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 period ended June 30, 2001

or

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

Commission File Number: 0-14616

J & J SNACK FOODS CORP.
(Exact name of registrant as specified in its charter)

(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6000 Central Highway, Pennsauken, NJ 08109
(Address of principal executive offices)

Telephone (856) 665-9533

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.

X Yes No

As of July 19, 2001, there were 8,600,510 shares of the Registrant's Common Stock outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

J & J SNACK FOODS CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

ASSETS

	June 30, 2001 (Unaudited)	September 30, 2000
Current assets		
Cash and cash equivalents	$ 5,760	$ 1,379
Accounts receivable	38,086	33,626
Inventories	25,669	21,473
Prepaid expenses and other	2,032	1,418
	71,547	57,896
Property, plant and equipment, at cost		
Land	795	795
Buildings	5,586	5,586
Plant machinery and equipment	84,460	75,817
Marketing equipment	162,114	156,093
Transportation equipment	714	2,043
Office equipment	7,383	6,981
Improvements	15,191	12,705
Construction in progress	669	1,304
	276,912	261,324
Less accumulated depreciation and amortization	168,323	152,155
	108,589	109,169
Other assets		
Goodwill, trademarks and rights,less accumulated amortization	48,390	48,768
Long term investment securities held to maturity	1,550	1,620
Sundry	2,910	2,586
	52,850	52,974
	$232,986	$220,039

See accompanying notes to the consolidated financial statements.

J & J SNACK FOODS CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS - Continued

LIABILITIES AND STOCKHOLDERS' EQUITY	June 30, 2001 (Unaudited)	September 30, 2000
	(dollars in thousands, except share information)	
Current liabilities		
Current maturities of long-term debt	$ 8,114	$ 2,186
Accounts payable	27,984	24,913
Accrued liabilities	12,669	8,728
	48,767	35,827
Long-term debt, less current maturities	36,498	42,481
Deferred income taxes	8,340	8,340
Other long-term liabilities	64	117
	44,902	50,938
Stockholders' equity		
Capital stock		
Preferred, $1 par value; authorized, 5,000,000 shares; none issue	-	-
Common, no par value; authorized 25,000,000 shares; issued and outstanding, 8,578,000 and 8,522,000, respectively	28,914	28,403
Accumulated other comprehensive income	(1,536)	(1,616)
Retained earnings	111,939	106,487
	139,317	133,274
	$232,986	$220,039

See accompanying notes to the consolidated financial statements.

J & J SNACK FOODS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)
(in thousands, except per share amounts)

	Three months ended June 30, 2001	Three months ended June 24, 2000	Nine months ended June 30, 2001	Nine months ended June 24, 2000
Net Sales	$100,970	$88,888	$247,847	$222,207
Cost of goods sold	50,408	42,524	126,158	108,497
Gross profit	50,562	46,364	121,689	113,710
Operating expenses				
Marketing	30,229	27,535	80,043	72,546
Distribution	6,979	6,706	19,775	18,871
Administrative	3,076	2,815	9,412	8,382
Amortization of intangibles and deferred costs	686	688	2,037	2,172

	40,970	37,744	111,267	101,971
Operating income	9,592	8,620	10,422	11,739
Other income (deductions)				
Investment income	84	72	255	312
Interest expense	(749)	(761)	(2,453)	(2,099)
Sundry	245	21	430	232
Earnings before income taxes	9,172	7,952	8,654	10,184
Income taxes	3,394	2,942	3,202	3,768
NET EARNINGS	$ 5,778	$ 5,010	$ 5,452	$ 6,416
Earnings per diluted share	$ .65	$ .56	$ .63	$ .70
Weighted average number of diluted shares	8,891	8,890	8,700	9,200
Earnings per basic share	$ .68	$ .57	$ .64	$ .72
Weighted average number of basic shares	8,540	8,728	8,463	8,915

See accompanying notes to the consolidated financial statements.

