

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 September 30, 1999 - 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
9,437,672 shares outstanding
as of November 1, 1999

INDEX

PART I. FINANCIAL INFORMATION

Page

Item 1. Financial Statements

Independent Accountants' Review Report.....	2
Condensed Consolidated Balance Sheets as of September 30, 1999 and June 30, 1999.....	3
Condensed Consolidated Statements of Income for the Three Months Ended September 30, 1999 and 1998.....	5
Condensed Consolidated Statements of Cash Flows for the Three Months Ended September 30, 1999 and 1998.....	6
Notes to Condensed Consolidated Financial Statements.....	7

Item 2. Management's Discussion and Analysis of Financial

Item 3. Quantitative and Qualitative Disclosures
About Market Risk..... 11

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders.. 12
Item 6. Exhibits and Reports on Form 8-K..... 12

[LOGO]

Baird, Kurtz & Dobson

City Center Square
1100 Main, Suite 2700
Kansas City, Missouri 64105
816 221-6300 FAX 816 221-6380
www.bkd.com

Independent Accountants' Review Report

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

We have reviewed the accompanying condensed consolidated balance sheet of MIDWEST GRAIN PRODUCTS, INC. and subsidiaries as of September 30, 1999, and the related condensed consolidated statements of income for the three month periods ended September 30, 1999 and 1998, and the related condensed consolidated statements of cash flows for the three-month periods ended September 30, 1999 and 1998. These financial statements are the responsibility of the Company's management.

We conducted our review 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 review, 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, 1999, 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 July 30, 1999, 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, 1999, 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

Member of
Moore's Rowland International

Kansas City, Missouri
October 28, 1999

Solutions for Success

(In Thousands)

<TABLE>
<CAPTION>

<S>	ASSETS	<C>	
		September 30, 1999	June 30, 1999
		(Unaudited)	
CURRENT ASSETS			
Cash and cash equivalents		\$ 1,582	\$ 4,054
Receivables		28,163	26,656
Inventories		24,598	24,450
Prepaid expenses		1,726	1,174
Deferred income taxes		3,034	3,034
Total Current Assets		59,103	59,368
PROPERTY AND EQUIPMENT, At cost		225,644	224,381
Less accumulated depreciation		129,844	126,465
		95,800	97,916
OTHER ASSETS		137	86
		\$ 155,040	\$ 157,370
		=====	=====

</TABLE>

See Accompanying Notes to Condensed Consolidated Financial
Statements and Independent Accountants' Review Report

3

MIDWEST GRAIN PRODUCTS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)

(In Thousands)

<TABLE>
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<S>	LIABILITIES AND STOCKHOLDERS' EQUITY	<C>	
		September 30, 1999	June 30, 1999
		(Unaudited)	
CURRENT LIABILITIES			
Note payable		\$ 1,000	
Current maturities of long-term debt		2,477	\$ 2,433
Accounts payable		10,096	9,129
Accrued expenses		1,952	4,296
Income taxes payable		947	457
Total Current Liabilities		16,472	16,315
LONG-TERM DEBT		18,764	21,099
POST-RETIREMENT BENEFITS		6,302	6,312

DEFERRED INCOME TAXES	8,199	8,199
<hr/>		
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	99,934	99,183
	<hr/>	<hr/>
	109,138	108,387
Treasury stock, at cost		
Common;		
September 30, 1999 - 327,500 shares	(3,835)	(2,942)
June 30, 1999 - 239,100 shares		
	<hr/>	<hr/>
	105,303	105,445
	<hr/>	<hr/>
Total liabilities and stockholders' equity	\$ 155,040	\$ 157,370
	=====	=====

</TABLE>

See Accompanying Notes to Condensed Consolidated Financial
Statements and Independent Accountants' Review Report

4

MIDWEST GRAIN PRODUCTS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

THREE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998

(Unaudited)

	<C> 1999	<C> 1998
	(in thousands)	
NET SALES	\$ 54,975	\$ 51,938
COST OF SALES	50,750	47,509
	<hr/>	<hr/>
GROSS PROFIT	4,225	4,429
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	2,680	2,906
	<hr/>	<hr/>
	1,545	1,523
OTHER OPERATING INCOME	20	41
	<hr/>	<hr/>
INCOME FROM OPERATIONS	1,565	1,564
OTHER INCOME (LOSS) NET		
Interest	(389)	(525)
Other	65	62
	<hr/>	<hr/>
INCOME BEFORE INCOME TAXES	1,241	1,101
PROVISION FOR INCOME TAXES	490	435
	<hr/>	<hr/>
NET INCOME	\$ 751	\$ 666
	=====	=====
EARNINGS PER COMMON SHARE	\$ 0.08	\$ 0.07
	=====	=====

</TABLE>

MIDWEST GRAIN PRODUCTS, INC.

