

SENECA FOODS CORP /NY/  
Form DEF 14A  
June 28, 2007

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934

Filed by the Registrant    
Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to ss. 240.14a-12

**SENECA FOODS CORPORATION**

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(Name of Registrant as Specified in Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(4) Date Filed:

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**SENECA FOODS CORPORATION**  
**3736 South Main Street**  
**Marion, New York 14505**

**June 29, 2007**

Dear Shareholder:

You are cordially invited to the 2007 Annual Meeting of Shareholders of Seneca Foods Corporation (the "Company"), to be held on August 10, 2007 at 1:00 p.m., Eastern Daylight Time, at the Company's offices, 3736 South Main Street, Marion, New York 14505.

Information about the Annual Meeting is included in the Notice of Annual Meeting of Shareholders and Proxy Statement which follow.

It is important that your shares of Common Stock be represented at the Annual Meeting. Whether or not you plan to attend the Annual Meeting, I urge you to give your immediate attention to voting. Please review the enclosed materials, sign and date the enclosed proxy card and return it promptly in the enclosed postage-paid envelope.

Very truly yours,

**KRAIG H. KAYSER**  
*President and Chief Executive Officer*

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**SENECA FOODS CORPORATION**  
**3736 South Main Street**  
**Marion, New York 14505**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON AUGUST 10, 2007**

To the Shareholders:

The 2007 Annual Meeting of Shareholders of Seneca Foods Corporation (the "Company") will be held at the Company's offices, 3736 South Main Street, Marion, New York 14505, on Friday, August 10, 2007 at 1:00 p.m., Eastern Daylight Time, for the following purposes:

1. To elect three directors to serve until the Annual Meeting of shareholders in 2010 and until each of their successors is duly elected and shall qualify;
2. To ratify the adoption of the Seneca Foods Corporation 2007 Equity Incentive Plan;
3. To ratify the appointment of BDO Seidman, LLP as the Company's independent registered public accounting firm for the fiscal year ending March 31, 2008; and
4. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

Only shareholders of record at the close of business on June 15, 2007 are entitled to notice of and to vote at the Annual Meeting and any adjournment thereof.

The prompt return of your proxy will avoid delay and save the expense involved in further communication. The proxy may be revoked by you at any time prior to its exercise, and the giving of your proxy will not affect your right to vote in person if you wish to attend the Annual Meeting.

By Order of the Board of Directors

JEFFREY L. VAN RIPER  
*Secretary*

DATED: June 29, 2007

**IT IS IMPORTANT THAT THE ENCLOSED PROXY BALLOT BE SIGNED, DATED AND PROMPTLY RETURNED IN THE ENCLOSED ENVELOPE, SO THAT YOUR SHARES WILL BE REPRESENTED WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING.**

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**PROXY STATEMENT**  
**QUESTIONS AND ANSWERS**  
**ABOUT THE 2007 ANNUAL MEETING**

**Why did I receive this proxy?**

The Board of Directors of Seneca Foods Corporation (the “Company”) is soliciting proxies to be voted at the Annual Meeting of Shareholders. The Annual Meeting will be held Friday, August 10, 2007, at 1:00 p.m., Eastern Daylight Time, at the Company’s offices, 3736 South Main Street, Marion, New York 14505. This proxy statement summarizes the information you need to know to vote by proxy or in person at the Annual Meeting. You do not need to attend the Annual Meeting in person in order to vote.

**Who is entitled to vote?**

All record holders of the Company’s voting stock as of the close of business on June 15, 2007 (the “Record Date”) are entitled to vote at the Annual Meeting. As of the Record Date, the following shares of voting stock were issued and outstanding: (i) 4,813,684 shares of Class A common stock, \$0.25 par value per share (“Class A Common Stock”); (ii) 2,760,905 shares of Class B common stock, \$0.25 par value per share (“Class B Common Stock”, and together with the Class A Common Stock, sometimes collectively referred to as the “Common Stock”); (iii) 200,000 shares of Six Percent (6%) Cumulative Voting Preferred Stock, \$0.25 par value per share (“6% Preferred Stock”); (iv) 407,240 shares of 10% Cumulative Convertible Voting Preferred Stock - Series A, \$0.25 stated value per share (“10% Series A Preferred Stock”); and (v) 400,000 shares of 10% Cumulative Convertible Voting Preferred Stock - Series B, \$0.25 stated value per share (“10% Series B Preferred Stock”).

