

SENECA FOODS CORPORATION

AUDIT COMMITTEE CHARTER

Dated as of May 27, 2004

This charter shall be reviewed, updated and approved annually by the Board of Directors.

Purpose

The Audit Committee of the Board of Directors assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing and reporting practices of the Company and other such duties as directed by the Board.

The Audit Committee members are not professional accountants or auditors and their functions are not intended to duplicate or to certify the activities of management and the independent auditor, nor can the Committee certify that the independent auditor is "independent" under applicable rules. The Audit Committee serves a board level oversight role where it oversees the relationship with the independent auditor, as set forth in this charter, and provides advice, counsel and general direction, as it deems appropriate, to management and the auditors on the basis of the information it receives, discussions with the auditor, and the experience of the Committee's members in business, financial and accounting matters.

Membership

The membership of the Committee shall consist of at least three directors determined by the Board of Directors to meet the independence and financial literacy requirements of the NASDAQ Stock Market, Inc. and applicable federal law. The Board of Directors shall appoint one member of the Audit Committee as chairperson. He or she shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making Committee assignments and reporting to the Board of Directors. The chairperson will also maintain regular liaison with the CEO, CFO, the lead independent audit partner and the director of internal audit.

Appointment to the Committee and the designation of any Committee members as "audit committee financial experts" shall be made on an annual basis by the full Board upon the joint recommendation of the Audit Committee and the Corporate Governance and Nominating Committee.

Meetings/Procedures

The Audit Committee shall meet as often as may be deemed necessary or appropriate in its judgment, generally [four] times each year, either in person or telephonically. The Committee is expected to maintain free and open communication (including private executive sessions at least annually) with the independent accountants, the internal auditors and the management of the Company. The Audit Committee may create subcommittees who shall report to the Audit Committee. The Audit Committee shall report to the full Board of Directors with respect to its meetings. The majority of the members of the Audit Committee shall constitute a quorum. The Audit Committee will engage in an annual self-assessment with the goal of continuing improvement, and will annually review and reassess the adequacy of its charter, and recommends any changes to the full Board.

The Audit Committee believes that it will best carry out its responsibilities to the directors and shareholders if its policies and procedures remain flexible so that it may adjust and react to changing events and conditions.

Outside Advisors

The Audit Committee shall have the authority to retain such outside counsel, experts, and other advisors as it determines appropriate to assist in the full performance of its functions. The Audit Committee shall have sole authority to approve related fees and retention terms.

Responsibilities

The Audit Committee's primary responsibilities include:

- The direct responsibility for the appointment, replacement, compensation, and oversight of the work of the independent auditor. The independent auditor shall report directly to the Audit Committee.
- Requesting from the auditor a written affirmation that the auditor is in fact independent, discussing with the auditor any relationships that may impact the auditor's independence and taking, or recommend that the full Board take, appropriate action to oversee the auditor's independence.
- Establishing policies and procedures for the review and pre-approval by the Committee of all auditing services and permissible non-audit services (including the fees and terms thereof) to be performed by the independent auditor, with exceptions provided for de minimis amounts under certain circumstances as described by law.
- Overseeing the independent auditor relationship by discussing with the auditor the nature and rigor of the audit process, the scope of the proposed audit for the current year, receiving and reviewing audit reports, providing the auditor full access to the Committee (and the Board) to report on any and all appropriate matters, and reviewing and discussing with the auditors and management the reports and recommendations by the auditors.
- Providing guidance and oversight to the internal audit activities of the Company including reviewing the organization, plans and results of such activity.
- Reviewing the audited financial statements and discussing them with management and the independent auditor. These discussions shall include consideration of the quality of the Company's accounting principles as applied in its financial reporting, including review of estimates, reserves and accruals, review of judgmental areas, review of audit adjustments whether or not recorded and such other inquiries as may be appropriate, and obtaining confirmation from the auditors that they have communicated to the Audit Committee all matters required to be communicated by applicable Statements on Auditing Standards. Based on the review, the Committee shall make its recommendation to the Board as to the inclusion of the Company's audited financial statements in the Company's annual report on Form 10-K.
- Reviewing with management and the independent auditor the quarterly financial information prior to the Company's filing of Form 10-Q. This review may be performed by the Committee or its chairperson.
- Reviewing and discussing with management, the independent auditor, and the internal auditors: (a) the adequacy and effectiveness of the Company's internal controls (including any significant deficiencies and significant changes in internal controls reported to the Committee by the independent auditor or management; (b) the Company's internal audit procedures; and (c) the adequacy and effectiveness of the Company's disclosures controls and procedures, and management reports thereon.
- Discussing with management the status of pending litigation, taxation matters and other areas of oversight to the legal and compliance area as may be appropriate.
- Reporting Audit Committee activities to the full Board and issuing annually a report to be included in the proxy statement (including appropriate oversight conclusions) for submission to the shareholders.
- Reviewing related-party transactions (as defined in the relevant NASDAQ requirements). The Committee has prior-approval authority for such related-party transactions.
- Establishing procedures for the receipts, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. The Committee is empowered to investigate any matter brought to its attention, with full power to retain outside counsel or other experts for this purpose.