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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13
of the Securities Exchange Act of 1934

For the Fiscal Year Ended June 30, 2000

MIDWEST GRAIN PRODUCTS, INC.

1300 Main Street
Box 130
Atchison, Kansas 66002
Telephone: (913) 367-1480

Incorporated in the State of Kansas

COMMISSION FILE NO. 0-17196

IRS No. 48-0531200

The Company has no securities registered pursuant to Section 12(b) of the Act. The only class of common stock outstanding consists of Common Stock having no par value, 8,583,397 shares of which were outstanding at June 30, 2000. The Common Stock is registered pursuant to Section 12(g) of the Act.

The aggregate market value of the Common Stock of the Company held by non-affiliates, based upon the highest sales price of such stock on July 27, 2000, was $75,694,023.

The Company 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, and has been subject to such filing requirements for the past 90 days.

As indicated by the following check mark, disclosure of delinquent filers pursuant to Rule 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge in a definitive proxy or information statement incorporated by reference in Part III of this Form 10-K: [X].

The following documents are incorporated herein by reference:

(1) Midwest Grain Products, Inc. 2000 Annual Report to Stockholders, pages 17 through 36 [incorporated into Part II and contained in Exhibit 10(c)].

(2) Midwest Grain Products, Inc. Proxy Statement for the Annual Meeting of Stockholders to be held on October 12, 2000, dated September 15, 2000 (incorporated into Part III).

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The calculation of the aggregate market value of the Common Stock of the Company held by non-affiliates is based on the assumption that non-affiliates do not include directors. Such assumption does not constitute an admission by the Company or any director that any director is an affiliate of the Company.

This report, including the portions of the Annual Report incorporated herein by reference, contains forward-looking statements as well as historical information. Forward-looking statements are usually identified by or are associated with such words such as "intend, " believe," "estimate," "expect," "anticipate," "hopeful," "should," "may" and similar expressions. They reflect management's current belief's and estimates of future economic circumstances, industry conditions, Company performance and financial results and are not guarantees of future performance. The forward- looking statements are based on many assumptions and factors including those relating to grain prices, gasoline prices, energy costs, product pricing, competitive environment and related market conditions, operating efficiencies, access to capital and actions of governments. Any changes in the assumptions or factors could produce materially different results than those predicted and could impact stock values.

PART I

Item 1. Business.

General Information

Midwest Grain Products, Inc. (the Company) is a Kansas corporation headquartered in Atchison, Kansas. It is the successor to a business founded in 1941 by Cloud L. Cray, Sr.

The Company is a fully integrated producer of wheat gluten, which includes vital wheat gluten and specialty wheat proteins, premium wheat starch and alcohol products. These grain products are processed at plants located in Atchison, Kansas, and Pekin, Illinois. Wheat is purchased directly from local and regional farms and grain elevators and milled into flour. The flour is processed with water to extract vital wheat gluten, a portion of which is further processed into specialty wheat proteins. Vital wheat gluten and most wheat protein products are dried into powder and sold in packaged or bulk form. The starch slurry which results after the extraction of the gluten and wheat proteins is further processed to extract premium wheat starch which is also dried into powder and sold in packaged or bulk form. The remaining slurry is mixed with corn or milo and water and then cooked, fermented and distilled into alcohol. The residue of the distilling operations is dried and sold as a high protein additive for animal feed. Carbon dioxide which is produced during the fermentation process is trapped and sold. As a result of these processing operations, the Company sells approximately 95% (by weight) of grain processed.

The table below shows the Company's sales from continuing operations by product group for each of the five years ended June 30, 2000, as well as such sales as a percent of total sales.

<TABLE>
<CAPTION>

PRODUCT GROUP SALES

	Year Ended June 30,									
	2000		1999		1998		1997		1996	
	(thousands of dollars)									
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Wheat Gluten..............	$ 70,912	30.6	$ 56,153	26.0	$ 42,489	19.0	$ 39,968	17.8	$ 39,514	20.3
Premium Wheat Starch.......	29,186	12.6	27,173	12.6	27,791	12.4	29,935	13.3	26,354	13.5
Alcohol Products:										
Food Grade Alcohol										
Beverage Alcohol......	27,728	11.9	30,373	14.1	35,934	16.1	43,118	19.2	39,465	20.3
Food Grade Industrial.	16,136	7.0	19,276	8.9	27,487	12.3	38,004	16.9	32,064	16.5
Fuel Grade Alcohol.......	62,066	26.7	54,639	25.3	51,227	23.0	34,992	15.6	25,347	13.0
Alcohol By-products......	23,093	10.0	25,441	11.8	33,259	14.9	34,553	15.4	28,449	14.6
Total Alcohol Products.............	129,023	55.6	129,729	60.1	147,957	66.3	150,667	67.1	125,325	64.4

Flour and Other Mill Products.................	2,759	1.2	3,046	1.4	5,017	2.3	4,163	1.8	3,445	1.8
Net Sales	$231,880	100.0	$216,101	100.0	$223,354	100.0	$224,733	100.0	$194,638	100.0

</TABLE>

The Company's results for fiscal 2000 were up substantially over results for the prior fiscal year. Net income rose to $4.9 million compared to $1.3 million in fiscal 1999 due principally to the effects of heightened demand for the Company's vital wheat gluten, specialty and modified wheat proteins and wheat starches. Lower per unit costs for grain also contributed to the improvement. These conditions partially offset the impact of reduced selling prices for the Company's alcohol products resulting from the continuation of excess alcohol supplies throughout the industry.

The bulk of the Company's sales are made direct to large institutional food and beverage processors and distributors with respect to which the Company has longstanding relationships. Sales to these customers are usually evidenced by short term agreements that are cancelable within 30 days and under which products are usually ordered, produced, sold and shipped within 60 days. However, a substantial amount of the Company's fuel alcohol is sold under longer term contracts, primarily to cover the needs of gasoline refiners during September through April of each year. None of the Company's customers accounted for more than ten percent of the Company's consolidated revenues during fiscal 2000, except for a distributor of vital wheat gluten that accounted for approximately 14% of the Company's 2000 sales.

Historically, the Company's sales have not been seasonal except for variations affecting alcohol and gluten sales. Fuel alcohol sales usually increase during the period August through March due to requirements of the Clean Air Act which inhibit the sale of ethanol in certain areas of the country during May 1 through September 15 each year. Certain environmental regulations also favor greater use of ethanol during the winter months of the year. See "Alcohol Products- Fuel Grade Alcohol." Beverage alcohol sales tend to peak in the fall as distributors order stocks for the holiday season, while gluten sales have tended to increase to a minor extent during the second half of the fiscal year as demand increases for hot dog and hamburger buns and similar bakery products. During the next year the Company may experience fluctuations in wheat gluten sales due to the effects of quarterly quotas on the import of wheat gluten into the United States. See "Vital Wheat Gluten - Competition."

For further information, see the Consolidated Financial Statements of the Company and Management's Discussion and Analysis of the Company's Financial Condition and Results of Operations which appear at pages 18 through 24 of the Annual Report.

Wheat Gluten

The Company's wheat gluten products consist of vital wheat gluten and specialty wheat proteins that are derived from vital wheat gluten. During fiscal 2000, the sale of specialty wheat proteins increased by approximately 45% over specialty protein sales in fiscal 1999, to approximately 13% of total fiscal 2000 wheat gluten sales.

Vital wheat gluten is a free-flowing light tan powder which contains approximately 75% to 80% protein. Its vitality, water absorption and retention and film-forming properties make it desirable as an ingredient in many food products. It is the only commercially available high protein food additive which possesses vitality. The vitality of the Company's vital wheat gluten results from its elastic and cohesive characteristics when added to dough or otherwise reconstituted with water.

Vital wheat gluten is added by bakeries and food processors to baked goods such as wheat breads, and to pet foods, cereals, processed meats, fish, and poultry to improve the nutritional content, texture, strength, shape, and volume of the product. The neutral flavor and color of wheat gluten also enhances, but does not change, the flavor and color of food. It has been increasingly used in breads and pet foods. The cohesiveness and elasticity of the gluten enables the dough in wheat and other high protein breads to rise and to support added ingredients such as whole cracked grains, raisins and fibers. This allows the baker to make an array of different breads by varying the gluten content of the dough. Vital wheat gluten is also added to white breads, hot dog and hamburger buns to improve the strength and cohesiveness of the product. For example, vital wheat gluten provides greater hinge strength for hot dog buns.

In recent years the Company began the development of a number of specialty wheat proteins for food and non-food applications. Specialty Wheat Proteins are derived from vital wheat gluten through a variety of proprietary processes which change the molecular structure of vital wheat gluten. Food application wheat proteins include gliadin, glutenin, products in the Wheatex(TM) and FP(TM) series and Pasta Power(TM). Non-food applications include wheat proteins designed for use primarily in cosmetics and personal care products and in biodegradable gluten resins that can be molded to form a variety of biodegradable plastic-like objects.

Food Applications

- Gliadin and Glutenin are the two principal molecules that make up vital wheat gluten. The Company's patented process enables the separation of each for a variety of end uses. Glutenin, a large molecule responsible for the elastic character of vital wheat gluten, increases the strength of bread doughs, improves the freeze-thaw characteristics of frozen doughs and may be used as a functional protein source in beef jerky-type products, as well as in meat extension. Gliadin, the smaller of the two molecules, is soluble in water and other liquids, including alcohol, and is responsible for the viscous properties of wheat gluten. Those characteristics make it ideal to improve the texture of noodles and pastas. Gliadin is also used in a number of cosmetics and personal care products as described below under "Non-Food Applications."

- Wheatex(TM) Series consists of texturized wheat proteins made from vital wheat gluten by changing it into a pliable substance through special processing. The resulting solid food product can be further enhanced with flavoring and coloring and reconstituted with water. Texturized wheat proteins are used for meat, poultry and fish substitutes, extenders and binders. Wheatex(TM) mimics the textural characteristics and appearance of meat, fish and poultry products. It is available in a variety of sizes and colors and can be easily formed into patties, links or virtually any other shape the customer requires. Because of its neutral taste, Wheatex(TM) will not alter flavors that are added to the product. It also has excellent water-binding capacities for the retention of natural meat juices. Wheatex(TM) is presently being sold for applications in vegetarian and extended meat products.

- FP(TM) Series. The Midsol FP(TM) series of products consist of specialty wheat proteins each tailored for use in a variety of food applications. These include proteins that can be used to form barriers to fat and moisture penetration to enhance the crispness and improve batter adhesion in fried products; increase the freshness and shelf life of frozen and refrigerated dough products after they are baked; effectively bond other ingredients in vegetarian patties and extended meat products; and fortify nutritional drinks.

- Pasta Power(TM) is a specialty wheat protein that is a cost-effective replacement for whole eggs and egg whites and enhances the strength, texture, quality and functionality of fresh, frozen and flavored pasta products. The added strength enables the canning of pasta and its treatment with spices without significant deterioration of the noodle or other pasta product, as in the case of canned spaghetti and similar products.

Non-Food Applications

- Cosmetics and Personal Care Products. Specialty wheat proteins include proteins that have been hydrolyzed or otherwise altered to become soluble in water and other liquids. This enables their use in food as well as non-food cosmetic applications such as hair sprays, shampoos, skin lotions and similar products. These include Foam Pro(TM), a hydrolyzed wheat protein that has been developed as a foam booster to naturally enhance detergent systems such as shampoos, liquid hand soaps and bath and shower gels; Aqua Pro(TM) II WAA, a solution of amino acids produced from natural wheat proteins that helps provide excellent moisturizing and film forming properties in both hair and skin systems; Aqua Pro(TM) II WP, an additive for shampoo; Aqua Pro(TM) QWL, which enhances the functionality of hair conditioners; and Aqua Pro(TM) II WG, which is a gliadin formulation that is used in hair and skin cleansers and conditioners.

- Biodegradable Gluten Resins. Polytriticum(TM) 200 and Polytriticum(TM) 2000 are the Company's environmentally friendly biodegradable gluten resins that can be molded to produce a variety of plastic-like objects. Polytriticum(TM) 200 may be used as a commercial raw material for the production of pet foods and biodegradable landscaping materials and Polytriticum(TM) 2000 has been developed for use in disposable eating utensils, golf tees, food and feed containers and similar type vessels.

Although a number of the specialty wheat proteins are being marketed, others are still in the test marketing or development stage. Specialty wheat proteins are accounting for an increasing share of the Company's total wheat gluten sales. During fiscal 2000 specialty wheat protein sales increased by 45%, to approximately 13% of total wheat gluten sales. That share is expected to continue to increase due to increased marketing and customer recognition of the advantages of these unique products and due to an expected increase in capacity. In August 2000 the Board of Directors approved a plan to expand the Company's Wheatex production capacity with the construction of new facilities at a cost of about $6.05 million. All of these initiatives with the Company's overall strategy to focus on the marketing and development of specialty wheat gluten and starch products for use in unique market niches. Specialty wheat proteins generally compete with other ingredients and modified proteins having similar characteristics.

