As filed with the Securities and Exchange Commission on November 3, 2017

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

FORM 10-Q

(Mark one)

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

For the quarterly period ended September 30, 2017

or

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

For the transition period from to .

Commission file number 001-32316

B&G FOODS, INC.
(Exact name of Registrant as specified in its charter)

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

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 ☒ No ☐

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

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

Emerging growth company ☐

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

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

As of October 31, 2017, the registrant had 66,496,333 shares of common stock, par value $0.01 per share, issued and outstanding.

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)

	September 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 22,615	$ 28,833
Trade accounts receivable, net	171,343	119,265
Inventories	487,390	356,590
Prepaid expenses and other current assets	33,601	26,399
Income tax receivable	9,567	10,787
Total current assets	724,516	541,874
Property, plant and equipment, net of accumulated depreciation of $192,867 and $169,474	266,381	245,344
Goodwill	615,770	614,278
Other intangibles, net	1,615,528	1,629,482
Other assets	6,292	4,625
Deferred income taxes	984	7,902
Total assets	$ 3,229,471	$ 3,043,505
Liabilities and Stockholders' Equity		
Current liabilities:		
Trade accounts payable	$ 137,205	$ 98,033
Accrued expenses	55,474	62,393
Current portion of long-term debt	—	10,515
Income tax payable	112	3,875
Dividends payable	30,921	30,879
Total current liabilities	223,712	205,695
Long-term debt	1,852,932	1,715,268
Other liabilities	17,779	21,405
Deferred income taxes	343,659	315,480
Total liabilities	2,438,082	2,257,848
Commitments and contingencies (Note 10)		
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; 66,496,333 and 66,406,314 shares issued and outstanding as of September 30, 2017 and December 31, 2016	665	664
Additional paid-in capital	297,303	387,699
Accumulated other comprehensive loss	(10,792)	(19,364)
Retained earnings	504,213	416,658
Total stockholders' equity	791,389	785,657
Total liabilities and stockholders' equity	$ 3,229,471	$ 3,043,505

See Notes to Consolidated Financial Statements.

B&G Foods, Inc. and Subsidiaries
Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Thirteen Weeks Ended		Thirty-nine Weeks Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Net sales	$ 408,364	$ 318,247	$ 1,194,372	$ 977,601
Cost of goods sold	285,109	202,821	833,316	636,545
Gross profit	123,255	115,426	361,056	341,056
Operating expenses:				
Selling, general and administrative expenses	43,019	42,465	146,244	115,989
Amortization expense	4,265	3,269	13,002	10,039
Impairment of intangible assets	—	—	—	5,405
Operating income	75,971	69,692	201,810	209,623
Other income and expenses:				
Interest expense, net	23,374	17,974	65,019	55,535
Loss on extinguishment of debt	—	—	1,163	2,836
Other expense (income)	95	127	(2,865)	(2,173)
Income before income tax expense	52,502	51,591	138,493	153,425
Income tax expense	19,772	19,181	50,938	57,568
Net income	$ 32,730	$ 32,410	$ 87,555	$ 95,857
Weighted average shares outstanding:				
Basic	66,496	64,758	66,484	62,135
Diluted	66,644	65,038	66,713	62,338
Earnings per share:				
Basic	$ 0.49	$ 0.50	$ 1.32	$ 1.54
Diluted	$ 0.49	$ 0.50	$ 1.31	$ 1.54
Cash dividends declared per share	$ 0.465	$ 0.420	$ 1.395	$ 1.260

See Notes to Consolidated Financial Statements.

B&G Foods, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
(In thousands)
(Unaudited)

	Thirteen Weeks Ended		Thirty-nine Weeks Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Net income	$ 32,730	$ 32,410	$ 87,555	$ 95,857
Other comprehensive income (loss):				
Foreign currency translation adjustments	713	(3,381)	8,350	(3,691)
Amortization of unrecognized prior service cost and pension deferrals, net of tax	120	66	222	244
Other comprehensive income (loss)	833	(3,315)	8,572	(3,447)
Comprehensive income	$ 33,563	$ 29,095	$ 96,127	$ 92,410

See Notes to Consolidated Financial Statements.

B&G Foods, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Thirty-nine Weeks Ended	
	September 30, 2017	October 1, 2016
Cash flows from operating activities:		
Net income	$ 87,555	$ 95,857
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	36,284	26,813
Amortization of deferred debt financing costs and bond discount	4,263	4,101
Deferred income taxes	35,079	45,555
Impairment of intangible assets	—	5,405
Loss on sale of assets	1,608	—
Write-off of property, plant, and equipment	107	—
Loss on disposal of inventory	—	791
Loss on extinguishment of debt	1,163	2,836
Share-based compensation expense	4,284	4,457
Excess tax benefits from share-based compensation	—	(343)
Changes in assets and liabilities, net of effects of businesses acquired:		
Trade accounts receivable	(52,044)	(20,551)
Inventories	(127,052)	(29,922)
Prepaid expenses and other current assets	(6,407)	(3,297)
Income tax receivable/payable	(3,025)	(3,286)
Other assets	(1,309)	(1,180)
Trade accounts payable	38,787	47,646
Accrued expenses	(8,130)	17,389
Other liabilities	(3,626)	507
Net cash provided by operating activities	7,537	192,778
Cash flows from investing activities:		
Capital expenditures	(42,728)	(24,807)
Proceeds from sale of assets	2,229	—
Payments for acquisition of businesses, net of cash acquired	(117)	—
Net cash used in investing activities	(40,616)	(24,807)
Cash flows from financing activities:		
Repayments of long-term debt	(233,640)	(150,000)
Proceeds from issuance of long-term debt	500,000	—
Repayments of borrowings under revolving credit facility	(221,000)	(50,000)
Borrowings under revolving credit facility	85,000	10,000
Proceeds from issuance of common stock, net	36	331,879
Dividends paid	(92,710)	(72,916)
Excess tax benefits from share-based compensation	—	343
Payments of tax withholding on behalf of employees for net share settlement of share-based compensation	(1,962)	(1,410)
Debt financing costs	(8,637)	—
Net cash provided by financing activities	27,087	67,896
Effect of exchange rate fluctuations on cash and cash equivalents	(226)	(533)
Net (decrease) increase in cash and cash equivalents	(6,218)	235,334
Cash and cash equivalents at beginning of period	28,833	5,246
Cash and cash equivalents at end of period	$ 22,615	$ 240,580
Supplemental disclosures of cash flow information:		
Cash interest payments	$ 41,824	$ 44,387
Cash income tax payments	$ 15,084	$ 15,406
Non-cash transactions:		
Dividends declared and not yet paid	$ 30,921	$ 27,891
Accruals related to purchases of property, plant and equipment	$ —	$ 1,604

See Notes to Consolidated Financial Statements.

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

(1) Nature of Operations

B&G Foods, Inc. is a holding company whose principal assets are the shares of 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. Our financial statements are presented on a consolidated basis.

We operate in a single industry segment and manufacture, sell and distribute a diverse portfolio of high-quality shelf-stable and frozen foods across the United States, Canada and Puerto Rico. Our products include frozen and canned vegetables, hot cereals, fruit spreads, canned meats and beans, bagel chips, spices, seasonings, hot sauces, wine vinegar, maple syrup, molasses, salad dressings, pizza crusts, Mexican-style sauces, dry soups, taco shells and kits, salsas, pickles, peppers, tomato-based products, puffed corn and rice snacks, nut clusters and other specialty products. Our products are marketed under many recognized brands, including *Ac’cent*, *B&G*, *B&M*, *Baker’s Joy*, *Bear Creek Country Kitchens*, *Brer Rabbit*, *Canoleo*, *Cary’s*, *Cream of Rice*, *Cream of Wheat*, *Devonsheer*, *Don Pepino*, *Durkee*, *Emeril’s*, *Grandma’s Molasses*, *Green Giant*, *JJ Flats*, *Joan of Arc*, *Las Palmas*, *Le Sueur*, *MacDonald’s*, *Mama Mary’s*, *Maple Grove Farms of Vermont*, *Molly McButter*, *Mrs. Dash*, *New York Flatbreads*, *New York Style*, *Old London*, *Original Tings*, *Ortega*, *Pirate’s Booty*, *Polaner*, *Red Devil*, *Regina*, *Sa-són*, *Sclafani*, *Smart Puffs*, *Spice Islands*, *Spring Tree*, *Sugar Twin*, *Tone’s*, *Trappey’s*, *TrueNorth*, *Underwood*, *Vermont Maid*, *Victoria*, *Weber*, and *Wright’s*. See Note 16, “Subsequent Event.” We also sell and distribute *Static Guard*, a household product brand. We compete in the retail grocery, foodservice, specialty, private label, club and mass merchandiser channels of distribution. We sell and distribute our products directly and via a network of independent brokers and distributors to supermarket chains, foodservice outlets, mass merchants, warehouse clubs, non-food outlets and specialty distributors.

(2) Summary of Significant Accounting Policies

Fiscal Year

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 year ending December 30, 2017 (fiscal 2017) and our fiscal year ended December 31, 2016 (fiscal 2016) each contain 52 weeks. Each quarter of fiscal 2017 and 2016 contains 13 weeks.

Basis of Presentation

The accompanying unaudited consolidated interim financial statements for the thirteen and thirty-nine week periods ended September 30, 2017 (third quarter and first three quarters of 2017) and October 1, 2016 (third quarter and first three quarters of 2016) 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 that are, in the opinion of management, necessary to present fairly our consolidated financial position as of September 30, 2017, and the results of our operations, comprehensive income and cash flows for the third quarter and first three quarters of 2017 and 2016. Our results of operations for the third quarter and first three quarters of 2017 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. The accompanying unaudited consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements and notes included in our Annual Report on Form 10-K for fiscal 2016 filed with the SEC on March 1, 2017. Certain prior year amounts have been reclassified to conform to the current year presentation.

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
(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; acquisition accounting fair value allocations; the recoverability of goodwill, other intangible assets, property, plant and equipment and deferred tax assets; and the determination of the useful life of customer relationship and amortizable trademark intangibles. 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 believes 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.

Newly Adopted Accounting Standards

In March 2016, the Financial Accounting Standards Board (FASB) issued a new accounting standards update (ASU) that changes the accounting for certain aspects of share-based payments to employees. The new guidance requires that excess tax benefits (which represent the excess of actual tax benefits received at the date of vesting or settlement over the benefits recognized over the vesting period or upon issuance of share-based payments) and tax deficiencies (which represent the amount by which actual tax benefits received at the date of vesting or settlement is lower than the benefits recognized over the vesting period or upon issuance of share-based payments) be recorded in the income statement as a reduction of income taxes when the awards vest or are settled. The new guidance also requires excess tax benefits to be classified as an operating activity in the statement of cash flows rather than as a financing activity. We adopted the provisions of this ASU at the beginning of fiscal 2017 and applied the required changes in accounting principle on a prospective basis. As a result of this adoption, we recognized discrete tax benefits of $0.8 million in the income taxes line item of our consolidated statement of operations for the first three quarters of 2017 related to excess tax benefits upon vesting or settlement in that period. We elected to adopt the cash flow presentation of the excess tax benefits prospectively, commencing with our statement of cash flows for the first quarter of 2017, where these benefits are classified along with other income tax cash flows as an operating activity. We excluded the excess tax benefits from the assumed proceeds available to repurchase shares in the computation of our diluted earnings per share for the first three quarters of 2017.

In November 2015, the FASB issued a new ASU that requires deferred tax assets and liabilities to be classified as noncurrent on the balance sheet. The ASU is effective beginning with the first quarter of fiscal 2017. We adopted the provisions of this ASU at the beginning of fiscal 2017 and applied the required changes in accounting principle on a retrospective basis. Accordingly, in our consolidated balance sheet as of December 31, 2016, $7.9 million of deferred tax assets were reclassified from current assets to noncurrent assets. The update impacted presentation and disclosure only, and therefore, the adoption of this ASU did not have any impact on our results of operations or liquidity.

In July 2015, the FASB issued a new ASU that simplifies the subsequent measurement of inventories by replacing the current lower of cost or market test with a lower of cost and net realizable value test. We adopted the provisions of this ASU at the beginning of fiscal 2017. The adoption of this ASU did not have any impact on our consolidated financial position, results of operations or liquidity.

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

(2) Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Standards

In March 2017, the FASB issued a new ASU that improves the presentation of net periodic pension cost and net periodic postretirement benefit cost. The new guidance revises how employers that sponsor defined benefit pension and other postretirement plans present the net periodic benefit cost in their income statement and requires that the service cost component of net periodic benefit cost be presented in the same income statement line items as other employee compensation costs from services rendered during the period. The update is effective beginning with the first quarter of fiscal 2019. We have not yet determined the impact from adoption of the ASU on our financial statements.

In January 2017, the FASB issued a new ASU which clarifies the definition of a business. The new guidance changes the definition of a business to assist entities in evaluating when a set of transferred assets and activities constitutes a business. The update is effective beginning with the first quarter of 2018. We have not yet determined the impact from adoption of the ASU on our financial statements.

In January 2017, the FASB issued a new ASU that simplifies the subsequent measurement of goodwill, including the elimination of the second step from the goodwill impairment test. The update is effective for annual or any interim impairment tests in fiscal 2020 or later. The adoption of this ASU will not have any impact on our consolidated financial position, results of operations or liquidity.

In February 2016, the FASB issued a new ASU that requires lessees to recognize lease assets and lease liabilities on the balance sheet for those leases classified as operating leases under current guidance. The update is effective beginning with the first quarter of fiscal 2019. We have not yet determined the impact from adoption of the ASU on our financial statements.

In May 2014, the FASB issued guidance on revenue recognition, with final guidance issued in 2016. The guidance provides for a five-step model to determine the revenue to be recognized from the transfer of goods or services to customers. The guidance also requires improved disclosures to help users of the financial statements better understand the nature, amount, timing and uncertainty of revenue and cash flows relating to customer contracts. It also provides clarification for principal versus agent considerations, identifying performance obligations and the accounting of intellectual property licenses. In addition, the FASB introduced practical expedients related to disclosures of remaining performance obligations, as well as other amendments to guidance on collectability, non-cash consideration and the presentation of sales and other similar taxes. The two permitted transition methods under the guidance are the full retrospective approach or a cumulative effect adjustment to the opening retained earnings in the year of adoption (cumulative effect approach). We have not yet made a determination as to which transition method we will be using. We plan to adopt the new guidance when it becomes effective on December 31, 2017, the first day of our fiscal 2018.

We have established a project plan and completed an initial review of our revenue contracts to assess the impact of the guidance on our revenue contracts by reviewing our current accounting policies and practices to identify potential differences that would result from applying the new requirements to our revenue contracts. We are also in the process of evaluating the impact, if any, on changes to our controls to support recognition and disclosures under the new guidance. Based on the foregoing, we do not expect the adoption of the new standard to have a material effect on our consolidated financial statements.

(3) Acquisitions

On December 2, 2016, we acquired Victoria Fine Foods, LLC, and a related entity, from Huron Capital Partners and certain other sellers for a purchase price of $72.0 million in cash. We refer to this acquisition as the "*Victoria* acquisition."

On November 21, 2016, we completed the acquisition of the spices & seasonings business of ACH Food Companies, Inc. for a purchase price of $366.9 million. We refer to this acquisition as the "spices & seasonings acquisition." In connection with the acquisition, as of September 30, 2017, we had receivables related to a transition services agreement with ACH Food Companies of $1.0 million included in prepaid expenses and other current assets in the accompanying consolidated balance sheets. As of December 31, 2016, we had payables related to the transition services agreement of $12.6 million included in accrued expenses in the accompanying consolidated balance sheets.

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

(3) Acquisitions (Continued)

We have accounted for each of these acquisitions using the acquisition method of accounting and, accordingly, have included the assets acquired, liabilities assumed and results of operations in our consolidated financial statements from the respective date of acquisition. The excess of the purchase price over the fair value of identifiable net assets acquired represents goodwill. Unamortizable trademarks are deemed to have an indefinite useful life and are not amortized. Customer relationship intangibles and amortizable trademarks acquired are amortized over 10 to 20 years. Goodwill and other intangible assets, except in the case of the *Victoria* acquisition, are deductible for income tax purposes. Inventory has been recorded at estimated selling price less costs of disposal and a reasonable selling profit and the property, plant and equipment and other intangible assets (including trademarks, customer relationships and other intangibles) acquired have been recorded at fair value as determined by our management with the assistance of a third-party valuation specialist. See Note 5, "Goodwill and Other Intangible Assets."

The following table sets forth the preliminary allocation of the *Victoria* acquisition purchase price to the estimated fair value of the net assets acquired at the date of acquisition. The preliminary purchase price allocation may be adjusted as a result of the finalization of our purchase price allocation procedures related to the assets acquired and liabilities assumed. We anticipate completing the purchase price allocation during the fourth quarter of fiscal 2017.

Victoria Acquisition (dollars in thousands):

Purchase Price:	
Cash paid	$ 71,972
Total	$ 71,972
Preliminary Allocation:	
Trademarks—unamortizable intangible assets	45,500
Goodwill	12,745
Property, plant and equipment	9,298
Inventory	5,729
Customer relationship intangibles—amortizable intangible assets	6,400
Long-term deferred income tax liabilities, net	(5,653)
Other working capital	(2,047)
Total	$ 71,972

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

(3) Acquisitions (Continued)

The following table sets forth the preliminary allocation of the spices & seasonings acquisition purchase price to the estimated fair value of the net assets acquired at the date of acquisition. The preliminary purchase price allocation may be adjusted as a result of the finalization of our purchase price allocation procedures related to the assets acquired and liabilities assumed. We anticipate completing the purchase price allocation during the fourth quarter of fiscal 2017.