J & J SNACK FOODS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

	Nine months ended	
	June 30, 2001	June 24, 2000
Operating activities:		
Net earnings	$ 5,452	$ 6,416
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization of fixed assets	22,499	19,767
Amortization of intangibles	2,512	2,594
Other adjustments	126	9
Changes in assets and liabilities, net of effects from purchase of companies		
Increase in accounts receivable	(4,474)	(5,856)
Increase in inventories	(4,014)	(3,448)
Increase in prepaid expenses	(614)	(1,222)
Increase in accounts payable and accrued liabilities	7,100	6,557
Net cash provided by operating activities	28,587	24,817
Investing activities:		
Purchases of property, plant and equipment	(12,875)	(25,926)
Payments for purchases of companies, net of cash acquired and debt assumed	(11,330)	(1,280)
Proceeds from investments held to maturity	70	1,109
Other	(385)	(361)
Net cash used in investing activities	(24,520)	(26,458)
Financing activities:		
Proceeds from borrowings	13,000	15,000
Proceeds from issuance of common stock	1,769	1,186
Payments to repurchase common stock	(1,400)	(9,390)
Payments of long-term debt	(13,055)	(10,073)

Net cash provided by (used in) financing activities	314	(3,277)
Net increase (decrease) in cash and cash equivalents	4,381	(4,918)
Cash and cash equivalents at beginning of period	1,379	5,945
Cash and cash equivalents at end of period	$ 5,760	$ 1,027

See accompanying notes to the consolidated financial statements.

J & J SNACK FOODS CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position and the results of operations and cash flows.

The results of operations for the three months and nine months ended June 30, 2001 and June 24, 2000 are not necessarily indicative of results for the full year. Sales of the Company's retail stores are generally higher in the first quarter due to the holiday shopping season. Sales of the Company's frozen beverages and frozen juice bars and ices are generally higher in the third and fourth quarters due to warmer weather.

While the Company believes that the disclosures presented are adequate to make the information not misleading, it is suggested that these consolidated financial statements be read in conjunction with the consolidated financial statements and the notes included in the Company's Annual Report on Form 10-K for the year ended September 30, 2000.

Note 2 The Company's calculation of earnings per share in accordance with SFAS No. 128, "Earnings Per Share," is as follows:

	Three Months Ended June 30, 2001		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(in thousands, except per share amounts)		
Basic EPS			

	Income (Numerator)	Shares (Denominator)	Per Share Amount
Net Income available to common stockholders	$5,778	8,540	$.68
Effect of Dilutive Securities			
Options	-	351	(.03)
Diluted EPS			
Net Income available to common stockholders plus assumed conversions	$5,778	8,891	$.65

Nine Months Ended June 30,2001

	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(in thousands, except per share amounts)		
Basic EPS			
Net Income available to common stockholders	$5,452	8,463	$.64
Effect of Dilutive Securities			
Options	-	237	(.01)
Diluted EPS			
Net Income available to common stockholders plus assumed conversions	$5,452	8,700	$.63

Three Months Ended June 24, 2000

	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(in thousands, except per share amounts)		
Basic EPS			
Net Income available to common stockholders	$5,010	8,728	$.57
Effect of Dilutive Securities			
Options	-	162	(.01)
Diluted EPS			
Net Income available to common stockholders plus assumed conversions	$5,010	8,890	$.56

Nine Months Ended June 24, 2000

	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(in thousands, except per share amounts)		
Basic EPS			
Net Income available to common stockholders	$6,416	8,915	$.72
Effect of Dilutive Securities			
Options	-	285	(.02)
Diluted EPS			
Net Income available to common stockholders plus assumed			

conversions	$6,416	9,200	$.70

Note 3 Inventories consist of the following:

	June 30, 2001	September 30, 2000
	(in thousands)	
Finished goods	$14,367	$10,714
Raw materials	2,798	2,136
Packaging materials	3,102	2,532
Equipment parts & other	5,402	6,091
	$25,669	$21,473

Note 4 Using the guidelines set forth in SFAS No. 131, the Company has two reportable segments: Snack Foods and Frozen Beverages. Snack Foods manufactures and distributes snack foods and bakery items. Frozen beverages markets and distributes frozen beverage products. The segments are managed as strategic business units due to their distinct production processes and capital requirements.

