SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended December 31, 1998 - Commission File No. 0-17196

MIDWEST GRAIN PRODUCTS, INC.
(Exact Name of Registrant as Specified in Its Charter)

KANSAS	48-0531200
(State or Other Jurisdiction of Incorporation or Organization)	IRS Employer Identification No.

1300 Main Street, Atchison, Kansas 66002
(Address of Principal Executive Offices and Zip Code)

(913) 367-1480
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to the filing requirements for at least the past 90 days.

X YES ____ NO ____

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

Common stock, no par value
9,573,172 shares outstanding
as of February 1, 1999.

INDEX

Baird,
Kurtz &
Dobson

Certified Public Accountants
City Center Square
1100 Main Street, Suite 2700
Kansas City, MO 64105-2112
816 221-6300 Fax 816 221-6380
http://www.bkd.com
Member of Moores Rowland International

Independent Accountants' Review Report

Board of Directors and Stockholders
Midwest Grain Products, Inc.
Atchison, Kansas 66002

We have reviewed the condensed consolidated balance sheets of MIDWEST GRAIN PRODUCTS, INC. and subsidiaries as of December 31, 1998, and the related condensed consolidated statements of income for the three month and six month periods ended December 31, 1998 and 1997, and the related condensed consolidated statements of cash flows for the six month periods ended December 31, 1998 and 1997. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying condensed consolidated financial statements for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet as of June 30, 1998, and the related consolidated statements of income, stockholders' equity and cash flows for the year then ended (not presented herein); and, in our report dated August 4, 1998, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of June 30, 1998, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

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

Kansas City, Missouri
January 26, 1999

MIDWEST GRAIN PRODUCTS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In Thousands)

ASSETS

	December 31, 1998 (Unaudited)	June 30, 1998
CURRENT ASSETS		
Cash and cash equivalents	$ 2,345	$ 4,723
Receivables	23,863	26,369
Inventories	32,298	20,430
Prepaid expenses	1,153	753
Deferred income taxes	2,343	2,343
Income taxes receivable		1,334
Total Current Assets	62,002	55,952
PROPERTY AND EQUIPMENT, At Cost	221,974	218,590
Less accumulated depreciation	119,762	112,976
	102,212	105,614
OTHER ASSETS	406	412
TOTAL ASSETS	$ 164,620	$ 161,978

See Accompanying Note to Condensed Consolidated Financial Statements

MIDWEST GRAIN PRODUCTS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)

(In Thousands)

LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31, 1998 (Unaudited)	June 30, 1998
CURRENT LIABILITIES		
Current maturities of long-term debt	$ 2,273	$ 2,360
Notes payable		1,000
Accounts payable	10,322	9,072
Accrued expenses	2,942	3,695
Income taxes payable	1,486	
Total Current Liabilities	17,023	16,127
LONG-TERM DEBT	26,831	25,536
POST-RETIREMENT BENEFITS	6,456	6,520

DEFERRED INCOME TAXES	7,470	7,470
STOCKHOLDERS' EQUITY		
Capital stock		
Preferred, 5% noncumulative, $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	100,009	97,913
	109,213	107,117
Treasury stock, at cost Common; December 31, 1998 - 191,300 shares June 30, 1998 - 65,000 shares	(2,373)	(792)
Total Stockholders' Equity	106,840	106,325
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 164,620	$ 161,978

See Accompanying Note to Condensed Consolidated Financial Statements

MIDWEST GRAIN PRODUCTS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In Thousands)

THREE MONTHS AND SIX MONTHS ENDED DECEMBER 31, 1998 AND 1997

(Unaudited)

	Three Months		Six Months	
	1998	1997	1998	1997
NET SALES	$53,917	$55,847	$105,855	$113,470
COST OF SALES	47,843	52,028	95,352	107,040
GROSS PROFIT	6,074	3,819	10,503	6,430
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	3,262	3,615	6,168	6,259
	2,812	204	4,335	171
OTHER OPERATING INCOME (LOSS)	64	(4)	105	10
INCOME FROM OPERATIONS	2,876	200	4,440	181
OTHER INCOME (LOSS)				
Interest	(561)	(440)	(1,086)	(895)
Other	48	424	110	502
INCOME (LOSS) BEFORE INCOME TAXES	2,363	184	3,464	(212)
PROVISION (CREDIT) FOR INCOME TAXES	933	77	1,368	(84)
NET INCOME (LOSS)	$1,430	$ 107	$ 2,096	$ (128)
EARNINGS (LOSS) PER COMMON SHARE	$ .15	$ .01	$ .22	$ (.01)