The Company produces vital wheat gluten from modernized facilities at the Atchison and Pekin plants. It is shipped throughout the continental United States in bulk and in 50 to 100 pound bags. Approximately 14% of the

Company's total fiscal 2000 sales were made to a distributor for the bakery industry, the Ben C. Williams Bakery Services Company, which in turn distributes vital wheat gluten to independent bakeries. The remainder is sold directly to major food processors and bakeries.

The Company believes its wheat gluten processing operations produce a quality of vital wheat gluten and specialty wheat proteins that are equal to or better than that of any others on the market. The Company's location in the center of the United States grain belt, its production capacity and years of operating experience, enable it to provide a consistently high level of service to customers.

Competition-Vital Wheat Gluten. The Company's principal competitors in the U.S. vital wheat gluten market consist primarily of three other domestic producers and producers in the European Union (the "E.U."), Australia and certain other regulated countries (the "Foreign Exporters"). Between June 30, 1994 and June 30, 1998, the E.U. took an increasingly large share of the U.S. gluten market. Imports of wheat gluten shipped into the United States from the E.U. during the crop year ended June 30, 1995, were approximately 51.9 million pounds. Those imports increased to 70.2 million pounds in the crop year ending June 30, 1996, to 91.1 million pounds in the crop year ending June 30, 1997, and to 97.5 million pounds in the crop year ending June 30, 1998, for an aggregate increase of 88%. Due to the imposition of import quotas beginning on June 1, 1998, U.S. Customs data shows that E.U. imports declined to 65.5 million pounds in the quota year ending May 31, 1999 and to 45.8 pounds (excluding Poland) for the quota year ending May 31, 2000. The quota for the year ending May 31, 2001 is 60.7 million pounds. Due to pending proceedings which challenge the legal validity of the quota, it is uncertain as to whether the quota will continue through May 31, 2001. However, requests are expected to be made to extend the quota for additional periods, which if satisfied could extend the quota beyond May 31, 2001.

Competition in the vital wheat gluten industry is based primarily upon price. Since the increasing surge of large, subsidized volumes of E.U. wheat gluten into the U.S., vital wheat gluten prices have been primarily affected by (i) excess E.U. capacity, (ii) high tariff barriers, subsidies and other protective measures ("Subsidies") provided to E.U. exporters by their host governments, (iii) low U.S. tariffs and (iv) gluten import quotas. The Subsidies and low U.S. tariffs encouraged E.U. producers to expand wheat starch and wheat gluten production capacity and to continue the development of even greater capacities. Based on industry sources, during the years ending December 31, 1998 and 1999, an estimated 160 million pounds of additional E.U. capacity were completed and an estimated additional 60 million pounds of E.U. capacity have been forecasted to be completed by December 31, 2000. Until the imposition of quotas by the President of the United States effective June 1, 1998, it was expected that a majority of the excess wheat gluten production from these plants would be targeted for shipment to the U.S.

The Wheat Gluten Industry Council of the United States, which is principally supported by the Company and two other domestic wheat gluten producers, has engaged in a number of initiatives to combat this surge in Subsidized E.U. wheat gluten. Initially the Wheat Gluten Industry Council attempted to establish equal opportunity or a "level playing field" in the U.S. market through negotiations under a Grains Agreement between the E.U. and the United States. A lack of meaningful discussions was followed by an action under Section 301 of the Trade Act of 1974. Following a further round of unsatisfactory discussions in connection with that action, the Wheat Gluten Council initiated a second proceeding on September 19, 1997, with the International Trade Commission of the United States under section 201 of the Trade Act of 1974 (the "Section 201 Proceeding").

The Section 201 Proceeding met with success during the second half of fiscal 1998. On March 18, 1998, the International Trade Commission submitted to the President a unanimous affirmative determination that "imports of wheat gluten are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry." The International Trade Commission also recommended to the President that a quota be placed on imports of foreign wheat gluten. As a result of that finding and recommendation and pursuant to Section 203 of the Trade Act of 1974, the President issued Proclamation 7103, on May 30, 1998. The Proclamation imposes annual quantitative limitations for three years on imports of wheat gluten from the E. U. and other Foreign Exporters at an amount equal to the total average imports of wheat gluten shipped into the United States by the Foreign Exporters during the three crop years ended June 30, 1995. The aggregate quota for the first year was 126.8 million pounds. Annual increases in that quota of six percent prevail in the second year and in the third year. Due to violations of the quota by the E.U. during the first quota year, the President issued a proclamation on May 29, 1999, that reduced the

E.U.'s second year quota by the amount of illegally shipped gluten in the first year and placed in effect other measures designed to preclude further violations. Due to the importation of the EU's entire annual amount allowed in the first quarter of the second quota year and the shipment of large quantities of gluten through Poland (a previously exempt country), the President in May 2000, took further action. That action restricted shipment of the annual amount to one fourth of the annual amount in each of the four quarters of the quota year. The action removed Poland from the list of exempted countries. The quotas for "goods entered, or withdrawn from warehouse for consumption, on or after June 1, 2000" in millions of pounds are, per quarter, beginning June 1, 2001:

	Per Quarter
Australia	17.525 million pounds
European Community	15.175 million pounds
Other Countries	2.925 million pounds

In fiscal 2000 a proceeding was commenced in the World Trade Organization ("WTO") to set aside the action of the ITC in establishing the quota. The essential basis of the claim was that the ITC and the President had not used the appropriate methodology in determining the cause of serious injury to the U.S. industry. On June 28, 2000, the WTO dispute resolution panel ruled in favor of the claim. The decision is being appealed by the U.S. Trade Representative. Pending resolution of the appeal, the quota will remain in place. In the event the appeal is lost, it is uncertain as to the effect of such an event on the quota, since the ITC and the President could choose to commence additional proceedings that could correct the record and allow the quota to remain in place. In addition, it is anticipated that the U.S. Wheat Gluten Industry Council will seek an extension of the quota in order to cure past quota violations and to provide the additional time necessary to achieve the purposes of the quota.

Since the imposition of the quota, the Company has focused its efforts on developing and increasing the production and sales of specialty wheat proteins. These are niche products that are expected to be able to compete more effectively with increased foreign imports following the end of the annual quotas. Although the Company has made significant progress to this end, it believes that it will need additional quota relief beyond May 30, 2001, to be able to compete effectively in a market that is expected to be inundated with low cost subsidized foreign gluten following the end of the quota.

The Company's sales of vital wheat gluten during 2000 increased approximately 26% over gluten sales in fiscal 1999 as the Company increased production to respond to the market requirements resulting from the gluten import quotas. This increased production , combined with relatively low grain prices and reduced hedging costs, enabled the Company's gluten operations to provide the bulk of the Company's overall profitability for 2000.

Premium Wheat Starch

Wheat starch constitutes the carbohydrate-bearing portion of wheat flour. The Company produces a pure white premium wheat starch powder by extracting the starch from the starch slurry substantially free of all impurities and fibers and then by spray, flash or drum drying the starch. Premium wheat starch differs from low grade or B wheat starches, which are extracted along with impurities and fibers and are used primarily as a binding agent for industrial applications, such as the manufacture of charcoal briquettes. The Company does not produce low grade or B starches, since its integrated processing facilities are able to process the remaining slurry after the extraction of premium wheat starch into alcohol, animal feed and carbon dioxide. Premium wheat starch differs from corn starch in its granular structure, color, granular size and name identification.

A substantial portion of the Company's premium wheat starch is also altered during processing to produce certain unique modified and specialty wheat starches designed for special applications in niche markets.

The Company's premium wheat starches are used primarily as an additive in a variety of food products to affect their appearance, texture, tenderness, taste, palatability, cooking temperature, stability, viscosity, binding and freeze-thaw characteristics. Important physical properties contributed by wheat starch include whiteness, clean flavor, viscosity and texture. For example, the Company's starches are used to improve the taste and mouth feel of cream puffs, eclairs, puddings, pie fillings, breadings and batters; to improve the size, symmetry and taste of angel food cakes; to alter the viscosity of soups, sauces and gravies; to improve the freeze-thaw stability and shelf life of fruit pies and other

frozen foods; to improve moisture retention in microwavable foods; and to add stability and to improve spreadability in frostings, mixes, glazes and sugar coatings. The Company's modified and specialty starches are also sold for a number of industrial and non-food applications, which include uses in the manufacture of adhesives, paper coatings and carbonless paper.

The Company's premium wheat starch is sold nationwide to food processors and distributors and for export, with the bulk of international sales going to Japan, Mexico and East Asian countries which do not have wheat-based economies.

The Company believes that it is the largest producer of premium wheat starch in the United States. Although wheat starch enjoys a relatively small portion of the total United States starch market, the market is one which has experienced substantial growth over the years. Growth in the wheat starch market reflects a growing appreciation for the unique characteristics of wheat starch which provide it with a number of advantages over corn and other starches for certain baking and other end uses. The Company has developed a number of different modified and specialty wheat starches and continues to explore the development of additional starch products with the view to increasing sales of value added modified and specialty starches.

Premium wheat starch competes primarily with corn starch, which dominates the United States market. Competition is based upon price, name, color and differing granular and chemical characteristics which affect the food product in which it is used. Premium wheat starch prices usually enjoy a price premium over corn starches and low grade wheat starches. Wheat starch price fluctuations generally track the fluctuations in the corn starch market, except in the case of modified and specialty wheat starches. The wheat starch market also usually permits pricing consistent with costs which affect the industry in general, including increased grain costs. The Company's strategy is to market its premium wheat starches in special market niches where the unique characteristics of premium wheat starch or one of the Company's modified and specialty wheat starches are better suited to a customer's requirements for a specific use.

Starch sales and profitability for 2000 improved modestly over those of 1999, due primarily to strengthened demand for the Company's modified and specialty starches.

Alcohol Products

The Company's Atchison and Pekin plants process corn and milo, mixed with the starch slurry from gluten and starch processing operations, into food grade alcohol, fuel grade alcohol, animal feed and carbon dioxide.

Food grade alcohol, or grain neutral spirits, consists of beverage alcohol and industrial food grade alcohol that are distilled to remove all impurities and all but approximately 5% of the water content to yield high quality 190 proof alcohol. Fuel grade alcohol, or "ethanol," is a lower grade of grain alcohol that is distilled to remove all water to yield 200 proof alcohol suitable for blending with gasoline.

Food Grade Alcohol

Beverage Alcohol. Food grade beverage alcohol consists primarily of grain neutral spirits and gin. Grain neutral spirits is sold in bulk or processed into vodka and gin and sold in bulk quantities at various proof concentrations to bottlers and rectifiers, which further process the alcohol for sale to consumers under numerous labels.

The Company believes that in terms of fiscal 2000 net sales, it is one of the three largest bulk sellers of grain neutral spirits, vodka and gin in the United States. The Company's principal competitors in the beverage alcohol market are Grain Processing Company of Muscatine, Iowa and Archer Daniels Midland of Decatur, Illinois. Beginning in 1997, competition in beverage markets increased significantly as producers of fuel grade alcohol converted portions of fuel grade production into food grade production. Competition is based primarily upon price and service, and in the case of gin, formulation. The Company believes that the centralized location of its Illinois and Kansas distilleries and the capacity of its dual production facilities combine to provide the Company with a customer service advantage within the industry.

Food Grade Industrial Alcohol. Food grade alcohol which is not sold as beverage alcohol is marketed as food grade industrial alcohol. Food grade industrial alcohol is sold as an ingredient in foods (e.g., vinegar and food flavorings), personal care products (e.g., hair sprays and deodorants), cleaning solutions, biocides, insecticides, fungicides, pharmaceuticals, and a variety of other products. Although grain alcohol is chemically the same as petroleum-based or synthetic alcohol, certain customers prefer a natural grain-based alcohol. Food grade industrial alcohol is sold in tank truck or rail car quantities direct to a number of industrial processors from both the Atchison and Pekin plants.

The Company is a minor competitor in the total United States market for food grade industrial alcohol, which is dominated by petroleum-based or synthetic alcohol. Food grade industrial alcohol prices are normally consistent with prices for synthetic industrial alcohol.

Food grade industrial and beverage alcohol sales declined by approximately $5.8 million during 2000 and $13.8 million during 1999 due primarily to continuing decreased demand, lower selling prices and excess food grade production capacity throughout the industry. Although the effects of declining sales were partially offset by reduced grain prices, food grade results for 2000 had a negative impact on the Company's 2000 profitability. The increased industry-wide capacity for food grade alcohol is due to a large scale conversion of fuel grade distillation equipment into food grade production. This conversion followed an expansion of an abundance of fuel grade capacity that was constructed in the early 1990s in anticipation of the implementation of Clean Air Act regulations mandating ethanol use that were subsequently reversed by court order.

Fuel Grade Alcohol

Fuel grade alcohol, which is commonly referred to as ethanol, is sold primarily for blending with gasoline to increase the oxygen and octane levels of the gasoline. As an octane enhancer, ethanol can serve as a substitute for lead and petroleum based octane enhancers. As an oxygenate, ethanol permits gasoline to meet certain environmental regulations and laws that regulate air quality by reducing carbon monoxide, hydrocarbon particulates and other toxic emissions generated from the burning of gasoline ("toxics"). Because ethanol is produced from grain, a renewable resource, it also provides a fuel alternative that tends to reduce the country's dependence on foreign oil.