**How many votes do I have?**

Each share of Class B Common Stock, 10% Series A Preferred Stock, and 10% Series B Preferred Stock is entitled to one vote on each item submitted to you for consideration. Each share of Class A Common Stock is entitled to one-twentieth (1/20) of one vote on each item submitted to you for consideration. Each share of 6% Preferred Stock is entitled to one vote, but only with respect to the election of directors.

**What does it mean if I receive more than one proxy card?**

It means that you have multiple accounts at the transfer agent or with stockbrokers. Please complete and return all proxy cards to ensure that all your shares are voted.

**How do I vote?**

- By Mail: Vote, sign, date your card and mail it in the postage-paid envelope.
- In Person: At the Annual Meeting.

**How do I vote my shares that are held by my broker?**

If you have shares held by a broker, you may instruct your broker to vote your shares by following the instructions that the broker provides to you.

**What am I voting on?**

You will be voting on Proposal One regarding the election of three directors of the Company, Proposal Two regarding the ratification of the adoption of the Seneca Foods Corporation 2007 Equity Incentive Plan, and Proposal Three regarding the ratification of BDO Seidman, LLP as the Company's independent registered public accounting firm for the fiscal year ending March 31, 2008.

**Will there be any other items of business on the agenda?**

Pursuant to SEC rules, shareholder proposals must have been received by May 17, 2007 to be considered at the Annual Meeting. To date, we have received no shareholder proposals and we do not expect any other items of business. Nonetheless, in case there is an unforeseen need, your proxy gives discretionary authority to Arthur S. Wolcott and Kraig H. Kayser with respect to any other matters that might be brought before the Annual Meeting. Those persons intend to vote that proxy in accordance with their best judgment.

**How many votes are required to act on the proposals?**

Pursuant to our Bylaws, provided a quorum is present, directors will be elected by a plurality of all the votes cast at the Annual Meeting with each share of voting stock being voted for as many individuals as there are directors to be elected and for whose election the share is entitled to vote.

Both the ratification of the adoption of the Seneca Foods Corporation 2007 Equity Incentive Plan and the ratification of the appointment of BDO Seidman, LLP as the Company's independent registered public accounting firm for the fiscal year ending March 31, 2008 require the affirmative vote of a majority of the votes cast on the proposal, provided that a quorum is present at the Annual Meeting.

**How are votes counted?**

The Annual Meeting will be held if a quorum is represented in person or by proxy. The holders of voting shares entitled to exercise a majority of the voting power of the Company shall constitute a quorum at the Annual Meeting. If you return a signed proxy card, your shares will be counted for the purpose of determining whether there is a quorum. We will treat failures to vote, referred to as abstentions, as shares present and entitled to vote for quorum purposes.



However, abstentions will not be counted as votes cast on a proposal and will have no effect on the result of the vote on such proposal. A withheld vote is the same as an abstention.

Broker non-votes occur when proxies submitted by a broker, bank or other nominee holding shares in “street name” do not indicate a vote for a proposal because they do not have discretionary voting authority and have not received instructions as to how to vote on the proposal. We will treat broker non-votes as shares that are present and entitled to vote for quorum purposes. However, broker non-votes will not be counted as votes cast on a proposal and will have no effect on the result of the vote on the proposal.

**What happens if I return my proxy card without voting on all proposals?**

When the proxy is properly executed and returned, the shares it represents will be voted at the Annual Meeting in accordance with your directions. If the signed card is returned with no direction on a proposal, the proxy will be voted in favor of (FOR) Proposals One, Two and Three.

**Who has paid for this proxy solicitation?**

The Company has paid the entire expense of this proxy statement and any additional materials furnished to shareholders.

**When was this proxy statement mailed?**

This proxy statement and the enclosed proxy card were mailed to shareholders beginning on or about June 29, 2007.