Spices & Seasonings Acquisition (dollars in thousands):

Purchase Price:	
Cash paid	$ 366,932
Total	$ 366,932
Preliminary Allocation:	
Goodwill	120,108
Customer relationship intangibles—amortizable intangible assets	89,250
Trademarks—unamortizable intangible assets	65,200
Property, plant and equipment	62,193
Inventory	49,571
Other liabilities	(17,502)[1]
Other working capital	(1,888)
Total	$ 366,932

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(1) In connection with the spices & seasonings acquisition, we agreed to establish a defined benefit plan for certain employees transferred to B&G Foods and certain former employees of the acquired spices & seasonings business. We also agreed to assume certain liabilities relating to the underfunded status of the former plan that such employees participated in prior to the acquisition. At September 30, 2017 and December 31, 2016, we recognized $13.7 million and $17.5 million, respectively, in "other liabilities" in the accompanying consolidated balance sheet to reflect our obligations with respect to the underfunded status of the defined benefit plan assets and liabilities transferred to us.

On August 19, 2017, we entered into an agreement to acquire Back to Nature Foods Company, LLC and related entities from Brynwood Partners VI L.P., Mondelēz International and certain other sellers for approximately $162.5 million in cash, subject to customary closing and post-closing working capital adjustments. We completed the acquisition on October 2, 2017. We funded the acquisition and related fees and expenses with additional revolving loans under our existing credit facility See Note 16, "Subsequent Event." We refer to this acquisition as the "*Back to Nature* acquisition."

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

(3) Acquisitions (Continued)

Unaudited Pro Forma Summary of Operations

The following pro forma summary of operations for the third quarter and first three quarters of 2016 presents our operations as if the spices & seasonings acquisition had occurred as of the beginning of fiscal 2016. In addition to including the results of operations of this acquisition, the pro forma information gives effect to the interest on additional borrowings and the amortization of customer relationship intangibles. On an actual basis, the spices & seasonings business contributed $70.4 million and $200.9 million, respectively, of consolidated net sales for the third quarter and first three quarters of 2017.

	Thirteen Weeks Ended October 1, 2016	Thirty-nine Weeks Ended October 1, 2016
	(dollars in thousands, except per share data)	
Net sales	$ 377,689	$ 1,155,926
Net income	$ 36,540	$ 112,128
Basic earnings per share	$ 0.63	$ 1.75
Diluted earnings per share	$ 0.63	$ 1.74

The pro forma information presented above does not purport to be indicative of the results that actually would have been attained had the spices & seasonings acquisition occurred as of the beginning of fiscal 2016, and is not intended to be a projection of future results.

The *Victoria* acquisition was not material to our consolidated results of operations or financial position and, therefore, pro forma financial information is not presented.

(4) 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 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):

	September 30, 2017	December 31, 2016
Raw materials and packaging	$ 73,508	$ 60,532
Work-in-process	124,676	98,664
Finished goods	289,206	197,394
Total	$ 487,390	$ 356,590

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

(5) Goodwill and Other Intangible Assets

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

	September 30, 2017			December 31, 2016		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable Intangible Assets						
Trademarks	$ 6,800	$ 2,002	$ 4,798	$ 6,800	$ 1,662	$ 5,138
Customer relationships	330,290	93,361	236,929	330,290	80,847	249,443
Seed technology[(1)]	—	—	—	2,000	900	1,100
	$ 337,090	$ 95,363	$ 241,727	$ 339,090	$ 83,409	$ 255,681
Unamortizable Intangible Assets						
Goodwill	$ 615,770			$ 614,278		
Trademarks	$ 1,373,801			$ 1,373,801		

(1) During the first quarter of 2017, we sold to a third-party co-packer our Le Sueur, Minnesota research center, including the seed technology assets and property, plant and equipment, that we acquired in 2015 as part of the *Green Giant* acquisition, resulting in a $1.6 million loss on sale of assets.

Amortization expense associated with amortizable intangible assets for the third quarter and first three quarters of 2017 was $4.3 million and $13.0 million, respectively, and is recorded in operating expenses. Amortization expense associated with amortizable intangible assets for the third quarter and first three quarters of 2016 was $3.3 million and $10.0 million, respectively. We expect to recognize an additional $4.3 million of amortization expense associated with our amortizable intangible assets during the remainder of fiscal 2017, and thereafter $17.1 million of amortization expense in each of the fiscal years 2018 through 2021. See Note 3, “Acquisitions.”

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

(6) Long-Term Debt

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

	September 30, 2017	December 31, 2016
Revolving credit loans	$ 40,000	$ 176,000
Tranche A term loans due 2019	—	233,640
Tranche B term loans due 2022	640,110	640,110
4.625% senior notes due 2021	700,000	700,000
5.25% senior notes due 2025	500,000	—
Unamortized deferred financing costs	(24,790)	(20,986)
Unamortized discount	(2,388)	(2,981)
Total long-term debt, net of unamortized deferred financing costs and discount	1,852,932	1,725,783
Current portion of long-term debt	—	(10,515)
Long-term debt, net of unamortized deferred financing costs and discount, and excluding current portion	$ 1,852,932	$ 1,715,268

As of September 30, 2017, the aggregate contractual maturities of long-term debt are as follows (in thousands):

Years ending December:	
2017	$ —
2018	—
2019	40,000
2020	—
2021	700,000
Thereafter	1,140,110
Total	$ 1,880,110

Senior Secured Credit Agreement. On March 30, 2017, we refinanced our senior secured credit facility. The refinancing reduced by 0.75% the spread over LIBOR or the applicable base rate on $640.1 million of tranche B term loans.

On April 3, 2017, we repaid all of the outstanding borrowings and amounts due under our revolving credit facility and tranche A term loans using a portion of the net proceeds of our registered public offering of $500.0 million aggregate principal amount of 5.25% senior notes due 2025.

At September 30, 2017, $640.1 million of tranche B term loans and $40.0 million of revolving loans were outstanding under our credit agreement.

At September 30, 2017, the available borrowing capacity under our revolving credit facility, net of outstanding letters of credit of $2.0 million, was $458.0 million. See Note 16, "Subsequent Event." Proceeds of the revolving credit facility may be used for general corporate purposes, including acquisitions of targets in the same or a similar line of business as our company, subject to specified criteria. We are required to pay a commitment fee of 0.50% per annum on the unused portion of the revolving credit facility. The maximum letter of credit capacity under the revolving credit facility is $50.0 million, with a fronting fee of 0.25% per annum for all outstanding letters of credit and a letter of credit fee equal to the applicable margin for revolving loans that are Eurodollar (LIBOR) loans. The revolving credit facility matures on June 5, 2019.

The entire $640.1 million principal amount of tranche B term loans outstanding are due and payable at maturity on November 2, 2022.

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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(6) Long-Term Debt (Continued)

We may prepay the term loans or permanently reduce the revolving credit facility commitment under the credit agreement at any time without premium or penalty (other than customary "breakage" costs with respect to the early termination of LIBOR loans). Subject to certain exceptions, the credit agreement provides for mandatory prepayment upon certain asset dispositions or casualty events and issuances of indebtedness.

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 credit agreement, including a base rate per annum plus an applicable margin ranging from 0.50% to 1.00%, and LIBOR plus an applicable margin ranging from 1.50% to 2.00%, in each case depending on our consolidated leverage ratio. At September 30, 2017, the revolving credit facility interest rate was approximately 3.24%.

Interest under the tranche B term loan facility is determined based on alternative rates that we may choose in accordance with the credit agreement, including a base rate per annum plus an applicable margin of 1.25%, and LIBOR plus an applicable margin of 2.25%. At September 30, 2017, the tranche B term loan interest rate was approximately 3.49%.

Our obligations under the credit agreement 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 agreement is secured by substantially all of our and our domestic subsidiaries' assets except our and our domestic subsidiaries' real property. The credit agreement contains customary restrictive covenants, subject to certain permitted amounts and exceptions, including covenants limiting our ability to incur additional indebtedness, pay dividends and make other restricted payments, repurchase shares of our outstanding stock and create certain liens.

The credit agreement also contains certain financial maintenance covenants, which, among other things, specify a maximum consolidated leverage ratio and a minimum interest coverage ratio, each ratio as defined in the credit agreement. Our consolidated leverage ratio (defined as the ratio of our consolidated net debt, as of the last day of any period of four consecutive fiscal quarters to our adjusted EBITDA for such period), may not exceed 6.50 to 1.00. We are also required to maintain a consolidated interest coverage ratio of at least 1.75 to 1.00 as of the last day of any period of four consecutive fiscal quarters. As of September 30, 2017, we were in compliance with all of the covenants, including the financial covenants, in the credit agreement.

The credit agreement also provides for an incremental term loan and revolving loan facility, pursuant to which we may request that the lenders under the credit agreement, and potentially other lenders, provide unlimited additional amounts of term loans or revolving loans or both on terms substantially consistent with those provided under the credit agreement. Among other things, the utilization of the incremental facility is conditioned on our ability to meet a maximum senior secured leverage ratio of 4.00 to 1.00, and a sufficient number of lenders or new lenders agreeing to participate in the facility.

4.625% Senior Notes due 2021. On June 4, 2013, we issued $700.0 million aggregate principal amount of 4.625% senior notes due 2021 at a price to the public of 100% of their face value.

Interest on the 4.625% senior notes is payable on June 1 and December 1 of each year. The 4.625% senior notes will mature on June 1, 2021, unless earlier retired or redeemed. We may redeem some or all of the 4.625% senior notes at a redemption price of 103.469% beginning June 1, 2016 and thereafter at prices declining annually to 100% on or after June 1, 2019, in each case plus accrued and unpaid interest to the date of redemption. In addition, if we undergo a change of control or upon certain asset sales, we may be required to offer to repurchase the 4.625% senior notes at the repurchase price set forth in the indenture plus accrued and unpaid interest to the date of repurchase.

We may also, from time to time, seek to retire the 4.625% senior notes through cash repurchases of the 4.625% senior notes and/or exchanges of the 4.625% 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.

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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(6) Long-Term Debt (Continued)

Our obligations under the 4.625% 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 4.625% 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 all existing and future 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 subsidiaries are not guarantors, and any future foreign or partially owned domestic subsidiaries will not be guarantors, of the 4.625% senior notes.

The indenture governing the 4.625% senior notes 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; creation of specified liens, certain sale-leaseback transactions and sales 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 September 30, 2017, we were in compliance with all of the covenants in the indenture governing the 4.625% senior notes.

5.25% Senior Notes due 2025. On April 3, 2017, we issued $500.0 million aggregate principal amount of 5.25% senior notes due 2025 at a price to the public of 100% of their face value. We used the net proceeds of the offering to repay all of the outstanding borrowings and amounts due under our revolving credit facility and tranche A term loans, and to pay related fees and expenses. We intend to use the remaining net proceeds for general corporate purposes, which could include, among other things, repayment of other long term debt or possible acquisitions.

Interest on the 5.25% senior notes is payable on April 1 and October 1 of each year, commencing October 1, 2017. The 5.25% senior notes will mature on April 1, 2025, unless earlier retired or redeemed. On or after April 1, 2020, we may redeem some or all of the 5.25% senior notes at a redemption price of 103.9375% beginning April 1, 2020 and thereafter at prices declining annually to 100% on or after April 1, 2023, in each case plus accrued and unpaid interest to the date of redemption. In addition, if we undergo a change of control or upon certain asset sales, we may be required to offer to repurchase the 5.25% senior notes at the repurchase price set forth in the indenture plus accrued and unpaid interest to the date of repurchase.

We may also, from time to time, seek to retire the 5.25% senior notes through cash repurchases of the 5.25% senior notes and/or exchanges of the 5.25% 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 5.25% 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 5.25% 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 all existing and future 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 subsidiaries are not guarantors, and any future foreign or partially owned domestic subsidiaries will not be guarantors, of the 5.25% senior notes.

The indenture governing the 5.25% senior notes 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; creation of specified liens, certain sale-leaseback transactions and sales 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.

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

(6) Long-Term Debt (Continued)

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. 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. See Note 15, "Guarantor and Non-Guarantor Financial Information."

Accrued Interest. At September 30, 2017 and December 31, 2016, accrued interest of $23.9 million and $5.0 million, respectively, is included in accrued expenses in the accompanying unaudited consolidated balance sheets.

Deferred Debt Financing Costs. During the first three quarters of 2017, we capitalized $7.4 million of debt financing costs relating to our issuance of the 5.25% senior notes and $1.2 million of debt financing costs relating to the refinancing of our tranche B term loans.

Loss on Extinguishment of Debt. During the second quarter of 2017, the repayment of all outstanding borrowings under the tranche A term loans resulted in a loss on extinguishment of debt, which includes the write-off of deferred debt financing costs of $0.9 million and the write-off of unamortized discount of $0.2 million. During the first quarter of 2017, we incurred a loss on extinguishment of debt in connection with the refinancing of our tranche B term loans, which includes the write-off of deferred debt financing costs and the write-off of unamortized discount of less than $0.1 million. During the first quarter of 2016, we incurred a loss on extinguishment of debt in connection with the repayment of $40.1 million aggregate principal amount of our tranche A term loans and $109.9 million aggregate principal amount of our tranche B term loans. The loss on extinguishment includes the write-off of deferred debt financing costs of $2.2 million and the write-off of unamortized discount of $0.6 million.

(7) 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—Observable inputs other than Level 1 quoted prices, such as quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value driver is observable for the asset or liability, either directly or indirectly.

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

Cash and cash equivalents, trade accounts receivable, income tax receivable, trade accounts payable, accrued expenses, income tax payable 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.

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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(7) Fair Value Measurements (Continued)

The carrying values and fair values of our revolving credit loans, term loans and senior notes as of September 30, 2017 and December 31, 2016 are as follows (in thousands):

	September 30, 2017		December 31, 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Revolving credit loans	40,000	40,000 (1)	176,000	176,000 (1)
Tranche A term loans due 2019	—	—	233,378 (2)	232,795 (1)
Tranche B term loans due 2022	637,722 (3)	641,707 (1)	637,391 (3)	645,358 (1)
4.625% senior notes due 2021	700,000	713,125 (4)	700,000	714,000 (4)
5.25% senior notes due 2025	500,000	509,375 (4)	—	—

(1) Fair values are estimated based on Level 2 inputs, which were quoted prices for identical or similar instruments in markets that are not active.

(2) The carrying values of the tranche A term loans are net of discount. On April 3, 2017, we repaid all of the outstanding borrowings and amounts due under our tranche A term loans. At December 31, 2016, the face amounts of the tranche A term loans were $233.6 million.

(3) The carrying values of the tranche B term loans are net of discount. At September 30, 2017 and December 31, 2016, the face amounts of the tranche B term loans were $640.1 million.

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

There was no Level 3 activity during the third quarter or first three quarters of 2017 or 2016.

(8) Accumulated Other Comprehensive Loss

The reclassifications from accumulated other comprehensive loss (AOCL) for the third quarter and first three quarters of 2017 and 2016 are as follows (in thousands):

	Amounts Reclassified from AOCL				
	Thirteen Weeks Ended		Thirty-nine Weeks Ended		Affected Line Item in
Details about AOCL Components	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016	the Statement Where Net Income is Presented
Defined benefit pension plan items					
Amortization of unrecognized prior service cost	$ 9	$ 11	$ 27	$ 33	See (1) below
Amortization of unrecognized loss	185	95	331	359	See (1) below
	194	106	358	392	Total before tax
	(74)	(40)	(136)	(148)	Income tax expense
Total reclassification	$ 120	$ 66	$ 222	$ 244	Net of tax

(1) These items are included in the computation of net periodic pension cost. See Note 9, “Pension Benefits” for additional information.

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

(8) Accumulated Other Comprehensive Loss (Continued)

Changes in AOCL for the first three quarters of 2017 are as follows (in thousands):

	Defined Benefit Pension Plan Items	Foreign Currency Translation Adjustments	Total
Beginning balance	$ (7,200)	$ (12,164)	$ (19,364)
Other comprehensive income before reclassifications	—	8,350	8,350
Amounts reclassified from AOCL	222	—	222
Net current period other comprehensive income	222	8,350	8,572
Ending balance	$ (6,978)	$ (3,814)	$ (10,792)

(9) Pension Benefits

Company Sponsored Defined Benefit Pension Plans. Net periodic pension cost for company sponsored defined benefit pension plans for the third quarter and first three quarters of 2017 and 2016 includes the following components (in thousands):

	Thirteen Weeks Ended		Thirty-nine Weeks Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Service cost—benefits earned during the period	$ 1,798	$ 790	$ 4,538	$ 2,535
Interest cost on projected benefit obligation	1,284	666	3,714	2,050
Expected return on plan assets	(1,771)	(1,121)	(5,271)	(3,312)
Amortization of unrecognized prior service cost	9	11	27	33
Amortization of unrecognized loss	185	95	331	359
Net periodic pension cost	$ 1,505	$ 441	$ 3,339	$ 1,665

During the first three quarters of 2017, we made $8.5 million of defined benefit pension plan contributions. We do not plan to make additional contributions during the remainder of fiscal 2017.

Multi-Employer Defined Benefit Pension Plan. We also contribute to the Bakery and Confectionery Union and Industry International Pension Fund (EIN 52-6118572, Plan No. 001), a multi-employer defined benefit pension plan, sponsored by the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union (BCTGM). The plan provides multiple plan benefits with corresponding contribution rates that are collectively bargained between participating employers and their affiliated BCTGM local unions.

We were notified that for the plan year beginning January 1, 2012, the plan was in critical status and classified in the Red Zone. As of the date of the accompanying unaudited consolidated interim financial statements, the plan remains in critical status. The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. During the second quarter of 2015, we agreed to a collective bargaining agreement that, among other things, implements a rehabilitation plan. As a result, our contributions to the plan are expected to increase by at least 5.0% per year.

B&G Foods made contributions to the plan of $0.7 million in the first three quarters of 2017 and expects to pay surcharges of less than $0.1 million in fiscal 2017 assuming consistent hours are worked. B&G Foods contributed $0.8 million in fiscal 2016 and paid less than $0.1 million in surcharges. These contributions represented less than five percent of total contributions made to the plan.

B&G Foods, Inc. and Subsidiaries
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(10) Commitments and Contingencies

Operating Leases. As of September 30, 2017, future minimum lease payments under non-cancelable operating leases in effect at quarter-end (with initial or remaining lease terms in excess of one year) for the periods set forth below were as follows (in thousands):

Fiscal year ending:	
2017	$ 2,643
2018	9,645
2019	8,632
2020	8,163
2021	6,106
Thereafter	8,060
Total	$ 43,249

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, product labeling 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. While we cannot predict with certainty the results of these claims and legal actions in which we are currently or in the future may be involved, we do not expect that the ultimate disposition of any currently pending claims or actions will 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 three quarters of 2017 or 2016 in order to comply with environmental laws and regulations. Based on our experience to date, management believes that 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. As of September 30, 2017, approximately 1,550 of our 2,548 employees, or 60.8%, were covered by collective bargaining agreements. None of our collective bargaining agreements is scheduled to expire within one year.

