

VILLAGE SUPER MARKET INC
Form 10-Q
December 08, 2010

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: October 30, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934.

Commission File No. 0-2633

VILLAGE SUPER MARKET, INC.
(Exact name of registrant as specified in its charter)

NEW JERSEY
(State or other jurisdiction of incorporation or
organization)

22-1576170
(I. R. S. Employer Identification No.)

733 MOUNTAIN AVENUE, SPRINGFIELD, NEW
JERSEY
(Address of principal executive offices)

07081
(Zip Code)

(973) 467-2200
(Registrant's telephone number, including area code)

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 Website, 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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting

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company” in Rule 12-b2 of the Exchange Act.

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

	December
	7, 2010
Class A Common	7,043,469
Stock, No Par Value	Shares
Class B Common	6,376,304
Stock, No Par Value	Shares

VILLAGE SUPER MARKET, INC.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

VILLAGE SUPER MARKET, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(in Thousands) (Unaudited)

	October 30, 2010	July 31, 2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 68,399	\$69,043
Merchandise inventories	36,401	36,256
Patronage dividend receivable	11,849	8,758
Other current assets	12,874	11,825
Total current assets	129,523	125,882
Note receivable from Wakefern	18,525	18,204
Property, equipment and fixtures, net	173,206	175,286
Investment in Wakefern	20,876	20,263
Goodwill	10,605	10,605
Other assets	6,892	6,889
	\$ 359,627	\$357,129
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Current portion of capital and financing lease obligations	\$ -	\$13
Current portion of notes payable to Wakefern	954	341
Accounts payable to Wakefern	44,255	47,088
Accounts payable and accrued expenses	23,269	24,434
Income taxes payable	16,033	12,805
Total current liabilities	84,511	84,681
Capital and financing lease obligations	40,414	40,351
Notes payable to Wakefern	1,402	1,480
Other liabilities	25,195	24,842
Commitments and contingencies		
Shareholders' equity		
Class A common stock - no par value, issued 7,541 shares	33,298	32,434
Class B common stock - no par value 6,376 shares issued and outstanding	1,035	1,035
Retained earnings	186,931	185,790
Accumulated other comprehensive loss	(10,186)	(10,421)
Less cost of Class A treasury shares (498 at October 30, 2010 and 513 at July 31, 2010)	(2,973)	(3,063)
Total shareholders' equity	208,105	205,775

\$ 359,627	\$357,129
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See accompanying Notes to Consolidated Condensed Financial Statements.

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VILLAGE SUPER MARKET, INC.
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(in Thousands except Per Share Amounts) (Unaudited)

	13 Weeks Ended October 30, 2010	13 Weeks Ended October 24, 2009
Sales	\$ 307,397	\$ 302,784
Cost of sales	226,470	222,216
Gross profit	80,927	80,568
Operating and administrative expense	69,077	68,377
Depreciation and amortization	4,536	3,970
Operating income	7,314	8,221
Interest expense	(1,068)	(948)
Interest income	524	496
Income before income taxes	6,770	7,769
Income taxes	2,836	3,227
Net income	\$ 3,934	\$ 4,542
Net income per share:		
Class A common stock:		
Basic	\$.35	\$.41
Diluted	\$.29	\$.34
Class B common stock:		
Basic	\$.23	\$.27
Diluted	\$.23	\$.26

See accompanying Notes to Consolidated Condensed Financial Statements.