See Accompanying Note to Condensed Consolidated Financial Statements

MIDWEST GRAIN PRODUCTS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)

SIX MONTHS ENDED DECEMBER 31, 1998 AND 1997

(Unaudited)

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ 2,096	$ (128)
Items not requiring (providing) cash:		
Depreciation	6,801	6,923
Gain on sale of equipment	(3)	
Changes in:		
Accounts receivable	2,506	(1,143)
Inventories	(11,868)	(10,264)
Prepaid expenses and other assets	(394)	(289)
Accounts payable	1,273	6,864
Accrued expenses	(817)	66
Income taxes receivable/payable	2,820	(834)
Net cash provided by operating activities	2,414	1,195
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(3,424)	(2,518)
Proceeds from sale of equipment	5	
Net cash used in investing activities	(3,419)	(2,518)
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of treasury stock	(1,581)	
Net payments on long-term debt	(2,292)	(4,000)
Net proceeds from notes payable	2,500	
Net cash used in financing activities	(1,373)	(4,000)
DECREASE IN CASH AND CASH EQUIVALENTS	(2,378)	(5,323)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	4,723	6,005
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 2,345	$ 682

See Accompanying Note to Condensed Consolidated Financial Statements

MIDWEST GRAIN PRODUCTS, INC.

NOTE TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED DECEMBER 31, 1998

(Unaudited)

NOTE 1: GENERAL

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary to present fairly the Company's condensed consolidated financial position as of December 31, 1998, and the condensed consolidated results of its operations and its cash flows for the periods ended December 31, 1998 and 1997, and are of a normal recurring nature.

MIDWEST GRAIN PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
THREE MONTHS AND SIX MONTHS ENDED DECEMBER 31, 1998

RESULTS OF OPERATIONS

General

The Company's net income of $1,430,000 in the second quarter of fiscal 1999 was significantly higher than the net income of $107,000 that was experienced in the second quarter of 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 excellent growing conditions and abundant harvests during the spring, summer and early fall. 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.).

On June 1, the White House implemented a three-year quota on imports of foreign wheat gluten following a unanimous recommendation from the United States International Trade Commission (ITC). The White House additionally announced that international negotiations would be pursued to address the underlying cause of the increase in imports of wheat gluten, particularly from the E.U., or to otherwise alleviate injury to the domestic industry,

During the first year of the quota, which ends May 31, 1999, wheat gluten imports were to be restricted to 126 million pounds. That figure represents a reduction of approximately 30% compared to the amount of gluten imported by the U.S. during the Company's 1998 fiscal year. In each of the two following years, imports are to be allowed to increase by 6%. Within the quota, separate quotas for the E.U., Australia and all other non-excluded countries were assessed. Countries excluded from the quota are Canada, Mexico, Israel and the beneficiary countries of the Caribbean Basin Economic Recovery Act or the Andean Trade Preferences Act.

The quota on imported gluten is consistent with the type of remedy requested by the Company and the Wheat Gluten Industry Council (WGIC) of the U.S. That request was made in a petition that was filed by the WGJC on September 19, 1997 under Section 201 of the Trade Act of 1974. The petition was filed on the grounds that the U.S. wheat gluten industry has been seriously injured by the surge in low priced wheat gluten imports from the E.U. Profits from their highly subsidized and protected wheat starch business have allowed E.U. producers to unload huge surpluses of wheat gluten, a co-product, in the U.S. market at prices below U.S. production costs. In recent years, this has forced domestic producers to drastically under-utilize production capacities and relinquish sizeable percentages of market share.

The Company expects the import quota to eventually result in the establishment of a more level playing field in the U.S. wheat gluten market by offsetting lopsided trade advantages provided by the E.U. to E.U. producers. As a result, the Company increased gluten production levels to effectively supply future customer needs. In addition, the Company has intensified efforts to develop and market specialty wheat gluten products in niches that will be less affected by foreign competition.

Under the quota, imports of E.U. wheat gluten are limited to 54 million pounds for the year ending May 31, 1999. However, Department of Commerce data indicates that from June 1 through November 30, 1998, the E.U. exported 26% more gluten to the U.S. than allowed for the full quota year ending May 31, 1999. Although the available published data indicates that shipments from the E.U. have stopped after November, the violations have delayed the relief that the U.S. wheat gluten industry expected during the first year of the three-year quota. As a consequence, the U.S. Customs Department is presently investigating these apparent E.U. violations and the Office of the U.S. Trade Representative is considering the imposition of sanctions, which hopefully could provide the industry with the kind of relief contemplated by the quota in the first instance.