Severance and Change of Control Agreements. We have employment agreements with each of our executive officers except for our interim chief financial officer. 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 in the agreements) or as a result of the employee's death or disability, or termination by us or a deemed termination upon a change of control (as defined in the agreements). Severance benefits generally 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, in certain cases, potential gross up payments for excise tax liability.

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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(11) 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 had been issued upon the exercise of stock options or in connection with performance shares that may be earned under long-term incentive awards as of the grant date, in the case of the stock options, and as of the beginning of the period, in the case of the performance shares, using the treasury stock method. For the third quarter of 2017 there were 349,015 and for the third quarter of 2016 there were 22,692 shares of common stock issuable upon the exercise of stock options excluded from the calculation of diluted weighted average shares outstanding because the effect would have been anti-dilutive on diluted earnings per share.

	Thirteen Weeks Ended		Thirty-nine Weeks Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Weighted average shares outstanding:				
Basic	66,496,333	64,757,962	66,484,105	62,134,846
Net effect of potentially dilutive share-based compensation awards	147,310	280,084	228,979	202,912
Diluted	66,643,643	65,038,046	66,713,084	62,337,758

(12) 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 the financial condition of our customers. Our top ten customers accounted for approximately 53.8% and 55.3% of consolidated net sales for the first three quarters of 2017 and 2016, respectively. Our top ten customers accounted for approximately 47.9% and 53.4% of our consolidated trade accounts receivables as of September 30, 2017 and December 31, 2016, respectively. Other than Wal-Mart, which accounted for 24.7% and 24.3% of our consolidated net sales for the first three quarters of 2017 and 2016, respectively, no single customer accounted for more than 10.0% of our consolidated net sales for the first three quarters of 2017 or 2016. Other than Wal-Mart, which accounted for 23.6% and 21.2% of our consolidated trade accounts receivables as of September 30, 2017 and December 31, 2016, respectively, no single customer accounted for more than 10.0% of our consolidated trade accounts receivables. As of September 30, 2017, we do not believe we have any significant concentration of credit risk with respect to our consolidated trade accounts receivable with any single customer whose failure or nonperformance would materially affect our results other than as described above with respect to Wal-Mart.

During the first three quarters of 2017 and 2016, our sales to customers in foreign countries represented approximately 6.4% and 8.4%, respectively, of net sales. Our foreign sales are primarily to customers in Canada.

(13) Share-Based Payments

Our company makes annual grants of stock options and performance share long-term incentive awards (LTIAs) to our executive officers and certain other members of senior management. The performance share LTIAs 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 and may elect to receive a portion of their annual cash retainer in stock options.

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Notes to Consolidated Financial Statements (Continued)
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(13) Share-Based Payments (Continued)

The following table details our stock option activity for the first three quarters of fiscal 2017 (dollars in thousands, except per share data):

	Options	Weighted Average Exercise Price	Weighted Average Contractual Life Remaining (Years)	Aggregate Intrinsic Value
Outstanding at beginning of fiscal 2017	714,580	$ 31.65		
Granted	159,385	$ 41.31		
Exercised	(1,300)	$ 27.77		
Forfeited	(35,758)	$ 28.31		
Outstanding at end of third quarter of 2017	836,907	$ 33.42	7.87	$ 4,227
Exercisable at end of third quarter of 2017	24,396	$ 42.62	8.61	$ 12

The fair value of the options was estimated on the date of grant using the Black-Scholes option-pricing model utilizing certain assumptions. Expected volatility was based on both historical and implied volatilities of our common stock over the estimated expected term of the award. The expected term of the options granted represents the period of time that options were expected to be outstanding and is based on the "simplified method" in accordance with accounting guidance. We utilized the simplified method to determine the expected term of the options as we do not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term. The risk-free interest rate for the expected term of the option is based on the U.S. Treasury implied yield at the date of grant.

	2017	2016
Weighted average grant date fair value	$ 7.29	$ 5.26
Expected volatility	27.5% - 29.2%	27.7%
Expected term	5.5 - 6.5 years	5.5 - 6.5 years
Risk-free interest rate	1.8% - 2.4%	1.5% - 1.7%
Dividend yield	4.5% - 5.22%	3.9% - 4.9%

The following table sets forth the compensation expense recognized for share-based payments (performance share LTIAs, stock options, non-employee director stock grants and other share based payments) during the third quarter and first three quarters of 2017 and 2016 and where that expense is reflected in our consolidated statements of operations (in thousands):

	Thirteen Weeks Ended		Thirty-nine Weeks Ended	
Consolidated Statements of Operations Location	**September 30, 2017**	**October 1, 2016**	**September 30, 2017**	**October 1, 2016**
Compensation expense included in cost of goods sold	$ 217	$ 273	$ 689	$ 785
Compensation expense included in selling, general and administrative expenses	865	1,068	3,595	3,672
Total compensation expense for share-based payments	$ 1,082	$ 1,341	$ 4,284	$ 4,457

As of September 30, 2017, there was $2.2 million of unrecognized compensation expense related to performance share LTIAs, which is expected to be recognized over the next 2.25 years and $1.4 million of unrecognized compensation expense related to stock options, which is expected to be recognized over the next 2.5 years.

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Notes to Consolidated Financial Statements (Continued)
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(13) Share-Based Payments (Continued)

The following table details the activity in our non-vested performance share LTIAs for the first three quarters of 2017:

	Number of Performance Shares (1)	Weighted Average Grant Date Fair Value (per share)(2)
Beginning of fiscal 2017	436,554	$ 26.81
Granted	132,000	$ 36.15
Vested	(110,528)	$ 27.50
Forfeited	(19,456)	$ 28.08
End of third quarter of 2017	438,570	$ 29.38

(1) Solely for purposes of this table, the number of performance shares is based on the participants earning the maximum number of performance shares (i.e., 200% 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.

The following table details the number of shares of common stock issued by our company during the first three quarters of 2017 and 2016 upon the vesting of performance share LTIAs, the exercise of stock options and other share based payments (dollars in thousands):

	Thirty-nine Weeks Ended	
	September 30, 2017	October 1, 2016
Number of performance shares vested	110,528	101,094
Shares withheld to fund statutory minimum tax withholding	42,368	37,596
Shares of common stock issued for performance share LTIAs	68,160	63,498
Shares of common stock issued upon the exercise of stock options	1,300	—
Shares of common stock issued to non-employee directors for annual equity grants	20,559	16,072
Total shares of common stock issued	90,019	79,570
Excess tax (deficiency) benefit	$ 820 (1)	$ 343

(1) As a result of the adoption of ASU 2016-09, we recognized discrete tax benefits of $0.8 million in the income taxes line item of our consolidated statement of operations for the first three quarters of 2017 related to excess tax benefits upon vesting or settlement in that period. See Note 2, "Summary of Significant Accounting Policies—*Newly Adopted Accounting Standards*."

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(14) Net Sales by Brand

The following table sets forth net sales by brand (in thousands):

	Thirteen Weeks Ended		Thirty-nine Weeks Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Brand:[1]				
Green Giant	$ 121,118	$ 113,780	$ 351,771	$ 351,157
Ortega	33,461	35,090	105,429	106,709
Tone's[2]	30,484	—	79,127	—
Pirate Brands	27,159	22,447	70,099	66,941
Maple Grove Farms of Vermont	15,776	16,667	50,887	53,990
Mrs. Dash	14,791	14,655	46,532	47,247
Cream of Wheat	14,732	14,126	43,789	43,608
Victoria[3]	9,708	—	30,073	—
Weber[2]	7,342	—	29,888	—
Bear Creek Country Kitchens	12,907	13,633	29,584	32,611
Las Palmas	8,843	8,913	26,292	27,017
Polaner	8,663	7,506	26,219	25,058
New York Style	9,293	8,313	25,843	24,792
Mama Mary's	8,207	9,355	25,374	28,733
All other brands[4]	85,880	53,762	253,465	169,738
Total	$ 408,364	$ 318,247	$ 1,194,372	$ 977,601

(1) Table includes net sales for each of our brands whose first three quarters of 2017 or fiscal 2016 net sales were equal to or exceeded 2% of our total first three quarters of 2017 or fiscal 2016 net sales and for "all other brands" in the aggregate. Net sales for each brand includes branded net sales and, if applicable, any private label and foodservice net sales attributable to the brand.
(2) We acquired the *Tone's* and *Weber* brands on November 21, 2016 as part of the spices & seasonings acquisition.
(3) We completed the *Victoria* acquisition on December 2, 2016.
(4) Net sales for "all other brands" for the third quarter and first three quarters of 2017 has been impacted by the acquisition of the *Spice Islands, Durkee* and certain other brands acquired as part of the spices & seasonings acquisition, which was completed on November 21, 2016.

(15) Guarantor and Non-Guarantor Financial Information

As further discussed in Note 6, "Long-Term Debt," our obligations under the 4.625% senior notes and the 5.25% 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, which we refer to in this note as the guarantor subsidiaries. Our foreign subsidiaries, which we refer to in this note as the non-guarantor subsidiaries, do not guarantee the 4.625% senior notes or the 5.25% senior notes.

The following condensed consolidating financial information presents the condensed consolidating balance sheet as of September 30, 2017 and December 31, 2016, the related condensed consolidating statement of operations for the thirteen weeks and thirty-nine weeks ended September 30, 2017, and the related condensed consolidating statement of cash flows for the thirty-nine weeks ended September 30, 2017 for:

1. B&G Foods, Inc. (the Parent),
2. the guarantor subsidiaries,
3. the non-guarantor subsidiaries, and
4. the Parent and all of its subsidiaries on a consolidated basis.

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

(15) Guarantor and Non-Guarantor Financial Information (Continued)

The information includes elimination entries necessary to consolidate the Parent with the guarantor subsidiaries and non-guarantor subsidiaries. The guarantor subsidiaries and non-guarantor subsidiaries are presented on a combined basis. The principal elimination entries eliminate investments in subsidiaries and intercompany balances and transactions. Separate financial information for each of the guarantor subsidiaries and non-guarantor subsidiaries are not presented because management believes such financial statements would not be meaningful to investors.

Condensed Consolidating Balance Sheet
As of September 30, 2017
(In thousands)

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Current Assets:					
Cash and cash equivalents	$ —	$ 19,133	$ 3,482	$ —	$ 22,615
Trade accounts receivable, net	—	158,101	13,242	—	171,343
Inventories, net	—	422,291	65,099	—	487,390
Prepaid expenses and other current assets	—	29,168	4,433	—	33,601
Income tax receivable	—	8,698	869	—	9,567
Total current assets	—	637,391	87,125	—	724,516
Property, plant and equipment, net	—	221,173	45,208	—	266,381
Goodwill	—	615,770	—	—	615,770
Other intangibles, net	—	1,615,528	—	—	1,615,528
Other assets	—	6,278	14	—	6,292
Deferred income taxes	—	—	984	—	984
Investments in subsidiaries	2,700,032	89,846	—	(2,789,878)	—
Total assets	$2,700,032	$3,185,986	$ 133,331	$(2,789,878)	$ 3,229,471
Liabilities and Stockholders' Equity					
Current Liabilities:					
Trade accounts payable	$ —	$ 104,376	$ 32,829	$ —	$ 137,205
Accrued expenses	—	52,539	2,935	—	55,474
Income tax payable	—	—	112	—	112
Dividends payable	30,921	—	—	—	30,921
Intercompany payables	—	(7,609)	7,609	—	—
Total current liabilities	30,921	149,306	43,485	—	223,712
Long-term debt	1,877,722	(24,790)	—	—	1,852,932
Other liabilities	—	17,779	—	—	17,779
Deferred income taxes	—	343,659	—	—	343,659
Total liabilities	1,908,643	485,954	43,485	—	2,438,082
Stockholders' Equity:					
Preferred stock	—	—	—	—	—
Common stock	665	—	—	—	665
Additional paid-in capital	297,303	2,208,836	68,253	(2,277,089)	297,303
Accumulated other comprehensive loss	(10,792)	(10,792)	(3,814)	14,606	(10,792)
Retained earnings	504,213	501,988	25,407	(527,395)	504,213
Total stockholders' equity	791,389	2,700,032	89,846	(2,789,878)	791,389
Total liabilities and stockholders' equity	$2,700,032	$3,185,986	$ 133,331	$(2,789,878)	$ 3,229,471

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

(15) Guarantor and Non-Guarantor Financial Information (Continued)

Condensed Consolidating Balance Sheet
As of December 31, 2016
(In thousands)

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Current Assets:					
Cash and cash equivalents	$ —	$ 25,119	$ 3,714	$ —	$ 28,833
Trade accounts receivable, net	—	111,350	7,915	—	119,265
Inventories, net	—	309,584	47,006	—	356,590
Prepaid expenses and other current assets	—	20,296	6,103	—	26,399
Income tax receivable	—	10,780	7	—	10,787
Intercompany receivables	—	—	12,183	(12,183)	—
Total current assets	—	477,129	76,928	(12,183)	541,874
Property, plant and equipment, net	—	211,843	33,501	—	245,344
Goodwill	—	614,278	—	—	614,278
Other intangibles, net	—	1,629,482	—	—	1,629,482
Other assets	—	4,612	13	—	4,625
Deferred income taxes	—	7,036	866	—	7,902
Investments in subsidiaries	2,563,305	96,187	—	(2,659,492)	—
Total assets	$2,563,305	$ 3,040,567	$ 111,308	$ (2,671,675)	$ 3,043,505
Liabilities and Stockholders' Equity					
Current Liabilities:					
Trade accounts payable	$ —	$ 88,668	$ 9,365	$ —	$ 98,033
Accrued expenses	—	60,957	1,436	—	62,393
Current portion of long-term debt	10,515	—	—	—	10,515
Income tax payable	—	—	3,875	—	3,875
Dividends payable	30,879	—	—	—	30,879
Intercompany payables	—	11,738	445	(12,183)	—
Total current liabilities	41,394	161,363	15,121	(12,183)	205,695
Long-term debt	1,736,254	(20,986)	—	—	1,715,268
Other liabilities	—	21,405	—	—	21,405
Deferred income taxes	—	315,480	—	—	315,480
Total liabilities	1,777,648	477,262	15,121	(12,183)	2,257,848
Stockholders' Equity:					
Common stock	664	—	—	—	664
Additional paid-in capital	387,699	2,168,236	86,833	(2,255,069)	387,699
Accumulated other comprehensive loss	(19,364)	(19,364)	(12,164)	31,528	(19,364)
Retained earnings	416,658	414,433	21,518	(435,951)	416,658
Total stockholders’ equity	785,657	2,563,305	96,187	(2,659,492)	785,657
Total liabilities and stockholders’ equity	$2,563,305	$ 3,040,567	$ 111,308	$ (2,671,675)	$ 3,043,505

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

(15) Guarantor and Non-Guarantor Financial Information (Continued)

Condensed Consolidating Statement of Operations and Comprehensive Income
Thirteen Weeks Ended September 30, 2017
(In thousands)

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ —	$ 374,514	$ 45,697	$ (11,847)	$ 408,364
Cost of goods sold	—	260,077	36,879	(11,847)	285,109
Gross profit	—	114,437	8,818	—	123,255
Operating expenses:					
Selling, general and administrative expenses	—	39,877	3,142	—	43,019
Amortization expense	—	4,265	—	—	4,265
Operating income	—	70,295	5,676	—	75,971
Other income and expenses:					
Interest expense, net	—	23,374	—	—	23,374
Other income	—	95	—	—	95
Income before income tax expense	—	46,826	5,676	—	52,502
Income tax expense	—	18,415	1,357	—	19,772
Equity in earnings of subsidiaries	32,730	4,319	—	(37,049)	—
Net income	$32,730	$ 32,730	$ 4,319	$ (37,049)	$ 32,730
Comprehensive income	$33,563	$ 32,609	$ 5,031	$ (37,640)	$ 33,563

Condensed Consolidating Statement of Operations and Comprehensive Income
Thirty-Nine Weeks Ended September 30, 2017
(In thousands)

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ —	$ 1,121,897	$ 124,895	$ (52,420)	$ 1,194,372
Cost of goods sold	—	776,312	109,424	(52,420)	833,316
Gross profit	—	345,585	15,471	—	361,056
Operating expenses:					
Selling, general and administrative expenses	—	136,921	9,323	—	146,244
Amortization expense	—	13,002	—	—	13,002
Operating income	—	195,662	6,148	—	201,810
Other income and expenses:					
Interest expense, net	—	65,019	—	—	65,019
Loss on extinguishment of debt	—	1,163	—	—	1,163
Other income	—	(2,865)	—	—	(2,865)
Income before income tax expense	—	132,345	6,148	—	138,493
Income tax expense	—	48,679	2,259	—	50,938
Equity in earnings of subsidiaries	87,555	3,889	—	(91,444)	—
Net income	$87,555	$ 87,555	$ 3,889	$ (91,444)	$ 87,555
Comprehensive income	$96,127	$ 87,333	$ 12,239	$ (99,572)	$ 96,127

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

(15) Guarantor and Non-Guarantor Financial Information (Continued)

Condensed Consolidating Statement of Operations and Comprehensive Income
Thirteen Weeks Ended October 1, 2016
(In thousands)

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ —	$ 294,871	$ 30,573	$ (7,197)	$ 318,247
Cost of goods sold	—	188,720	21,298	(7,197)	202,821
Gross profit	—	106,151	9,275	—	115,426
Operating expenses:					
Selling, general and administrative expenses	—	39,619	2,846	—	42,465
Amortization expense	—	3,269	—	—	3,269
Operating income	—	63,263	6,429	—	69,692
Other income and expenses:					
Interest expense, net	—	17,974	—	—	17,974
Other income	—	127	—	—	127
Income before income tax expense	—	45,162	6,429	—	51,591
Income tax expense	—	17,351	1,830	—	19,181
Equity in earnings of subsidiaries	32,410	4,599	—	(37,009)	—
Net income	$32,410	$ 32,410	$ 4,599	$ (37,009)	$ 32,410
Comprehensive income (loss)	$29,095	$ 32,344	$ 1,218	$ (33,562)	$ 29,095

