KELLOGG CO
Form 11-K
June 28, 2004

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003

COMMISSION FILE NUMBER 1-4171

THE KELLOGG COMPANY BAKERY, CONFECTIONERY, TOBACCO WORKERS AND GRAIN MILLERS SAVINGS AND INVESTMENT PLAN
(Full Title of the Plan)

KELLOGG COMPANY
(Name of Issuer)

ONE KELLOGG SQUARE
BATTLE CREEK, MICHIGAN 49016-3599
(Principal Executive Office)

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Note: Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act ("ERISA") of 1974 have been omitted because they are not applicable.

Report of Independent Registered Public Accounting Firm

To the Trustees and Participants of the
Kellogg Company Bakery, Confectionery,
Tobacco Workers and Grain Millers Savings
and Investment Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Kellogg Company Bakery, Confectionery, Tobacco Workers and Grain Millers Savings and Investment Plan (the "Plan") at December 31, 2003 and 2002, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) and auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP

Battle Creek, Michigan
May 17, 2004

Kellogg Company
Bakery, Confectionery, Tobacco Workers and Grain Millers
Savings and Investment Plan
Statement of Net Assets Available for Benefits
December 31, 2003 and 2002

	2003	2002
Assets		
Investments		

Plan's interest in Master Trust	$ 507,351,218	$ 481,915,045
Loans to participants	6,553,633	6,893,580
Total investments	513,904,851	488,808,625
Total assets	513,904,851	488,808,625
Liabilities		
Accrued investment service fees		27,765
Total liabilities	-	27,765
Net assets available for benefits	$ 513,904,851	$ 488,780,860

The accompanying notes are an integral part of these financial statements.

Kellogg Company
Bakery, Confectionery, Tobacco Workers and Grain Millers
Savings and Investment Plan
Statement of Changes in Net Assets Available for Benefits
Years Ended December 31, 2003 and 2002

	2003	2002
Contributions		
Employer	$ 4,973,006	$ 4,87
Employee	12,209,917	12,13
Employee rollovers	203,050	84
Total contributions	17,385,973	17,86
Earnings on investments		
Plan's interest in income of Master Trust	47,732,324	6,82
Interest income	438,881	52
Trustee fees	(57,003)	(8
Total earnings on investments, net	48,114,202	7,25
Participant withdrawals	(40,376,184)	(36,61
Net transfers between Plans	-	(45
Net increase (decrease)	25,123,991	(11,95
Net assets available for benefits		
Beginning of year	488,780,860	500,73
End of year	$ 513,904,851	$ 488,78

The accompanying notes were an integral part of these financial statements.

Kellogg Company
Bakery, Confectionery, Tobacco Workers and Grain Millers
Savings and Investment Plan
Notes to Financial Statements

December 31, 2003 and 2002

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1. Summary of Significant Accounting Policies

Basis of Accounting
The Plan operates as a qualified defined contribution plan and was established under Section 401(k) of the Internal Revenue Code. The accounts of the Plan are maintained on the accrual basis. Expenses of administration are paid by the Plan sponsor, Kellogg Company.

Investments
All investments are reported at current quoted market values except for guaranteed insurance contracts, which are reported at contract value and represent contributions made plus interest at the contract rate. These contracts are maintained in the Stable Value Fund of the Kellogg Company Master Trust.

The Plan presents in the statement of changes in net assets available for benefits the Plan's interest in income of Master Trust, which consists primarily of the realized gains or losses on the fair value of the Master Trust investments and the unrealized appreciation (depreciation) on those investments.

Allocation of Net Investment Income to Participants
Net investment income is allocated to participant accounts daily, in proportion to their respective ownership on that day.

Employer Contributions Receivable
Substantially all of the employer contributions receivable relates to employer matching contributions and related investment earnings, earned through the year, but which were unpaid by the Plan sponsor at year end.

Risks and Uncertainties
The Plan provides for various investment options in several investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible the changes in risk in the near term would materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits and the statement of changes in net assets available for benefits.

Use of Estimates in the Preparation of Financial Statements
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

2. Provisions of the Plan

The following description of the Kellogg Company Bakery, Confectionary, Tobacco Workers and Grain Millers Savings and Investment Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for a more comprehensive description of the Plan's provisions.

Plan Administration

The Plan is administered by trustees appointed by Kellogg and employees represented by the Bakery, Confectionery, Tobacco Workers and Grain Millers Union.

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Plan Participation and Contribution
Generally, all Kellogg Company hourly employees belonging to the Bakery, Confectionery, Tobacco Workers and Grain Millers Union Local Nos. 3-G, 50-G, 252-G, 274-G and 401-G are eligible to participate in the Plan.