Although a level playing field was not established in the first half of the current fiscal year, the Company is now experiencing indications of strengthened demand for its wheat gluten, and continues to realize gradual but steady growth in sales of its specialty wheat proteins, especially in the cosmetics and personal care products markets.

With consistently lower grain costs, improved conditions in the wheat gluten market, a realization of stable energy costs and improved production efficiencies, the Company expects to strengthen its competitive abilities and maintain the improved profitability going forward.

Sales

Net sales in the second quarter of fiscal 1999 were down approximately $1.9million compared to net sales in the second quarter of fiscal 1998. The decrease resulted mainly from lower selling prices for food grade and fuel grade alcohol and reduced wheat starch volume. The drop in selling prices for fuel grade alcohol tracked a decline in gasoline prices. The price decrease for food grade alcohol reflected both a decline in demand and a reduction in raw material prices for corn and milo, the latter affecting prices mainly in the beverage category. Sales of distillers feed, a by-product of the alcohol production process, were also down compared to sales a year ago due to decreased unit sales and prices.

Wheat gluten sales in the second fiscal quarter of 1999 were higher than sales during the second quarter of fiscal 1998 as the Company increased production in preparation for satisfying market requirements resulting from the expected realization of a fair competitive environment. An increase in wheat gluten selling prices compared to the prior year's second quarter contributed to the sales improvement.

Sales of wheat starch decreased as the result of lower unit sales, while selling prices for this product remained essentially unchanged compared to the second quarter of fiscal 1998.

Net sales for the first six months of fiscal 1999 decreased by approximately $7.6 million compared to net sales for the first six months of fiscal 1998. The

decrease was principally due to reduced alcohol selling prices in both the first and second quarters, and lower unit sales of alcohol in the first quarter. Lower unit sales of wheat starch in the first and second quarters also contributed to the decline in sales. These decreases were partially offset by higher wheat gluten sales.

Cost of Sales

The cost of sales in the second quarter of fiscal 1999 decreased by approximately $4.2 million compared to cost of sales in the second quarter of fiscal 1998. This occurred principally as the result of lower raw material costs for grain. Reduced energy costs, lower maintenance and repair costs and decreased insurance costs were other major items which contributed to the reduction in total cost of sales.

Cost of sales for the first six months of fiscal 1999 fell approximately $11.5

million below cost of sales for the first six months of fiscal 1998. Reasons for this decrease were primarily the same as those given above.

In connection with the purchase of raw materials, principally corn and wheat, for anticipated operating requirements, the Company enters into commodity contracts to reduce 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 the second quarter of fiscal 1999, raw material costs included a net loss of $1,037,000 on contracts settled during the quarter compared to a net loss of $27,000 for the second quarter of fiscal 1998. Raw material costs for the first six months of fiscal 1999 included a net loss of $2,073,000. For the first six months of fiscal 1998, those costs included a net gain of $578,000.

Selling, General and Administrative Expenses
- --

Selling, general and administrative expenses in the second quarter of fiscal 1999 decreased by approximately $353,000 below selling, general and administrative expenses in the second quarter of fiscal 1998. This decrease resulted mainly from a reduction of approximately $945,000 in commissions and professional services. Other sizeable reductions occurred in costs associated with industry-related organizational fees and the Company's employee benefit plans. These decreases were partially offset by an additional reserve of approximately $637,000 for bad debts and costs related to research activities to strengthen the Company's development and sales of value-added specialty products made from wheat.

For the first six months of fiscal 1999, selling, general and administrative expenses were down approximately $91,000 compared to selling, general and administrative expenses for the first six months of fiscal 1998.
The consolidated effective income tax rate is consistent for all periods. The general effects of inflation were minimal.

Net Income
- ----------

As the result of the foregoing factors, the Company experienced net income of $1,430,000 in the second quarter of fiscal 1999 compared to net income of $107,000 in the first quarter of fiscal 1998. For the first six months of fiscal 1999, the Company experienced net income of $2,096,000 versus a net loss of $128,000 that was incurred in the first six months of fiscal 1998.

LIQUIDITY AND CAPITAL RESOURCES

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

	December 31, 1998	June 30, 1998
	(in thousands)	
Cash and cash equivalents	$ 2,345	$ 4,723
Working capital	44,979	39,825
Amounts available under lines of credit	27,500	30,000
Notes payable and long-term debt	29,104	28,896
Stockholders' equity	106,840	106,325

The first half of fiscal 1999 saw the Company raise its production levels, building its inventories to meet anticipated customer needs for wheat gluten. The increased customer requirements are expected to result from the three-year import quota to create a more fair and stable competitive environment. The planned inventory buildup, together with ongoing capital improvements, has impacted short-term liquidity. The Company anticipates reducing inventory levels during the third quarter as well to meet customer needs.