The Company evaluates each segment's performance based on income or loss before taxes, excluding corporate and other unallocated expenses and non-recurring charges. Information regarding the operations in these reportable segments is as follows:

	Three Months Ended		Nine Months Ended	
	June 30, 2001	June 24, 2000	June 30, 2001	June 24, 2000
	(in thousands)			
Sales:				
Snack Foods	$ 69,178	$ 59,044	$175,955	$151,976
Frozen Beverages	31,792	29,844	71,892	70,231
	$100,970	$ 88,888	$247,847	$222,207
Depreciation and Amortization:				
Snack Foods	$ 4,057	$ 3,632	$ 12,145	$ 10,476
Frozen Beverages	4,410	4,064	12,866	11,885
	$ 8,467	$ 7,696	$ 25,011	$ 22,361
Income Before Taxes:				
Snack Foods	$ 4,703	$ 4,118	$ 10,275	$ 11,035
Frozen Beverages	4,469	3,834	(1,621)	(851)
	$ 9,172	$ 7,952	$ 8,654	$ 10,184
Capital Expenditures:				
Snack Foods	$ 2,532	$ 5,079	$ 5,392	$ 12,828
Frozen Beverages	3,749	5,201	7,483	13,098
	$ 6,281	$ 10,280	$ 12,875	$ 25,926
Assets:				
Snack Foods	$135,036	$116,988	$135,036	$116,988
Frozen Beverages	97,950	106,295	97,950	106,295
	$232,986	$223,283	$232,986	$223,283

Note 5 In June 1998, SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" was issued. Subsequent to this statement, SFAS No. 137 was issued, which amended the effective date of SFAS No. 133 to be all fiscal quarters of all fiscal years beginning after June 15, 2000. In June 2000, SFAS 138 was issued, "Accounting for Certain Derivative Instruments and Certain Hedging Activities, an amendment of SFAS 133". SFAS 133, as amended by SFAS 138, requires that all derivative instruments be recorded on the balance sheet at their respective fair values. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on the designation of the hedge transaction. The Company adopted SFAS 133, as amended by SFAS 138, in the first quarter of fiscal year 2001. Based on the Company's minimal use of derivatives at the current time, the adoption of this standard did not have a significant impact on earnings or financial position of the Company.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101, Revenue Recognition in Financial Statements (SAB 101) which addresses certain criteria for revenue recognition. SAB 101, as amended by SAB 101A and SAB 101B, outlines the criteria that must be met to recognize revenue and provides guidance for disclosures related to revenue recognition policies.

The Company implemented the applicable provisions of SAB 101 as amended by SAB 101A in the first quarter of fiscal year 2001. Management believes the Company's revenue recognition policies comply with the guidance contained in the SAB and, therefore, the Company's results of operations were not materially affected.

In May 2000, The Emerging Issues Task Force reached consensus opinions on Issue 00-14, "Accounting for Certain Sales Incentives (Issue 00-14)". Issue 00-14 pertains to the recognition, measurement, and income statement classification of certain sales incentives, including discounts, coupons, rebates, and free products or services received by the customer. The issue requires certain incentives to

be classified as a reduction of revenue. The Company reclassed $744,000 and $691,000 of sales incentives from marketing expense to reduction of sales in the three months ended June 30, 2001 and June 24, 2000, respectively, and $1,881,000 and $1,563,000 in the nine months ended June 24, 2001 and June 30, 2000, respectively.