Although ethanol can be blended directly with gasoline as an oxygenate to enable it to reduce toxic air emissions, it also increases the volatility of gasoline or its tendency to evaporate and release volatile organic compounds ("VOC's"). This latter characteristic has precluded it from meeting certain Clean Air Act requirements for gasoline that pertain to nine of the smoggiest U.S. metropolitan areas during the summer months (May 1 through September 15). As a consequence, the demand for ethanol increases during the period from August through March of each fiscal year as gasoline blenders acquire stocks for blending with gasoline to be marketed in the period September 16 through April 30.

Since the adoption of the Clean Air Act, the gasoline industry has relied primarily upon methyl tertiary butyl ether (MTBE) to reduce toxic emissions of air pollutants to meet the requirements of the Act and related EPA regulations. Ethanol is also used to a lesser extent during the cooler months of the year. However, the EPA has recently concluded that the use of MTBE has created a "significant and unacceptable risk to drinking water and ground water resources." Concerns have also been raised as to the effectiveness of MTBE versus the effectiveness of Ethanol as a reducer of air pollutants. As the result of these concerns, the EPA commissioned a "Blue Ribbon Panel" to investigate the matter and recommend solutions. In March 2000, the EPA announced the recommendations of the Panel. The recommendations propose that the Clean Air Act be amended to provide the EPA with authority to significantly reduce or eliminate the use of MTBE, and to "replace the 2 percent oxygenate requirement in the Clean Air Act with a renewable fuel annual average content for all gasoline at a level that maintains the current level of renewable fuel (1.2 percent of the gasoline supply) and allows for sustained growth over the next decade." States have also begun to take action to curb the use of MTBE, including California, which has adopted regulations that will require a phase out of the use of MTBE in that state by January 1, 2003. The effect of such requirements and actions if adopted and implemented would be to significantly increase demand for ethanol. However, to date no major actions have been taken to implement or promote the use of ethanol. Accordingly, there can be no assurance that ethanol will replace MTBE in any significant market.

The cost of producing ethanol has historically exceeded the cost of producing gasoline and gasoline additives, such as MTBE, all of which are derived from fossil non-renewable fuels such as petroleum. Accordingly, to encourage the production of ethanol for use in gasoline, the Federal government and various states have enacted tax and other incentives designed to make ethanol competitive with gasoline and gasoline additives. Under the internal revenue code, and until the end of 2007, gasoline that has been blended in qualifying proportions with ethanol provide sellers of the blend with certain income tax credits and excise tax reductions that amount to up to $0.54 per gallon of ethanol that is mixed with the gasoline (the "Federal Tax Credit"). A mix of at least 10% ethanol by volume is required to receive the maximum credit. Although the Federal Tax Credit is not directly available to the Company, it allows the Company to sell its ethanol at prices competitive with less expensive additives and gasoline. From time to time legislation is proposed to eliminate, reduce or extend the tax benefits enjoyed by the ethanol industry, and indirectly by producers of the grain that is converted into ethanol. During 1998 legislation was enacted that extended the credit through 2007, with the credit being reduced to $0.51 per gallon beginning in 2005.

The Kansas Qualified Agricultural Ethyl Alcohol Producer Incentive Fund, which expires in 2001, provides incentives for sales of ethanol produced in Kansas to gasoline blenders. Fiscal 2000 payments to the Company out of the fund totaled $427,000 for the ethanol produced by the Company at the Atchison plant during that year.

The fuel grade alcohol market is dominated by Archer Daniels Midland, with the Company's being the smaller of a few other larger second tier ethanol producers. The Company competes with other producers of fuel grade alcohol on the basis of price and delivery service.

Fuel grade alcohol sales increased by $7.4 million or 13.5% during 2000, due primarily to increased demand during the 4th quarter of fiscal 2000.

Alcohol By-Products

The bulk of fiscal 2000 sales of alcohol by-products consisted of distillers feeds. Distillers feeds are the residue of corn, milo and wheat from alcohol processing operations. The residue is dried and sold primarily to processors of animal feeds as a high protein additive. The Company competes with other distillers of alcohol as well as a number of other producers of animal food additives in the sale of distillers feeds and mill feeds.

The balance of alcohol by-products consists primarily of carbon dioxide. During the production of alcohol, the Company traps carbon dioxide gas that is emitted in the fermentation process. The gas is purchased and liquefied on site by two principal customers, one at the Atchison Plant and one at the Pekin Plant, who own and operate the carbon dioxide processing and storage equipment under long term contracts with the Company. The liquefied gas is resold by these processors to a variety of industrial customers and producers of carbonated beverages.

Sales of alcohol by-products during fiscal 2000 declined by 9% relative to 1999 sales, due primarily to lower selling prices that resulted from lower grain prices.

Flour and Other Mill Products

The Company owns and operates a flour mill at the Atchison plant. The mill's output of flour is used internally to satisfy a majority of the raw material needed for the production of vital wheat gluten and premium wheat starch.

In addition to flour, the wheat milling process generates mill feeds or "midds." Midds are sold to processors of animal feeds as a feed additive.

Transportation

The Company's output is transported to customers by truck, rail and barge transportation equipment, most of which is provided by common carriers through arrangements made by the Company. The Company leases 389 rail cars which may be dispatched on short notice. Shipment by barge is offered to customers through barge loading facilities on the Missouri and Illinois Rivers. The barge facility on the Illinois River is adjacent to the Pekin plant and

owned by the Company. The facility on the Missouri River, which is not company-owned, is approximately one mile from the Atchison plant.

Raw Materials

The Company's principal raw material is grain, consisting of wheat, which is processed into all of the Company's products, and corn and milo, which are processed into alcohol, animal feed and carbon dioxide. Grain is purchased directly from surrounding farms, primarily at harvest time, and throughout the year from grain elevators. Historically, the cost of grain is subject to substantial fluctuations depending upon a number of factors which affect commodity prices in general, including crop conditions, weather, government programs, and purchases by foreign governments. Such variations in grain prices have had and are expected to have from time to time significant adverse effects on the results of the Company's operations. This is primarily due to a variety of factors. From time to time it has been difficult for the Company to compensate for increases in grain costs through adjustments in prices charged for the Company's vital wheat gluten due to the surge of Subsidized E.U. wheat gluten, whose artificially low prices are not affected by such costs. Although the three-year quota on imports of wheat gluten has temporarily alleviated this condition to some degree, no assurance can be given that the effect will be uniform throughout each crop year covered by the quota or that the market will otherwise adjust following the lifting of the quota. Also, fuel grade alcohol prices, which historically have tracked the cost of gasoline, do not usually adjust to rising grain costs. Excess industry-wide alcohol capacities have also depressed alcohol selling prices below historically normal margins.

During fiscal 2000 market prices for grain continued to decline. The average Kansas City market price per bushel for corn and milo was $1.87 during 2000 and $1.98 during 1999, while the average Kansas City market price for a bushel of wheat was $2.59 during 2000 versus $2.86 during 1999. Although the continuation of low grain prices contributed to the Company's positive earnings in 2000, excess industry-wide alcohol capacities continued to restrict the ability of the company to adjust the price of its alcohol to compensate for grain and other production costs.

The Company engages in the purchase of commodity futures to hedge economic risks associated with fluctuating grain and grain products prices. During fiscal 2000, the Company hedged approximately 11% of corn processed compared to 34% in 1999 and 22% of wheat processed compared to 42% in 1999. The contracts are accounted for as hedges and, accordingly, gains and losses are deferred and recognized in cost of sales as part of contract costs when contract positions are settled and related products are sold. For fiscal 2000, raw material costs included a net loss of approximately $1.3 million on contracts settled during the year compared to a net loss of $3.5 million for fiscal 1999. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Market Risk" in the Annual Report.

Energy

Because energy comprises a major cost of operations, the Company seeks to assure the availability of fuels for the Pekin and Atchison plants at competitive prices.

All of the natural gas demand for the Atchison plant is procured in the open market from various suppliers. Depending on existing market conditions, the Company has the ability to transport the gas through a gas pipeline owned by a wholly-owned subsidiary of the Company. The Atchison boilers may also be oil fired.

In 1995 the Company entered into a long-term arrangement with an Illinois utility to satisfy the energy needs of the Pekin, Illinois plant. Under the arrangement, the utility constructed a new gas fired electric and steam generating facility on ground leased from the Company. The utility sells steam and electricity to the Company, generally at fixed rates, using gas procured by the Company.

Employees

As of June 30, 2000, the Company had 433 employees, 280 of whom are covered by two collective bargaining agreements with one labor union. One agreement, that expires on August 31, 2002, covers 188 employees at the Atchison Plant. The other agreement, that expires in November, 2000, covers 92 employees at the Pekin plant. As of June 30, 1999, the Company had 426 employees.

The Company considers its relations with its personnel to be good and has not experienced a work stoppage since 1978.

Regulation

The Company's beverage and industrial alcohol business is subject to regulation by the Bureau of Alcohol, Tobacco and Firearms ("BATF") and the alcoholic beverage agencies in the States of Kansas and Illinois. Such regulation covers virtually every aspect of the Company's alcohol operations, including production facilities, marketing, pricing, labeling, packaging, and advertising. Food products are also subject to regulation by the Food and Drug Administration. BATF regulation includes periodic BATF audits of all production reports, shipping documents, and licenses to assure that proper records are maintained. The Company is also required to file and maintain monthly reports with the BATF of alcohol inventories and shipments.

The Company is subject to extensive environmental regulation at the federal, state and local levels. The regulations include the regulation of water usage, waste water discharge, disposal of hazardous wastes and emissions of volatile organic compounds, particulates and other substances into the air. Under these regulations the Company is required to obtain operating permits and to submit periodic reports to regulating agencies. During 1997 the Illinois Environmental Protection Agency commenced an action against the Company with respect to alleged noncompliance of the Pekin Plant with certain air quality regulations. This action is further described under "Item 3. Legal Proceedings." The Company has submitted an application to the Agency for construction of new pollution control equipment that is expected to bring emissions into compliance with all applicable regulations.

Item 2. Properties.

The Company maintains the following principal plants, warehouses and office facilities:
<TABLE>

<CAPTION>

Location	Purpose	Plant Area (in sq. ft.)	Tract Area (in acres)
Atchison, Kansas	Principal executive offices, grain processing, warehousing, and research and quality control laboratories.	494,640	25
Pekin, Illinois	Grain processing, warehousing, and quality control laboratories.	462,926	49

</TABLE>

Except as otherwise reflected under Item 1, the facilities mentioned above are generally in good operating condition, are currently in normal operation, are generally suitable and adequate for the business activity conducted therein, and have productive capacities sufficient to maintain prior levels of production. Except as otherwise reflected under Item 1, all of the plants, warehouses and office facilities are owned. Although none are subject to any major encumbrance, the Company has entered into loan agreements which contain covenants against the pledging of such facilities to others. The Company also owns transportation equipment and a gas pipeline described under Transportation and Energy.

Item 3. Legal Proceedings.

On April 13, 1997, an administrative proceeding was filed against the Company's Illinois subsidiary before the Illinois Pollution Control Board (the "Board"), by the Illinois Attorney General on behalf of the Illinois Environmental Protection Agency (the "Agency"). The proceeding relates to the Company's installation and operation of two feed dryers at its facility in Pekin, Illinois. The Complaint alleges that the dryers exceed the particulate emission limitations specified in the construction permits for the units; that the dryers are being operated without operating permits; and that the dryers were constructed without a Prevention of Significant Deterioration (PSD) construction permit setting forth a best available control technology ("BACT") emission limitation. The Complaint seeks a Board order ordering the Company to cease and desist from violations of the Illinois Environmental Protection Act and associated regulations, assessing a civil penalty, and awarding the state its attorneys fees.

The Company has filed an Answer before the Board admitting that compliance tests have shown particulate emissions in excess of the limits set forth in the construction permits, but denying the remainder of the State's claims. Since the time operational problems were discovered with the dryers' pollution control equipment, the Company has been conferring and negotiating with the Agency on the issues involved in the Complaint. The Company has submitted an application to the Agency for construction of new pollution control equipment for the dryers, at an estimated cost of approximately $1.0 million. It is anticipated that the new equipment will bring emissions into compliance with all applicable limitations. The Company is currently engaged in supplementing its application with additional information that has been requested by the Agency.

Proceedings under the Complaint are being held in abeyance by agreement of the parties pending completion of a review by the State of the Company's application and completion of the Company's compliance activities. Once compliance has been achieved, the Company anticipates negotiating a settlement of the remainder of the State's claims. Based on the circumstances and a preliminary review of decisions by the Board in air pollution matters, the Company does not believe that any such settlement will be material to the business or financial condition of the Company.

There are no other legal proceedings pending as of June 30, 2000 which the Company believes to be material. Legal proceedings which are pending, including the proceeding with the Illinois Environmental Protection Agency described above, are believed by the Company to consist of matters normally incident to the business conducted by the Company and taken together do not appear material.