Condensed Consolidating Statement of Operations and Comprehensive Income
Thirty-Nine Weeks Ended October 1, 2016
(In thousands)

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ —	$ 912,945	$ 86,294	$ (21,638)	$ 977,601
Cost of goods sold	—	593,688	64,495	(21,638)	636,545
Gross profit	—	319,257	21,799	—	341,056
Operating expenses:					
Selling, general and administrative expenses	—	111,538	4,451	—	115,989
Amortization expense	—	10,039	—	—	10,039
Impairment of intangible assets	—	5,405	—	—	5,405
Operating income	—	192,275	17,348	—	209,623
Other income and expenses:					
Interest expense, net	—	55,535	—	—	55,535
Loss on extinguishment of debt	—	2,836	—	—	2,836
Other income	—	(2,173)	—	—	(2,173)
Income before income tax expense	—	136,077	17,348	—	153,425
Income tax expense	—	52,745	4,823	—	57,568
Equity in earnings of subsidiaries	95,857	12,525	—	(108,382)	—
Net income	$95,857	$ 95,857	$ 12,525	$ (108,382)	$ 95,857
Comprehensive income (loss)	$92,410	$ 95,613	$ 8,834	$ (104,447)	$ 92,410

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

(15) Guarantor and Non-Guarantor Financial Information (Continued)

Condensed Consolidating Statement of Cash Flows
Thirty-Nine Weeks Ended September 30, 2017
(In thousands)

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net cash provided by operating activities	$ —	$ (2,069)	$ 9,606	$ —	$ 7,537
Cash flows from investing activities:					
Capital expenditures	—	(32,348)	(10,380)	—	(42,728)
Proceeds from sale of assets	—	2,229	—	—	2,229
Payments for acquisition of businesses, net of cash acquired	—	(117)	—	—	(117)
Net cash used in investing activities	—	(30,236)	(10,380)	—	(40,616)
Cash flows from financing activities:					
Repayments of long-term debt	(233,640)	—	—	—	(233,640)
Proceeds from issuance of long-term debt	500,000	—	—	—	500,000
Repayments of borrowings under revolving credit facility	(221,000)	—	—	—	(221,000)
Borrowings under revolving credit facility	85,000	—	—	—	85,000
Proceeds from issuance of common stock, net	36	—	—	—	36
Dividends paid	(92,710)	—	—	—	(92,710)
Payments of tax withholding on behalf of employees for net share settlement of share-based compensation	—	(1,962)	—	—	(1,962)
Debt financing costs	—	(8,637)	—	—	(8,637)
Intercompany transactions	(37,686)	36,918	768	—	—
Net cash provided by financing activities	—	26,319	768	—	27,087
Effect of exchange rate fluctuations on cash and cash equivalents	—	—	(226)	—	(226)
Net increase (decrease) in cash and cash equivalents	—	(5,986)	(232)	—	(6,218)
Cash and cash equivalents at beginning of period	—	25,119	3,714	—	28,833
Cash and cash equivalents at end of period	$ —	$ 19,133	$ 3,482	$ —	$ 22,615

B&G Foods, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

(15) Guarantor and Non-Guarantor Financial Information (Continued)

Condensed Consolidating Statement of Cash Flows
Thirty-Nine Weeks Ended October 1, 2016
(In thousands)

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net cash provided by operating activities	$ —	$ 165,362	$ 27,416	$ —	$ 192,778
Cash flows from investing activities:					
Capital expenditures	—	(20,557)	(4,250)	—	(24,807)
Net cash used in investing activities	—	(20,557)	(4,250)	—	(24,807)
Cash flows from financing activities:					
Repayments of long-term debt	(150,000)	—	—	—	(150,000)
Repayments of borrowings under revolving credit facility	(50,000)	—	—	—	(50,000)
Borrowings under revolving credit facility	10,000	—	—	—	10,000
Proceeds from issuance of common stock, net	331,879	—	—	—	331,879
Dividends paid	(72,916)	—	—	—	(72,916)
Excess tax benefits from share-based compensation	—	343	—	—	343
Payments of tax withholding on behalf of employees for net share settlement of share-based compensation	—	(1,410)	—	—	(1,410)
Intercompany transactions	(68,963)	85,655	(16,692)	—	—
Net cash provided by (used in) financing activities	—	84,588	(16,692)	—	67,896
Effect of exchange rate fluctuations on cash and cash equivalents	—	—	(533)	—	(533)
Net increase in cash and cash equivalents	—	229,393	5,941	—	235,334
Cash and cash equivalents at beginning of period	—	1,964	3,282	—	5,246
Cash and cash equivalents at end of period	$ —	$ 231,357	$ 9,223	$ —	$ 240,580

(16) Subsequent Event

Back to Nature Acquisition. On October 2, 2017, we completed our acquisition of Back to Nature Foods Company, LLC and related entities from Brynwood Partners VI L.P., Mondelēz International and certain other sellers for approximately $162.5 million in cash, subject to customary closing and post-closing working capital adjustments. We funded the acquisition and related fees and expenses with additional revolving loans under our existing credit facility. The primary assets of the business purchased include intellectual property, business and customer information, equipment, accounts receivable and inventory. Due to the relatively short time from the date of acquisition to the completion of the accompanying unaudited interim consolidated financial statements, the initial accounting for the acquisition, including our preliminary evaluation of the fair value for certain significant assets and liabilities, including goodwill and intangibles, is not complete. The *Back to Nature* acquisition is not material to our consolidated results of operations or financial position. We will provide the preliminary purchase price allocation with our Annual Report on Form 10-K for fiscal 2017.

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 and thirty-nine weeks ended September 30, 2017 (third quarter and first three quarters of 2017) included elsewhere in this report and the audited consolidated financial statements and related notes for the fiscal year ended December 31, 2016 (fiscal 2016) included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on March 1, 2017 (which we refer to as our 2016 Annual Report on Form 10-K).

General

We manufacture, sell and distribute a diverse portfolio of branded, high quality, shelf-stable and frozen foods and household 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 foodservice sales and private label sales.

Our company has been built upon a successful track record of acquisition-driven growth. Our goal is to continue to increase sales, profitability and cash flows through strategic acquisitions, new product development and organic growth. 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.

Since 1996, we have successfully acquired and integrated more than 45 brands into our company. Most recently, on October 2, 2017, we acquired Back to Nature Foods Company, LLC and related entities from Brynwood Partners VI L.P., Mondelēz International and certain other sellers. On December 2, 2016, we acquired Victoria Fine Foods, LLC, and a related entity, from Huron Capital Partners and certain other sellers. On November 21, 2016, we completed the acquisition of the spices & seasonings business of ACH Food Companies, Inc. We refer to these acquisitions in this report as the "*Victoria* acquisition" and the "spices & seasonings acquisition," respectively. Each of these recent acquisitions has been accounted for using the acquisition method of accounting and, accordingly, the assets acquired, liabilities assumed and results of operations of the acquired businesses are included in our consolidated financial statements from the respective dates of acquisition. These acquisitions and the application of the acquisition method of accounting affect comparability between periods.

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 and transportation, are subject to fluctuations in price attributable to a number of factors. Fluctuations in commodity prices can lead to retail price volatility and 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 have seen and expect to continue to see moderate net cost increases for raw materials in the marketplace during 2017 and are currently locked into our supply and prices for a majority of our most significant commodities (excluding, among others, maple syrup) through the remainder of fiscal 2017 at a cost increase of less than 1% of cost of goods sold. During fiscal 2016, we had a minimal cost decrease for a majority of our most significant commodities (excluding, among others, maple syrup). To the extent we are unable to avoid or offset any present or 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, if input costs begin to decline, customers may look for price reductions in situations where we have locked into purchases at higher costs.

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 Consumer 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. Our foreign sales are primarily to customers in Canada. Our sales to Canada are generally denominated in Canadian dollars and our sales for export to other countries are generally denominated in U.S. dollars. During the first three quarters of 2017 and 2016, our net sales to customers in foreign countries represented approximately 6.4% and 8.4%, respectively, of our total net sales. We also purchase a significant majority of our maple syrup requirements from suppliers located in Québec, Canada. Any 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 or otherwise entered into a currency hedging arrangement in advance of any such weakening of the U.S. dollar. These increased costs would not be fully offset by the positive impact the change in the relative strength of the Canadian dollar versus the U.S. dollar would have on our net sales in Canada. Our purchases of raw materials from other foreign suppliers are generally denominated in U.S. dollars. We also operate a manufacturing facility in Irapuato, Mexico for the manufacture of *Green Giant* frozen products and are as a result exposed to fluctuations in the Mexican peso. Our results of operations could be adversely impacted by changes in foreign currency exchange rates. Costs and expenses in Mexico are recognized in local foreign currency, and therefore we are exposed to potential gains or losses from the translation of those amounts into U.S. dollars for consolidation into our financial statements.

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; acquisition accounting fair value allocations; the recoverability of goodwill, other intangible assets, property, plant and equipment, and deferred tax assets; the determination of the useful life of customer relationship and amortizable trademark intangibles; and the accounting for share-based compensation expense. Actual results could differ significantly from these estimates and assumptions.

In our 2016 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 material changes to these policies from those disclosed in our 2016 Annual Report on Form 10-K.

Results of Operations

The following table sets forth the percentages of net sales represented by selected items for the third quarter and first three quarters of each of 2017 and 2016 reflected in our consolidated statements of operations. The comparisons of financial results are not necessarily indicative of future results:

	Thirteen Weeks Ended		Thirty-nine Weeks Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Statement of Operations Data:				
Net sales	100.0 %	100.0 %	100.0 %	100.0 %
Cost of goods sold	69.8 %	63.7 %	69.8 %	65.1 %
Gross profit	30.2 %	36.3 %	30.2 %	34.9 %
Selling, general and administrative expenses	10.5 %	13.4 %	12.2 %	11.9 %
Amortization expense	1.0 %	1.0 %	1.1 %	1.0 %
Impairment of intangible assets	— %	— %	— %	0.6 %
Operating income	18.7 %	21.9 %	16.9 %	21.4 %
Interest expense, net	5.8 %	5.7 %	5.4 %	5.6 %
Loss on extinguishment of debt	— %	— %	0.1 %	0.3 %
Other expense (income)	— %	— %	(0.2)%	(0.2)%
Income before income tax expense	12.9 %	16.2 %	11.6 %	15.7 %
Income tax expense	4.8 %	6.0 %	4.3 %	5.9 %
Net income	8.1 %	10.2 %	7.3 %	9.8 %

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, a portion of our warehousing expenses 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, a portion of our warehousing expenses, information technology and communication costs, office rent, utilities, supplies, professional services, acquisition-related expenses and other general corporate expenses.

Amortization Expense. Amortization expense includes the amortization expense associated with customer relationships, amortizable trademarks and other intangibles.

Impairment of Intangible Assets. Impairment of intangible assets represents a reduction of the carrying value of amortizable intangible assets to fair value when the carrying value of the assets is no longer recoverable.

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).

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

Other Expense (Income). Other expense (income) includes expense or income resulting from the remeasurement of monetary assets denominated in a foreign currency into U.S. dollars for financial reporting purposes.

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 from the most directly comparable measure calculated and presented in accordance with accounting principles generally accepted in the United States (GAAP) in our consolidated balance sheets and related consolidated statements of operations, comprehensive income and cash flows.

Base Business Net Sales. Base business net sales is a non-GAAP financial measure used by management to measure operating performance. We define base business net sales as our net sales excluding (1) the impact of acquisitions until the net sales from such acquisitions are included in both comparable periods and (2) net sales of discontinued brands. The portion of current period net sales attributable to recent acquisitions for which there is no corresponding period in the comparable period of the prior year is excluded. For each acquisition, the excluded period starts at the beginning of the most recent fiscal period being compared and ends on the first anniversary of the acquisition date. For discontinued brands, the entire amount of net sales is excluded from each fiscal period being compared. Management has included this financial measure because it provides useful and comparable trend information regarding the results of our business without the effect of the timing of acquisitions and the effect of discontinued brands.

A reconciliation of base business net sales to reported net sales for the third quarter and first three quarters of 2017 and 2016 follows (in thousands):

	Thirteen Weeks Ended		Thirty-nine Weeks Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Reported net sales	$ 408,364	$ 318,247	$ 1,194,372	$ 977,601
Net sales from acquisitions[1]	(80,082)	—	(231,000)	—
Net sales of *Rickland Orchards*[2]	—	—	—	(528)
Base business net sales	$ 328,282	$ 318,247	$ 963,372	$ 977,073

(1) Reflects net sales for the spices & seasonings business and *Victoria* for the third quarter and first three quarters of 2017 for which there is no comparable period of net sales in 2016. The spices & seasonings business was acquired on November 21, 2016, and *Victoria* was acquired on December 2, 2016.

(2) *Rickland Orchards* was discontinued during the second quarter of 2016.

EBITDA and Adjusted EBITDA. EBITDA and adjusted EBITDA are non-GAAP financial measures used by management to measure operating performance. We define EBITDA as net income before net interest expense, income taxes, depreciation and amortization and loss on extinguishment of debt. We define adjusted EBITDA as EBITDA adjusted for cash and non-cash acquisition-related expenses, gains and losses (which may include third party fees and expenses, integration, restructuring and consolidation expenses, amortization of acquired inventory fair value step-up, intangible asset impairment charges and related asset write offs, and gains and losses on sale of assets), and distribution restructuring expenses. Management believes that it is useful to eliminate net interest expense, income taxes, depreciation and amortization, loss on extinguishment of debt, acquisition-related expenses, gains and losses, non-cash intangible asset impairment charges and related asset write offs and distribution restructuring expenses 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 and adjusted EBITDA in our business operations to, among other things, 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 and adjusted EBITDA because we believe they are useful indicators of our historical debt capacity and ability to service debt and because covenants in our credit agreement and our senior notes indentures contain ratios based on these measures. As a result, internal management reports used during monthly operating reviews feature the EBITDA and adjusted EBITDA metrics. However, management uses these metrics 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 these measures as its only measures of operating performance and liquidity.

EBITDA and adjusted EBITDA are not recognized terms under GAAP and do not purport to be alternatives to operating income, net income (loss) or any other GAAP measure as an indicator of operating performance. EBITDA and adjusted EBITDA are not complete net cash flow measures because EBITDA and adjusted EBITDA are measures of liquidity that do 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 and adjusted EBITDA are two potential indicators of an entity's ability to fund these cash requirements. EBITDA and adjusted EBITDA are not complete measures of an entity's profitability because they do not include costs and expenses for depreciation and amortization, interest and related expenses, loss on extinguishment of debt, acquisition-related expenses, gains and losses, income taxes, intangible asset impairment charges and related asset write offs, and distribution restructuring expenses. Because not all companies use identical calculations, this presentation of EBITDA and adjusted EBITDA may not be comparable to other similarly titled measures of other companies. However, EBITDA and adjusted EBITDA can still be useful in evaluating our performance against our peer companies because management believes these measures provide users with valuable insight into key components of GAAP amounts.

A reconciliation of EBITDA and adjusted EBITDA to net income and to net cash provided by operating activities for the third quarter and first three quarters of each of 2017 and 2016 along with the components of EBITDA and adjusted EBITDA follows (in thousands):

	Thirteen Weeks Ended		Thirty-nine Weeks Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Net income	$ 32,730	$ 32,410	$ 87,555	$ 95,857
Income tax expense	19,772	19,181	50,938	57,568
Interest expense, net	23,374	17,974	65,019	55,535
Depreciation and amortization	11,737	8,655	36,284	26,813
Loss on extinguishment of debt	—	—	1,163	2,836
EBITDA	87,613	78,220	240,959	238,609
Acquisition-related expenses	6,448	6,544	20,141	10,475
Amortization of acquisition-related inventory step-up	—	—	1,550	3,074
Impairment of intangible assets	—	—	—	5,405
Loss on disposal of inventory	—	—	—	791
Loss on sale of assets	—	—	1,608	—
Distribution restructuring expenses	—	325	—	1,273
Adjusted EBITDA	94,061	85,089	264,258	259,627
Income tax expense	(19,772)	(19,181)	(50,938)	(57,568)
Interest expense, net	(23,374)	(17,974)	(65,019)	(55,535)
Acquisition-related expenses	(6,448)	(6,544)	(20,141)	(10,475)
Distribution restructuring expenses	—	(325)	—	(1,273)
Write-off of property, plant and equipment	2	—	107	—
Deferred income taxes	15,087	9,888	35,079	45,555
Amortization of deferred financing costs and bond discount	1,468	1,319	4,263	4,101
Amortization of acquisition-related inventory step-up	—	—	(1,550)	(3,074)
Share-based compensation expense	1,082	1,341	4,284	4,457
Excess tax benefits from share-based compensation	—	—	—	(343)
Changes in assets and liabilities, net of effects of business combinations	(74,393)	(61,508)	(162,806)	7,306
Net cash (used in) provided by operating activities	$ (12,287)	$ (7,895)	$ 7,537	$ 192,778

Adjusted Net Income and *Adjusted Diluted Earnings Per Share.* Adusted net income and adusted diluted earnings per share are non-GAAP financial measures used by management to measure operating performance. We define adjusted net income and adjusted diluted earnings per share as net income and diluted earnings per share adjusted for certain items that affect comparability. These non-GAAP financial measures reflect adjustments to net income and diluted earnings per share to eliminate the items identified in the reconciliation below. This information is provided in order to allow investors to make meaningful comparisons of our operating performance between periods and to view the our business from the same perspective as the our management. Because we cannot predict the timing and amount of these items, management does not consider these items when evaluating our company’s performance or when making decisions regarding allocation of resources.