On June 29, 2001, the Financial Accounting Standards Board (FASB) approved for issuance Statement of Financial Accounting Standards (SFAS) 141, Business Combinations, and SFAS 142, Goodwill and Intangible Assets. Major provisions of these Statements are as follows: all business combinations initiated after June 30, 2001 must use the purchase method of accounting; the pooling of interest method of accounting is prohibited except for transactions initiated before July 1, 2001; intangible assets acquired in a business combination must be recorded separtely from goodwill if they arise from contractual or other legal rights or are separable from the acquired entity and can be sold, transferred, licensed, rented or exchanged, either individually or as part of a related contract, asset or liability; goodwill and intangible assets with indefinite lives are not amortized but tested for impairment annually, except in certain circumstances, and whenever there is an impairment indicator; all acquired goodwill must be assigned to reporting units for purposes of impairment testing and segment reporting; effective January 1, 2002, goodwill will no longer be subject to amortization. Management is currently reviewing the provisions of these Statements and their impact on the Company's results of operations.

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

Liquidity and Capital Resources

The Company's current cash and marketable securities balances and cash expected to be provided by future operations are its primary sources of liquidity. The Company believes that these sources, along with its borrowing capacity, are sufficient to fund future growth and expansion.

In the three months ended June 30, 2001 and June 24, 2000, fluctuations in the value of the Mexican peso caused an increase of $86,000 and a decrease of $118,000, respectively, in stockholders' equity because of the revaluation of the net assets of the Company's Mexican frozen beverage subsidiary. In the nine month periods, the increase was $80,000 in fiscal year 2001 and the decrease was $93,000 in fiscal year 2000.

In November 2000, the Company acquired the assets of Uptown Bakeries for cash. Uptown Bakeries, located in Bridgeport, NJ, is a fresh bakery products manufacturer with approximately $17,000,000 in annual sales.

In February 2001, the Company acquired the assets, and exclusive rights for food service channels, of Chill brand fruit ices. Chill Ices have approximately $3 million in annual foodservice sales.

In December 2000, the Company refinanced its unsecured term loan and its general-purpose bank credit line with a general purpose unsecured bank credit line of $60,000,000. The new agreement contains restrictive covenants and requires commitment fees in accordance with standard banking practice. Borrowings under the line at June 30, 2001 were $39,000,000.

In the nine months ended June 30, 2001, the Company purchased and retired 109,300 shares of its common stock at a cost of $1,400,000. Under a buyback authorization approved by the Board of Directors in fiscal year 2000, 277,000 shares remain to be purchased.

Results of Operations

Net sales increased $12,082,000 or 14% to $100,970,000 for the three months and $25,640,000 or 12% to $247,847,000 for the nine months ended June 30, 2001 compared to the same periods ended June 24, 2000. Excluding sales resulting from acquisitions, sales increased 7% for the three month period and 6% for the nine month period compared to a year ago.

SNACK FOODS

Sales to food service customers increased $7,046,000 or 22% in the third quarter to $39,250,000 and increased $15,747,000 or 18% for the nine months. Excluding sales resulting from acquisitions, sales would have increased approximately 3% for the third quarter and 4% for the nine months. Soft pretzels sales to the food service market increased approximately 2% in the third quarter and nine months to $14,751,000 and $45,281,000, respectively. Excluding sales resulting from acquisitions, food service soft pretzel sales would have decreased approximately 3% in the third quarter and the nine month period. Frozen juice bars and ices sales increased 28% to $12,473,000 in the three months and 13% to $23,085,000 in the nine months. Approximately one third of the frozen juice bars and ices sales' increase in both periods resulted from acquisitions. Churro sales to food service customers decreased 4% to $2,890,000 in the third quarter and increased 6% to $8,489,000 in the nine months. Cookie sales increased 32% to $2,926,000 in the third quarter and 29% to $9,898,000 in the nine months.