**How can I obtain a copy of this year’s Annual Report on Form 10-K?**

A copy of our 2007 Annual Report to Shareholders, including financial statements for the fiscal year ended March 31, 2007, accompanies this Proxy Statement. The Annual Report, however, is not part of the proxy solicitation material. **A copy of our Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) may be obtained free of charge by writing to Seneca Foods Corporation, 3736 South Main Street, Marion, New York 14505, Attention: Secretary or by accessing the “Investor Information” section of the Company’s website at [www.senecafoods.com](http://www.senecafoods.com).**

**Can I find additional information on the Company’s website?**

Yes. Our website is located at [www.senecafoods.com](http://www.senecafoods.com). Although the information contained on our website is not part of this proxy statement, you can view additional information on the website, such as our code of conduct, corporate governance guidelines, charters of board committees and reports that we file with the SEC. A copy of our code of ethics and each of the charters of our board committees may be obtained free of charge by writing to Seneca Foods Corporation, 3736 South Main Street, Marion, New York 14505, Attention: Secretary.

## **PROPOSAL ONE: ELECTION OF DIRECTORS**

In accordance with our Bylaws, the Board of Directors has fixed the number of directors at nine and the Board of Directors is divided into three classes, as equal in number as possible, having staggered terms of three years each. Therefore, at this annual meeting three directors will be elected to serve until the annual meeting in 2010 and until each of their successors is duly elected and shall qualify.

The Board of Directors unanimously recommends a vote FOR the election of each of the nominees listed below. All nominees, except Susan A. Henry, are currently serving as directors of the Company and were elected at the 2004 Annual Meeting of Shareholders. Douglas F. Brush, who has served as a director since 2001, has indicated that he will not be standing for re-election to the Company's Board of Directors. Susan A. Henry has been recommended by the Corporate Governance and Nominating Committee of the Board of Directors to fill the vacancy. Dr. Henry is the Ronald P. Lynch Dean of Agriculture and Life Sciences at Cornell University school of Agriculture & Life Sciences in Ithaca, New York.

Unless instructed otherwise, proxies will be voted FOR the election of the three nominees listed below. Although the directors do not contemplate that any of the nominees will be unable to serve prior to the Meeting, if such a situation arises, the enclosed proxy will be voted in accordance with the best judgment of the person or persons voting the proxy.

### **Information Concerning Directors**

The following provides certain information regarding the nominees for election to the Company's Board of Directors and the Directors whose terms continue beyond the Annual Meeting. Each individual's name, position with the Company and tenure is indicated. In addition, the principal occupation and business experience for the past five years is provided for each nominee and unless otherwise stated, each nominee has held the position indicated for at least the past five years.

#### Nominees Standing for Election at the Annual Meeting

**Andrew M. Boas**, age 52 – Mr. Boas is the General Partner of Carl Marks Management Company, L.P. (merchant banking firm), President of Carl Marks Offshore Management, Inc., Vice President of CM Capital and Vice President of Carl Marks & Co., Inc. He has served as a director of the Company since 1998.

**Susan W. Stuart**, age 52 – Ms. Stuart is a marketing consultant. She has served as a director of the Company since 1986.

**Susan A. Henry**, age 61 – Dr. Henry is Dean of Cornell University's College of Agriculture and Life Sciences since July 2000. She is a new director candidate and therefore has not served as a director previously. Dr. Henry serves on the Board of Directors of Agrium, Inc.

Directors whose Terms Expire in 2008

**Robert T. Brady**, age 66 – Mr. Brady is Chairman and Chief Executive Officer of Moog, Inc. (manufacturer of control systems). He has served as a director of the Company since 1989. Mr. Brady also serves on the Board of Directors of Moog Inc., National Fuel Gas Company, Astronics Corporation and M&T Bank Corporation.

**G. Brymer Humphreys**, age 66 – Mr. Humphreys is State Executive Director, USDA Farm Services Agency, New York State Office. He has served as a director of the Company since 1983.

**Arthur S. Wolcott**, age 81 – Mr. Wolcott has served as a director and as the Chairman of the Board of the Company since 1949.

Directors whose Terms Expire in 2009

**Arthur H. Baer**, age 60 – Mr. Baer is President of Hudson Valley Publishing since January 2003 and from 1998 to 1999. He was President of Arrow Electronics Europe from 2000 to 2002 and President of XYAN Inc. from 1996 to 1998. Mr. Baer has served as a director of the Company since 1998.