VILLAGE SUPER MARKET, INC.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(in Thousands) (Unaudited)

	13 Wks. Ended Oct. 30, 2010	13 Wks. Ended Oct. 24, 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 3,934	\$ 4,542
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	4,536	3,970
Deferred taxes	(536)	(750)
Provision to value inventories at LIFO	75	150
Non-cash share-based compensation	684	781
Changes in assets and liabilities:		
Merchandise inventories	(220)	(1,459)
Patronage dividend receivable	(3,091)	(2,735)
Accounts payable to Wakefern	(2,833)	(7,190)
Accounts payable and accrued expenses	(1,165)	(5,008)
Income taxes payable	3,228	3,925
Other assets and liabilities	72	(1,801)
Net cash provided by (used in) operating activities	4,684	(5,575)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in notes receivable from Wakefern	(321)	(379)
Capital expenditures	(2,456)	(3,697)
Net cash used in investing activities	(2,777)	(4,076)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of stock options	157	10
Excess tax benefit related to share-based compensation	113	7
Principal payments of long-term debt	(28)	(4,484)
Dividends	(2,793)	(2,566)
Net cash used in financing activities	(2,551)	(7,033)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(644)	(16,684)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	69,043	54,966
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 68,399	\$ 38,282
SUPPLEMENTAL DISCLOSURES OF CASH PAYMENTS MADE FOR:		
Interest	\$ 1,068	\$ 1,059
Income taxes	\$ 31	\$ 45
NONCASH SUPPLEMENTAL DISCLOSURES:		
Investment in Wakefern	\$ 613	\$ 590

See accompanying Notes to Consolidated Condensed Financial Statements.

VILLAGE SUPER MARKET, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(in Thousands) (Unaudited)

1. In the opinion of management, the accompanying unaudited consolidated condensed financial statements contain all adjustments (consisting of normal and recurring accruals) necessary to present fairly the consolidated financial position as of October 30, 2010 and the consolidated results of operations and cash flows for the thirteen week periods ended October 30, 2010 and October 24, 2009 of Village Super Market, Inc. (“Village” or the “Company”).

The significant accounting policies followed by the Company are set forth in Note 1 to the Company's consolidated financial statements in the July 31, 2010 Village Super Market, Inc. Annual Report on Form 10-K, which should be read in conjunction with these financial statements.

2. The results of operations for the period ended October 30, 2010 are not necessarily indicative of the results to be expected for the full year.

3. At both October 30, 2010 and July 31, 2010, approximately 67% of merchandise inventories are valued by the LIFO method while the balance is valued by FIFO. If the FIFO method had been used for the entire inventory, inventories would have been \$13,904 and \$13,829 higher than reported at October 30, 2010 and July 31, 2010, respectively.

4. The Company computes net income per share using the two-class method, an earnings allocation formula that calculates basic and diluted net income per share for each class of common stock separately based on dividends declared and participation rights in undistributed earnings. Under the two-class method, our Class A common stock is assumed to receive a 54% greater participation in undistributed earnings than our Class B common stock, in accordance with the classes respective dividend rights.

Diluted net income per share for Class A common stock is calculated utilizing the if-converted method, which assumes the conversion of all shares of Class B common stock to shares of Class A common stock on a share-for-share basis, as this method is more dilutive than the two-class method. Diluted net income per share for Class B common stock does not assume conversion of Class B common stock to shares of Class A common stock.

The tables below reconcile the numerators and denominators of basic and diluted net income per share for all periods presented.

	13 Weeks Ended October 30, 2010	
	Class A	Class B
Numerator:		
Net income allocated, basic	\$ 2,385	\$ 1,459
Conversion of Class B to Class A shares	1,459	----
Effect of share-based compensation on allocated net income	4	(4)
Net income allocated, diluted	\$ 3,848	\$ 1,455
Denominator:		
Weighted average shares outstanding, basic	6,776	6,376
Conversion of Class B to Class A shares	6,376	----
Dilutive effect of share-based compensation	106	-----
Weighted average shares outstanding, diluted	13,258	6,376

	13 Weeks Ended October 24, 2009	
	Class A	Class B
Numerator:		
Net income allocated, basic	\$ 2,739	\$ 1,692
Conversion of Class B to Class A shares	1,692	----
Effect of share-based compensation on allocated net income	7	(9)
Net income allocated, diluted	\$ 4,438	\$ 1,683
Denominator:		
Weighted average shares outstanding, basic	6,719	6,376
Conversion of Class B to Class A shares	6,376	----
Dilutive effect of share-based compensation	138	-----
Weighted average shares outstanding, diluted	13,233	6,376

Outstanding stock options to purchase Class A shares of 36 and 6 were excluded from the calculation of diluted net income per share at October 30, 2010 and October 24, 2009, respectively, as a result of their anti-dilutive effect. In addition, 256 and 266 non-vested restricted Class A shares, which are considered participating securities, and their allocated net income were excluded from the diluted net income per share calculation at October 30, 2010 and October 24, 2009, respectively, due to their anti-dilutive effect.