Short-term liquidity was also impacted by open market purchases of 126,300 shares of the Company's common stock during the second fiscal quarter. These purchases were made pursuant to a 1997 authorization by the Company's Board of Directors to purchase up to 200,000 total shares to fund the Company's stock option plans and for other corporate purposes.

At December 31, 1998, the Company had $3.7 million committed to improvements and replacements of existing equipment.

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.

YEAR 2000 READINESS DISCLOSURE

Since 1996, the Company has recognized the need to configure its operations so that they will not be adversely impacted by internal Year 2000 software failures. New hardware and software have been acquired and installed for the core financial applications. All core financial modules, except order entry, have been tested successfully. The order entry module is in final modification and testing. The total costs incurred to date approximate $225,000. Conversion to the new system is expected to be completed during fiscal 1999. The Company expects no additional significant costs to achieve Year 2000 compliance for these applications.

Due to the stage of completion and testing of these applications, as well as the non-complexity of the systems, the Company fully anticipates that these systems will be compliant far in advance of December 31, 1999.

The Company also has surveyed its plant operations to determine which electrical and other instrumentation equipment relies on date-sensitive software and hardware. For those applications which have been identified, the Company has received bids to modify the equipment. In some cases, testing of certain equipment has already been completed. The cost to convert and test the identified processes is expected to be less than $100,000, of which $22,000 has been spent. The Company anticipates having the conversions completed and tested during fiscal 1999. Should these conversions not be completed on a timely basis, the Company should be able to produce all products without interruption except specialty and modified wheat glutens and starches.

The Company is also in the process of surveying key vendors and customers regarding their abilities to achieve Year 2000 compliance. Results of the surveys continue to indicate these companies are knowledgeable of Year 2000 issues and are in the process of complying or have already complied.

Although the Company believes that it is taking appropriate steps to address the Year 2000 readiness issue internally, there can be no assurance that its operations will not be negatively impacted in the year 2000 by the lack of Year 2000 readiness by others.

FORWARD-LOOKING STATEMENTS

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" "should," "may" 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, gasoline prices, energy costs, product pricing, competitive environment and related market conditions, operating efficiencies, access to capital, Year 2000 readiness 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 II

OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

15.1 Letter from independent public accountants pursuant to paragraph (d) of Rule 10-01 of Regulation S-X (incorporated by reference to Independent Accountants' Review Report at page 2 hereof.)

15.2 Letter from independent public accountants concerning the use of its Review Report in the Company's Registration statement No. 333-51849.

20 Letter to stockholders for the six months ended December 31, 1998.

27 Financial data schedule.

(b) Reports on Form 8-K

The Company has filed no reports on Form 8-K during the quarter ended December 31, 1998

SIGNATURES

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

MIDWEST GRAIN PRODUCTS, INC.

s/Ladd M. Seaberg

Date: February 11, 1999 By___________________________
Ladd M. Seaberg, President
and Chief Executive Officer

s/Robert G. Booe

Date: February 11, 1999 By_______________________________
Robert G. Booe, Vice President
and Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
15.1	Letter from independent public accountants pursuant to paragraph (d) of Rule 10-01 of regulation S-X (incorporated by reference to Independent Accountants' Review Report at page 2 hereof).
15.2	Letter from independent public accountants concerning the use of its Review Report in the Company's Registration Statement No. 333-51849.
20	Letter to stockholders for the six months ended December 31, 1998.
27	Financial data schedule.

Exhibit 15.2

Baird,
Kurtz &
Dobson

Certified Public Accountants
City Center Square
1100 Main Street, Suite 2700
Kansas City, MO 64105-2112
816 221-6300 Fax 816 221-6380
http://www.bkd.com
Member of Moores Rowland International

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

We are aware that our report dated January 26, 1999, on our review of the interim financial information of Midwest Grain Products, Inc. for the periods ended December 31, 1998 and 1997 is incorporated by reference in this registration statement. Pursuant to Rule 436(c) under the Securities Act of 1933, this report should not be considered a part of the registration statement prepared or certified by us within the meaning of Sections 7 and 11 of that Act.

BAIRD, KURTZ & DOBSON

January 26, 1999

February 10, 1999 Exhibit 20

Dear Stockholder:

Our results for the second quarter of fiscal 1999 showed a sizeable increase in earnings compared to the same period the prior year. We finished the quarter with net income of $1,430,000, or $0.15 per share, on sales of $53,917,000 versus net income of $107,000, or $0.01 per share, on sales of $55,847,000 for the second quarter of fiscal 1998. Our total net income for the first six months of fiscal 1999 was $2,096,000, or $0.22 per share, on sales of $105,855,000. That compares to a net loss of $128,000, or $0.01 per share, on sales of $113,470,000 that we experienced in the first six months of fiscal 1998.