**Kraig H. Kayser**, age 46 – Mr. Kayser is the President and Chief Executive Officer of the Company and has served in that capacity since 1993. He has served as a director of the Company since 1985. Mr. Kayser also serves on the Board of Directors of Moog Inc.

**Thomas Paulson**, age 51 – Since March 2006, Mr. Paulson has been the Chief Financial Officer of Tennant Corporation (industrial cleaning company). He was Chief Financial Officer of Innovex, Inc. (flexible circuits) from February 2001 to March 2006 and Vice President of Finance of The Pillsbury Company from 1998-2000. He has served as a director of the Company since 2004.

Messrs. Boas and Baer were first nominated to the Company's Board of Directors pursuant to the terms of a Stock Purchase Agreement dated as of June 22, 1998, by and between the Company and Carl Marks Strategic Investments, L.P. and related entities (collectively the "Investors"). Certain substantial shareholders of the Company have agreed to vote their shares in favor of Messrs. Boas and Baer. This voting arrangement will continue in effect until the Investors, in the aggregate, own less than 10% of the outstanding Class A Common Stock (assuming conversion of the Company's Convertible Participating Preferred Stock).

Arthur S. Wolcott, Chairman, is the father of Susan W. Stuart, a director of the Company. There are no other family relationships between any of the directors or executive officers of the Company.

**Independent Directors**

Under the NASDAQ Global Market listing standards, at least a majority of the Company's directors and all of the members of the Company's Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee must meet the test of

“independence” as defined by NASDAQ. The NASDAQ standards provide that, to qualify as an “independent” director, in addition to satisfying certain bright-line criteria, the Board of Directors must affirmatively determine that a director has no relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board of Directors has determined that each current director and nominee for director, other than Mr. Wolcott, the Company’s Chairman, his daughter, Ms. Stuart, and Mr. Kayser, the Company’s President and Chief Executive Officer, is “independent” as defined by the listing standards of the NASDAQ Global Market. In making its determinations, the Board considered Mr. Humphreys’ relationship with the Company described in “Certain Transactions and Related Relationships” below and concluded that this relationship was not inconsistent with a determination that Mr. Humphreys is independent. No other director has any material relationship with the Company.

### **BOARD COMMITTEES AND MEETINGS**

The Board of Directors has a standing Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee. Each member of each of these committees is “independent” as that term is defined in the NASDAQ Global Market listing standards. The Board has adopted a written charter for each of these committees, which is available on our website at [www.senecafoods.com](http://www.senecafoods.com).

#### **Audit Committee**

The Audit Committee consists of Messrs. Baer, Brady, Brush, Humphreys and Paulson. The Audit Committee met four times during the fiscal year ended March 31, 2007. The Audit Committee is directly responsible for the engagement of independent auditors, reviews with the auditors the scope and results of the audit, reviews with management the scope and results of the Company’s internal auditing procedures, reviews the independence of the auditors and any non-audit services provided by the auditors, reviews with the auditors and management the adequacy of the Company’s system of internal accounting controls and makes inquiries into other matters within the scope of its duties. Mr. Baer has been designated as the Company’s “audit committee financial expert” in accordance with the SEC rules and regulations. Shareholders should understand that this designation is a disclosure requirement of the SEC related to Mr. Baer’s experience and understanding with respect to certain accounting and auditing matters. The designation does not impose any duties, obligations or liability that are greater than are generally imposed on him as a member of the Audit Committee and the Board, and his designation as an audit committee financial expert pursuant to this SEC requirement does not affect the duties, obligations or liability of any other member of the Audit Committee or the Board. See “Report of the Audit Committee” below.

#### **Compensation Committee**

The Compensation Committee consists of Messrs. Brush, Humphreys and Boas. The Compensation Committee’s function is to review and recommend to the Board of Directors appropriate executive compensation policy and compensation of the Company’s directors and officers. The Compensation Committee also reviews and makes recommendations with respect

to executive and employee benefit plans and programs. The Compensation Committee met two times during the fiscal year ended March 31, 2007.