5. Comprehensive income was \$4,169 and \$4,735 for the quarters ended October 30, 2010 and October 24, 2009, respectively. Comprehensive income consists of net income and amortization of net losses on benefit plans, net of income taxes.

6. The Company sponsors four defined benefit pension plans. Net periodic pension costs for the four plans includes the following components:

	13 Weeks Ended October 30, 2010	13 Weeks Ended October 24, 2009
Service cost	\$ 724	\$ 572
Interest cost on projected benefit obligations	633	583
Expected return on plan assets	(510)	(426)
Amortization of gains and losses	390	320
Amortization of prior service costs	2	2
Net periodic pension cost	\$ 1,239	\$ 1,051

As of October 30, 2010, the Company has contributed \$16 to its pension plans in fiscal 2011. The Company expects to contribute an additional \$2,984 during the remainder of fiscal 2011 to fund its pension plans.

7. Effective August 1, 2010, Village adopted a new accounting standard which changes how a company determines when an entity that is insufficiently capitalized or is not controlled through voting (or similar rights) should be consolidated. The determination of whether a company is required to consolidate an entity is based on, among other things, an entity's purpose and design and a company's ability to direct the activities of the entity that most significantly impact the entity's economic performance. The adoption had no impact on the Company's consolidated financial position or results of operations.

8. On December 3, 2010, the Board of Directors declared a special dividend of \$1.25 per Class A common share and \$.8125 per Class B common share. The estimated \$14,000 of special dividends will be payable on December 28, 2010 to shareholders of record at the close of business on December 15, 2010.

ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

(Dollars in Thousands)

OVERVIEW

The Company operates a chain of 26 ShopRite supermarkets in New Jersey and northeastern Pennsylvania. Village is the second largest member of Wakefern Food Corporation ("Wakefern"), the nation's largest retailer-owned food cooperative and owner of the ShopRite name. As further described in the Company's Form 10-K, this ownership interest in Wakefern provides the Company many of the economies of scale in purchasing, distribution, advanced retail technology and advertising associated with larger chains.

The Company's stores, five of which are owned, average 57,000 total square feet. Larger store sizes enable the Company to offer the specialty departments that customers desire for one-stop shopping, including pharmacies, natural and organic departments, ethnic and international foods, and home meal replacement.

The supermarket industry is highly competitive. The Company competes directly with multiple retail formats, including national, regional and local supermarket chains as well as warehouse clubs, supercenters, drug stores, discount general merchandise stores, fast food chains, dollar stores and convenience stores. Village competes by using low pricing, superior customer service, and a broad range of consistently available quality products, including ShopRite private labeled products. The ShopRite Price Plus card and the co-branded ShopRite credit card also strengthen customer loyalty.

We consider a variety of indicators to evaluate our performance, such as same store sales; percentage of total sales by department (mix); shrink; departmental gross profit percentage; sales per labor hour; and hourly labor rates.

During fiscal 2010 and the first quarter of fiscal 2011, the supermarket industry was impacted by changing consumer behavior due to the weak economy and high unemployment. Consumers are increasingly cooking meals at home, but spending cautiously by trading down to lower priced items, including private label, and concentrating their buying on sale items. As a result of these trends, same store sales were flat in the first quarter of fiscal 2011.