A reconciliation of adjusted net income and adjusted diluted earnings per share to net income for the third quarter and first three quarters of each of 2017 and 2016 along with the components of adjusted net income and adjusted diluted earnings per share follows (in thousands):

	Thirteen Weeks Ended		Thirty-nine Weeks Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Reported net income	$ 32,730	$ 32,410	$ 87,555	$ 95,857
Non-recurring adjustment to deferred taxes(1)	—	—	—	564
Loss on extinguishment of debt, net of tax(2)	—	—	727	1,784
Acquisition-related expenses, net of tax	4,028	4,116	12,582	6,588
Distribution restructuring expenses, net of tax(3)	—	204	—	801
Acquisition-related inventory step-up, net of tax(4)	—	—	968	1,934
Impairment of intangible assets, net of tax(5)	—	—	—	3,400
Loss on disposal of inventory, net of tax(5)	—	—	—	498
Loss on sale of assets, net of tax(6)	—	—	1,005	—
Adjusted net income	$ 36,758	$ 36,730	$ 102,837	$ 111,426
Adjusted diluted earnings per share	$ 0.55	$ 0.56	$ 1.54	$ 1.79

(1) Non-recurring adjustment to deferred taxes for the first three quarters of 2016 relates to a true-up of deferred taxes resulting from our decision during the second quarter of 2016 to discontinue the *Rickland Orchards* brand and the related impairment of intangible assets.

(2) Loss on extinguishment of debt for the first three quarters of 2017 includes the write-off of deferred debt financing costs and unamortized discount of $0.9 million and $0.2 million, respectively, relating to the repayment of all outstanding borrowings under the tranche A term loans and less than $0.1 million relating to the refinancing of our tranche B term loans. Loss on extinguishment of debt for the first three quarters of 2016 includes the write-off of deferred debt financing costs and unamortized discount of $2.2 million and $0.6 million, respectively, relating to the repayment of $40.1 million aggregate principal amounts of our tranche A term loans and $109.9 million aggregate principal amount of our tranche B term loans.

(3) Distribution restructuring expenses for the third quarter and first three quarters of 2016 includes expenses relating to our transitioning of the operations of our three primary shelf-stable distribution centers and a new fourth primary shelf-stable distribution center in the United States to a third party logistics provider.

(4) Acquisition-related inventory step-up for the first three quarters of 2017 relates to the purchase accounting adjustments made to the finished goods inventory acquired in the spices & seasonings acquisition. Acquisition-related inventory step-up for the first three quarters of 2016 relates to the purchase accounting adjustments made to the finished goods inventory acquired in the *Green Giant* acquisition.

(5) During the first three quarters of 2016, we discontinued the *Rickland Orchards* brand because there was not sufficient demand to warrant continued production. Accordingly, we wrote off the related intangible assets and recorded non-cash impairment charges to amortizable trademarks and customer relationship intangibles of $4.5 million and $0.9 million, respectively, which are recorded in "Impairment of intangible assets" in our consolidated statement of operations for the first three quarters of 2016. We also recorded a charge to cost of goods sold of approximately $0.8 million in connection with the write-off of raw materials and finished goods inventory used for the *Rickland Orchards* brand.

(6) During the first three quarters of 2017, we sold to a third-party co-packer our Le Sueur, Minnesota research center, including the seed technology assets, property, plant and equipment. We acquired the research center and related assets on November 2, 2015, as part of the *Green Giant* acquisition. The sale resulted in a $1.6 million loss on sale of assets.

Third quarter of 2017 compared to the third quarter of 2016

Net Sales. Net sales increased $90.2 million, or 28.3%, to $408.4 million for the third quarter of 2017 from $318.2 million for the third quarter of 2016. Net sales of the spices & seasonings business, acquired on November 21, 2016, and net sales of *Victoria*, acquired on December 2, 2016, contributed $70.4 million and $9.7 million, respectively, to the overall net sales increase.

Base business net sales for the third quarter of 2017 increased $10.1 million, or 3.2%, to $328.3 million from $318.2 million for the third quarter of 2016. The $10.1 million increase was attributable to an increase in unit volume of $13.0 million, or 4.1%, offset by a decrease in net pricing of $2.9 million, or 0.9%.

Net sales increased across half of our brands, led by *Green Giant* which increased by $7.3 million for the third quarter. *Green Giant* frozen products increased by $11.6 million, driven by the brand's new innovation products. The increase was offset by a decrease in net sales of *Green Giant* shelf-stable and other products of $4.3 million, primarily attributable to forecasted distribution losses with certain customers. Net sales of Pirate Brands increased $4.7 million, benefitting from a strong back-to-school season, new distribution gains and the shift in timing of certain promotional spending from the second quarter of last year to the third quarter of this year. Other brands that contributed to the net sales growth for the quarter include *Polaner*, *Underwood*, *New York Style* and *Cream of Wheat*.

See Note 14, "Net Sales by Brand," to our unaudited consolidated interim financial statements in Part I, Item 1 of this report, for detailed information regarding total net sales by brand for the third quarter of 2017 and the third quarter of 2016 for each of our brands that exceed approximately 2% of our fiscal 2017 or fiscal 2016 net sales and for all other brands in the aggregate.

The following chart sets forth the most significant base business net sales increases and decreases by brand for the third quarter of 2017:

	Base Business Net Sales Increase (Decrease) Dollars (in millions)	Percentage
Brand:		
Green Giant	$ 7.3	6.4 %
Pirate Brands	4.7	21.0 %
Polaner	1.2	15.4 %
Underwood	1.0	20.6 %
New York Style	1.0	11.8 %
Cream of Wheat	0.6	4.3 %
Ortega	(1.6)	(4.6)%
Mama Mary's	(1.1)	(12.3)%
Maple Grove Farms of Vermont	(0.9)	(5.3)%
Bear Creek Country Kitchens	(0.7)	(5.3)%
All other brands	(1.4)	(2.0)%
Base business net sales decrease	$ 10.1	3.2 %

Gross Profit. Gross profit increased $7.9 million, or 6.8%, to $123.3 million for the third quarter of 2017 from $115.4 million for the third quarter of 2016. Gross profit expressed as a percentage of net sales was 30.2% in the third quarter of 2017 compared to 36.3% in the third quarter of 2016. Excluding spices & seasonings and *Victoria*, approximately 2.9 percentage points of the decrease in gross profit percentage was due to an increase in warehousing and distribution costs, 1.0 percentage point of the decrease was due to an increase in coupon and slotting expenses and 0.9 percentage points of the decrease was due to a decrease in pricing. The remaining 1.3 percentage points of the decrease was due to an increase in all other costs, including the impact of product mix.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased $0.5 million, or 1.3%, to $43.0 million for the third quarter of 2017 from $42.5 million for the third quarter of 2016. The increase was composed of increases in warehousing expenses of $1.4 million and selling expenses of $1.4 million (which includes a $2.1 million increase in brokerage expenses offset by a $0.6 million decrease in salesperson compensation), offset by decreases in marketing expenses of $0.9 million and all other expenses of $1.4 million. Expressed as a percentage of net sales, selling, general and administrative expenses improved by 2.9 percentage points to 10.5% for the third quarter of 2017 compared to 13.4% for the third quarter of 2016.

Amortization Expense. Amortization expense increased $1.0 million to $4.3 million for the third quarter of 2017 from $3.3 million for the third quarter of 2016 due to the spices & seasonings and *Victoria* acquisitions completed in fiscal 2016.

Operating Income. As a result of the foregoing, operating income increased $6.3 million, or 9.0%, to $76.0 million for the third quarter of 2017 from $69.7 million for the third quarter of 2016. Operating income expressed as a percentage of net sales decreased to 18.7% in the third quarter of 2017 from 21.9% in the third quarter of 2016.

Net Interest Expense. Net interest expense increased $5.4 million, or 30.0%, to $23.4 million for the third quarter of 2017 from $18.0 million in the third quarter of 2016. The increase was primarily attributable to additional borrowings made in the fourth quarter of 2016 to fund the spices & seasonings acquisition and the *Victoria* acquisition and in the second quarter of 2017 in connection with our credit agreement refinancing and senior notes offering. See "—Liquidity and Capital Resources—Debt" below.

Other Expense. Other expense for the third quarter of 2017 and 2016 includes remeasurement of monetary assets denominated in a foreign currency into U.S. dollars of $0.1 million and $0.1 million, respectively.

Income Tax Expense. Income tax expense increased $0.6 million to $19.8 million for the third quarter of 2017 from $19.2 million for the third quarter of 2016. Our effective tax rate was 37.7% for the third quarter of 2017 and 37.2% for the third quarter of 2016.

First three quarters of 2017 compared to the first three quarters of 2016

Net Sales. Net sales increased $216.8 million, or 22.2%, to $1,194.4 million for the first three quarters of 2017 from $977.6 million for the first three quarters of 2016. Net sales of the spices & seasonings business, acquired on November 21, 2016, and net sales of *Victoria*, acquired on December 2, 2016, contributed $200.9 million and $30.1 million, respectively, to the overall net sales increase.

Base business net sales for the first three quarters of 2017 decreased $13.7 million, or 1.4%, to $963.4 million from $977.1 million for the first three quarters of 2016. The $13.7 million decrease was attributable to decreases in unit volume of $8.6 million, or 0.9%, and net pricing of $5.1 million, or 0.5%.

Our base business net sales decline for the first three quarters of 2017 was largely attributable to our maple syrup products, *Mama Mary's* and *Bear Creek Country Kitchens*. Net sales of our maple syrup products decreased $5.2 million, or 7.0%, primarily due to our decision during the first quarter of 2017 to discontinue certain private label sales. Net sales of *Mama Mary's* decreased $3.4 million, or 11.7%, generally in line with a category decline of approximately 8.4%. Net sales of *Bear Creek Country Kitchens*, which faced aggressive competition and a category decline of approximately 4.0% during the first three quarters of 2017, decreased $3.0 million, or 9.3%. For the first three quarters of 2017, net sales of Pirate Brands, *Underwood, Polaner, New York Style* and *Green Giant* increased by $3.2 million, $1.3 million, $1.2 million, $1.1 million and $0.6 million, or 4.7%, 9.1%, 4.6%, 4.2% and 0.2%, respectively.

See Note 14, "Net Sales by Brand," to our unaudited consolidated interim financial statements in Part I, Item 1 of this report, for detailed information regarding total net sales by brand for the first three quarters of 2017 and the first three quarters of 2016 for each of our brands that exceed approximately 2% of our fiscal 2017 or fiscal 2016 net sales and for all other brands in the aggregate.

The following chart sets forth the most significant base business net sales increases and decreases by brand for the first three quarters of 2017:

	Base Business Net Sales Increase (Decrease)	
	Dollars (in millions)	Percentage
Brand:		
Pirate Brands	$ 3.2	4.7 %
Underwood	1.3	9.1 %
Polaner	1.2	4.6 %
New York Style	1.1	4.2 %
Green Giant	0.6	0.2 %
Mama Mary's	(3.4)	(11.7)%
Maple Grove Farms of Vermont	(3.1)	(5.7)%
Bear Creek Country Kitchens	(3.0)	(9.3)%
SpringTree	(1.7)	(12.2)%
B&M	(1.5)	(10.0)%
TrueNorth	(1.3)	(15.7)%
Bloch & Guggenheimer	(1.3)	(6.7)%
Ortega	(1.3)	(1.2)%
Emeril's	(1.2)	(11.2)%
All other brands	(3.3)	(1.6)%
Base business net sales decrease	$ (13.7)	(1.4)%

Gross Profit. Gross profit increased $20.0 million, or 5.9%, to $361.1 million for the first three quarters of 2017 from $341.1 million for the first three quarters of 2016. Gross profit expressed as a percentage of net sales was 30.2% in the first three quarters of 2017 compared to 34.9% in the first three quarters of 2016. Excluding spices & seasonings and *Victoria*, approximately 2.9 percentage points of the decrease in gross profit percentage was due to an increase in warehousing and distribution costs, 0.7 percentage points of the decrease was due to an increase in coupon and slotting expenses and 0.5 percentage points of the decrease was due to a decrease in pricing. The remaining 0.6 percentage points of the decrease was due to an increase of all other costs, including the impact of product mix.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased $30.2 million, or 26.1%, to $146.2 million for the first three quarters of 2017 from $116.0 million for the first three quarters of 2016. The increase was composed of increases in marketing expenses of $10.4 million, acquisition-related expenses of $9.7 million, warehousing expenses of $9.3 million, selling expenses of $3.5 million (which includes a $3.6 million increase in brokerage expenses and a $0.7 million decrease in salesperson compensation) and a loss on sale of assets of $1.6 million, partially offset by a decrease in distribution restructuring expenses of $1.3 million and all other expenses of $3.0 million. Expressed as a percentage of net sales, selling, general and administrative expenses increased 0.3 percentage points to 12.2% for the first three quarters of 2017 from 11.9% for the first three quarters of 2016.

Amortization Expense. Amortization expense increased $3.0 million to $13.0 million for the first three quarters of 2017 from $10.0 million for the first three quarters of 2016 due to the spices & seasonings and *Victoria* acquisitions completed in fiscal 2016.

Impairment of Intangible Assets. Impairment of intangible assets of $5.4 million for the first three quarters of 2016 includes a $4.5 million loss for the impairment of amortizable trademarks and a $0.9 million loss for the impairment of customer relationship intangibles, both relating to *Rickland Orchards,* as we discontinued the *Rickland* Orchards brand during the second quarter of 2016 because there was not sufficient demand to warrant continued production.

Operating Income. As a result of the foregoing, operating income decreased $7.8 million, or 3.7%, to $201.8 million for the first three quarters of 2017 from $209.6 million for the first three quarters of 2016. Operating income expressed as a percentage of net sales decreased to 16.9% in the first three quarters of 2017 from 21.4% in the first three quarters of 2016.

Net Interest Expense. Net interest expense increased $9.5 million, or 17.1%, to $65.0 million for the first three quarters of 2017 from $55.5 million in the first three quarters of 2016. The increase was primarily attributable to additional borrowings made in the fourth quarter of 2016 to fund the spices & seasonings acquisition and the *Victoria* acquisition and in the second quarter of 2017 in connection with our credit agreement refinancing and senior notes offering. See "—Liquidity and Capital Resources—Debt" below.

Loss on Extinguishment of Debt. Loss on extinguishment of debt for the first three quarters of 2017 includes the write-off of deferred debt financing costs and unamortized discount of $0.9 million and $0.2 million, respectively, relating to the repayment of all outstanding borrowings under the tranche A term loans. During the first quarter of 2017, we incurred a loss on extinguishment of debt relating to the refinancing of our tranche B term loans of less than $0.1 million. Loss on extinguishment of debt for the first three quarters of 2016 includes the write-off of deferred debt financing costs and unamortized discount of $2.2 million and $0.6 million, respectively, relating to the repayment of $40.1 million aggregate principal amount of our tranche A term loans and $109.9 million aggregate principal amount of our tranche B term loans. See "—*Debt*" below.

Other Income. Other income for the first three quarters of 2017 and 2016 includes remeasurement of monetary assets denominated in a foreign currency into U.S. dollars of $2.9 million and $2.2 million, respectively.

Income Tax Expense. Income tax expense decreased $6.7 million to $50.9 million for the first three quarters of 2017 from $57.6 million for the first three quarters of 2016. Our effective tax rate was 36.8% for the first three quarters of 2017 and 37.5% for the first three quarters of 2016.

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 external sources of financing, including our revolving credit facility.

Cash Flows

Net cash provided by operating activities decreased $185.3 million to $7.5 million for the first three quarters of 2017 from $192.8 million for the first three quarters of 2016. The decrease in net cash provided by operating activities primarily reflects unfavorable working capital (comprised of changes in inventories, accounts receivable and accrued expenses) comparisons to the first three quarters of 2016. This decrease is mainly due to an increase in inventory and the timing of payments received from post-acquisition transition services agreements.

Net cash used in investing activities for the first three quarters of 2017 increased $15.8 million to $40.6 million from $24.8 million for the first three quarters of 2016. The increase was attributable to an increase in capital spending, partially offset by the proceeds from the sale of assets. Capital expenditures in the first three quarters of 2017 and 2016 included expenditures for building improvements, purchases of manufacturing and computer equipment and capitalized interest. During the first three quarters of 2017, we sold to a third-party co-packer our Le Sueur, Minnesota research center, including the seed technology assets, property, plant and equipment, which we acquired as part of the *Green Giant* acquisition, resulting in a $1.6 million loss on sale of assets.

Net cash provided by financing activities for the first three quarters of 2017 decreased $40.8 million to $27.1 million from net cash used in financing activities of $67.9 million for the first three quarters of 2016. Net cash provided by financing activities for the first three quarters of 2017 consisted of $500.0 million of proceeds from the issuance of our 5.25% senior notes and $85.0 million of revolving credit facility borrowings, partially offset by $233.6 million repayment of our tranche A term loan, $221.0 million of repayments of revolving credit facility borrowings, $92.7 million of dividend payments, $8.6 million of debt financing costs and $2.0 million of payments of tax withholding on behalf of employees for net share settlement of share based compensation. Net cash provided by financing activities for the first three quarters of 2016 consisted of $331.9 million of proceeds from the issuance of common stock, $10.0 million of revolving credit facility borrowings, and $0.3 million excess tax benefits of share-based compensation, partially offset by $150.0 million of term loan repayment, $50.0 million of repayments of revolving credit facility borrowings, $72.9 million of dividend payments and $1.4 million of payments of tax withholding on behalf of employees for net share settlement of share based compensation.

Based on a number of factors, including amortization for tax purposes of our trademarks, goodwill and other intangible assets acquired in prior acquisitions, we realized a significant reduction in cash taxes in fiscal 2016 as compared to our tax expense for financial reporting purposes. During the second quarter of 2016, we discontinued the *Rickland Orchards* brand, which resulted in a one-time cash taxes benefit of $17.3 million for fiscal 2016.

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 2017 through 2031. 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 liquidity and impact our ability to make interest and dividend payments.

Dividend Policy

Our dividend policy reflects a basic judgment that our stockholders are better served when we distribute 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 distributed as regular quarterly cash dividends to the holders of our common stock and not retained by us. We have paid dividends every quarter since our initial public offering in October 2004.