Sales of products to retail supermarkets increased $1,674,000 or 10% to $18,746,000 in the third quarter and 22% to $43,983,000 in the nine months. Soft pretzel sales for the third quarter were down 5% and for the nine months were up 7% from last year to $5,778,000 and $20,737,000, respectively. Sales of our flagship SUPERPRETZEL brand soft pretzels, excluding SOFTSTIX, decreased 11% in the third quarter and increased 4% for the nine months. Sales of frozen juice bars and ices increased $2,124,000 or 19% to $13,291,000 in the third quarter and increased $6,498,000 or 38% to $23,445,000 in the nine months. Sales of the Company's Minute Maid brand licensed products, introduced

*Minute Maid is a registered trademark of The Coca-Cola Company.

in last year's second quarter, accounted for approximately one half of the nine months' frozen juice bars and ices' sales increase and sales of LUIGI'S Real Italian Ice accounted for almost 90% of the third quarter sales increase.

Bakery sales increased $1,644,000 or 24% to $8,496,000 in the third quarter and $646,000 or 3% to $21,556,000 in the nine months. The third quarter increase was due primarily to increased unit sales to one customer. Sales of our Bavarian Pretzel Bakery decreased 8% to $2,686,000 in the third quarter and 3% to $9,467,000 in the nine month period due primarily to decreased mall traffic.

FROZEN BEVERAGES

Frozen beverage and related product sales increased $1,948,000 or 7% to $31,792,000 in the third quarter and $1,661,000 or 2% to $71,892,000 in the nine months. Beverage sales alone increased 9% in the third quarter to $27,670,000 and 4% to $2,593,000 in the nine months. Gross profit on beverage sales increased 5% in the quarter and less than 1% in the nine months. Service and lease revenue increased $509,000 in the third quarter and $758,000 in the nine months.

CONSOLIDATED

Gross profit as a percentage of sales decreased to 50% and 49% in the current third quarter and nine months, respectively, from 52% and 51% in the corresponding periods last year. The gross profit percentage decline in this year's periods is due to the inclusion of Uptown Bakeries which has a low gross profit percentage relative to the balance of the Company's business.

Total operating expenses increased $3,226,000 in the third quarter and as a percentage of sales decreased to 41% from 42% in last year's same quarter. For the nine months, operating expenses increased $9,296,000 and as a percentage of sales decreased to 45% from 46% last year. Marketing expenses decreased to 30% of sales in this year's third quarter from 31% last year and decreased less than one

percentage point of sales to 32% of sales in the nine months from 33% of sales last year. Distribution expenses decreased less than one percentage point of sales to 7% of sales in the third quarter from 8% in last year's quarter and were 8% of sales in both year's nine months period. The decrease in marketing and distribution expenses as a percent of sales is caused by the inclusion of Uptown Bakeries which has virtually no marketing and distribution expenses. Administration expenses were 3% and 4% of sales in both year's third quarter and nine months, respectively.

Operating income increased $972,000 or 11% to $9,592,000 in the third quarter and decreased $1,317,000 or 11% to $10,422,000 in the nine months.

Operating income was impacted by higher property and casualty insurance costs of approximately $850,000 in the third quarter and $1,150,000 in the nine month period. The higher costs were due to market conditions and the Company's claims experience.

Interest expense decreased $12,000 in the third quarter and increased $354,000 in the nine months. The increase in expense for the nine months was due to debt incurred to fund acquisitions.

Sundry income increased $224,000 in the third quarter and $198,000 in the nine months, primarily due to the settlement of certain litigation.

The effective income tax rate has been estimated at 37% in all periods reported.

Net earnings increased $768,000 or 15% in the current three month period to $5,778,000 and decreased $964,000 or 15% in the current nine month period to $5,452,000.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no material change in the Company's assessment of its sensitivity to market risk since its presentation set forth, in item 7a. "Quantitative and Qualitative Disclosures About Market Risk," in its 2000 annual report on Form 10-K filed with the SEC.

Part II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits - None

b) Reports on Form 8-K - There were no reports on Form 8-K for the three months ended June 30, 2001.

SIGNATURES

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.

J & J SNACK FOODS CORP.

Dated: July 26, 2001	/s/ Gerald B. Shreiber Gerald B. Shreiber President
Dated: July 26, 2001	/s/ Dennis G. Moore Senior Vice President and Chief Financial Officer