Item 4. Submissions of Matters to a Vote of Security Holders.

No matters have been submitted to a vote of stockholders during the fourth quarter of fiscal year covered by this report.

PART II

Item 5. Market for Registrants Common Equity and Related Stockholders Matters.

The Common Stock of the Company has been traded on the NASDAQ National Market System under the symbol MWGP since November 1988.

The following table below reflects the high and low closing prices of the Common Stock for each quarter of fiscal 2000 and 1999 Cash dividends have not been paid since the end of 1995.

	Sales Price	
	High	Low
2000:		
First Quarter..............................	$ 11.50	$ 9.38
Second Quarter.............................	9.75	7.00
Third Quarter..............................	9.25	6.38
Fourth Quarter.............................	8.63	6.13
1999:		
First Quarter..............................	$ 14.63	$ 10.00
Second Quarter............................	14.75	10.25
Third Quarter.............................	14.63	10.00
Fourth Quarter.............................	11.63	9.00

At June 30, 2000 there were approximately 1,000 holders of record of the Company's Common Stock. It is believed that the Common Stock is held by more than 2,000 beneficial owners.

Item 6. Selected Financial Data.

Incorporated by reference to the information under Selected Financial Information on page 17 of the Annual Report, a copy of which page is included in Exhibit 10(c) to this Report.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Incorporated by reference to the information under Managements Discussion and Analysis of Financial Condition and Results of Operations on pages 18 through 24 of the Annual Report, copies of which pages are included in Exhibit 10(c) to this Report.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Incorporated by reference to the information under Managements Discussion and Analysis of Financial Condition and Results of Operations - Market Risk on pages 23 of the Annual Report, copies of which page is included in Exhibit 10(c) to this Report.

Item 8. Financial Statements and Supplementary Data.

Incorporated by reference to the consolidated financial statements and related notes on pages 25 through 36 of the Annual Report, copies of which pages are included in Exhibit 10(c) to this Report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant.

The directors and executive officers of the Company are as follows:

<TABLE>
<CAPTION>

Name	Age	Position
<S>	<C>	<C>
Cloud L. Cray, Jr.	77	Chairman of the Board and Director
Laidacker M. Seaberg	54	President, Chief Executive Officer and Director
Sukh Bassi, Ph.D.	59	Vice President, Research and Development
Robert G. Booe	63	Vice President, Finance and Administration, Controller, Treasurer and Chief Financial Officer
Gerald Lasater	62	Vice President, Export Marketing and Sales
Marta L. Myers	40	Secretary and Administrative Assistant to the President
Steven J. Pickman	47	Vice President, Corporate Relations
David E. Rindom	45	Vice President, Human Resources

Randy M. Schrick	50	Vice President, Operations and Director
Dennis E. Sprague	54	Vice President, Alcohol and Feed Products Marketing and Sales
William R. Thornton	48	Vice President, Quality Management
Michael J. Trautschold	52	Executive Vice President, Marketing and Sales
Michael Braude	64	Director
Michael R. Haverty	54	Director
F.D. "Fran" Jabara	75	Director
Linda E. Miller	47	Director
Robert J. Reintjes	68	Director
Daryl R. Schaller, Ph.D.	56	Director

</TABLE>

Mr. Cray, Jr. has been a Director since 1957, and has served as Chairman of the Board since 1980. He served as Chief Executive Officer from 1980 to September, 1988, and has been an officer of the Company and its affiliates for more than thirty years.

Mr. Seaberg, a Director since 1979, joined the Company in 1969 and has served as the President of the Company since 1980 and as Chief Executive Officer since September, 1988. He is the son-in-law of Mr. Cray, Jr.

Dr. Bassi has served as Vice President of Research and Development since 1985, and Vice President - Specialty Ingredients Marketing and Sales between 1998 and 2000. He previously served as Technical Director from 1989 to 1998 and Vice President - Vital Wheat Gluten Marketing from 1992 to 1998. From 1981 to 1992 he was Manager of the Vital Wheat Gluten Strategic Business Unit. He was previously a professor of biology at Benedictine College for ten years.

Mr. Booe has served as Vice President, Treasurer and Chief Financial Officer of the Company since 1988. He joined the Company in 1966 as its Treasurer and became the Controller and Treasurer in 1980. In 1992 he was assigned the additional task of Vice President - Administration.

Mr. Lasater joined the Company in 1962. He has served as Vice President - Export Marketing and Sales since 1998. Previously, he served as Vice President - Starch Marketing from 1992 to 1998. Prior to that he served as Vice President in charge of the Wheat Starch Strategic Business Unit.

Ms. Myers joined the Company in 1996. She has served as Secretary since October 1996 and as Administrative Assistant to the President since 1999. Previously she was executive secretary for Superintendent of Schools for Unified School District 409, Atchison, Kansas.

Mr. Pickman joined the Company in 1985. He has served as Vice President, Corporate Relations since June, 2000. Previously he was Executive Director of Corporate Relations from 1999 to June 2000 and prior to that Corporate Director of Public and Investor Relations. Between 1985 and 1989 he served as the Director of Public Relations and Marketing Administration for the Company's former subsidiary, McCormick Distilling Company, Weston, Missouri.

Mr. Rindom joined the Company in 1980. He has served as Vice President, Human Resources since June 2000. He was Corporate Director of Human Relations from 1992 to June 2000, Personnel Director from 1988 to 1992 and Assistant Personnel Director from 1984 to 1988.

Mr. Schrick, a Director since 1987, joined the Company in 1973. He has served as Vice President - Operations since 1992. From 1984 to 1992 he served as Vice President and General Manager of the Pekin plant. From 1982 to 1984 he was the Plant Manager of the Pekin Plant. Prior to 1982, he was Production Manager at the Atchison plant.

Mr. Sprague joined the Company in October 1998. He has served as Vice President, Alcohol and Feed Products since June, 2000. Previously, he served as Vice President, Corporate Marketing and Sales. Prior to joining the Company, he held a variety of management, sales and plant operations positions with Joseph E. Seagrams & Sons, Inc.

Mr. Thornton joined the Company in 1994. He has served as Vice President of Quality Management since June 2000. He was Corporate Director of Quality Management from 1997 to June 2000 and Corporate Director of Continuous Quality

Improvement from 1994 to 1997.

Mr. Trautschold joined the Company in September 2000. He has served since then as Executive Vice President of Marketing and Sales. He was Vice President of Product Strategy in the Consumer direct Division of Schwan's Sales Enterprises, Inc. from 1999 to September 2000 and Vice President of Corporate Marketing Services for ConAgra, Inc. prior to that time.

Mr. Braude has been a Director since 1991 and is a member of the Audit and Human Resources Committees. He has been the President and Chief Executive Officer of the Kansas City Board of Trade, a commodity futures exchange, since 1984. Previously he was Executive Vice President of American Bank & Trust Company of Kansas City. Mr. Braude is a director of NPC International, Inc., an operator of numerous Pizza Hut and other quick service restaurants throughout the United States, Country Club Bank, Kansas City, Missouri and National Futures Association,

a member and immediate Past Chairman of the National Grain Trade Council and a trustee of the University of Missouri-Kansas City and of Midwest Research Institute.

Mr. Haverty, has been a director since October 13, 1999. He has been the Executive Vice President of Kansas City Southern Industries, Inc. and President and Chief Executive Officer of The Kansas City Southern Railway Company since 1995. Mr. Haverty previously served as Chairman and Chief Executive Officer of Haverty Corporation from 1993 to May, 1995, acted as an independent executive transportation adviser from 1991 to 1993 and was President and Chief Operating Officer of The Atchison, Topeka and Santa Fe Railway Company from 1989 to 1991. He is also a director of Kansas City Southern Industries, Inc. and Grupo Transportacion Ferroviaria Mexicana, S.A. de C.V.

Mr. Jabara has been a director since October 6, 1995, and is a member of the Audit Committee and Human Resources Committees. He is President of Jabara Ventures Group, a venture capital firm. From September 1949 to August 1989 he was a distinguished professor of business at Wichita State University, Wichita, Kansas. He is also a director of Commerce Bank, Wichita, Kansas and NPC International, Inc., an operator of numerous Pizza Hut and other quick service restaurants throughout the United States.

Ms. Miller has been a director since June 2000 and is a member of the Audit and Human Resources committees. She is an independent marketing consultant and has been a Program Director of the University of Kansas School of Journalism since 1996. She was Marketing Director of the American Business Women's Association , Kansas City, Missouri from 1990 to 1996.

Mr. Reintjes has been a director since 1986, and is Chairman of the Audit Committee and a member of the Nominating and Human Resources Committees. He has served as President of Geo. P. Reintjes Co., Inc., of Kansas City, Missouri, for the past 23 years. The Geo. P. Reintjes Co., Inc. is engaged in the business of refractory construction. He is a director of Butler Manufacturing Company, a manufacturer of pre-engineered buildings, and Commerce Bank of Kansas City.

Dr. Schaller has been a director since October, 1997, and is Chairman of the Human Resources Committee and a member of the Audit and Nominating Committees. He retired from Kellogg Co. in 1996 after 25 years of service. He served Kellogg as its Senior Vice President -- Scientific Affairs from 1994, and previously was Senior Vice President -- Research, Quality and Nutrition for Kellogg.

The Board of Directors is divided into two groups (Groups A and B) and three classes. Group A directors are elected by the holders of Common Stock and Group B directors are elected by the holders of Preferred Stock. One class of directors is elected at each annual meeting of stockholders for three-year terms. The present directors' terms of office expire as follows:

Group A Directors	Term Expires	Group B Directors	Term Expires
Mr. Jabara	2000	Mr. Cray, Jr.	2001
Mr. Haverty	2002	Mr. Reintjes	2001
Ms. Miller	2001	Mr. Braude	2000
Dr. Schaller	2000	Mr. Schrick	2002
		Mr. Seaberg	2002

Item 11. Executive Compensation.

Incorporated by reference to the information under "Executive Compensation" on pages 6 through 10 of the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

Incorporated by reference to the information under "Principal Stockholders" beginning on page 11 and 12 of the Proxy Statement.

Item 13. Certain Relationships and Related Transactions.

None.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

The following documents are filed as part of this report:

(a) Financial Statements:

Auditors' Report on Financial Statements.
Consolidated Balance Sheets at June 30, 2000 and 1999.
Consolidated Statements of Income - for the Three Years Ended June 30, 2000, 1999 and 1998.
Consolidated Statements of Stockholders' Equity for the Three Years Ended June 30, 2000, 1999 and 1998.
Consolidated Statements of Cash Flow - for the Three Years Ended June 30, 2000, 1999 and 1998. Notes to Consolidated Financial Statements.

The foregoing have been incorporated by reference to the Annual Report as indicated under Item 8.

(b) Financial Statement Schedules:

Auditors' Report on Financial Statement Schedules:
VIII - Valuation and Qualifying Accounts

Allother schedules are omitted because they are not applicable or the information is contained in the Consolidated Financial Statements or notes thereto.

(c) Exhibits:

Exhibit No.	Description
3(a)	Articles of Incorporation of the Company (Incorporated by reference to Exhibit 3(a) of the Company's Registration Statement No. 33-24398 on Form S-1).
3(b)	Bylaws of the Company (Incorporated by reference to Exhibit 3(b) of the Company's Registration Statement No. 33-24398 on Form S-1).
4(a)	Copy of Note Agreement dated as of August 1, 1993, providing for the issuance and sale of $25 million of 6.68% term notes ("Term Notes", incorporated by reference to Exhibit 4.1 to the Company's Report on Form 10-Q for the quarter ended September 30, 1993).
4(b)	Copy of Term Notes dated August 27, 1993 (incorporated by reference to Exhibit 4.2 to the Company's Report on Form 10-Q for the quarter ended September 30, 1993).

Exhibit No.	Description
4(c)	Copy of Sixth Amended Line of Credit Loan Agreement providing for the Issuance of a Line of Credit Note in the amount of $20,000,000 (incorporated by reference to Exhibit 4.3 to the Company's Report on Form 10-Q for the quarter ended December 31, 1999).
4(d)	Copy of Line of Credit Note Under Sixth Amended Line of Credit Loan Agreement (incorporated by reference to Exhibit 4.4 to the Company's Report on Form 10-Q for the quarter ended December 31, 1999) .
9(a)	Copy of Cray Family Trust (Incorporated by reference to Exhibit 1 of Amendment No. 1 to Schedule 13D of Cloud L. Cray, Jr. dated November 17, 1995).
10(a)	Summary of informal cash bonus plan (incorporated by reference to the summary contained in the Company's Proxy Statement dated September 17, 2000, which is incorporated by reference into Part III of this Form 10-K).

10(b) Executive Stock Bonus Plan as amended June 15, 1992 (incorporated by reference to Exhibit 10(b) to the Company's Form 10-K for the year ended June 30, 1992).

10(c) Information contained in the Midwest Grain Products, Inc. 2000 Annual Report to Stockholders that is incorporated herein by reference.