For the first three quarters of 2017 and 2016, we had cash flows provided by operating activities of $7.5 million and $192.8 million, respectively, and distributed as dividends of $92.7 million and $72.9 million, respectively. Based upon our current dividend rate of $1.86 per share per annum, we expect our aggregate dividend payments in fiscal 2017 to be approximately $123.6 million.

Our dividend policy is based upon our current assessment of our business and the environment in which we operate, and that assessment could change based on competitive or other developments (which could, for example, increase our need for capital expenditures or working capital), new acquisition opportunities or other factors. 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.

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 by incurring additional indebtedness, issuing equity and/or using cash flows from operating activities. Our interest expense has over time 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. Although we may subsequently issue equity and use the proceeds to repay all or a portion of the additional indebtedness incurred to finance an acquisition and reduce our interest expense, the additional shares of common stock would increase the amount of cash flows from operating activities necessary to fund dividend payments.

We financed the *Back to Nature* acquisition, completed in October 2017, with additional revolving loans under our senior secured revolving credit facility. We financed the spices & seasonings acquisition, completed in November

2016, with cash on hand, including the net proceeds of our August 2016 public offering of common stock, and additional revolving loans under our senior secured credit facility. We financed the *Victoria* acquisition, completed in December 2016, with cash on hand and additional revolving loans under our senior secured credit facility. The impact of future acquisitions, whether financed with additional indebtedness or otherwise, may have a material impact on our liquidity and capital resources.

Debt

Senior Secured Credit Agreement. On March 30, 2017, we refinanced our senior secured credit facility. The refinancing reduced by 0.75% the spread over LIBOR or the applicable base rate on $640.1 million of tranche B term loans. On April 3, 2017, we repaid all of the outstanding borrowings and amounts due under our revolving credit facility and tranche A term loans using the net proceeds of our registered public offering of $500.0 million aggregate principal amount of 5.25% senior notes due 2025. At September 30, 2017, $640.1 million of tranche B term loans and $40.0 million of revolving loans were outstanding under our credit agreement. The credit agreement is secured by substantially all of our and our domestic subsidiaries' assets except our and our domestic subsidiaries' real property. At September 30, 2017, the available borrowing capacity under our revolving credit facility, net of outstanding letters of credit of $2.0 million, was $458.0 million. See Note 16, "Subsequent Event," to our unaudited consolidated interim financial statements in Part 1, Item 1 of this report. Proceeds of the revolving credit facility may be used for general corporate purposes, including acquisitions of targets in the same or a similar line of business as our company, subject to specified criteria. The revolving credit facility matures on June 5, 2019.

The entire $640.1 million principal amount of tranche B term loans outstanding are due and payable at maturity on November 2, 2022.

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 credit agreement, including a base rate per annum plus an applicable margin ranging from 0.50% to 1.00%, and LIBOR plus an applicable margin ranging from 1.50% to 2.00%, in each case depending on our consolidated leverage ratio. At September 30, 2017, the revolving credit facility interest rate was approximately 3.24%.

Interest under the tranche B term loan facility is determined based on alternative rates that we may choose in accordance with the credit agreement, including a base rate per annum plus an applicable margin of 1.25%, and LIBOR plus an applicable margin of 2.25%. At September 30, 2017, the tranche B term loan interest rate was approximately 3.49%.

For further information regarding our senior secured credit agreement, including a description of optional and mandatory prepayment terms, and financial and restrictive covenants, see Note 6, "Long-Term Debt," to our unaudited consolidated interim financial statements in Part I, Item 1 of this report.

4.625% Senior Notes due 2021. On June 4, 2013, we issued $700.0 million aggregate principal amount of 4.625% senior notes due 2021 at a price to the public of 100% of their face value. Interest on the 4.625% senior notes is payable on June 1 and December 1 of each year. The 4.625% senior notes will mature on June 1, 2021, unless earlier retired or redeemed as permitted or required by the terms of the indenture governing the 4.625% senior notes as described in Note 6, "Long-Term Debt," to our unaudited consolidated interim financial statements. We may also, from time to time, seek to retire the 4.625% senior notes through cash repurchases of the 4.625% senior notes or exchanges of the 4.625% senior notes for equity securities or both, 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. See Note 6, "Long-Term Debt," to our unaudited consolidated interim financial statements for a more detailed description of the 4.625% senior notes.

5.25% Senior Notes due 2025. On April 3, 2017, we issued $500.0 million aggregate principal amount of 5.25% senior notes due 2025 at a price to the public of 100% of their face value. We used the net proceeds of the offering to repay all of the outstanding borrowings and amounts due under our revolving credit facility and tranche A term loans, and to pay related fees and expenses, and for general corporate purposes, which could include, among other things, repayment of other long term debt or possible acquisitions. Interest on the 5.25% senior notes is payable on April 1 and October 1 of each year, commencing October 1, 2017. The 5.25% senior notes will mature on April 1, 2025, unless earlier retired or redeemed as permitted or required by the terms of the indenture governing the 5.25% senior notes as described in Note 6, "Debt," to our unaudited consolidated interim financial statements. We may also, from time to time, seek to retire the 5.25% senior notes through cash repurchases of the 5.25% senior notes or exchanges of the 5.25% senior notes for equity securities or both, 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. See Note 6 "Debt," to our unaudited consolidated interim financial statements for a more detailed description of the 5.25% senior notes.

Future Capital Needs

On September 30, 2017, our total long-term debt of $1,852.9 million, net of our cash and cash equivalents of $22.6 million, was $1,830.3 million. See Note 16, "Subsequent Event," to our unaudited consolidated interim financial statements in Part 1, Item 1 of this report. Stockholders' equity as of that date was $791.4 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, if any, and pay our anticipated quarterly dividends on our common stock.

We expect to make capital expenditures of approximately $60.0 million in the aggregate during fiscal 2017, $42.7 million of which were made during the first three quarters. Our projected capital expenditures for fiscal 2017 include anticipated capital expenditures of approximately $9.8 million to move equipment used in the production of certain *Green Giant* products from General Mills' Belvidere, Illinois manufacturing facility to an existing B&G Foods manufacturing facility and one or more co-packers, approximately $11.0 million for the purchase of equipment for innovation products for *Green Giant* and approximately $12.2 million in connection with the implementation of a new enterprise resource planning (ERP) system.

Seasonality

Sales of a number of our products tend to be seasonal and may be influenced by holidays, changes in seasons or certain other annual events. In general our sales are higher during the first and fourth quarters.

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

Inflation

We are currently locked into pricing and supply for substantially all of our major commodities, other than maple syrup, through the remainder of fiscal 2017 at a cost increase of less than 1% of cost of goods sold and will continue to manage inflation risk by entering into short term supply contracts and advance commodities purchase agreements from time to time, and, if necessary, by raising prices. During fiscal 2016, we had a minimal cost decrease for a majority of our most significant commodities (excluding, among others, maple syrup). To the extent we are unable to avoid or offset any present or future cost increases by locking in our costs, implementing cost saving measures or increasing prices to our customers, our operating results could be materially and adversely affected. In addition, if input costs begin to decline, customers may look for price reductions in situations where we have locked into purchases at higher costs.

Contingencies

See Note 10, "Commitments and Contingencies," to our unaudited consolidated interim financial statements in Part I, Item 1 of this report.

Recent Accounting Pronouncements

See Note 2, "Summary of Significant Accounting Policies — *Newly Adopted Accounting Standards*" and *"— Recently Issued Accounting Standards*," to our unaudited consolidated interim financial statements in Part I, Item 1 of this report.

Off-balance Sheet Arrangements

As of September 30, 2017, 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 three quarters of 2017, except for the refinancing of our tranche B term loans and the issuance of our 5.25% senior notes, see "—Debt" above, 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 2016 Annual Report on Form 10-K.

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 similar 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 identify new acquisitions or to integrate recent or future acquisitions or our failure to realize anticipated revenue enhancements, cost savings or other synergies;

- 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;
- unanticipated expenses, including, without limitation, litigation or legal settlement expenses;
- the effects of currency movements of the Canadian dollar and the Mexican peso as compared to the U.S. dollar;
- future impairments of our goodwill and intangible assets;
- our ability to successfully implement a new enterprise resource planning (ERP) system;
- our ability to protect information systems against, or effectively respond to, a cybersecurity incident or other disruption;
- our sustainability initiatives and changes to environmental laws and regulations;
- other factors that affect the food industry generally, including:
  - recalls if products become adulterated or misbranded, liability if product consumption causes injury, ingredient disclosure and labeling laws and regulations and the possibility that consumers could lose confidence in the safety and quality of certain food products;
  - competitors' pricing practices and promotional spending levels;
  - fluctuations in the level of our customers' inventories and credit and other business risks related to our customers operating in a challenging economic and competitive environment; and
  - the risks associated with third-party suppliers 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 2016 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. There may be other factors that may cause our actual results to differ materially from the forward-looking statements, including factors disclosed elsewhere in this section of this report. You should evaluate all forward-looking statements made in this report in the context of these risks and uncertainties. We urge investors not to unduly rely on forward-looking statements contained in this report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our principal market risks are exposure to changes in commodity prices, interest rates on borrowings and foreign currency exchange rates and market fluctuation risks related to our defined benefit pension plans.

Commodity Prices and Inflation. 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.

Interest Rate Risk. In the normal course of operations, we are exposed to market risks relating to our long-term debt 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.

Changes in interest rates impact our fixed and variable rate debt differently. For fixed rate debt, a change in interest rates will only impact the fair value of the debt, whereas for variable rate debt, a change in the interest rates will impact interest expense and cash flows. At September 30, 2017, we had $1,200.0 million of fixed rate debt and $680.1 million of variable rate debt.

Based upon our principal amount of long-term debt outstanding at September 30, 2017, a hypothetical 1.0% increase or decrease in interest rates would have affected our annual interest expense by approximately $6.8 million.

The carrying values and fair values of our revolving credit loans, term loans, 4.625% senior notes and 5.25% senior notes as of September 30, 2017 and December 31, 2016 are as follows (in thousands):

	September 30, 2017		December 31, 2016	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Revolving credit loans	40,000	40,000 (1)	176,000	176,000 (1)
Tranche A term loans due 2019	—	—	233,378 (2)	232,795 (1)
Tranche B term loans due 2022	637,722 (3)	641,707 (1)	637,391 (3)	645,358 (1)
4.625% senior notes due 2021	700,000	713,125 (4)	700,000	714,000 (4)
5.25% senior notes due 2025	500,000	509,375 (4)	—	—

(1) Fair values are estimated based on Level 2 inputs, which were quoted prices for identical or similar instruments in markets that are not active.

(2) The carrying values of the tranche A term loans are net of discount. On April 3, 2017, we repaid all of the outstanding borrowings and amounts due under our tranche A term loans. At December 31, 2016, the face amounts of the tranche A term loans were $233.6 million.

(3) The carrying values of the tranche B term loans are net of discount. At September 30, 2017 and December 31, 2016, the face amounts of the tranche B term loans were $640.1 million.

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

Cash and cash equivalents, trade accounts receivable, income tax receivable/payable, 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.

For more information, see Note 6, “Long-Term Debt,” to our unaudited consolidated interim financial statements in Part I, Item 1 of this report.

Foreign Currency Risk. Our foreign sales are primarily to customers in Canada. Our sales to Canada are generally denominated in Canadian dollars and our sales for export to other countries are generally denominated in U.S. dollars. During the first three quarters of 2017, our net sales to customers in foreign countries represented approximately 6.4% of our total net sales. During the first three quarters of 2016, our net sales to customers in foreign countries represented approximately 8.4% of our total net sales. We also purchase certain raw materials from foreign suppliers. For example, we purchase a significant majority of our maple syrup requirements from suppliers in Québec, Canada. These purchases are made in Canadian dollars. A weakening of the U.S. dollar in relation to the Canadian dollar would significantly increase our future costs relating to the production of our maple syrup products to the extent we have not purchased Canadian dollars or otherwise entered into a currency hedging arrangement in advance of any such weakening of the U.S. dollar. Our purchases of raw materials from other foreign suppliers are generally denominated in U.S. dollars, but certain purchases of raw materials in Mexico are denominated in Mexican pesos.

As a result, certain revenues and expenses have been, and are expected to be, subject to the effect of foreign currency fluctuations, and these fluctuations may have an adverse impact on operating results.

Market Fluctuation Risks Relating to our Defined Benefit Pension Plans. See Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies; Use of Estimates" and Note 9, "Pension Benefits," to our unaudited consolidated interim financial statements in Part I, Item 1 of this report for a discussion of the exposure of our defined benefit pension plan assets to risks related to market fluctuations.

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 period 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, except as described below, 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.

We transitioned our recently acquired spices & seasonings business to a new enterprise resource planning (ERP) system during the third quarter of 2017. We plan to continue implementing the ERP system throughout the remainder of our businesses over the course of approximately the next two years. In connection with these implementations and resulting business process changes, we continue to review and enhance the design and documentation of our internal control over financial reporting processes to maintain effective controls over our 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 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.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

The information set forth under the heading "*Legal Proceedings*" in Note 10 to our unaudited 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 2016 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. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

EXHIBIT NO.	DESCRIPTION
10.1	Employment Agreement, dated as of August 1, 2017, between Bruce C. Wacha and B&G Foods, Inc.
12.1	Computation of Ratio of Earnings to Fixed Charges.
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.
101.1	The following unaudited financial information from B&G Foods' Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Cash Flows, (v) Notes to Consolidated Financial Statements, and (vi) document and entity information.

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: November 3, 2017

B&G FOODS, INC.

By: /s/ Amy J. Chiovari
Amy J. Chiovari
Corporate Controller and Interim Chief Financial Officer
(Principal Financial and Accounting Officer and
Authorized Officer)

Exhibit 10.1

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement"), dated as of August 1, 2017, by and between B&G FOODS, INC. (hereinafter the "Corporation") and BRUCE C. WACHA (hereinafter "Executive").

WHEREAS, subject to the terms of this Agreement, Corporation desires to employ Executive as Executive Vice President of Corporate Strategy and Business Development, and Executive desires to accept such employment.

NOW THEREFORE, in consideration of the material advantages accruing to the two parties and the mutual covenants contained herein, the Corporation and Executive agree with each other as follows

1. Effective Date. For purposes of this Agreement, the "Effective Date" shall mean a date mutually agreed upon by the Corporation and Executive, which date shall be no later than August 31, 2017.

2. Employment. Executive will render full-time professional services to the Corporation and, as directed by the Corporation, to its subsidiaries or other Affiliates (as defined in Paragraph 3 below), in the capacity of Executive Vice President of Corporate Strategy and Business Development under the terms and conditions of this Agreement. He will at all times, faithfully, industriously and to the best of his ability, perform all duties that may be required of him by virtue of his position as Executive Vice President of Corporate Strategy and Business Development and in accordance with the directions and mandates of the Board of Directors of the Corporation. It is understood that these duties shall be substantially the same as those of an executive vice president of corporate strategy and business development of a similar business corporation engaged in a similar enterprise. Executive is hereby vested with authority to act on behalf of the Corporation in keeping with policies adopted by the Board of Directors, as amended from time to time. Executive shall report to the President and Chief Executive Officer (hereinafter the "Chief Executive Officer") and the Board of Directors.

3. Services to Subsidiaries or Other Affiliates. The Corporation and Executive understand and agree that if and when the Corporation so directs, Executive shall also provide services to any subsidiary or other Affiliate (as defined below) by virtue of his employment under this Agreement. If so directed, Executive agrees to serve as Executive Vice President of Corporate Strategy and Business Development of such subsidiary or other Affiliate of the Corporation, as a condition of his employment under this Agreement, and upon the termination of his employment under this Agreement, Executive shall no longer provide such services to the subsidiary or other Affiliate. The parties recognize and agree that Executive shall perform such services as part of his overall professional services to the Corporation but that in certain circumstances approved by the Corporation he may receive additional compensation from such subsidiary or other Affiliate. For purposes of this Agreement, an "Affiliate" is any corporation or other entity that is controlled by, controlling or under common control with the Corporation. "Control" means the direct or indirect beneficial ownership of at least fifty (50%) percent interest

in the income of such corporation or entity, or the power to elect at least fifty (50%) percent of the directors of such corporation or entity, or such other relationship which in fact constitutes actual control.

4. Term of Agreement. The initial term of Executive's employment under this Agreement shall commence on the Effective Date and end on December 31, 2018; provided that unless notice of termination has been provided in accordance with Paragraph 7(a) at least sixty (60) days prior to the expiration of the initial term or any additional twelve (12) month term (as provided below), or unless this Agreement is otherwise terminated in accordance with the terms of this Agreement, this Agreement shall automatically be extended for additional twelve (12) month periods (the "Term").

5. Base Compensation. During the Term, in consideration for the services as Executive Vice President of Corporate Strategy and Business Development required under this Agreement, the Corporation agrees to pay Executive an annual base salary of Four Hundred Thousand Dollars ($400,000), or such higher figure as may be determined at an annual review of his performance and compensation by the Compensation Committee of the Board of Directors. The annual review of Executive's base salary shall be conducted by the Compensation Committee of the Board of Directors within a reasonable time after the end of each fiscal year of the Corporation and any increase shall be retroactive to January 1st of the then current Agreement year. The amount of annual base salary shall be payable in equal installments consistent with the Corporation's payroll payment schedule for other executive employees of the Corporation. Executive may choose to select a portion of his compensation to be paid as deferred income through qualified plans or other programs consistent with the policy of the Corporation and subject to any and all applicable federal, state or local laws, rules or regulations.

6. Other Compensation and Benefits. During the Term, in addition to his base salary, the Corporation shall provide Executive the following:

(a) Sign-On Bonus. The Corporation shall pay Executive a one-time lump sum cash signing bonus of $100,000.00 (the "Sign-On Bonus") on the Corporation's first payroll date following the Effective Date. Executive shall repay to the Corporation the entire gross amount of the Sign-On Bonus if prior to the first anniversary of the Effective Date Executive terminates his employment voluntarily or is terminated by the Corporation for cause pursuant to Paragraph 8 below.

(b) Incentive Compensation.

