into a six year interest rate swap agreement in order to effectively fix at 7.0925% the interest rate payable for $130.0 million of term loan borrowings under the credit agreement through the life of the term loan borrowings. On January 18, 2011, we terminated the interest rate swap agreement by making a payment of $12.4 million, including $1.0 million of accrued interest, to the counterparty. In connection with the termination, we and the counterparty released each other from all obligations under the interest rate swap agreement, including, without limitation, the obligation to make periodic payments thereunder. We did not pay any termination penalty in connection with the termination of the interest rate swap agreement. As a result of the termination, our interest obligations for the term loan borrowings through maturity in 2013 will now be determined based upon a floating rate as described above. As of April 2, 2011, the interest rate for the term loan was 2.31% based upon a three-month LIBOR contract that expires on June 2, 2011. The amount recorded in accumulated other comprehensive loss will be reclassified to net interest expense over the remaining life of the term loan borrowings as we make interest payments. Net interest expense in the first quarter of 2011 includes a $0.6 million benefit relating to the realized gain on the interest rate swap and a reclassification of $0.4 million of the amount recorded in accumulated other comprehensive loss related to the swap. Net interest expense in the first quarter of 2011 also includes a reduction in interest income primarily due to lower interest rates. During the remainder of fiscal 2011, we expect to reclassify to net interest expense $1.3 million of the amount recorded in accumulated other comprehensive loss.

7.625% Senior Notes due 2018. In January 2010, we issued $350.0 million aggregate principal amount of 7.625% senior notes due 2018 at a public offering price of 99.271% of face value. The original issue discount of $2.6 million is being amortized over the life of the notes as interest expense. Interest on the senior notes is payable on January 15 and July 15 of each year. The senior notes will mature on January 15, 2018, unless earlier retired or redeemed as described below.

Beginning January 15, 2014, we may redeem some or all of the senior notes at a redemption price of 103.813%, and thereafter at prices declining annually to 100% on or after January 15, 2017, plus accrued and unpaid interest to the date of redemption. We may redeem up to 35% of the aggregate principal amount of the notes prior to January 15, 2013 with the net proceeds from certain equity offerings at a redemption price of 107.625% plus accrued and unpaid interest to the date of redemption. We may also redeem some or all of the notes at any time prior to January 15, 2014 at a redemption price equal to a specified make-whole amount plus accrued and unpaid interest to the date of redemption. In addition, if we undergo a change of control, we may be required to offer to repurchase the notes at the repurchase price of 101% plus accrued and unpaid interest to the date of redemption.

We may also, from time to time, seek to retire senior notes through cash repurchases of senior notes and/or exchanges of senior notes for equity securities, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Our obligations under the senior notes are jointly and severally and fully and unconditionally guaranteed on a senior basis by all of our existing and certain future domestic subsidiaries. The senior notes and the subsidiary guarantees are our and the guarantors general unsecured obligations and are effectively

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junior in right of payment to all of our and the guarantors secured indebtedness and to the indebtedness and other liabilities of our non-guarantor subsidiaries; are *pari passu* in right of payment to all of our and the guarantors existing and future unsecured senior debt; and are senior in right of payment to all of our and the guarantors future subordinated debt. Our foreign subsidiary is not a guarantor, and any future foreign or partially owned domestic subsidiaries will not be guarantors, of our senior notes.

Our senior notes indenture contains covenants with respect to us and the guarantors and restricts the incurrence of additional indebtedness and the issuance of capital stock; the payment of dividends or distributions on, and redemption of, capital stock; a number of other restricted payments, including certain investments; specified creation of liens, certain sale-leaseback transactions and sale of certain specified assets; fundamental changes, including consolidation, mergers and transfers of all or substantially all of our assets; and specified transactions with affiliates. Each of the covenants is subject to a number of important exceptions and qualifications. As of April 2, 2011, we were in compliance with all of the covenants in the senior notes indenture.