RESULTS OF OPERATIONS

The following table sets forth the major components of the Consolidated Condensed Statements of Operations as a percentage of sales:

	13 Weeks Ended	
	10/30/10	10/24/09
Sales	100.00%	100.00%
Cost of sales	73.67	73.39
Gross profit	26.33	26.61
Operating and administrative expense	22.47	22.58
Depreciation and amortization	1.48	1.31
Operating income	2.38	2.72
Interest expense	(.35)	(.31)
Interest income	.17	.16
Income before taxes	2.20	2.57
Income taxes	0.92	1.07
Net income	1.28 %	1.50 %

Sales. Sales were \$307,397 in the first quarter of fiscal 2011, an increase of 1.5% compared to the first quarter of the prior year. Sales increased primarily due to the opening of the Washington, NJ replacement store on February 21, 2010. Same store sales were flat in the first quarter of fiscal 2011 compared to the prior year as improved sales in the Marmora store, which opened in May 2009 and is now included in same store sales, were offset by reduced sales in two stores due to competitive store openings. Inflation and deflation had minimal impact on sales in the first quarter of fiscal 2011. Sales continue to be impacted by changing consumer behavior due to economic weakness, which has resulted in increased coupon usage, sale item penetration and trading down. The Company expects same store sales in fiscal 2011, excluding the impact of the 53rd week in the prior year, to range from 0% to 2%. New stores and replacement stores are included in same store sales in the quarter after the store has been in operation for four full quarters. Store renovations are included in same store sales immediately.

Gross Profit. Gross profit as a percentage of sales decreased .28% in the first quarter of fiscal 2011 compared to the first quarter of the prior year due to higher promotional spending (.24%) and increased warehouse assessment charges from Wakefern (.15%), partially offset by higher patronage dividends (.10%).

Operating and Administrative Expense. Operating and administrative expense as a percentage of sales decreased .11% in the first quarter of fiscal 2011 compared to the first quarter of the prior year primarily due to lower workers compensation insurance costs and savings from the solar energy project at the Garwood store.

Depreciation and Amortization. Depreciation and amortization expense increased in the first quarter of fiscal 2011 compared to the first quarter of the prior year due to depreciation related to fixed asset additions, including the new Washington store.

Interest Expense. Interest expense increased in the first quarter of fiscal 2011 compared to the first quarter of the prior year due to an amendment of a store lease near the end of fiscal 2010 being treated as a capital lease.

Interest Income. Interest income was similar in the first quarter of fiscal 2011 compared to the first quarter of the prior year as amounts invested and interest rates were comparable.

Income Taxes. The effective income tax rate was 41.9% in the first quarter of fiscal 2011 compared to 41.5% in the first quarter of the prior year.

CRITICAL ACCOUNTING POLICIES

Critical accounting policies are those accounting policies that management believes are important to the portrayal of the Company's financial condition and results of operations. These policies require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The Company's critical accounting policies relating to the impairment of long-lived assets and goodwill, accounting for patronage dividends earned as a stockholder of Wakefern, accounting for pension plans, accounting for share-based compensation, and accounting for uncertain tax positions, are described in the Company's Annual Report on Form 10-K for the year ended July 31, 2010. As of October 30, 2010, there have been no changes to any of the critical accounting policies contained therein.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was \$4,684 in the first quarter of fiscal 2011 compared with net cash used by operating activities of \$5,575 in the corresponding period of the prior year. This change is primarily attributable to a smaller decrease in payables in fiscal 2011 than in fiscal 2010. The changes in payable balances outstanding resulted from differences in the timing of payments. During the first quarter of fiscal 2011, Village used cash to fund capital expenditures of \$2,456 and dividends of \$2,793.

Village has budgeted approximately \$12,000 for capital expenditures in fiscal 2011. Planned expenditures include the purchase of land for future development and several small remodels. The Company's primary sources of liquidity in fiscal 2011 are expected to be cash and cash equivalents on hand and operating cash flow generated in fiscal 2011.

Working capital was \$45,012 at October 30, 2010 compared to \$41,201 at July 31, 2010. The working capital ratio was 1.5 to 1 at both October 30, 2010 and July 31, 2010. The Company's working capital needs are reduced, since inventories are generally sold by the time payments to Wakefern and other suppliers are due.