10(d) Copy of Midwest Grain Products, Inc. Stock Incentive Plan of 1996, as amended as of August 26, 1996 (incorporated by reference to Exhibit 10(d) to the Company's Form 10-K for the year ended June 30, 1996).

10(e) Copy of amendment to Midwest Grain Products, Inc. Stock Incentive Plan of 1996 (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q for the quarter ended September 30, 1998).

10(f) Form of Stock Option with respect to stock options granted under the Midwest Grain Products, Inc. Stock Incentive Plan of 1996 (incorporated by reference to Exhibit 10(e) to the Company's Form 10-K for the year ended June 30, 1996).

10(g) Copy of Midwest Grain Products, Inc. 1996 Stock Option Plan for Outside Directors, as amended as of August 26, 1996 (incorporated by reference to Exhibit 10(f) to the Company's Form 10-K for the year ended June 30, 1996).

10.(h) Copy of amendment to Midwest Grain Products, Inc. 1996 Stock Option Plan for Outside Directors (incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q for the quarter ended September 30, 1998).

10(g) Copy of Midwest Grain Products, Inc. 1998 Stock Incentive Plan for Salaried Employees (incorporated by reference to Appendix A to the Company's Notice of Annual Meeting and Proxy Statement dated September 17, 2000, filed with the Securities and Exchange Commission on September 15, 2000).

10(h) Form of Stock Option with respect to stock options granted under the Midwest Grain Products, Inc. 1998 Stock Incentive Plan for Salaried Employees (incorporated by reference to Exhibit 10(e) to the Company's Form 10-K for the year ended June 30, 1996).

Exhibit No.	Description

10(i) Copy of amendments to Options granted under Midwest Grain Products, Inc. Stock Option Plans (incorporated by reference to Exhibit 10.3 to the Company's Form 10-Q for the quarter ended September 30, 1998).

10(j) Form of Option Agreement for the grant of Options under the Midwest Grain Products, Inc. 1996 Stock Option Plan for Outside Directors, as amended (incorporated by reference to Exhibit 10.4 to the Company's Form 10-Q for the quarter ended September 30, 1998).

10.5 Form of Amended Option Agreements for the grant of Options under the Midwest Grain Products, Inc. 1998 Stock Incentive Plan for Salaried Employees (incorporated by reference to Exhibit 10.5 to the Company's Form 10-Q for the quarter ended September 30, 1998).

10.6 Form of Option Agreement for the grant of Options under the Midwest Grain Products, Inc. Stock Incentive Plan of 1996, as amended.

22 Subsidiaries of the Company other than insignificant subsidiaries:

Subsidiary	State of Incorporation or Organization
Midwest Grain Pipeline, Inc.	Kansas
Midwest Grain Products of Illinois, Inc.	Illinois

23 Consent of Baird, Kurt & Dobson.

25 Powers of Attorney executed by all officers and directors of the Company who have signed this report on Form 10-K (incorporated by reference to the signature pages of this report).

27 Midwest Grain Products Financial Data Schedule at June 30, 2000 and for the year then ended.

No reports on Form 8-K have been filed during the quarter ended June 30, 2000.

SIGNATURES

Pursuant to requirements of Section 13 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, in the city of Atchison, State of Kansas, on this 19 th day of September, 2000.

MIDWEST GRAIN PRODUCTS, INC.

By s/Laidacker M. Seaberg
Laidacker M. Seaberg, President

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Cloud L. Cray, Jr., Laidacker M. Seaberg and Robert G. Booe and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all reports of the Registrant on Form 10-K and to sign any and all amendments to such reports and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities & Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant in the capacities indicated on the dates indicated.

<TABLE>
<CAPTION>

Name	Title	Date
<S>	<C>	<C>
s/Laidacker M. Seaberg	President (Principal	

Laidacker M. Seaberg	Executive Officer) and Director	September 19, 2000
s/Robert G. Booe	Vice President, Treasurer	
- ------------------------------------		
Robert G. Booe	and Controller (Principal Financial and Accounting Officer)	September 19, 2000
s/Michael Braude		
Michael Braude	Director	September 19, 2000
s/ Cloud L. Cray, Jr.	Director	
- ------------------------------------		
Cloud L. Cray, Jr.		September 19, 2000
s/Michael R. Haverty	Director	September 19,2000
- ------------------------------------		
Michael R. Haverty		
s/ F.D. "Fran" Jabara	Director	
- ------------------------------------		
F. D. "Fran" Jabara		September 19, 2000
s/Linda E. Miller	Director	September 19, 2000
- ------------------------------------		
Linda E. Miller		
s/Robert J. Reintjes	Director	
- ------------------------------------		
Robert J. Reintjes		September 19, 2000
s/Randy M. Schrick	Director	September 19, 2000
- ------------------------------------		
Randy M. Schrick		
s/Daryl R. Schaller	Director	
- ------------------------------------		
Daryl R. Schaller		September 19, 2000

</TABLE>

MIDWEST GRAIN PRODUCTS, INC.

Consolidated Financial Statement Schedules
(Form 10-K)

June 30, 2000, 1999 and 1998

(With Auditors' Report Thereon)

[LOGO]

Baird, Kurtz & Dobson

City Center Square
1100 Main Street, Suite 2700
Kansas City, Missouri 64105-2112
816 221-6300 FAX 816 221-6380

bkd.com

REPORT OF INDEPENDENT ACCOUNTANTS

ON FINANCIAL STATEMENT SCHEDULE

Board of Directors and Stockholders
Midwest Grain Products, Inc.
Atchison, Kansas

In connection with our audit of the consolidated financial statements of MIDWEST GRAIN PRODUCTS, INC. for each of the three years in the period ended June 30, 2000, we have also audited the following financial statement schedule. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audits of the basic financial statements. The schedule is presented for purposes of complying with the Securities and Exchange Commission's rules and regulations and is not a required part of the consolidated financial statements.

In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information required to be included therein.

S/BAIRD, KURTZ & DOBSON

Kansas City, Missouri
September 8, 2000

Solutions for Success

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an association of independent
accounting firms throughout the world

MIDWEST GRAIN PRODUCTS, INC.

VIII. VALUATION AND QUALIFYING ACCOUNTS

		Additions			
	Balance, Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Deductions Write-Offs	Balance, End of Period
	(In Thousands)				
Year Ended June 30, 2000 Allowance for doubtful accounts	$ 285	$202	---	$ 235	$ 252
Year Ended June 30, 1999 Allowance for doubtful accounts	$ 285	$1,037	---	$1,037	$ 285
Year Ended June 30, 1998 Allowance for doubtful accounts	$ 285	$ 53	---	$ 53	$ 285

EXHIBIT INDEX

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10(e)	Copy of amendment to Midwest Grain Products, Inc. Stock Incentive Plan of 1996 (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q for the quarter ended September 30, 1998).
10(f)	Form of Stock Option with respect to stock options granted under the Midwest Grain Products, Inc. Stock Incentive Plan of 1996 (incorporated by reference to Exhibit 10(e) to the Company's Form 10-K for the year ended June 30, 1996).
10(g)	Copy of Midwest Grain Products, Inc. 1996 Stock Option Plan for Outside Directors, as amended as of August 26, 1996 (incorporated by reference to Exhibit 10(f) to the Company's Form 10-K for the year ended June 30, 1996).
10.(h)	Copy of amendment to Midwest Grain Products, Inc. 1996 Stock Option Plan for Outside Directors (incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q for the quarter ended September 30, 1998).
10(g)	Copy of Midwest Grain Products, Inc. 1998 Stock Incentive Plan for Salaried Employees (incorporated by reference to Appendix A to the Company's Notice of Annual Meeting and Proxy Statement dated September 17, 2000, filed with the Securities and Exchange Commission on September 15, 2000).
10(h)	Form of Stock Option with respect to stock options granted under the Midwest Grain Products, Inc. 1998 Stock Incentive Plan for Salaried Employees (incorporated by reference to Exhibit 10(e) to the Company's Form 10-K for the year ended June 30, 1996).
10(i)	Copy of amendments to Options granted under Midwest Grain Products, Inc. Stock Option Plans (incorporated by reference to Exhibit 10.3 to the Company's Form 10-Q for the quarter ended September 30, 1998).
10(j)	Form of Option Agreement for the grant of Options

under the Midwest Grain Products, Inc. 1996 Stock Option Plan for Outside Directors, as amended (incorporated by reference to Exhibit 10.4 to the Company's Form 10-Q for the quarter ended September 30, 1998).

10.5 Form of Amended Option Agreements for the grant of Options under the Midwest Grain Products, Inc. 1998 Stock Incentive Plan for Salaried Employees (incorporated by reference to Exhibit 10.5 to the Company's Form 10-Q for the quarter ended September 30, 1998).

10.6 Form of Option Agreement for the grant of Options under the Midwest Grain Products, Inc. Stock Incentive Plan of 1996, as amended.

22 Subsidiaries of the Company other than insignificant subsidiaries:

Subsidiary	State of Incorporation or Organization
Midwest Grain Pipeline, Inc.	Kansas
Midwest Grain Products of Illinois, Inc.	Illinois

23 Consent of Baird, Kurt & Dobson.

25 Powers of Attorney executed by all officers and directors of the Company who have signed this report on Form 10-K (incorporated by reference to the signature pages of this report).

27 Midwest Grain Products Financial Data Schedule at June 30, 2000 and for the year then ended.

<TABLE>
<CAPTION>

SELECTED FINANCIAL INFORMATION

Years ended June 30	2000	1999	1998	1997	1996
(in thousands, except per share amounts)					
<S>	<C>	<C>	<C>	<C>	<C>
Net sales	$ 231,880	$ 216,101	$ 223,254	$ 224,733	$ 194,638
Cost of sales	210,978	200,622	214,453	213,733	190,173
Gross profit	20,902	15,479	8,801	11,000	4,465
Selling, general and administrative expenses	12,109	11,908	11,363	9,169	9,001
Other operating income (expense)	39	136	100	370	159
Income (Loss) from operations	8,832	3,707	(2,462)	2,201	(4,377)
Other income (Loss), net	719	350	658	618	1,309
Interest expense	(1,469)	(1,959)	(1,887)	(2,604)	(2,556)
Income (Loss) before income taxes	8,082	2,098	(3,691)	215	(5,624)
Provision (Credit) for income taxes	3,192	828	(1,455)	84	(2,218)
Net income (loss)	$ 4,890	$ 1,270	$ (2,236)	$ 131	$ (3,406)
Earnings (Loss) per common share	$ 0.54	$ 0.13	$ (0.23)	$ 0.01	$ (0.35)
Cash dividends per common share					
Weighted average common shares outstanding	9,122	9,609	9,700	9,762	9,765
Balance Sheet Data:					
Working capital	$ 45,089	$ 43,053	$ 39,825	$ 36,580	$ 37,113
Total assets	155,779	157,370	161,978	165,330	172,785
Long-term debt, less current maturities	18,181	21,099	25,536	29,933	40,933
Stockholders' equity	102,378	105,445	106,325	108,561	109,222

</TABLE>

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

Results of Operations

The following table sets forth items in the Company's consolidated statements of income expressed as percentages of net sales for the years indicated and the percentage change in the dollar amount of such items compared to the prior period:

<TABLE>
<CAPTION>

	Percentage of Net Sales Years Ended June 30			Percentage Increase (Decrease)	
	2000	1999	1998	Fiscal 2000 Over 1999	Fiscal 1999 Over 1998
<S>	<C>	<C>	<C>	<C>	<C>
Net sales	100.0%	100.0%	100.0%	7.3%	

					(3.2)%
Cost of sales	91.0	92.8	96.1	5.2	(6.4)
Gross profit	9.0	7.2	3.9	35.0	75.8
Selling, general and administrative expenses	5.2	5.4	5.1	1.7	4.8
Other operating income (loss)	0.0	.1	.1	(71.3)	36.0
Income (Loss) from operations	3.8	1.7	(1.1)	138.3	250.6
Other income (expense)	(.3)	(0.7)	(.6)	(53.4)	30.9
Income before income taxes	3.5	1.0	(1.7)	285.2	156.8
Provision (Credit) for income taxes	1.4	0.4	(.7)	285.5	156.9
Net income (loss)	2.1%	0.6%	(1.0)%	285.0%	156.8%

</TABLE>

FISCAL 2000 COMPARED TO FISCAL 1999

The Company's results for fiscal 2000 were up substantially over results for the prior fiscal year. Net income rose to $4,890,000 compared to $1,270,000 in fiscal 1999, due principally to the effects of heightened demand for the Company's vital wheat gluten, specialty and modified wheat proteins and wheat starches. Lower per unit costs for grain also contributed to the improvement. These conditions partially offset the impact of reduced selling prices for the Company's alcohol products resulting from the continuation of excess alcohol supplies throughout the industry.

The increased demand for wheat gluten was mainly due to the effects of measures to create a more equitable competitive environment in the U.S. market. on June 1, 1998, just one month prior to the start of the Company's 1999 fiscal year, President Clinton imposed a three-year annual quota on imports of foreig wheat gluten. This action was taken after the U.S. International Trade Commission determined that the U.S. wheat gluten industry was being seriously injured by excess imports of artificially priced gluten from the European Union (E.U.).