Subsidiary Guarantees. We have no assets or operations independent of our direct and indirect subsidiaries. All of our present domestic subsidiaries jointly and severally and fully and unconditionally guarantee our long-term debt, and management has determined that our Canadian subsidiary, which is our only subsidiary that is not a guarantor of our long-term debt is a minor subsidiary as that term is used in Rule 3-10 of Regulation S-X promulgated by the SEC. There are no significant restrictions on our ability and the ability of our subsidiaries to obtain funds from our respective subsidiaries by dividend or loan. Consequently, separate financial statements have not been presented for our subsidiaries because management has determined that they would not be material to investors.

Deferred Debt Financing Costs. In connection with the issuance of our 7.625% senior notes in January 2010, we capitalized approximately $8.2 million of debt financing costs during the first quarter of 2010, which will be amortized over the term of the senior notes. During the first quarter of 2010, we wrote-off and expensed $4.5 million of deferred debt financing costs relating to the retirement during the quarter of our remaining $69.5 million principal amount of 12% senior subordinated notes and $240.0 million principal amount of 8% senior notes. As of April 2, 2011 and January 1, 2011 we had net deferred debt financing costs of $8.3 million and $8.7 million, respectively.

Loss on Extinguishment of Debt. In connection with the retirement of our remaining 8% senior notes and 12% senior subordinated notes, we incurred a loss on extinguishment of debt of approximately $15.2 million during the first quarter of 2010, including the repurchase premium and other expenses of $10.7 million and a write-off and expense of $4.5 million of deferred debt financing costs.

Stock and Debt Repurchase Program

On February 22, 2011, our board of directors authorized a stock and debt repurchase program for the repurchase of up to $25.0 million of our common stock and/or 7.625% senior notes through March 31, 2012. Under the authorization, our company may purchase shares of common stock and/or senior notes from time to time in the open market or in privately negotiated transactions in compliance with the applicable rules and regulations of the Securities and Exchange Commission.

The timing and amount of stock and/or debt repurchases under the program, if any, will be at the discretion of management, and will depend on available cash, market conditions and other considerations. Therefore, there can be no assurance as to the number of shares, if any, that will be repurchased under the repurchase program, or the aggregate dollar amount of the shares or principal amount of senior notes, if any, repurchased.

We may discontinue the program at any time. Any shares or senior notes repurchased pursuant to the repurchase program will be cancelled.

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We did not repurchase any shares of common stock or 7.625% senior notes during the first quarter of 2011 or 2010.

Future Capital Needs

We are highly leveraged. On April 2, 2011, our total long-term debt of $477.8 million, net of our cash and cash equivalents of $99.6 million was $378.2 million. Stockholders equity as of that date was $233.7 million.

Our ability to generate sufficient cash to fund our operations depends generally on our results of operations and the availability of financing. Our management believes that our cash and cash equivalents on hand, cash flow from operating activities and available borrowing capacity under our revolving credit facility will be sufficient for the foreseeable future to fund operations, meet debt service requirements, fund capital expenditures, make future acquisitions within our line of business, if any, and pay our anticipated dividends on our common stock. We expect to make capital expenditures of up to approximately $11.0 million in the aggregate during fiscal 2011, $1.5 million of which have already been made during the first quarter.

Seasonality

Sales of a number of our products tend to be seasonal and may be influenced by holidays, changes in seasons or other annual events. In the aggregate, however, sales of our products are not heavily weighted to any particular quarter due to the offsetting nature of demands for our diversified product portfolio. Sales during the fourth quarter are generally greater than those of the preceding three quarters.

We purchase most of the produce used to make our shelf-stable pickles, relishes, peppers, tomatoes and other related specialty items during the months of July through October, and we purchase substantially all of our maple syrup requirements during the months of April through August. Consequently, our liquidity needs are greatest during these periods.

Inflation

During the past several years, we have been faced with increasing prices in certain commodities and packaging materials. We manage this risk by entering into short-term supply contracts and advance commodities purchase agreements from time to time, and if necessary, by raising prices. Through sales price increases and cost saving efforts we have been more than able to offset the impact of recent packaging and transportation cost increases.