The improvement in the second quarter, as well as the entire first half of fiscal 1999, primarily was due to lower prices for wheat, corn and milo, our principal raw materials. A rise in productivity, resulting mainly from increased production of vital wheat gluten, contributed to the upturn. This increase occurred as we continued to make preparations to effectively satisfy customer needs resulting from the expected reduction in imports of subsidized and artificially-priced wheat gluten from the European Union (E.U.).

As previously announced, a three-year quota on imports of foreign wheat gluten became effective on June 1, 1998. Under the quota, imports from the E.U. are limited to 54 million pounds for the 12-month period ending May 31, 1999. However, Department of Commerce data indicates that from June 1 through November 30, 1998, the E.U. had shipped approximately 26% more gluten into the U.S. than allowed for the full quota year. Although the available published data indicates that shipments from the E.U. have stopped after November, the violations have stalled the relief that the U.S. wheat gluten industry has expected during the first year of the quota. As a consequence, U.S. Customs officials are presently investigating these apparent E.U. violations, and the Office of the U.S. Trade Representative is considering the imposition of sanctions, which could provide the industry with the kind of relief intended by the quota.

Although the tilt in the playing field was not corrected in the first half of the current fiscal year, we are now experiencing indications of strengthened demand for our wheat gluten and continue to realize gradual but steady growth in sales of our specialty wheat proteins, especially in the cosmetics and personal care markets.

While our production of wheat starch underwent a modest decline compared to a year ago, sales of our value-added modified wheat starches increased as a percentage of total starch sales. This strategically planned growth in modified starch sales currently continues to build momentum.

Production of our food grade alcohol for beverage and industrial applications remained essentially consistent with levels produced during the prior year's second quarter. Selling prices fell, however, following the decline in raw material costs for grain. Prices were also affected by a flattening in demand due to the continuation of increased alcohol supplies throughout the industry. Production of our fuel grade alcohol climbed compared to a year ago. While selling prices for this product improved compared to this year's first quarter, they were down from levels experienced during last year's second quarter as the result of lower gasoline prices. Conditions in all of our alcohol markets remain unchanged at this time. As such, we continue to focus on internal methods to better optimize our distillery operations to achieve improved efficiencies.

Overall, I am pleased and encouraged by the upward direction our results have taken, and excited about our ability to maintain improved profitability going forward.

Sincerely,

s/Ladd M. Seaberg
Ladd M. Seaberg
President and CEO

<TABLE> <S> <C>

<ARTICLE> 5
<LEGEND>
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM MIDWEST GRAIN PRODUCTS, INC. CONSOLIDATED STATEMENT OF INCOME FOR THE SIX MONTHS ENDED DECEMBER 31, 1998 AND CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1998, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
</LEGEND>
<CIK> 0000835011
<NAME> MIDWEST GRAIN PRODUCTS, INC.
<MULTIPLIER> 1,000

<S>	<C>
<PERIOD-TYPE>	6-MOS
<FISCAL-YEAR-END>	JUN-30-1999
<PERIOD-START>	JUL-1-1998
<PERIOD-END>	DEC-31-1998
<CASH>	2,345
<SECURITIES>	0
<RECEIVABLES>	23,863<F1>
<ALLOWANCES>	1,285
<INVENTORY>	32,298
<CURRENT-ASSETS>	62,002
<PP&E>	221,974
<DEPRECIATION>	119,762
<TOTAL-ASSETS>	164,620
<CURRENT-LIABILITIES>	17,023
<BONDS>	26,831
<COMMON>	6,715
<PREFERRED-MANDATORY>	0
<PREFERRED>	4
<OTHER-SE>	100,121<F2>
<TOTAL-LIABILITY-AND-EQUITY>	164,620
<SALES>	105,855
<TOTAL-REVENUES>	105,855
<CGS>	95,352
<TOTAL-COSTS>	101,520<F3>
<OTHER-EXPENSES>	105<F4>
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	(1,086)
<INCOME-PRETAX>	3,464
<INCOME-TAX>	1,368
<INCOME-CONTINUING>	2,096
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	2,096
<EPS-PRIMARY>	.22
<EPS-DILUTED>	.22

<FN>
<F1> Reflects Receivables less Allowances.
<F2> Reflects retained earnings and additional paid in captial less cost of Treasury Stock.
<F3> Reflects cost of sales and selling, general & administrative expenses.
<F4> Reflects other operating income (loss)
</FN>

</TABLE>