While the quota helped reduce some of the severe effects of excessive, artificially-priced gluten shipments from the E.U. in fiscal 2000, expectations of more substantial relief failed to be realized. In the early part of the fiscal year, the U.S. was suddenly and rapidly inundated with gluten imports, due mainly to the E.U.'s entire allocation entering the market within just two weeks after the second year of the quota opened on June 1, 1999. Additionally, the U.S. saw a substantial increase in gluten imports from other parts of the world, particularly Poland. In response, President Clinton decided to allocate imports of foreign wheat gluten on a quarterly rather than an annual basis effective with the start of the third year of the three-year-long quota on June 1, 2000. He additionally added Poland to the list of countries which are subject to the quota after determining that dramatically increased shipments from Poland "have impaired the effectiveness" of the quota.

In a related matter, a dispute panel of the World Trade Organization (WTO) on July 28, 2000 challenged the safeguards decision under which the wheat glute quota was implemented. The WTO challenge is being appealed by the U.S. Trade Representative in a process that could extend through December, 2000. In the interim, the WTO ruling is not expected to have an impact on the quota.

Demand for the Company's specialty wheat proteins continued to gain momentum in fiscal 2000, principally due to increased customer interest and the effects of intensified marketing programs. Produced for a variety of food and non-food applications, these value-added products include dough conditioners, meat extenders and replacers, ingredients for hair care and skin care systems, and bio-polymers for producing degradable, plastic-like items.

Increased sales of wheat starch resulted largely from strengthened demand for the Company's modified and specialty starches. To further serve customers requirements for these unique ingredients, the Company completed the installation of additional production capacity at its Atchison, Kansas, plant in the early part of fiscal 2000.

To improve alcohol production efficiencies long-term, the Company completed the installation of new distillation equipment at its Atchison plant in the first quarter of fiscal 2001. The project is expected to further enhance the Company's high quality food grade alcohol. In addition, in the final quarter of fiscal 2000, the Company began to experience increased demand for its fuel grade alcohol. This resulted partially from a proposal by the Environmental Protection Agency (EPA) to phase-out MTBE, a synthetically-derived fuel oxygenate, due to health-related environmental concerns associated with that product.

Net sales in fiscal 2000 increased nearly $16 million above net sales in fiscal 1999. The increase resulted principally from higher sales of wheat gluten, premium wheat starch and fuel grade alcohol.

Growth in wheat gluten sales occurred as the result of higher unit sales of wheat gluten and specialty wheat proteins together with a modest improvement in selling prices.

Increased wheat starch sales resulted from higher unit sales, while selling prices for this product were slightly below selling prices in fiscal 1999. The lower selling prices occurred with a reduction in raw material prices for wheat.

Fiscal 2000 alcohol sales were just slightly above the level reached the prior year due to an increase in unit sales of fuel grade alcohol. This increase helped to offset a decline in unit sales of food grade alcohol for industrial applications, as well as decreases in selling prices for food grade alcohol for both industrial and beverage uses. The drop in food grade alcohol selling prices was due to lower demand caused mainly by the continuation of excess supplies throughout the industry. The selling price of fuel grade alcohol, meanwhile, was approximately even with the average selling price in fiscal 1999. This was due mainly to a price improvement in the fourth quarter of fiscal 2000 as the Company experienced an upturn in demand. Sales of distillers feed, the principal

by-product of the alcohol production process, dropped below sales of a year ago. This was due to lower unit sales as the selling price was approximately even with prior year's level.

The cost of sales in fiscal 2000 rose by approximately $10.4 million above the cost of sales for the prior year. This was due to higher energy and manufacturing costs together with costs associated with increased volume sales, largely of gluten and alcohol products. Lower per unit grain prices partially offset the higher costs resulting from increased volumes.

In connection with the purchase of raw materials, principally corn and wheat, for anticipated operating requirements, the Company enters into commodity contracts to reduce or hedge the risk of future grain price increases. The contracts are accounted for as hedges and, accordingly, gains and losses are deferred and recognized in cost of sales as part of contract costs when contract positions are settled and as related products are sold. For fiscal 2000, raw material costs included a net hedging loss of $1,345,329 on contracts compared to a net hedging loss of $3,472,815 on contracts for fiscal 1999.

Selling, general and administrative expenses in fiscal 2000 increased by approximately $201,000 above selling, general and administrative expenses in fiscal 1999. The increase was due largely to increased marketing activities, industry-related fees and higher technology costs. A sizeable reduction in bad debts partially offset this increase.

The consolidated effective income tax rate is consistent for all periods. The general effects of inflation were minimal.

As the result of the foregoing factors, the Company experienced net income of $4,890,000 in fiscal 2000 compared to net income of $1,270,000 in fiscal 1999.

FISCAL 1999 COMPARED TO FISCAL 1998

The Company's net income of $1,270,000 in Fiscal 1999 represented a significant improvement over the net loss of $2,236,000 that was experienced in Fiscal 1998. This improvement resulted primarily from lower raw material costs for wheat, corn and milo and increased productivity in the Company's wheat gluten processing operations. Reduced grain prices were due to high grain carryovers from abundant harvests during the spring, summer and early fall of 1998. Gluten production levels were raised partially in response to heightened market interest, but mainly in preparation to effectively satisfy future customer requirements resulting from an expected reduction in imports of subsidized and artificially priced wheat gluten from the European Union (E.U.).

A more sizeable earnings improvement was prevented by decreased selling prices for both food grade and fuel grade alcohol, and the adverse effects of the E.U.'s breach of quota restrictions on imported gluten.

Under the quota, imports of E.U. wheat gluten were limited to 54 million pounds for the quota year ending May 31, 1999. However, Department of Commerce data showed that from June 1 through November 30, 1998, the E.U. exported approximately 24% more gluten to the U.S. than allowed for the full quota year ending May 31, 1999. The effects of the violations delayed the relief that the U.S. wheat gluten industry expected during the first year of the three-year quota.

In response to the E.U.'s breach of the first-year quota, President Clinton signed a proclamation on May 29, 1999 that reduced the E.U.'s second-year quota to 45 million pounds. That amount represented approximately 12 million pounds less than was originally allocated to the second year. More significantly, based on Customs records, it was nearly 23 million pounds less than the actual amount of gluten the E.U. delivered into the U.S. market during the initial 12-month quota period.

Although a level playing Weld failed to be established in Fiscal 1999, the Company experienced some strengthening in demand for its wheat gluten, and continued to realize gradual but steady growth in sales of its specialty wheat proteins.

Net sales in Fiscal 1999 decreased by approximately $7.2 million compared to net sales in Fiscal 1998. The decrease was principally due

to lower selling prices for the Company's alcohol products and was partially offset by higher unit sales of fuel grade alcohol and wheat gluten products, including specialty wheat proteins. Sales of wheat starch were down slightly compared to starch sales in Fiscal 1998.

The increase in unit sales of the Company's fuel grade alcohol occurred as the Company shifted more of its alcohol production to this area due to decreased demand for food grade alcohol for beverage and industrial applications. However, the impact of the increased unit sales was softened by lower selling prices for fuel alcohol due to a surplus of that product. The decline in demand for food grade alcohol was caused mainly by the continuation of excess supplies throughout the industry. Sales of distillers feed, the principal by-product of the alcohol production process, were down compared to the prior year due to a decline in the selling price. Unit sales of this product were approximately even with the amount sold the prior year.

The increase in wheat gluten sales occurred as the Company raised production levels in preparation for satisfying market requirements resulting from the expected realization of a fair competitive environment. Higher sales of specialty, value-added wheat gluten products also contributed to the increase in total gluten sales.

Sales of wheat starch were affected by a decline in unit sales in the First two quarters of Fiscal 1999. Selling prices for this product remained essentially unchanged compared to selling prices in Fiscal 1998.

The cost of sales in Fiscal 1999 decreased by approximately $13.8 million compared to cost of sales in Fiscal 1998. This occurred principally as the result of lower raw material costs for grain combined with reduced energy costs, lower maintenance and repair costs and decreased insurance costs.

In connection with the purchase of raw materials, principally corn and wheat, for anticipated operating requirements, the Company enters into commodity contracts to reduce or hedge the risk of future grain price increases. The contracts are accounted for as hedges and, accordingly, gains and losses are deferred and recognized in cost of sales as part of contract costs when contract positions are settled and as related products are sold. For Fiscal 1999, raw material costs included a net loss of $3,470,000 on contracts settled during the year compared to a net gain of $243,000 for Fiscal 1998.

Selling, general and administrative expenses in Fiscal 1999 increased by approximately $545,000 above selling, general and administrative expenses in Fiscal 1998. The increase resulted mainly from higher costs related to product research and marketing promotional activities to strengthen the Company's development and sales of value-added specialty products made from wheat, along with increased bad debt expense relating to one customer. These increases were partially offset by reductions in costs associated with industry-related fees, commissions and professional services and the Company's employee benefit plans.

The consolidated effective income tax rate is consistent for all periods. The general effects of inflation were minimal.

As the result of the foregoing factors, the Company experienced net income of $1,270,000 in Fiscal 1999 compared to a net loss of $2,236,000 in Fiscal 1998.

QUARTERLY FINANCIAL INFORMATION

Generally, the Company's sales have not been seasonal except for variations affecting fuel grade alcohol, beverage alcohol and gluten sales. In recent years, demand for fuel grade alcohol has tended to increase during the fall and winter to satisfy clean air standards during those periods. Beverage alcohol sales tend to peak in the fall as distributors order stocks for the holiday season, while gluten sales tend to increase during the second half of the Fiscal year as demand increases for hot dog buns and similar bakery products. The Company may experience more significant fluctuations in quarterly sales during the next year due to the annual quota on imports of foreign wheat gluten. The table below shows quarterly information for each of the years ended June 30, 2000 and 1999.

<TABLE>
<CAPTION>

Quarter Ending	Sept. 30	Dec. 31	March 31	June 30	Total
(in thousands, except per share amounts)					
<S>	<C>	<C>	<C>	<C>	<C>
FISCAL 2000					
Sales	$54,975	$59,962	57,656	$59,287	$231,880
Gross profit	4,225	5,955	6,046	4,676	20,902
Net income (loss)	751	1,563	1,607	969	4,890
Earnings (Loss) per share	.08	.17	.18	.11	.54
FISCAL 1999					
Sales	$51,938	$53,917	$56,958	$53,288	$216,101
Gross profit	4,429	6,074	3,315	1,661	15,479
Net income (loss)	666	1,430	232	(1,058)	1,270
Earnings (Loss) per share	0.07	0.15	0.02	(0.11)	0.13

</TABLE>

MARKET RISK

The Company produces its products from wheat, corn and milo and, as such, is sensitive to changes in commodity prices. Grain futures and/or options are used as a hedge to protect against fluctuations in the market. For inventory, the table below presents the carrying amount and fair value at June 30, 2000. At June 30, 2000, there were no open grain futures or options.

As of June 30, 2000	Carrying Amount	Fair Value
(in thousands)		
INVENTORIES		
Corn	$ 965	$ 986
Milo	659	714
Wheat	1,649	1,652

The Company also contractually sells a portion of its fuel grade alcohol at prices that fluctuate with gasoline futures. Gasoline futures are used as a hedge to protect against these fluctuations. The table below presents information about open futures contracts as of June 30, 2000.

	Expected Maturity	Fair Value
Futures Contracts (short)		
Contract Volumes (gallons)	2.77 million	
Weighted Average Price	$.93	
Contract Amount	$2.58 million	$2.62 million

LIQUIDITY AND CAPITAL RESOURCES

The following table is presented as a measure of the Company's liquidity and financial condition:

June 30,	2000	1999

(in thousands)		
Cash and cash equivalents	$ 7,728	$ 4,054
Working capital	45,089	43,053
Amounts available under lines of credit	23,000	33,000
Notes payable and long-term debt	20,454	23,532
Stockholders' equity	102,378	105,445

During Fiscal 2000, the Company generated a $22.4 million positive cash flow from operations, which was used to reduce its debt, pay for capital additions and acquire treasury stock. In addition to higher profitability, the Company reduced the levels of inventory, particularly in gluten and unprocessed grain.

Short-term liquidity was also impacted by open market purchases of 942,675 shares of the Company's common stock. These purchases were made to fund the Company's stock option plans and for other corporate purposes. As of June 30, 2000, the Board has authorized the purchase of an additional 818,225 shares of the Company's common stock.

At June 30, 2000, the Company had $7.5 million committed to improvements and replacements of existing equipment. Additionally, in the August, 2000 Board meeting, Directors approved a plan to expand the Company's Wheatex production capacity with the construction of new facilities at a cost of $6.05 million.

The Company continues to maintain a strong working capital position and a low debt-to-equity ratio, while generating strong earnings before interest, taxes, and depreciation. Management believes this strong Financial position and available lines of credit will allow the Company to effectively supply the increased customer needs for vital wheat gluten as market demand increases due to the effects of the quotas on imports of foreign wheat gluten, as well as its other products.