We expect significant cost increases for raw materials, transportation and energy costs in the market place during the remainder of 2011. However, we have already locked into pricing and supply for substantially all of our major commodities and packaging through 2011. Therefore, we currently expect our input and other operating costs for fiscal 2011 as compared to fiscal 2010 to increase in the aggregate by only approximately 1.5% of projected 2011 net sales. During 2010, our sales price increases and our cost saving measures more than offset our cost increases. To the extent we are unable to offset present and future cost increases, our operating results will be negatively impacted.

Recent Accounting Pronouncements

There have been no significant developments to recently issued accounting standards, including the expected dates of adoption and estimated effects on our consolidated financial statements, from those disclosed in our 2010 Annual Report on Form 10-K.

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Off-balance Sheet Arrangements

As of April 2, 2011, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

Commitments and Contractual Obligations

Our contractual obligations and commitments principally include obligations associated with our outstanding indebtedness, future minimum operating lease obligations and future pension obligations. During the first quarter of 2011, there were no material changes outside the ordinary course of business in the specified contractual obligations set forth in the Commitments and Contractual Obligations table in our 2010 Annual Report on Form 10-K, except that in January 2011, we terminated an interest rate swap agreement. As a result of the termination, our interest obligations are determined at a floating rate. See   Debt   above. We expect our interest expense for the term loan borrowings to be reduced by approximately $6.2 million in each of fiscal 2011 and 2012 and by approximately $1.1 million in fiscal 2013, or a total of $13.5 million through the maturity of the term loan borrowings.

Forward-Looking Statements

This report includes forward-looking statements, including without limitation the statements under   Management s Discussion and Analysis of Financial Condition and Results of Operations.   The words   believes,   anticipates,   plans,   expects,   intends,   estimates,   projects   and simil expressions are intended to identify forward-looking statements. These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements, or industry results, to be materially different from any future results, performance, or achievements expressed or implied by any forward-looking statements. We believe important factors that could cause actual results to differ materially from our expectations include the following:

- our substantial leverage;

- the effects of rising costs for our raw materials, packaging and ingredients;

- crude oil prices and their impact on distribution, packaging and energy costs;

- our ability to successfully implement sales price increases and cost saving measures to offset any cost increases;

- intense competition, changes in consumer preferences, demand for our products and local economic and market conditions;

- our continued ability to promote brand equity successfully, to anticipate and respond to new consumer trends, to develop new products and markets, to broaden brand portfolios in order to compete effectively with lower priced products and in markets that are consolidating at the retail and manufacturing levels and to improve productivity;

- the risks associated with the expansion of our business;

- our possible inability to integrate any businesses we acquire;

- our ability to access the credit markets and our borrowing costs and credit ratings, which may be influenced by credit markets generally and the credit ratings of our competitors;

- the effects of currency movements of the Canadian dollar as compared to the U.S. dollar;

- other factors that affect the food industry generally, including:

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- 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;

- the risks associated with third-party suppliers and co-packers, including the risk that any failure by one or more of our third-party suppliers or co-packers 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

- other factors discussed elsewhere in this report and in our other public filings with the SEC, including under Item 1A, Risk Factors in our 2010 Annual Report on Form 10-K.

Developments in any of these areas could cause our results to differ materially from results that have been or may be projected by or on our behalf.

All forward-looking statements included in this report are based on information available to us on the date of this report. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in this report.

We caution that the foregoing list of important factors is not exclusive. We urge investors not to unduly rely on forward-looking statements contained in this report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of operations, we are exposed to market risks arising from adverse changes in interest rates. Market risk is defined for these purposes as the potential change in the fair value of a financial asset or liability resulting from an adverse movement in interest rates.