(i) Annual Bonus Plan. Executive shall participate in the Company's annual bonus plan (the "Annual Bonus Plan"), as shall be adopted and/or modified from time to time by the Board of Directors or the Compensation Committee. Annual Bonus Plan awards are calculated as a percentage of Executive's base salary on the December 31st closest to the last day of the Annual Bonus Plan performance period. The percentages of base salary that Executive is currently eligible to receive in accordance with the Annual Bonus Plan based on performance range from 0% at "Threshold" to 60% at "Target" and to 120% at "Maximum," as such terms are defined in the Annual Bonus Plan. Notwithstanding the foregoing, for the performance period in which the Effective Date occurs, Executive's bonus under the Annual Bonus Plan shall be determined on a pro rata basis applying the percentages set forth above to his base salary multiplied by a fraction, the numerator of which is the number of days transpired in the performance period beginning on July 1, 2017 and ending on the last day of the performance period and the denominator of which is the number of days in the entire performance period. Annual Bonus Plan awards are payable no later than the 15th day of the third month following the end of each fiscal year of the Corporation.

(ii) Long-Term Incentive Compensation. Beginning in 2018, Executive shall participate in the Company's long-term incentive plans (the "Long-Term Incentive Plans"), as shall be adopted and/or modified from time to time by the Board of Directors or the Compensation Committee. Executive shall be eligible to earn Long-Term Incentive Plan awards ("LTIAs") calculated as a percentage of Executive's base salary on the grant date of such LTIAs, with such percentage to be determined by the Compensation Committee. LTIAs are payable no later than the 15th day of the third month following the end of the final fiscal year of the Corporation of the applicable performance period, if any.

(iii) Other Incentive Compensation. In addition, beginning in 2018 Executive shall be eligible to participate in all other incentive compensation plans, if any, that may be adopted by the Corporation from time to time and with respect to which the other executive employees of the Corporation are eligible to participate.

(c) Vacation. Executive shall be entitled to five (5) weeks of compensated vacation time during each calendar year, to be taken at times mutually agreed upon between him and the Chief Executive Officer of the Corporation; provided, however, that during 2017, the number of vacation days will be prorated based on the portion of the calendar year Executive has been employed by B&G Foods. Vacation accrual shall be limited to the amount stated in the Corporation's policies currently in effect, as amended from time to time.

(d) Sick Leave and Disability. Executive shall be entitled to participate in such compensated sick leave and disability benefit programs as are offered to the Corporation's other executive employees.

(e) Medical and Dental Insurance. Executive, his spouse, and his dependents, shall be entitled to participate in such medical and dental insurance programs as are provided to the Corporation's other executive employees.

(f) Executive Benefits And Perquisites. Executive shall be entitled to receive all other executive benefits and perquisites to which all other executive employees of the Corporation are entitled.

(g) Automobile and Cellular Phone. The Corporation agrees to provide Executive with a monthly automobile allowance of $833.33 and a monthly cellular phone allowance of $130.00.

(h) Liability Insurance. The Corporation agrees to insure Executive under the appropriate liability insurance policies, in accordance with the Corporation's policies and procedures, for all acts done by him within the scope of his authority in good faith as Executive Vice President of Corporate Strategy and Business Development throughout the Term.

(i) Professional Meetings and Conferences. Executive will be permitted to be absent from the Corporation's facilities during working days to attend professional meetings and such continuing education programs as are necessary for Executive to maintain such professional licenses and certifications, if any, as are required in the performance of his duties under this Agreement, and to attend to such outside professional duties as have been mutually agreed upon between him and the Chief Executive Officer of the Corporation. Attendance at such approved meetings and programs and accomplishment of approved professional duties shall be fully compensated service time and shall not be considered vacation time. The Corporation shall reimburse Executive for all reasonable expenses incurred by him incident to attendance at approved professional meetings and continuing education programs, and such reasonable entertainment expenses incurred by Executive in furtherance of the Corporation's interests; provided, however, that such reimbursement is approved by the Chief Executive Officer of the Corporation.

(j) Registration Fees and Professional Dues. The Corporation shall reimburse Executive for registration fees for such professional licenses and certifications, if any, as are required in the performance of his duties under this Agreement. In addition, the Corporation agrees to pay dues and expenses to professional associations and societies and to such community and service organizations of which Executive is a member provided such dues and expenses are approved by the Chief Executive Officer as being in the best interests of the Corporation.

(k) Life Insurance. The Corporation shall provide Executive with life insurance coverage on the same terms as such coverage is provided to all other executive employees of the Corporation.

(l) Business Expenses. The Corporation shall reimburse Executive for reasonable expenses incurred by him in connection with the conduct of business of the Corporation and its subsidiaries or other Affiliates.

7. Termination Without Cause.

(a) By the Corporation. The Corporation may, in its discretion, terminate Executive's employment hereunder without cause at any time upon sixty (60) days prior written notice or at such later time as may be specified in said notice (the date of termination set forth in such notice is herein referred to as the "Termination Date"). Except as otherwise provided in this Agreement, after such termination, all rights, duties and obligations of both parties shall cease.

(i) Upon the termination of employment pursuant to subparagraph (a) above, subject to the terms in subparagraph (ii) and Paragraph 9 below and the requirements of

Paragraph 10 below, in addition to all accrued and vested benefits payable under the Corporation's employment and benefit policies, including, but not limited to, unpaid Annual Bonus Awards and any other incentive compensation awards earned under the Annual Bonus Plan or any other incentive compensation plan for any completed performance periods, Executive shall be provided with the following Salary Continuation and Other Benefits (as defined below) for the duration of the Severance Period (as defined below): (1) salary continuation payments for each year of the Severance Period in an amount per year equal to 160% of his then current annual base salary ("Salary Continuation"), which Salary Continuation shall be paid in the same manner and pursuant to the same payroll procedures that were in effect prior to the effective date of termination commencing on the Corporation's first payroll date following the Termination Date; (2) continuation of medical, dental, life insurance and disability insurance for him, his spouse and his dependents, during the Severance Period, as in effect on the effective date of termination ("Other Benefits"), or if the continuation of all or any of the Other Benefits is not available because of his status as a terminated employee, a payment equal to the market value of such excluded Other Benefits; (3) if allowable under the Corporation's qualified pension plan in effect on the date of termination, credit for additional years of service during the Severance Period; and (4) outplacement services of an independent third party, mutually satisfactory to both parties, until the earlier of one year after the effective date of termination, or until he obtains new employment; the cost for such service will be paid in full by the Corporation. For purposes of this Agreement (except for Paragraph 9 below), the "Severance Period" shall mean the period from the date of termination of employment to the first (1st) anniversary of the date of such termination.

(ii) Subject to Paragraph 10 below, in the event Executive accepts other employment during the Severance Period, the Corporation shall continue the Salary Continuation in force until the end of the Severance Period. All Other Benefits described in subparagraph (i)(2) and the benefit set forth in (i)(3), other than all accrued and vested benefits payable under the Corporation's employment and benefit policies, shall cease.

(iii) Executive shall not be required to seek or accept any other employment. Rather, the election of whether to seek or accept other employment shall be solely within Executive's discretion. If during the Severance Period Executive is receiving all or any part of the benefits set forth in subparagraph (i) above and he should die, then Salary Continuation remaining during the Severance Period shall be paid fully and completely to his spouse or such individual designated by him or if no such person is designated to his estate.

(b) Release. The obligation of the Corporation to provide the Salary Continuation and Other Benefits described in subparagraph (a) above is contingent upon and subject to (i) the execution and delivery by Executive of a general release, in form and substance satisfactory to Executive and the Corporation and (ii) Executive's compliance with the requirements of Paragraph 10. The Corporation will provide Executive with a copy of a general release satisfactory to the Corporation simultaneously with or as soon as administratively practicable following the delivery of the notice of termination provided in Paragraph 7(a), or at or as soon as administratively practicable following the expiration of the Corporation's right to cure provided in Paragraph 7(d) or Paragraph 9, but not later than twenty-one (21) days before the date payments are required to be begin under Paragraph 7(a). Executive shall deliver the executed release to the Corporation eight days before the date payments are required to begin under Paragraph 7(a).

Without limiting the foregoing, such general release shall provide that for and in consideration of the above Salary Continuation and Other Benefits, Executive releases and gives up any and all claims and rights ensuing from his employment and termination with the Corporation, which he may have against the Corporation, a subsidiary or other Affiliate, their respective trustees, officers, managers, employees and agents, arising from or related to his employment and/or termination. This releases all claims, whether based upon federal, state, local or common law, rules or regulations. Such release shall survive the termination or expiration of this Agreement.

(c) Voluntary Termination. Should Executive in his discretion elect to terminate this Agreement, he shall give the Corporation at least sixty (60) days prior written notice of his decision to terminate. Except as otherwise provided in this Agreement, at the end of the sixty (60) day notice period, all rights, duties and obligations of both parties to the Agreement shall cease, except for any and all accrued and vested benefits under the Corporation's existing employment and benefit policies, including but not limited to, unpaid incentive compensation awards earned under the Annual Bonus Plan or any other incentive compensation plan for any completed performance periods. At any time during the sixty (60) day notice period, the Corporation may pay Executive for the compensation owed for said notice period and in any such event Executive's employment termination shall be effective as of the date of the payment.

(d) Alteration of Duties. If the Board of Directors or the Chief Executive Officer of the Corporation, in either of their sole discretion, takes action which substantially changes or alters Executive's authority or duties so as to effectively prevent him from performing the duties of the Executive Vice President of Corporate Strategy and Business Development as defined in this Agreement, or requires that his office be located at and/or principal duties be performed at a location more than forty-five (45) miles from the present Corporation office located in Parsippany, New Jersey, then Executive may, at his option and upon written notice to the Board of Directors within thirty (30) days after the Board's or Chief Executive Officer's action, consider himself terminated without cause and entitled to the benefits set forth in Paragraph 7(a), unless within thirty (30) days after delivery of such notice, Executive's duties have been restored.

(e) Disability.

(i) The Corporation, in its sole discretion, may terminate Executive's employment upon his Total Disability. In the event he is terminated pursuant to this subparagraph, he shall be entitled to the benefits set forth in Paragraph 7(a), provided however, that the annual base salary component of Salary Continuation shall be reduced by any amounts paid to Executive under any disability benefits plan or insurance policy. For purposes of this Agreement, the term "Total Disability" shall mean death or any physical or mental condition which prevents Executive from performing his duties under this contract for at least four (4) consecutive months. The determination of whether or not a physical or mental condition would prevent Executive from the performance of his duties shall be made by the Board of Directors in its discretion. If requested by the Board of Directors, Executive shall submit to a mental or physical examination by an independent physician selected by the Corporation and reasonably acceptable to him to assist the Board of Directors in its determination, and his acceptance of such physician shall not be unreasonably withheld or delayed. Failure to comply with this request shall prevent him from challenging the Board's determination.

(f) Retirement. The Corporation, in its sole discretion, may establish a retirement policy for its executive employees, including Executive, which includes the age for mandatory retirement from employment with the Corporation. Upon the termination of employment pursuant to such retirement policy, all rights and obligations under this Agreement shall cease, except that Executive shall be entitled to any and all accrued and vested benefits under the Corporation's existing employment and benefits policies, including but not limited to unpaid incentive compensation awards earned under the Annual Bonus Plan or any other incentive compensation plan for any completed performance periods.

(g) Section 280G. Notwithstanding any other provision of this Agreement, in the event that the amount of payments or other benefits payable to Executive under this Agreement (including, without limitation, the acceleration of any payment or the accelerated vesting of any payment or other benefit), together with any payments, awards or benefits payable under any other plan, program, arrangement or agreement maintained by the Corporation or one of its Subsidiaries or other Affiliates, would constitute an "excess parachute payment" (within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code")), such payments and benefits shall be reduced (by the minimum possible amounts) in the order set forth below until no amount payable to Executive under this Agreement or otherwise constitutes an "excess parachute payment" (within the meaning of Section 280G of the Code); provided, however, that no such reduction shall be made if the net after-tax amount (after taking into account federal, state, local or other income, employment and excise taxes) to which Executive would otherwise be entitled without such reduction would be greater than the net after-tax amount (after taking into account federal, state, local or other income, employment and excise taxes) to Executive resulting from the receipt of such payments and benefits with such reduction. If any payments or benefits payable to Executive are required to be reduced pursuant to this Paragraph, such payments and/or benefits to Executive shall be reduced in the following order: first, payments that are payable in cash, with amounts that are payable last reduced first; second, payments due in respect of any equity or equity derivatives included at their full value under Section 280G (rather than their accelerated value); third, payments due in respect of any equity or equity derivatives valued at accelerated value under Section 280G, with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24); and fourth, all other non-cash benefits.

All determinations required to be made under this Paragraph 7(g), including whether a payment would result in an "excess parachute payment" and the assumptions to be utilized in arriving at such determinations, shall be made by an accounting firm designated by the Corporation (the "Accounting Firm") which shall provide detailed supporting calculations both to the Corporation and Executive as requested by the Corporation or Executive. All fees and expenses of the Accounting Firm shall be borne solely by the Corporation and shall be paid by the Corporation. Absent manifest error, all determinations made by the Accounting Firm under this Paragraph 7(g) shall be final and binding upon the Corporation and Executive.

8. Termination for Cause. Executive's employment under this Agreement may be terminated by the Corporation, immediately upon written notice in the event and only in the event of the following conduct: conviction of a felony or any other crime involving moral turpitude, whether or not relating to Executive's employment; habitual unexcused absence from the facilities of the Corporation; habitual substance abuse; willful disclosure of material confidential information of the Corporation and/or its subsidiaries or other Affiliates; intentional violation of conflicts of interest policies established by the Board of Directors; wanton or willful failure to comply with the lawful written directions of the Board or other superiors; and willful misconduct or gross negligence that results in damage to the interests of the Corporation and its subsidiaries or other Affiliates. Should any of these situations occur, the Board of Directors and/or the Chief Executive Officer will provide Executive written notice specifying the effective date of such termination. Upon the effective date of such termination, any and all payments and benefits due Executive under this Agreement shall cease except for any accrued and vested benefits payable under the Corporation's employment and benefit policies, including any unpaid amounts owed under the Annual Bonus Plan or any other incentive compensation plan.

9. Major Transaction. If, during the Term, the Corporation consummates a Major Transaction and Executive is not the Executive Vice President of Corporate Strategy and Business Development with duties and responsibilities substantially equivalent to those described herein and/or is not entitled to substantially the same benefits as set forth in this Agreement, then Executive shall have the right to terminate his employment under this Agreement and shall be entitled to the benefits set forth in Paragraph 7(a), except that the Severance Period shall mean the period from the date of termination of employment to the second (2nd) anniversary of the date of such termination. Executive shall provide the Corporation with written notice of his desire to terminate his employment under this Agreement pursuant to this Paragraph within ninety (90) days of the effective date of the Major Transaction and the Severance Period shall commence as of the effective date of the termination of this Agreement, provided the Corporation has not corrected the basis for such notice within thirty (30) days after delivery of such notice and further provided that the effective date of termination of this Agreement shall not be more than one year following the effective date of the Major Transaction. If, during the Term, the Corporation consummates a Major Transaction and the Corporation terminates Executive's employment hereunder without cause pursuant to subparagraph 7(a) of this Agreement within one year after the Major Transaction, then Executive shall be entitled to the benefits set forth in Paragraph 7(a), except that the Severance Period shall mean the period from the date of termination of employment to the second (2nd) anniversary of the date of such termination. For purposes of this Paragraph, "Major Transaction" shall mean the sale of all or substantially all of the assets of the Corporation, or a merger, consolidation, sale of stock or similar transaction or series of related transactions whereby a third party (including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) acquires beneficial ownership, directly or indirectly, of securities of the Corporation representing

over fifty percent (50%) of the combined voting power of the Corporation; provided, however, that a Major Transaction shall not in any event include a direct or indirect public offering of securities of the Corporation, its parent or other Affiliates.

10. Restrictive Covenants.

(a) Non-competition. Executive agrees that during (i) the Term; (ii) the one (1) year period following the effective date of termination of this Agreement by Executive pursuant to Paragraph 7(c) (Voluntary Termination); and (iii) the one (1) year period following the effective date of termination by the Corporation pursuant to Paragraph 8 (Termination For Cause) (the "Restricted Period"), he shall not, directly or indirectly, be employed or otherwise engaged to provide services to any food manufacturer operating in the United States of America which is directly competitive with any significant activities conducted by the Corporation or its subsidiaries or other Affiliates whose principal business operations are in the United States of America.

(b) Non-solicitation of Executives. Executive covenants and agrees not to directly or indirectly solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment of any employee of the Corporation during the Restricted Period.

(c) Non-disparagement. Subject to subparagraph (d)(v) below, Executive covenants and agrees that Executive will not at any time make, publish or communicate to any person or entity or in any public forum any defamatory or disparaging remarks, comments or statements concerning the Corporation or its businesses, or any of its employees, officers, and existing and prospective customers, suppliers, investors and other associated third parties.

(d) Confidentiality of Information.

(i) Confidential Information. Executive recognizes and acknowledges that during his employment by the Corporation, he will acquire certain proprietary and confidential information relating to the business of the Corporation and its subsidiaries or other Affiliates (the "Confidential Information"). For purposes of this Agreement, "Confidential Information" includes, but is not limited to, all information not generally known to the public, in spoken, printed, electronic or any other form or medium, relating directly or indirectly to: business processes, practices, methods, policies, plans, documents, research, operations, strategies, techniques, agreements, contracts, terms of agreements, transactions, potential transactions, negotiations, pending negotiations, know-how, trade secrets, work-in-process, manuals, records, systems, supplier information, vendor information, financial information, advertising information, pricing information, credit information, design information, supplier lists, vendor lists, developments, reports, internal controls, market studies, sales information, revenue, costs, formulae, recipes, notes, communications, product plans, designs, ideas, specifications, customer information, customer lists, manufacturing information, factory lists, distributor lists, and buyer lists of the Corporation or its businesses, or of any other person or entity that has entrusted information to the Corporation in confidence. Executive understands that the above list is not exhaustive, and that Confidential Information also includes other information that is marked or otherwise identified as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used.