FORWARD-LOOKING INFORMATION

This report contains forward-looking statements as well as historical information. Forward-looking statements are identified by or are associated with such words as "intend," "believe," "estimate," "expect," "anticipate," "hopeful" and similar expressions. They reflect management's current beliefs and estimates of future economic circumstances, industry conditions, Company performance and financial results and are not guarantees of future performance. The forward-looking statements are based on many assumptions and factors including those relating to grain prices, energy costs, product pricing, competitive environment and related market conditions, operating efficiencies, access to capital and actions of governments. Any changes in the assumptions or factors could produce materially different results than those predicted and could impact stock values.

INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors and Stockholders
Midwest Grain Products, Inc.
Atchison, Kansas

We have audited the accompanying consolidated balance sheets of MIDWEST GRAIN PRODUCTS,INC. as of June 30, 2000, and 1999, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended June 30, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that our audits provide a reasonable basis for our opinion. In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of MIDWEST GRAIN PRODUCTS, INC. as of June 30, 2000, and 1999, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2000, in conformity with generally accepted accounting principles.

s/Baird, Kurtz & Dobson
BAIRD, KURTZ & DOBSON

Kansas City, Missouri
August 1, 2000

<TABLE>
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CONSOLIDATED STATEMENTS OF INCOME

Years ended June 30 (in thousands, except per share amounts)	2000	1999	1998
Net sales	$ 231,880	$ 216,101	$ 223,254
Cost of sales	210,978	200,622	214,453
Gross profit	20,902	15,479	8,801
Selling, general & administrative expenses	12,109	11,908	11,363
	8,793	3,571	(2,562)
Other operating income	39	136	100
Income (Loss) from operations	8,832	3,707	(2,462)
Other income, net	719	350	658
Interest expense	(1,469)	(1,959)	(1,887)
Income (Loss) before income taxes	8,082	2,098	(3,691)
Provision (Credit) for income taxes	3,192	828	(1,455)
Net income (loss)	4,890	$ 1,270	$ (2,236)
Earnings (Loss) per common share	$ 0.54	$ 0.13	$ (0.23)

</TABLE>

See Notes to Consolidated Financial Statements

Notes to Consolidated Financial Statements

<TABLE>
<CAPTION>

CONSOLIDATED BALANCE SHEETS

Years ended June 30	2000	1999
(in thousands)		
ASSETS		
Current Assets		
Cash and cash equivalents	$ 7,728	$ 4,054
Receivables (less allowance for doubtful accounts; 2000--$252 and 1999--$285)	30,272	26,656
Inventories	19,246	24,450
Prepaid expenses	1,617	1,174
Deferred income taxes	4,058	3,034
Total Current Assets	62,921	59,368
Property & equipment, at cost	232,508	224,381
Less accumulated depreciation	139,737	126,465
Property & equipment, net	92,771	97,916
Other assets	87	86
Total Assets	$155,779	$157,370
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Current maturities of long-term debt	$ 2,273	$ 2,433
Accounts payable	10,563	9,129
Accrued expenses	4,044	4,296
Income taxes payable	952	457
Total Current Liabilities	17,832	16,315

Long-term debt	18,181	21,099
Post-retirement benefits	6,170	6,312
Deferred income taxes	11,218	8,199
Stockholders' equity		
Capital stock		
Preferred, 5% non-cumulative, $10 par value; authorized 1,000 shares; issued and outstanding 437 shares	4	4
Common, no par; authorized 20,000,000 shares; issued 9,765,172 shares	6,715	6,715
Additional paid-in capital	2,485	2,485
Retained earnings	104,073	99,183
	113,277	108,387
Treasury stock, at cost		
Common; 2000C1,181,775 shares, 1999C239,100 shares	(10,899)	(2,942)
Total stockholders' equity	102,378	105,445
Total liabilities and stockholders' equity	$155,779	$157,370

</TABLE>

See Notes to Consolidated Financial Statements

<TABLE>
<CAPTION>

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years ended June 30 (in thousands)	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, June 30, 1997	$4	$6,715	$2,485	$100,149	$ (792)	$108,561
1998 net loss				(2,236)		(2,236)
Balance, June 30, 1998	4	6,715	2,485	97,913	(792)	106,325
Purchase of treasury stock					(2,150)	(2,150)
1999 net income				1,270		1,270
Balance, June 30, 1999	4	6,715	2,485	99,183	(2,942)	105,445
Purchase of treasury stock					(7,957)	(7,957)
2000 net income				4,890		4,890
Balance, June 30, 2000	$4	$6,715	$2,485	$104,073	$(10,899)	

$102,378

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</TABLE>

See Notes to Consolidated Financial Statements

<TABLE>
<CAPTION>

CONSOLIDATED STATEMENTS OF CASH FLOW

Years ended June 30 (in thousands)	2000	1999	1998
Cash Flows From Operating Activities			
Net income (loss)	$ 4,890	$ 1,270	$(2,236)
Items not requiring (providing) cash:			
Depreciation	13,515	13,604	13,892
Gain on sale of assets		(19)	(2)
Deferred income taxes	1,995	38	(172)
Gain on retirement of long-term debt	(603)		
Changes in:			
Accounts receivable	(3,616)	(287)	(93)
Inventories	5,204	(4,020)	(5,430)
Accounts payable	1,334	38	847
Income taxes (receivable) payable	495	1,791	(1,107)
Other	(838)	298	(183)
Net cash provided by operating activities	22,376	12,713	5,516
Cash Flows From Investing Activities			
Additions to property & equipment	(8,127)	(6,054)	(4,765)
Proceeds from sale of equipment	12	31	4

Net cash used in investing activities	(8,115)	(6,023)	(4,761)
Cash Flows From Financing Activities			
Purchase of treasury stock	(8,112)	(1,995)	
Principle payments on long-term debt	(2,475)	(5,364)	(2,037)
Net cash used in financing activities	(10,587)	(7,359)	(2,037)
Increase (Decrease) in Cash & Cash Equivalents	3,674	(669)	(1,282)
Cash & Cash Equivalents, Beginning of Year	4,054	4,723	6,005
Cash & Cash Equivalents, End of Year	$ 7,728	$ 4,054	$ 4,723

</TABLE>

See Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: NATURE OF OPERATIONS AND SUMMARY SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations. The activities of Midwest Grain Products, Inc., and its subsidiaries consist of the processing of wheat, corn and milo into a variety of products through an integrated production process. The process produces wheat gluten products, which include vital wheat gluten and specialty wheat proteins; premium wheat starch; alcohol products; and flour mill products. The Company sells its products on normal credit terms to customers in a variety of industries located primarily throughout the United States. Through its wholly-owned subsidiaries, the Company operates in Atchison, Kansas and Pekin, Illinois, (Midwest Grain Products of Illinois, Inc.). Additionally, Midwest Grain Pipeline, Inc., another wholly-owned subsidiary, supplies natural gas to the Company's Atchison plant.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

Principles of Consolidation. The consolidated financial statements include the accounts of Midwest Grain Products, Inc. and all subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Inventories. Inventories are stated at the lower of cost or market on the first-in, first-out (FIFO) method. In connection with the purchase of raw materials, principally corn and wheat, for anticipated operating requirements, Midwest Grain Products, Inc. enters into commodity contracts to reduce the risk of future grain price increases. These contracts, including those terminated early, are accounted for as hedges and, accordingly, gains and losses are deferred and recognized in cost of sales as part of product cost when contract positions are settled and as related products are sold. If grain requirements fall below anticipated needs and open contract levels, then gains and losses are recognized immediately for the excess open contract levels. Additionally, the Company enters into futures contracts for the sale of fuel grade alcohol to protect its selling price to the customer. At June 30, 2000, the Company had entered into contracts hedging future gasoline prices through the first quarter of fiscal 2001.

Property and Equipment. Depreciation is computed using both straight-line and accelerated methods over the following estimated useful lives:

Buildings and improvements	20-30 years
Transportation equipment	5-6 years
Machinery and equipment	10-12 years

Earnings Per Common Share. Earnings per common share data is based upon the weighted average number of common shares totaling 9,121,717 for 2000, 9,608,769 for 1999 and 9,700,172 for 1998. The effect of employee stock options, which were the only potentially dilutive securities held by the Company, was anti-dilutive each of the three years.

Cash Equivalents. The Company considers all liquid investments with maturities of three months or less to be cash equivalents.

Income Taxes. Deferred tax liabilities and assets are recognized for the tax effect of the differences between the financial statement and tax bases of assets and liabilities. A valuation allowance is established to reduce deferred tax assets if it is more likely than not that a deferred tax asset will not be realized.

NOTE 2: INVENTORIES

Inventories consist of the following:

June 30,	2000	1999
(in thousands)		
Alcohol	$ 5,317	$ 5,164
Unprocessed grain	4,971	6,914
Operating supplies	4,348	4,305
Gluten	2,492	6,710
By-products and other	2,118	1,357
	$19,246	$24,450

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

June 30,	2000	1999
(in thousands)		
Land, buildings and improvements	$ 19,516	$ 17,794
Transportation equipment	1,138	1,152
Machinery and equipment	205,152	198,957
Construction in progress	6,702	6,478
	232,508	224,381
Less accumulated depreciation	139,737	126,465
	$ 92,771	$ 97,916

NOTE 4: ACCRUED EXPENSES

Accrued expenses consist of the following:

June 30,	2000	1999
(in thousands)	$ 540	$ 540
Employee benefit plans (Note 10)	1,661	1,466
Salaries and wages	635	870
Property taxes	480	541
Insurance	138	222
Interest	569	642
Other expenses	21	15
	$ 4,044	$ 4,296

NOTE 5: LONG-TERM DEBT

Long-term debt consists of the following:

June 30,	2000	1999
(in thousands)		
Senior notes payable	$ 20,454	$ 22,727
Other		805
	20,454	23,532

Less current maturities	2,273	2,433
Long-term portion	$ 18,181	$ 21,099

The unsecured senior notes are payable in annual installments of $2,273,000 from 2000 through 2008 with the final principal payment of $2,270,000 due in 2009. Interest is payable semiannually at 6.68% per annum for the fifteen-year term of the notes.

At June 30, 2000, the Company had a $20 million unsecured revolving line of credit expiring on November 1, 2001, with interest at 1% below prime on which there were no borrowings at June 30, 2000 and 1999. The Company had two additional lines of credit totaling $3.0 million expiring on dates through April 27, 2001, with interest rates varying from prime to 1% below prime on which there were no borrowings at June 30, 2000 and 1999.

In connection with the above borrowings, the Company, among other covenants, is required to maintain certain financial ratios, including a current ratio of 1.5 to 1, minimum consolidated tangible net worth of $84 million and debt service coverage ratio of 1.5 to 1. The fair value of the senior notes payable debt, based upon the current borrowing rates at June 30, 2000, was approximately $19,000,000.

Aggregate annual maturities of long-term debt at June 30, 2000 are as follows:

(in thousands)	
2001	$ 2,273
2002	2,273
2003	2,273
2004	2,273
2005	2,273
Thereafter	9,089
	$ 20,454

NOTE 6: INCOME TAXES

The provisions (credit) for income taxes is comprised of the following:

Years ended June 30,	2000	1999	1998
(in thousands)			
Income taxes currently			
payable (receivable)	$1,197	$790	$(1,627)
Income taxes deferred	1,995	38	172
	$3,192	$828	$(1,455)

The tax effects of temporary differences related to deferred taxes shown on the consolidated balance sheets are as follows:

June 30,	2000	1999
(in thousands)		
Deferred tax assets:		
Accrued employee benefits	$ 155	$ 141
Post-retirement liability	2,406	2,462
Insurance accruals	478	551
Federal operating loss carryforwards		657
State operating loss carryforwards	772	1,001
Alternative minimum tax	2,259	2,294
Other	1,563	753
	7,633	7,859
Deferred tax liabilities:		
Accumulated depreciation	$(14,533)	(12,737)

Deferred gain on involuntary conversion	(260)	(287)
	(14,793)	$(13,024)
Net deferred tax liability	$ (7,160)	$ (5,165)

The above net deferred tax liability is presented on the consolidated balance sheets as follows:

June 30,	2000	1999
(in thousands)		
Deferred tax asset-current	$ 4,058	$ 3,034
Deferred tax liability-long-term	(11,218)	(8,199)
Net deferred tax liability	$ (7,160)	$(5,165)

No valuation allowance has been recorded at June 30, 2000, or 1999.

A reconciliation of the provision for income taxes at the normal statutory federal rate to the provision (credit) included in the accompanying consolidated statements of operations is shown below:

Years ended June 30,	2000	1999	1998
(in thousands)			
"Expected" provision (credit) at federal statutory rate (34%)	$2,748	$714	$(1,255)
Increases (Decreases) resulting from:			
Effect of state income taxes	176	78	(195)
Other	268	36	(5)
Provision (Credit) for income taxes	$3,192	$828	$(1,455)

NOTE 7: CAPITAL STOCK

The Common Stock is entitled to elect four out of the nine members of the Board of Directors, while the Preferred Stock is entitled to elect the remaining five directors. Holders of Common Stock are not entitled to vote with respect to a merger, dissolution, lease, exchange or sale of substantially all of the Company's assets, or on an amendment to the Articles of Incorporation, unless such action would increase or decrease the authorized shares or par value of the Common or Preferred Stock, or change the powers, preferences or special rights of the Common or Preferred Stock so as to affect the holders of Common Stock adversely.