Interest under our $25.0 million revolving credit facility, including any outstanding letters of credit, is determined based on alternative rates that we may choose in accordance with the revolving credit facility, including the base lending rate per annum plus an applicable margin of 2.00%, and LIBOR plus an applicable margin of 3.00%. Interest under our term loan facility is determined based on alternative rates that we may choose in accordance with the credit facility, including the base lending rate per annum plus an applicable margin of 1.00%, and LIBOR plus an applicable margin of 2.00%. The revolving credit facility was undrawn at April 2, 2011 and January 1, 2011, and we currently have no plans to draw upon the facility for the foreseeable future. The available borrowing capacity under our revolving credit facility, net of outstanding letters of credit of $0.5 million, was $24.5 million at April 2, 2011.

We have outstanding $130.0 million of term loan borrowings at April 2, 2011 and January 1, 2011. As of January 1, 2011, the term loan borrowings were effectively fixed at 7.0925% based upon a six year interest rate swap agreement that we entered into on February 26, 2007. See the discussion of the interest rate swap above under the heading Liquidity and Capital Resources Debt Senior Secured Credit Facility in Item 2, Management s Discussion and Analysis of Financial Condition and Results of Operations for additional information. We terminated the interest rate swap agreement in January 2011 and interest under our term loan borrowings is now determined at a variable rate as set forth above. A 100 basis point increase in interest rates, applied to our term loan borrowings, would result in an annual increase in interest expense of $1.3 million and a corresponding reduction in cash-flow of approximately $0.8 million.

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Cash and cash equivalents, trade accounts receivable, income tax receivable, trade accounts payable, accrued expenses and dividends payable are reflected on our consolidated balance sheets at carrying value, which approximates fair value due to the short-term nature of these instruments.

The carrying values and fair values of our term loan borrowings and senior notes as of April 2, 2011 and January 1, 2011 are as follows (in thousands):

	April 2, 2011		January 1, 2011	
	Carrying Value	**Fair Value(1)**	**Carrying Value**	**Fair Value(1)**
Senior Secured Term Loan due 2013	$ 130,000	$ 129,194	$ 130,000	$ 128,050
7.625% Senior Notes due 2018	347,828(2)	378,000	347,748(2)	362,250

(1) Fair values are estimated based on quoted market prices.

(2) The carrying values of the 7.625% senior notes are net of discount. The face amount of the senior notes is $350.0 million.

The information under the heading Inflation in Item 2, Management s Discussion and Analysis of Financial Condition and Results of Operations is incorporated herein by reference.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended, our management, including our chief executive officer and our chief financial officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. As defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, disclosure controls and procedures are controls and other procedures that we use that are designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and our chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Based on that evaluation, our chief executive officer and our chief financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control Over Financial Reporting. As required by Rule 13a-15(d) under the Exchange Act, our management, including our chief executive officer and our chief financial officer, also conducted an evaluation of our internal control over financial reporting to determine whether any change occurred during the quarter covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Based on that evaluation, our chief executive officer and our chief financial officer concluded that there has been no change during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls. Our company s management, including the chief executive officer and chief financial officer, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system s objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements

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due to error or fraud will not occur or that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

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PART II
OTHER INFORMATION

Item 1. Legal Proceedings

The information set forth under the heading *Legal Proceedings* in Note 11 of Notes to Consolidated Financial Statements in Part I, Item 1 of this quarterly report on Form 10-Q is incorporated herein by reference.

Item 1A. Risk Factors

We do not believe there have been any material changes in our risk factors as previously disclosed in our 2010 Annual Report on Form 10-K.

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

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Reserved

Item 5. Other Information

Not applicable.

Item 6. Exhibits

EXHIBIT NO.	DESCRIPTION
31.1	Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 of the Chief Executive Officer.
31.2	Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 of the Chief Financial Officer.
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of the Chief Executive Officer and Chief Financial Officer.

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SIGNATURE

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

Dated: April 26, 2011	B&G FOODS, INC.	
	By:	/s/ Robert C. Cantwell Robert C. Cantwell Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer and Authorized Officer)