There have been no substantial changes as of October 30, 2010 to the contractual obligations and commitments discussed on page 7 of the Company's Annual Report on Form 10-K for the year ended July 31, 2010, except for an additional \$613 required investment in Wakefern stock.

On December 3, 2010, the Board of Directors declared a special dividend of \$1.25 per Class A common share and \$.8125 per Class B common share. The estimated \$14,000 of special dividends will be payable on December 28, 2010 to shareholders of record at the close of business on December 15, 2010. The Board has declared these dividends in order to provide a return to shareholders in 2010, instead of 2011, while tax rates on dividends remain low. The Board's current intention is to pay quarterly dividends in 2011 in a range of \$.06 - \$.12 per Class A share (\$.039 - \$.078 per Class B share). The Board will reconsider dividend policy and other methods of providing returns to shareholders in 2012 based on a variety of factors, including tax rates on dividends and capital gains in effect at that time.

OUTLOOK

This Form 10-Q contains certain forward-looking statements about Village's future performance. These statements are based on management's assumptions and beliefs in light of information currently available. Such statements relate to, for example: economic conditions; expected pension plan contributions; projected capital expenditures; cash flow requirements; and legal matters; and are indicated by words such as "will," "expect," "should," "intend," "anticipates," "believes" and similar words or phrases. The Company cautions the reader that there is no assurance that actual results or business conditions will not differ materially from the results expressed, suggested or implied by such forward-looking statements. The Company undertakes no obligation to update forward-looking statements to reflect developments or information obtained after the date hereof.

- We expect same store sales to range from 0% to 2% in fiscal 2011, excluding the impact of the 53rd week that occurred in fiscal 2010.
- During fiscal 2010 and the first quarter of fiscal 2011, the supermarket industry was impacted by changing consumer behavior due to the weak economy and high unemployment. Consumers are increasingly cooking meals at home, but spending cautiously by trading down to lower priced items, including private label, and concentrating their buying on sale items. Management expects these trends to continue at least through the first half of fiscal 2011.
 - We expect slight retail price inflation in fiscal 2011. Fiscal 2010 was deflationary.
- We have budgeted \$12,000 for capital expenditures in fiscal 2011, which includes the purchase of land for future development and several small remodels.
- On December 3, 2010, the Board of Directors declared special dividends estimated at \$14,000 payable on December 28, 2010. The Board declared these dividends in order to provide a return to shareholders in 2010, instead of 2011, while tax rates on dividends remain low. The Board's current intention is to pay quarterly dividends in 2011 in a range of \$.06 - \$.12 per Class A share (\$.039 - \$.078 per Class B share). The Board will reconsider dividend policy and other methods of providing returns to shareholders in 2012 based on a variety of factors, including tax rates on dividends and capital gains in effect at that time.
- We believe cash flow from operations and other sources of liquidity will be adequate to meet anticipated requirements for working capital, capital expenditures and debt payments for the foreseeable future.
 - We expect our effective income tax rate in fiscal 2011 to be 41-42%.
- We expect operating expenses will be affected by increased costs in certain areas, such as medical and pension costs, and credit card fees.

Various uncertainties and other factors could cause actual results to differ from the forward-looking statements contained in this report. These include:

