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 December 25, 1999

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 jurisdication 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 January 14, 2000, there were 9,017,183 shares of the Registrant's Common Stock outstanding.

INDEX

PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

J & J SNACK FOODS CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

ASSETS

	December 25, 1999 (Unaudited)	September 25, 1999
Current assets		
Cash and cash equivalents	$ 1,685	$ 5,945
Short term investment securities held to maturity	925	924
Accounts receivable	28,343	31,881
Inventories	17,582	16,187
Prepaid expenses and deposits	1,861	1,130
	50,396	56,067
Property, plant and equipment, at cost		
Land	795	745
Buildings	5,586	5,386
Plant machinery and equipment	66,893	66,305
Marketing equipment	142,348	138,335
Transportation equipment	2,072	2,049
Office equipment	6,539	6,308
Improvements	11,975	11,769
Construction in progress	2,431	1,356
	238,639	232,253
Less accumulated depreciation and amortization	135,470	130,292
	103,169	101,961
Other assets		
Goodwill, trademarks and rights,less accumulated amortization	50,864	50,821
Long term investment securities held to maturity	1,740	1,925
Sundry	2,547	2,906
	55,151	55,652
	$208,716	$213,680

See accompanying notes to the consolidated financial statements.

J & J SNACK FOODS CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS - Continued

LIABILITIES AND STOCKHOLDERS' EQUITY	December 25, 1999	September 25, 1999
	(dollars in thousands, except share information)	
Current liabilities		
Current maturities of long-term debt	$ 8,159	$ 8,214
Accounts payable	22,536	23,272
Accrued liabilities	6,885	8,418
	37,580	39,904
Long-term debt, less current maturities	30,687	34,660
Deferred income taxes	7,702	7,702
Other long-term liabilities	204	245
Stockholders' equity		
Capital stock		
Preferred, $1 par value; authorized, 5,000,000 shares; none issued	-	-
Common, no par value; authorized 25,000 shares; issued and outstanding, 9,008 and 9,000,respectively	36,969	36,251
Accumulated other comprehensive income	(1,611)	(1,601)
Retained earnings	97,185	96,519
	132,543	131,169
	$208,716	$213,680

See accompanying notes to the consolidated financial statements.

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

	December 25, 1999	December 26, 1998
Net Sales	$65,950	$60,549
Cost of goods sold	33,381	29,567
Gross profit	32,569	30,982
Operating expenses		
Marketing	20,398	19,607
Distribution	7,101	6,676
Administrative	2,791	2,540
Amortization of intangibles and deferred costs	745	739
	31,035	29,562
Operating income	1,534	1,420
Other income (deductions)		
Investment income	136	126
Interest expense	(686)	(879)
Sundry	73	255

Earnings before income taxes	1,057	922
Income taxes	391	341
NET EARNINGS	$ 666	$ 581
Earnings per diluted share	$ .07	$ .06
Weighted average number of diluted shares	9,381	9,541
Earnings per basic share	$ .07	$ .06
Weighted average number of basic shares	9,004	9,036

See accompanying notes to the consolidated financial statements

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

	December 25, 1999	December 26, 1998
Operating activities:		
Net earnings	$ 666	$ 581
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization of fixed assets	6,354	5,878
Amortization of intangibles	911	851
Other adjustments	(48)	(24)
Changes in assets and liabilities, net of effects from purchase of companies		
Decrease in accounts receivable	3,542	8,039
Increase in inventories	(1,132)	(1,159)
Increase in prepaid expenses	(731)	(556)
Decrease in accounts payable and accrued liabilities	(1,676)	(4,409)
Net cash provided by operating activities	7,886	9,201
Investing activities:		
Purchase of property, plant and equipment	(7,177)	(6,509)
Payments for purchases of companies, net of cash acquired and debt assumed	(1,280)	-
Proceeds from investments held to maturity	185	115
Other	68	21
Net cash used in investing activities	(8,204)	(6,373)
Financing activities:		
Proceeds from issuance of stock	102	363
Proceeds from borrowings	3,000	-
Payments to repurchase common stock	(19)	-
Payments of long-term debt	(7,025)	(5,050)
Net cash used in financing activities	(3,942)	(4,687)
Net decrease in cash and cash equivalents	(4,260)	(1,859)
Cash and cash equivalents at beginning of period	5,945	3,204
Cash and cash equivalents at end of period	$ 1,685	$1,345

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 ended December 25, 1999 and December 26, 1998 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 Italian ice 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 25, 1999.

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 December 25, 1999		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(in thousands, except per share amounts)		
Basic EPS			
Net Income available to common stockholders	$ 666	9,004	$.07
Effect of Dilutive Securities			
Options	-	377	-
Diluted EPS			
Net Income available to common stockholders plus assumed conversions	$ 666	9,381	$.07

	Three Months Ended December 26, 1998		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(in thousands, except per share amounts)		
Basic EPS			
Net Income available to common stockholders	$ 581	9,036	$.06
Effect of Dilutive Securities			
Options	-	505	-
Diluted EPS			
Net Income available to common stockholders plus assumed conversions	$ 581	9,541	$.06

Note 3 Inventories consist of the following:

December 25, 1999	September 25, 1999
(in thousands)	

Finished goods	$ 8,349	$ 8,118
Raw materials	1,819	1,579
Packaging materials	2,233	1,770
Equipment parts & other	5,181	4,720
	$17,582	$16,187

Note 4 In fiscal year 1999, the Company adopted SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information". SFAS No. 131 superceded SFAS 14, "Financial Reporting for Segments of a Business Enterprise", replacing the "industry segment" approach with the "management approach". The management approach designates the internal organization that is used by management for making operating decisions and assessing performance as the source of the Company's reportable segments, as well as disclosures about products and services and major customers. The adoption of SFAS No. 131 did not affect the results of operations or the financial position of the Company.