Subject to limitations prescribed by the Internal Revenue Service, participants may elect to contribute from 1 percent to 50 percent of their annual wages. Participants were eligible to defer $12,000 in 2003 and $11,000 in 2002. Effective September 29, 2002, employee contributions are matched by Kellogg Company at a 100% rate on the first 3 percent and a 50 percent rate on the next 2 percent with 12.5 percent of the Company match restricted for investment in the Kellogg Company stock fund. Prior to September 29, 2002, employee contributions not exceeding 5 percent of wages were matched by Kellogg Company at an 80 percent rate, with 12.5 percent of the Company match restricted for investment in the Kellogg Company stock fund. Employees may contribute to the Plan from their date of hire; however, the monthly contributions are not matched by the Company until the participant has completed one year of service.

Participants of the Plan may elect to invest the contributions to their accounts as well as their account balances in various equity, bond, fixed income or Kellogg Company stock funds or a combination thereof in multiples of one percent.

Vesting
Participant account balances are fully vested.

Participant Loans
Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their account balance. Participants may have only one loan outstanding at any time. Loan transactions are treated as transfers between the Loan fund and the other funds. Loan terms range from 12 to 60 months, except for principal residence loans, which must be repaid within 15 years (or 180 months). Interest is paid at a constant rate equal to one percent over the prime rate in the month the loan begins. Principal and interest are paid ratably through monthly payroll deductions. Loans that are considered to be uncollectible at year end result in the outstanding principal being considered a hardship withdrawal from the participant's plan account.

Participant Distributions
Participants may request an in-service withdrawal of all or a portion of certain types of contributions under standard in-service withdrawal rules. The withdrawal of any participant contributions which were not previously subject to income tax is restricted by Internal Revenue Service regulations.

Participants who terminate employment before retirement, by reasons other than death or disability, may remain in the Plan or receive payment of their account balances in a lump sum. If the account balance is $5,000 or less, the terminated participant will receive the account balance in a lump sum or installment payments. Participants are eligible to retire from the Company at age 62, upon reaching 55 with 20 years of service, or after 30 years of service. Upon retirement, disability, or death, a participant's account balance may be received in a lump sum or installment payments.

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Termination
While the Company has expressed no intentions to do so, the Plan may be terminated at any time.

3. Income Tax Status

The Plan administrator has received a favorable letter from the Internal Revenue Service dated March 18, 2004 regarding the Plan's qualification under applicable income tax regulations. The Plan administrator believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

4. Kellogg Company Master Trust

The Plan has an undivided interest in the net assets held in the Kellogg Company Master Trust in which interests are determined on the basis of cumulative funds specifically contributed on behalf of the Plan adjusted for an allocation of income. Such income allocation is based on the Plan's funds available for investment during the year.

Kellogg Company Master Trust net assets at December 31, 2003 and 2002 and the changes in net assets for the years ended December 31, 2003 and December 31, 2002 are as follows:

Kellogg Company
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Savings and Investment Plan
Notes to Financial Statements
December 31, 2003 and 2002

Schedule of Net Assets of Master Trust Investment Accounts

	2003	2
Cash/equivalents		
Interest bearing cash	$ 12,791,710	$
Total cash/equivalents	12,791,710	
Receivables	1,888,051	
General investments		
Long Term U.S. Gov't Securities	19,060,041	
Short Term U.S. Gov't Securities	5,793,346	
Corporate Debt - Long-Term	21,930,624	
Corporate Debt - Short-Term	3,665,846	

Corporate Stocks - Common	84,130,906	
Commingled Funds	200,998,048	1
Shares of Registered Investment Company	207,592,300	1
Guaranteed Investment Contracts	664,410,052	6
Total general investments	1,207,581,163	1,0
Total investments	1,222,260,924	1,1
Payables		
Unsettled trades	(167,091)	
Total liabilities	(167,091)	
Net assets	$ 1,222,093,833	$ 1,1
Percentage interest held by the Plan	41.5%	

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Schedule of Changes in Net Assets of Master Trust Investment Accounts

	2003	2
Transfers from prior Trustees	$ -	$ 2
Earnings on investments		
Interest	32,450,775	
Dividends	9,152,649	
Net realized gain (loss)	2,385,239	(
Total additions	43,988,663	2
Net transfer of assets out of investment account	(20,635,134)	(
Fees and commissions	(611,058)	
Total distributions	(21,246,192)	(
Change in unrealized appreciation (depreciation)	93,595,174	(
Net change in assets	116,337,645	1
Net assets at beginning of year	1,105,756,188	9
Net assets at end of year	$ 1,222,093,833	$ 1,1

Kellogg Company
Bakery, Confectionery, Tobacco Workers and Grain Millers
Savings and Investment Plan
Schedule H, Line 4i
Schedule of Assets (Held at End of Year)
December 31, 2003

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value
	Loans to participants (interest rate of 5.25% to 13.69%)	

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 18, 2004

The Kellogg Company - Bakery, Confectionery, Tobacco Workers and Grain Millers Savings and Investment Plan

By: /s/ Jeffrey M. Boromisa

Jeffrey M. Boromisa
Senior Vice President and Chief
Financial Officer, Kellogg Company

INDEX TO EXHIBITS TO FORM 11-K

EXHIBIT NUMBER	DESCRIPTION OF DOCUMENT
23	Consent of Independent Registered Public Accounting Firm