NOTE 8: OTHER OPERATING INCOME (EXPENSE)

Other operating income (expense) consists of the following:

Years ended June 30,	2000	1999	1998
(in thousands)			
Truck operations	$(53)	$108	$ 95
Warehousing and storage operations	(35)	(10)	(6)
Miscellaneous	127	38	11
	$ 39	$136	$100

NOTE 9: ENERGY COMMITMENT

During fiscal 1995, the Company negotiated a 15-year agreement to purchase steam heat and electricity from a utility for its Illinois operations. Steam heat is being purchased for a minimum monthly charge of $114,000, with a declining fixed charge for purchases in excess of the minimum usage. Electricity purchases will occur at fixed rates through May 31, 2002. In connection with the agreement, the Company leased land to the utility company for 15 years so it could construct a co-generation plant at the Company's Illinois facility. The Company has also agreed to reimburse the utility for the net book value of the plant if the lease is not renewed for an additional 19 years. The estimated net book value of the plant would be $10.6 million at that date.

NOTE 10: EMPLOYEE BENEFIT PLANS

Pension Plan. Prior to June 30, 1998, the Company had a non-contributory defined benefit pension plan covering union employees. The plan provided benefits based on the participants' years of service.

During 1998, the Company terminated the plan and transferred the assets into a newly formed 401(k) profit sharing plan. The pension cost for 1998, including the cost of termination, amounted to $694,000.

Employee Stock Ownership Plans. The Company and its subsidiaries have employee stock ownership plans covering all eligible employees after certain requirements are met. Contributions to the plans totaled $880,000, $947,000 and $785,000 for the years ended June 30, 2000, 1999 and 1998, respectively. Contributions are made in the form of cash and/or additional shares of common stock.

401(k) Profit Sharing Plans. During 1998, the Company and its subsidiaries formed 401(k) profit sharing plans covering all employees after certain eligibility requirements are met. Contributions to the plans totaled $392,000, 215,000 and $215,000 for the years ended June 30, 2000, 1999 and 1998, respectively.

Post-Retirement Benefit Plan. The Company and its subsidiaries provide certain post-retirement health care and life insurance benefits to all employees. The liability for such benefits is unfunded.

The status of the Company's plans at June 30, 2000 and 1999 was as follows:

June 30,	2000	1999
(in thousands)		
Accumulated post-retirement benefit obligations:		
Retirees	$3,390	$3,720
Active plan participants	2,872	2,473
Unfunded accumulated obligation	6,262	6,193
Unrecognized actuarial gain (loss)	(92)	119
Accrued post-retirement benefit cost	$6,170	$6,312

Net post-retirement benefit cost included the following components:

June 30,	2000	1999	1998
(in thousands)			
Service cost	$138	$110	$101
Interest cost	355	323	346
(Gain) Loss amortization		(27)	(34)
	$493	$406	$413

The weighted average annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) is assumed to be 9.00% (compared to 9.25% assumed for 1999) reducing to 7.50% over seven years and 6.0% over 13 years. A one-percentage-point increase in the assumed health care cost trend rate would have increased the accumulated benefit obligation by $370,000 at June 30, 2000, and the service and interest cost by $50,000 for the year then ended.

A weighted average discount rate of 8.25% was used in determining the accumulated benefit obligation.

Stock Options. The Company has three stock option plans, the Stock Incentive Plan of 1996 ("The 1996 Plan"), the Stock Option Plan for Outside Directors ("The Directors Plan"), and the 1998 Stock Incentive Plan for Salaried Employees ("The Salaried Plan"). These Plans permit the issuance of stock awards, stock options and stock appreciation rights to salaried employees and outside directors of the Company. The Company accounts for these plans under APB Opinion No. 25, under which no compensation cost has been recognized. Had compensation cost been determined consistent with FASB Statement No. 123, the Company's 2000, 1999 and 1998 net income and earnings per share would have been reduced to the following pro forma amounts:

	2000	1999	1998
Net Income (loss):			
As Reported	$4,890	$1,270	$(2,236)
Pro Forma	$4,206	$ 697	$(2,575)
Basis Earnings Per Share:			
As Reported	$ .54	$ .13	$ (.23)

Pro Forma	$ .46	$ .07	$ (.26)
Diluted EPS:			
As Reported	$ .54	$ .13	$ (.23)
Pro Forma	$ .46	$ .07	$ (.26)

Under the 1996 Plan, the Company may grant incentives for up to 600,000 shares of the Company's common stock to key employees. The term of each award is determined by the committee of the Board of Directors charged with administering the 1996 Plan. Under the terms of the 1996 Plan, options granted may be either nonqualified or incentive stock options and the exercise price may not be less than the fair value on the date of the grant. Through June 30, 2000, the Company has granted incentive stock options to purchase 438,500 shares. The options become exercisable in yearly increments through January 2004. They have ten-year terms and have exercise prices equal to fair market value on the date of grant.

Under the Directors Plan, each non-employee or "outside" director of the Company receives on the day after each annual meeting of stockholders an option to purchase 1,000 shares of the Company's common stock at a price equal to the fair market value of the Company's common stock on such date. Options become exercisable on the 184th day following the date of grant and expire not later than ten years after the date of grant. Subject to certain adjustments, a total of 90,000 shares are reserved for annual grants under the Plan. Through June 30, 2000, the Company had granted options to purchase 27,000 shares, all of which were exercisable as of June 30, 2000.

Under the Salaried Plan, the Company may grant stock incentives for up to 300,000 shares of the Company's common stock to full-time salaried employees. The Salaried Plan provides that the amount, recipients, timing and terms of each award be determined by the Committee of the Board of Directors charged with administering the Salaried Plan. Under the terms of the Salaried Plan, options granted may be either nonqualified or incentive stock options and the exercise price may not be less than the fair value on the date of the grant. Through June 30, 2000, the Company has granted incentive stock options on 263,860 shares. The options become exercisable in yearly increments through January 2004. They have ten-year terms and have exercise prices equal to fair market value on the date of grant.

A summary of the status of the Company's three stock option plans at June 30, 2000, 1999 and 1998 and changes during the years then ended is presented below:

<TABLE>
<CAPTION>

	2000		1999		1998	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, Beginning of Year	544,860	$13.74	441,360	$14.04	183,500	$14.68
Granted	184,500	8.03	103,500	12.43	257,860	13.60
Exercised						
Outstanding, End of Year	729,360	$12.30	544,860	$13.74	441,360	$14.04

</TABLE>

These are comprised as follows:

<TABLE>
<CAPTION>

	Shares	Exercise Price	Remaining Contractual Life (Years)	Shares Exercisable at June 30, 2000

1996	90,000	$14.00	5.5	90,000
Plan	86,500	$15.25	6.5	64,875
	79,500	$13.75	7.5	39,750
	96,500	$12.50	8.5	24,125
	86,000	$ 8.00	9.5	
Directors'	7,000	$16.25	6.25	7,000
Plan	7,000	$14.25	7.25	7,000
	7,000	$11.75	8.25	7,000
	6,000	$ 9.00	9.25	6,000
Salaried Plan	171,360	$13.50	7.67	68,544
	92,500	$ 8.00	9.5	
	729,360			314,294

</TABLE>

The fair value of each option grant is estimated on the date of the grant using the Black-Scholes option pricing model. The following weighted-average assumptions were used for the year ended June 30, 2000: Risk free interest rate of 6.27%; expected dividend yield of 0%; expected volatility of 44%, expected life of ten years.

NOTE 11: OPERATING LEASES

The Company has several noncancelable operating leases for railcars and other equipment, which expire from April 2001 through November 2004. The leases generally require the Company to pay all service costs associated with the railcars. Rental payments include minimum rentals plus contingent amounts based on mileage.

Future minimum lease payments at June 30, 2000 are as follows:

(in thousands)	
2001	$ 2,144
2002	1,152
2003	645
2004	151
2004	2
Future minimum lease payments	$ 4,094

Rental expense for all operating leases with terms longer than one month totaled $2,458,096, $2,305,235 and $1,488,554 for the years ended June 30, 2000, 1999 and 1998, respectively.

NOTE 12: SIGNIFICANT ESTIMATES AND CONCENTRATIONS

Generally accepted accounting principles require disclosure of certain significant estimates and current vulnerabilities due to certain significant concentrations. Those matters include the following:

A majority of the Company's labor force is covered by collective bargaining agreements which expire August 31, 2002 at the Atchison plant and on November 1, 2000 at the Pekin plant.

Under its self-insurance plan, the Company accrues the estimated expense of health care and workers' compensation claims costs based on claims filed subsequent to year-end and an additional amount for incurred but not yet reported claims based on prior experience. An accrual for such costs of $138,000 is included in the accompanying 2000 financial statements. Claims payments based on actual claims ultimately filed could differ materially from these estimates.

During the years ended June 30, 2000, 1999 and 1998, the Company had sales to one customer accounting for approximately 13.3%, 12.0% and 10.5%, respectively, of consolidated sales.

NOTE 13: OPERATING INFORMATION

The Company is comprised of one segment: The processing and marketing of products derived from wheat, corn and milo through a single integrated production process. Product group sales for the years ended June 30, are summarized as follows:

2000	1999	1998

(in thousands)			
Wheat gluten products	$70,912	$ 56,153	$ 42,489
Premium wheat starch	29,186	27,173	27,791
Alcohol products	129,023	129,729	147,957
Flour and other mill products	2,759	3,046	5,017
	$231,880	$216,101	$223,254

NOTE 14: ADDITIONAL CASH FLOWS INFORMATION

Years ended June 30,	2000	1999	1998
(in thousands)			
Investing and Non-cash Financing Activities:			
Purchase of property and equipment in accounts payable	$ 255	$ 136	$ 29
Purchase of treasury stock in accounts payable		$ 155	
Additional Cash Payment Information:			
Interest paid (net of amount capitalized)	$1,542	$ 2,013	$1,887
Income taxes paid (refunded)	$ 704	$(1,001)	$ (178)

NOTE 15: CONTINGENCIES

There are various legal proceedings involving the Company and its subsidiaries. Management considers that the aggregate liabilities, if any, arising from such actions would not have a material adverse effect on the consolidated financial position or operations of the Company.

NOTE 16: FUTURE CHANGES IN ACCOUNTING PRINCIPLES

The Financial Accounting Standards Board has issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (ASFAS 133@). This statement, as amended by SFAS Nos. 137 and 138, requires all derivatives to be recorded on the balance sheet at fair value and establishes standardized accounting methodologies for hedging activities. If certain conditions are met, a derivative may be designated as a fair value or cash flow hedge. Qualifying hedges may result in recognition of offsetting changes in fair values of the hedging instrument and hedged item in the statement of income (fair value hedges) or recognition of changes in fair value of the hedging instrument in comprehensive income (cash flow hedges).

The Company is required to adopt the statement prospectively beginning in its first quarter ending September 30, 2000. The Company cannot reasonably estimate the impact of adoption on future financial statements. However, the statement may generally have the effect of recognition of gains or losses on hedging instruments in income in periods earlier than previously recognized to the extent of hedge ineffectiveness or to the extent derivative instruments do not qualify for hedge accounting recognition under SFAS 133.

Exhibit 23

[LOGO]

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Kansas City, Missouri 64105-2112
Baird, Kurtz & Dobson 816 221-6300 FAX 816 221-6380

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bkd.com

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
Midwest Grain Products, Inc.

We consent to the incorporation by reference in Registration Statement No. 333-51849, on Form S-8 and the related Prospectus dated May 5, 1998, of Midwest Grain Products, Inc. of our report dated August 1, 2000, relating to the consolidated balance sheets of Midwest Grain Products, Inc. as of June 30, 2000 and 1999, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended June 30, 2000, which report is incorporated by reference in the Annual Report on Form 10-K of Midwest Grain Products, Inc. for the fiscal year ended June 30, 2000, and of our report dated August 1, 2000, with regard to the financial statement schedule that is included in such Form 10-K for the year ended June 30, 2000. We also consent to the reference to our firm under the heading "Experts" in the Prospectus to the Registration Statement.

s/BAIRD, KURTZ & DOBSON

Kansas City, Missouri
September 8, 2000

Solutions for Success

<TABLE> <S> <C>

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EXHIBIT 27 MIDWEST GRAIN PRODUCTS, INC. FINANCIAL DATA SCHEDULE THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM MIDWEST GRAIN PRODUCTS, INC. CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED JUNE 30, 2000 AND CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2000, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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<F2> Reflects retained earnings and additional paid in captial less cost of Treasury Stock.
<F3> Reflects cost of sales and selling, general & administrative expenses.
</FN>

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