- The supermarket business is highly competitive and characterized by narrow profit margins. Results of operations may be materially adversely impacted by competitive pricing and promotional programs, industry consolidation and competitor store openings. Village competes with national and regional supermarkets, local supermarkets, warehouse club stores, supercenters, drug stores, convenience stores, dollar stores, discount merchandisers, restaurants and other local retailers. Some of these competitors have greater financial resources, lower merchandise acquisition cost and lower operating expenses than we do.
- The Company's stores are concentrated in New Jersey, with one store in northeastern Pennsylvania. We are vulnerable to economic downturns in New Jersey in addition to those that may affect the country as a whole. Economic conditions such as inflation, deflation, interest rates, energy costs and unemployment rates may adversely affect our sales and profits.
- Village purchases substantially all of its merchandise from Wakefern. In addition, Wakefern provides the Company with support services in numerous areas including supplies, advertising, liability and property insurance, technology support and other store services. Further, Village receives patronage dividends and other product incentives from Wakefern. Any material change in Wakefern's method of operation or a termination or material modification of Village's relationship with Wakefern could have an adverse impact on the conduct of the Company's business and could involve additional expense for Village. The failure of any Wakefern member to fulfill its obligations to Wakefern or a member's insolvency or withdrawal from Wakefern could result in increased costs to the Company. Additionally, an adverse change in Wakefern's results of operations could have an adverse affect on Village's results of operations.
- Approximately 93% of our employees are covered by collective bargaining agreements. Any work stoppages could have an adverse impact on our financial results. If we are unable to control health care and pension costs provided for in the collective bargaining agreements, we may experience increased operating costs.
- Village could be adversely affected if consumers lose confidence in the safety and quality of the food supply chain. The real or perceived sale of contaminated food products by us could result in a loss of consumer confidence and product liability claims, which could have a material adverse effect on our sales and operations.
- We believe a number of the multi-employer plans to which we contribute are underfunded. As a result, we expect that contributions to these plans may increase. Additionally, the benefit levels and related items will be issues in the negotiation of our collective bargaining agreements. Under current law, an employer that withdraws or partially withdraws from a multi-employer pension plan may incur withdrawal liability to the plan, which represents the portion of the plan's underfunding that is allocable to the withdrawing employer under very complex actuarial and allocation rules. The failure of a withdrawing employer to fund these obligations can impact remaining employers. The amount of any increase or decrease in our required contributions to these multi-employer pension plans will depend upon the outcome of collective bargaining, actions taken by trustees who manage the plans, government regulations and the actual return on assets held in the plans, among other factors.
 - Our effective tax rate may be impacted by the results of tax examinations and changes in tax laws.

RELATED PARTY TRANSACTIONS

A description of the Company's transactions with Wakefern, its principal supplier, and with other related parties is included on pages 9, 18 and 21 of the Company's Annual Report on Form 10-K for the year ended July 31, 2010. There have been no significant changes in the Company's relationship or nature of transactions with related parties during the first quarter of fiscal 2011 except for an additional required investment in Wakefern common stock of \$613.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At October 30, 2010, the Company had demand deposits of \$51,316 at Wakefern earning interest at overnight money market rates, which are exposed to the impact of interest rate changes.

At October 30, 2010, the Company had an \$18,525 15-month note receivable due from Wakefern earning a fixed rate of 7%. This note is automatically extended for additional, recurring 90-day periods, unless, not later than one year prior to the due date, the Company notifies Wakefern requesting payment on the due date. This note currently is scheduled to mature on November 28, 2011.

ITEM 4. CONTROLS AND PROCEDURES

As required by Rule 13a-15 under the Exchange Act, the Company carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures at the end of the period. This evaluation was carried out under the supervision, and with the participation, of the Company's management, including the Company's Chief Executive Officer along with the Company's Chief Financial Officer. Based upon that evaluation, the Company's Chief Executive Officer, along with the Company's Chief Financial Officer, concluded that the Company's disclosure controls and procedures are effective.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in Company reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in Company reports filed under the Exchange Act is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

There have been no significant changes in internal controls over financial reporting during the first quarter of fiscal 2011.

PART II - OTHER INFORMATION

Item 6. Exhibits

Exhibit 31.1 Certification

Exhibit 31.2 Certification

Exhibit 32.1 Certification (furnished, not filed)

Exhibit 32.2 Certification (furnished, not filed)

Exhibit 99.1 Press Release dated December 8, 2010

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Village Super Market, Inc.
Registrant

Date: December 8, 2010

/s/ James Sumas
James Sumas
(Chief Executive Officer)

Date: December 8, 2010

/s/ Kevin R. Begley
Kevin R. Begley
(Chief Financial Officer)