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	
	December 25, 1999	December 26, 1998
	(in thousands)	
Sales:		
Snack Foods	$ 45,638	$ 43,674
Frozen Beverages	20,312	16,875
	$ 65,950	$ 60,549
Depreciation and Amortization:		
Snack Foods	$ 3,384	$ 3,155
Frozen Beverages	3,881	3,574
	$ 7,265	$ 6,729
Income Before Taxes:		
Snack Foods	$ 3,360	$ 2,799
Frozen Beverages	(2,303)	(1,877)
	$ 1,057	$ 922
Capital Expenditures:		
Snack Foods	$ 2,440	$ 2,938
Frozen Beverages	4,737	3,571
	$ 7,177	$ 6,509
Assets:		
Snack Foods	$106,603	$105,360
Frozen Beverages	102,113	99,426
	$208,716	$204,786

Sales to a single Snack Foods' customer were approximately 11% and 12% of the Company's sales for the periods ending December 25, 1999 and December 26, 1998, respectively.

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. Based on the Company's minimal use of derivatives at the current time, management does not anticipate the adoption of SFAS No. 133 will have a significant impact on earnings or financial position of the Company. However, the impact from adopting SFAS No. 133 will depend on the nature and purpose of the derivatives instruments in use by the Company at that time.

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 quarters ended December 25, 1999 and December

26, 1998 fluctuations in the valuation of the Mexican peso caused a decrease of $10,000 and an increase of $27,000 in stockholders' equity because of the revaluation of the net assets of the Company's Mexican frozen beverage subsidiary.

Available to the Company are unsecured general purpose bank lines of credit totalling $30,000,000. Borrowings under the lines at December 25, 1999 were $9,000,000.

Results of Operations

Net sales increased $5,401,000 or 9% for the three months ended December 25, 1999 compared to the three months ended December 26, 1998.

SNACK FOODS

Sales to food service customers increased $1,449,000 or 6% in the first quarter to $26,240,000. Approximately 80% of this increase resulted from the acquisition of the Camden Creek Bakery cookie business in February 1999. Soft pretzel sales of $15,436,000 to the food service market were essentially unchanged from last year. Italian ice and frozen juice treat and dessert sales increased 3% to $4,432,000 in the three months. Churro sales to food service customers decreased 12% to $2,454,000 in the quarter due primarily to decreased unit sales to one customer. Cookie sales increased 113% to $2,818,000 from $1,325,000 last year primarily due to the acquisition of the Camden Creek cookie business.

Sales of products to retail supermarkets decreased $188,000 or 2% in the first quarter. Soft pretzel sales for the first quarter were down 3% to $5,488,000. Sales of the flagship SUPERPRETZEL brand soft pretzels, excluding SOFTSTIX, decreased 8% in the first quarter. An

advertising campaign which began in last year's first quarter helped boost year ago pretzel sales. Sales of Italian Ice decreased $36,000 or 2% to $1,596,000 in the first quarter.

Bakery sales increased $868,000 or 12% to $8,111,000 in the first quarter due to increased sales across our customer base. Sales of our Bavarian Pretzel Bakery decreased $165,000 or 4% to $3,734,000 in the quarter from last year.

FROZEN BEVERAGES

Frozen beverage and related product sales increased $3,437,000 or 20% to $20,312,000 in the first quarter. Beverage sales alone increased 13% to $16,982,000 and gross profit on beverage sales increased 6%. Service and lease revenue increased $1,492,000 from the first quarter of fiscal year 1999 due primarily to service provided to one customer.

Gross profit as a percentage of sales decreased to 49% in the current first quarter from 51% in the year ago period. This gross profit percentage decrease is primarily attributable to lower gross profit percentages of the increased service and lease revenue of our frozen beverage business.

Total operating expenses increased $1,473,000 in the first quarter but as a percentage of sales decreased to 47% from 49% in last year's same quarter. Marketing expenses decreased to 31% of sales from 32% in last year's first quarter. Distribution expenses and administrative expenses as a percent of sales remained at 11% and 4%, respectively, compared to last year. The decrease in marketing expenses as a percent of sales is due to lower advertising and allowance costs in our retail supermarket business.

Operating income increased 8%, or $114,000 to $1,534,000 in the first quarter from $1,420,000 in last year's quarter.

Interest expense decreased $193,000 from last year's quarter to $686,000 this year due to lower debt levels.

Sundry income decreased to $73,000 this year from $255,000 last year. Last year's sundry income included $250,000 from the favorable settlement of litigation.

The effective income tax rate has been estimated at 37% this year compared to 37% in last year's quarter.

Net earnings increased $85,000 or 15% in the current three month period to $666,000.

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 1998 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 December 25, 1999.

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: February 2, 2000

/s/ Gerald B. Shreiber
Gerald B. Shreiber
President

Dated: February 2, 2000

/s/ Dennis G. Moore
Dennis G. Moore
Senior Vice President and
Chief Financial Officer

5
1000
3-MOS
SEP-30-2000
DEC-25-1999
1685
925
29141
(798)
17582
50396
238639
(135470)
208716
37580
30687
0
0
36969
95574
208716
65950
65950
33381
31035
0
0
686
1057
391
666
0
0
0
666
0.07
0.07