(ii) Restrictions. Subject to subparagraph (v) below, Executive covenants and agrees: (A) to treat all Confidential Information as strictly confidential; (B) not to directly or indirectly disclose, publish, communicate or make available Confidential Information, or allow it to be disclosed, published, communicated or made available, in whole or part, to any entity or person whatsoever (including other employees of the Corporation) not having a need to know and authority to know and use the Confidential Information in connection with the business of the Corporation and, in any event, not to anyone outside of the direct employ of the Corporation except as required in the performance of Executive's authorized employment duties to the Corporation or with the prior consent of the Corporation in each instance (and then, such disclosure shall be made only within the limits and to the extent of such duties or consent); (C) not to access or use any Confidential Information, and not to copy any documents, records, files, media or other resources containing any Confidential Information, or remove any such documents, records, files, media or other resources from the premises or control of the Corporation, except as required in the performance of Executive's authorized employment duties to the Corporation or with the prior consent of the Corporation in each instance (and then, such disclosure shall be made only within the limits and to the extent of such duties or consent); and (D) not to use or disclose to the Corporation any confidential, trade secret, or other proprietary information or material of any previous employer or other person, and not to bring onto the Corporation's premises any unpublished document or any other property belonging to any former employer without the written consent of that former employer.

(iii) Exit Obligations. Upon (i) voluntary or involuntary termination of Executive's employment or (ii) the Corporation's request at any time during Executive's employment, Executive shall (a) provide or return to the Corporation any and all the Corporation property, including all keys, key cards, access cards, identification cards, security devices, employer credit cards, network access devices, user names and passwords for the Corporation accounts (including but not limited to domain name and social media accounts), computers, cell phones, smartphones, PDAs, pagers, equipment, manuals, reports, files, books, compilations, work product, e-mail messages, recordings, tapes, disks, thumb drives or other removable information storage devices, hard drives and data and all the Corporation documents and materials belonging to the Corporation and stored in any fashion, including but not limited to those that constitute or contain any Confidential Information or Work Product (as defined below), that are in the possession or control of Executive, whether they were provided to Executive by the Corporation or any of its business associates or created by Executive in connection with Executive's previous employment by the Corporation; and (b) delete or destroy all copies of any such documents and materials not returned to the Corporation that remain in Executive's possession or control, including those stored on any non-the Corporation devices, networks, storage locations and media in Executive's possession or control.

(iv) Continuing Obligations. Executive understands and acknowledges that his or her obligations under this Agreement with regard to any particular Confidential Information shall commence on the Effective Date and shall continue during and after his or her employment by the Corporation until such time as such Confidential Information has become public knowledge other than as a result of Executive's breach of this Agreement or breach by those acting in concert with Executive or on Executive's behalf.

(v) Disclosures and Communications Permitted or Required by Law. Nothing in this Agreement shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, or in connection with reporting possible violations of federal law or regulation to any governmental agency, or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation or order. Executive shall promptly provide written notice of any such order to an authorized officer of the Corporation as promptly as practicable after receiving such order, but in any event sufficiently in advance of making any disclosure to permit the Corporation to contest the order or seek confidentiality protections, as determined in the Corporation's sole discretion.

(e) Remedies for Breach or Threatened Breach. In the event of a breach or threatened breach by Executive of any of the provisions of this Paragraph 10 or any other provision of this Agreement, Executive hereby consents and agrees that the Corporation shall be entitled to, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief for such breach or threatened breach.

11. Representation and Warranty. Executive represents and warrants that he is not a party to any non-compete, restrictive covenant or related contractual limitation that would interfere with or hinder his ability to undertake the obligations and expectations of employment with the Corporation.

12. Proprietary Rights.

(a) Work Product. Executive acknowledges and agrees that all writings, works of authorship, technology, inventions, discoveries, ideas and other work product of any nature whatsoever, that are created, prepared, produced, authored, edited, amended, conceived or reduced to practice by Executive, in whole or in part, individually or jointly with others during the period of Executive's employment by the Corporation and relating in any way to the business or contemplated business, research or development of the Corporation (regardless of when or where the Work Product is prepared or whose equipment or other resources is used in preparing the same) and all printed, physical and electronic copies, all improvements, rights and claims related to the foregoing, and other tangible embodiments thereof (collectively, "Work Product"), as well as any and all rights in and to copyrights, trade secrets, trademarks (and related goodwill), mask works, patents and other intellectual property rights therein arising in any jurisdiction throughout the world and all related rights of priority under international conventions with respect thereto, including all pending and future applications and registrations therefor, and continuations, divisions, continuations-in-part, reissues, extensions and renewals thereof (collectively, "Intellectual Property Rights"), shall be the sole and exclusive property of the Corporation. For purposes of this Agreement, Work Product includes, but is not limited to, the Corporation information, including, without limitation, plans, publications, research, strategies, techniques, agreements, documents, contracts, terms of agreements, negotiations, know-how, computer programs, computer applications, software design, web design, work in process, databases, manuals, results, developments, reports, graphics, drawings, sketches, market studies, formulae, notes, communications, algorithms, product plans, product designs, styles, models, audiovisual programs, inventions, unpublished patent applications, original works of authorship, discoveries, experimental processes, experimental results, specifications, customer information, client information, customer lists, client lists, manufacturing information, marketing information, advertising information, and sales information.

(b) Assignment of Inventions. Executive hereby sells, assigns and transfers unto the Corporation, its successors, assigns and legal representatives, the full and exclusive right, title and interest to any invention falling within the Work Product as defined herein, in the United States of America and all foreign countries, including, but not limited to, patent applications, divisionals, continuations, continuations-in-part, reissues and reexaminations thereof and substitutions of or for patent applications, and all foreign rights including the right to apply for a patent for the inventions in any and all foreign countries and the right to claim priority to the filing date of the U.S. or foreign patent application under the International Convention. Executive hereby authorizes and requests the Commissioner of Patents to issue all patents issuing therefrom to the Corporation, its successors, assigns and legal representatives.

(c) Work Made for Hire; Assignment. Executive acknowledges that, by reason of being employed by the Corporation at the relevant times, to the extent permitted by law, all of the Work Product consisting of copyrightable subject matter is "work made for hire" as defined in the Copyright Act of 1976 (17 U.S.C. § 101), and such copyrights are therefore owned by the Corporation. To the extent that the foregoing does not apply, Executive hereby irrevocably assigns to the Corporation, for no additional consideration, Executive's entire right, title and interest in and to all Work Product and Intellectual Property Rights therein, including the right to sue, counterclaim and recover for all past, present and future infringement, misappropriation or dilution thereof, and all rights corresponding thereto throughout the world. Nothing contained in this Agreement shall be construed to reduce or limit the Corporation's rights, title or interest in any Work Product or Intellectual Property Rights so as to be less in any respect than that the Corporation would have had in the absence of this Agreement.

(d) Further Assurances; Power of Attorney. During and after Executive's employment, Executive agrees to reasonably cooperate with the Corporation at the Corporation's expense to (i) apply for, obtain, perfect and transfer to the Corporation the Work Product and Intellectual Property Rights in the Work Product in any jurisdiction in the world; and (ii) maintain, protect and enforce the same, including, without limitation, executing and delivering to the Corporation any and all applications, oaths, declarations, affidavits, waivers, assignments and other documents and instruments as shall be requested by the Corporation. Executive hereby irrevocably grants the Corporation power of attorney to execute and deliver any such documents on Executive's behalf in Executive's name and to do all other lawfully permitted acts to transfer the Work Product to the Corporation and further the transfer, issuance, prosecution and maintenance of all Intellectual Property Rights therein, to the full extent permitted by law, if Executive does not promptly cooperate with the Corporation's request (without limiting the rights the Corporation shall have in such circumstances by operation of law). The power of attorney is coupled with an interest and shall not be affected by Executive's subsequent incapacity.

(e) Moral Rights. To the extent any copyrights are assigned under this Agreement, Executive hereby irrevocably waives, to the extent permitted by applicable law, any and all claims Executive may now or hereafter have in any jurisdiction to all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as "moral rights" with respect to all Work Product and all Intellectual Property Rights therein.

(f) No License. Executive understands that this Agreement does not, and shall not be construed to, grant the Executive any license or right of any nature with respect to any Work Product or Intellectual Property Rights or any Confidential Information, materials, software or other tools made available to Executive by the Corporation.

13. Security and Access. Executive shall (i) to comply with all of the Corporation's security policies and procedures as in force from time to time including computer equipment, telephone systems, voicemail systems, facilities access, key cards, access codes, the Corporation intranet, internet, social media and instant messaging systems, computer systems, e-mail systems, computer networks, document storage systems, software, data security, passwords and any and all other the Corporation facilities, IT resources and communication technologies ("Facilities Information Technology and Access Resources"); (ii) not to access or use any Facilities and Information Technology Resources except as authorized by the Corporation; and (iii) not to access or use any Facilities and Information Technology Resources in any manner after the termination of Executive's previous employment by the Corporation, whether termination is voluntary or involuntary. Executive agrees to notify the Corporation promptly in the event Executive learns of any violation of the foregoing by others, or of any other misappropriation or unauthorized access, use, reproduction or reverse engineering of, or tampering with any Facilities and Information Technology Access Resources or other the Corporation property or materials by others.

14. Superseding Agreement. This Agreement constitutes the entire agreement between the parties and contains all the agreements between them with respect to the subject matter hereof. It also supersedes any and all other agreements or contracts, either oral or written, between the parties with respect to the subject matter hereof.

15. Agreement Amendments. Except as otherwise specifically provided, the terms and conditions of this Agreement may be amended at any time by mutual agreement of the parties, provided that before any amendment shall be valid or effective, it shall have been

reduced to writing, approved by the Board of Directors or the Compensation Committee of the Board of Directors, and signed by the Chairman of the Board of Directors, the Chairman of the Compensation Committee, the Chief Executive Officer or any officer of the Corporation authorized to do so by the Board of Directors or the Compensation Committee, and Executive.

16. Invalidity or Unenforceability Provision. The invalidity or unenforceability of any particular provision of this Agreement shall not affect its other provisions and this Agreement shall be construed in all aspects as if such invalid or unenforceable provision had been omitted.

17. Binding Agreement; Assignment. This Agreement shall be binding upon and inure to the benefit of the Corporation and Executive, their respective successors and permitted assigns. The parties recognize and acknowledge that this Agreement is a contract for the personal services of Executive and that this Agreement may not be assigned by him nor may the services required of him hereunder be performed by any other person without the prior written consent of the Corporation.

18. Governing Law. This Agreement and any claim, controversy or dispute arising under or related to this Agreement, the relationship of the parties, and/or the interpretation and enforcement of the rights and duties of the parties shall be construed and enforced under and in accordance with the laws of the State of New Jersey, without regard to conflicts of law principles. Anything in this Agreement to the contrary notwithstanding, the terms of this Agreement shall be interpreted and applied in a manner consistent with the requirements of Code section 409A so as not to subject Executive to the payment of any tax penalty or interest under such section.

19. Enforcing Compliance. If Executive needs to retain legal counsel to enforce any of the terms of this Agreement either as a result of noncompliance by the Corporation or a legitimate dispute as to the provisions of the Agreement, then any fees incurred in such expense by Executive shall be reimbursed wholly and completely by the Corporation if Executive prevails in such legal proceedings.

20. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed effective when delivered, if delivered in person, or upon receipt if mailed by overnight courier or by certified or registered mail, postage prepaid, return receipt requested, to the parties at the addresses set forth below, or at such other addresses as the parties may designate by like written notice:

To the Corporation at:	B&G Foods, Inc Four Gatehall Drive Parsippany, NJ 07054 Attn: General Counsel
To Executive at:	his then current address included in the employment records of the Corporation

21. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

22. Other Terms Relating to Code Section 409A. Executive's right to Salary Continuation, right to Other Benefits, and right to reimbursements under this Agreement each shall be treated as a right to a series of separate payments under Treasury Regulation section 1.409A-2(b)(2)(iii).

(a) Reimbursements. Any reimbursements made or in-kind benefits provided under this Agreement shall be subject to the following conditions:

(i) The reimbursement of any expense shall be made not later than the last day of Executive's taxable year following Executive's taxable year in which the expense was incurred (unless this Agreement specifically provides for reimbursement by an earlier date). The right to reimbursement of an expense or payment of an in-kind benefit shall not be subject to liquidation or exchange for another benefit.

(ii) Any reimbursement made under Paragraph 7(a)(i)(2), 7(d), 7(e) or 9 for expenses for medical coverage purchased by Executive, if made during the period of time Executive would be entitled (or would, but for such reimbursement, be entitled) to continuation coverage under the Corporation's medical insurance plan pursuant to COBRA if Executive had elected such coverage and paid the applicable premiums, shall be exempt from Code section 409A and the six-month delay in payment described below pursuant to Treasury Regulation section 1.409A-1(b)(9)(v)(B).

(iii) Any reimbursement or payment made under Paragraph 7(a)(i)(2), 7(d), 7(e) or 9 for reasonable expenses for outplacement services for Executive shall be exempt from Code section 409A and the six-month delay in payment described below pursuant to Treasury Regulation section 1.409A-1(b)(9)(v)(A).

(b) Short-Term Deferrals. It is intended that payments made under this Agreement due to Executive's termination of employment that are not otherwise subject to Code section 409A, and which are paid on or before the 15th day of the third month following the end of Executive's taxable year in which his termination of employment occurs, shall be exempt from compliance with Code section 409A pursuant to the exemption for short-term deferrals set forth in Treasury Regulation section 1.409A-1(b)(4).

(c) Separation Pay Upon Involuntary Termination of Employment. It is intended that payments made under this Agreement due to Executive's involuntary termination of employment under Paragraph 7(a)(i)(2), 7(d), 7(e) or 9 that are not otherwise exempt from compliance with Code section 409A, and which are separation pay described in Treasury Regulation section

1.409A-1(b)(9)(iii), shall be exempt from compliance with Code section 409A to the extent that the aggregate amount does not exceed two times the lesser of (i) Executive's annualized compensation for his taxable year preceding the taxable year in which his termination of employment occurs and (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Code section 401(a)(17) for the year in which the termination of employment occurs.

(d) Six-Month Delay. Anything in this Agreement to the contrary notwithstanding, payments to be made under this Agreement upon termination of Executive's employment that are subject to Code section 409A ("Covered Payment") shall be delayed for six months following such termination of employment if Executive is a "specified employee" on the date of his termination of employment. Any Covered Payment due within such six-month period shall be delayed to the end of such six-month period. The Corporation will increase the Covered Payment to include interest payable on such Covered Payment at the interest rate described below from the date of Executive's termination of employment to the date of payment. The interest rate shall be determined as of the date of Executive's termination of employment and shall be the rate of interest then most recently published in The Wall Street Journal as the "prime rate" at large U.S. money center banks. The Corporation will pay the adjusted Covered Payment at the beginning of the seventh month following Executive's termination of employment. Notwithstanding the foregoing, if calculation of the amounts payable by any payment date specified in this subsection is not administratively practicable due to events beyond the control of Executive (or Executive's beneficiary or estate) and for reasons that are commercially reasonable, payment will be made as soon as administratively practicable in compliance with Code section 409A and the Treasury Regulations thereunder. In the event of Executive's death during such six-month period, payment will be made or begin, as the case may be with respect to a particular payment, in the payroll period next following the payroll period in which Executive's death occurs.

For purposes of this Agreement, "specified employee" means an employee of the Corporation who satisfies the requirements for being designated a "key employee" under Code section 416(i)(1)(A)(i), (ii) or (iii), without regard to Code section 416(i)(5), at any time during a calendar year, in which case such employee shall be considered a specified employee for the twelve-month period beginning on the next succeeding April 1.

[*Signatures on Next Page*]

IN WITNESS WHEREOF, the Corporation and Executive have executed this Agreement as of the day and year first above written.

B&G FOODS, INC.

By: /s/ Robert C. Cantwell
Name: Robert C. Cantwell
Title: President and Chief Executive Officer

BRUCE C. WACHA

/s/ Bruce C Wacha

Exhibit 12.1

B&G Foods, Inc.
Computation of Ratio of Earnings to Fixed Charges
(In thousands, except ratios)

	Thirty-nine Weeks Ended Sept. 30, 2017	Year Ended Dec. 31, 2016	Year Ended Jan. 2, 2016	Year Ended Jan. 3, 2015	Year Ended Dec. 28, 2013	Year Ended Dec. 29, 2012
Income before income tax expense	$ 138,493	$ 177,066	$ 121,239	$ 63,777	$ 80,892	$ 90,914
Add:						
Fixed charges	68,111	77,473	53,811	49,000	43,947	49,486
Income as adjusted	$ 206,604	$ 254,539	$ 175,050	$ 112,777	$ 124,839	$ 140,400
Fixed charges:						
Interest expense (excluding unrealized gain or loss on interest rate swap)	$ 65,019	$ 74,456	$ 51,131	$ 46,573	$ 41,813	$ 47,660
Portion of rents representative of the interest factor	3,092	3,017	2,680	2,427	2,134	1,826
Fixed charges	$ 68,111	$ 77,473	$ 53,811	$ 49,000	$ 43,947	$ 49,486
Ratio of earnings to fixed charges	3.0x	3.3x	3.3x	2.3x	2.8x	2.8x

Exhibit 31.1

CERTIFICATION BY CHIEF EXECUTIVE OFFICER

I, Robert C. Cantwell, certify that:

1.I have reviewed this quarterly report on Form 10-Q of B&G Foods, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: November 3, 2017

/s/ Robert C. Cantwell
Robert C. Cantwell
Chief Executive Officer

Exhibit 31.2

CERTIFICATION BY CHIEF FINANCIAL OFFICER

I, Amy J. Chiovari, certify that:

1.I have reviewed this quarterly report on Form 10-Q of B&G Foods, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: November 3, 2017

/s/ Amy J. Chiovari
Amy J. Chiovari
Interim Chief Financial Officer

Exhibit 32.1

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

In connection with the Quarterly Report of B&G Foods, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert C. Cantwell, Chief Executive Officer of the Company, and I, Amy J. Chiovari, Interim Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

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

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

/s/ Robert C. Cantwell
Robert C. Cantwell
Chief Executive Officer
November 3, 2017

/s/ Amy J. Chiovari
Amy J. Chiovari
Interim Chief Financial Officer
November 3, 2017

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.