CONDENSED CONSOLIDATED STATEMENTS CASH FLOWS

THREE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998

(Unaudited)

<u><TABLE></u>	<u><C></u>	<u><C></u>
<u><S> <C> <C></u>	<u>1998</u>	<u>1997</u>
	(in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 751	\$ 666
Items not requiring (providing) cash:		
Depreciation	3,379	3,398
Gain on sale of equipment		(3)
Changes in:		
Accounts receivable	(1,507)	1,865
Inventories	(148)	(5,667)
Prepaid expenses	(552)	(587)
Accounts payable	1,118	(1,454)
Accrued expenses	(2,344)	(1,290)
Income taxes payable	490	436
Other	(61)	
Net cash provided by (used in) operating activities	1,126	(2,636)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(1,259)	(1,499)
Proceeds from sale of equipment		5
Net cash used in investing activities	(1,259)	(1,494)
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of treasury stock	(1,048)	
Advances on notes payable	1,000	2,000
Payments on of long-term debt	(2,291)	(2,289)
Net cash used in financing activities	(2,339)	(289)
DECREASE IN CASH AND CASH EQUIVALENTS	(2,472)	(4,419)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	4,054	4,723
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 1,582	\$ 304

</TABLE>

MIDWEST GRAIN PRODUCTS, INC.

NOTE TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED SEPTEMBER 30, 1999

(Unaudited)

NOTE: 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 September 30, 1999, and the condensed consolidated results of its operations and its cash flows for the periods ended September 30, 1999 and 1998, and are of a normal recurring nature.

See Independent Accountants Review Report

7

MIDWEST GRAIN PRODUCTS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THREE MONTHS ENDED SEPTEMBER 30, 1999

RESULTS OF OPERATIONS

General

The Company's net income of \$751,000 in the first quarter of fiscal 2000 represented an increase compared to the net income of \$666,000 that was experienced in the first quarter of fiscal 1999. The increase was principally due to the effects of heightened demand for the Company's vital wheat gluten and specialty and modified wheat proteins and wheat starches, together with lower raw material costs for grain. 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. To improve alcohol production efficiencies long-term, the Company is proceeding with plans to install new distillation equipment at its Atchison plant. The project is scheduled for completion by the end of fiscal 2000 and is expected to further enhance the Company's high quality food grade alcohol.

The realization of even greater demand for wheat gluten in the first quarter was prevented by a huge surge of gluten imports from the European Union (E.U.) just before the start of the quarter. During the month of June 1999, which marked the opening of the second year of a three-year annual quota on imports of foreign gluten, the E.U.'s entire second year allocation of 45 million pounds entered the United States market. This situation reduced the Company's potential to increase gluten sales at a more accelerated rate in the first quarter. However, conditions allowing the Company to build a greater presence in the gluten market during much of the remainder of fiscal 2000 should materialize. In addition, the Company expects to realize continued growth in sales of its specialty wheat proteins, which are derived from wheat gluten and marketed for use in a variety of value-added food and non-food applications.

First quarter sales of wheat starch were boosted largely by heightened demand for the Company's modified and specialty starches. To further serve customers' requirements for these unique ingredients, the Company has just completed the installation of additional production capacity in Atchison.

Sales

Net sales in the first quarter of fiscal 2000 increased by approximately \$3.0 million compared to net sales in the first quarter of fiscal 1999. The increase resulted from higher sales of fuel grade alcohol, vital wheat gluten and premium wheat starch. The rise in fuel grade alcohol sales occurred as the result of a significant jump in unit sales 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. 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, also dropped below sales a year ago. This was due to both lower selling prices and lower unit sales.

The increase in wheat gluten sales in the first quarter occurred as the result of higher unit sales of vital wheat gluten and specialty wheat proteins together with a modest improvement in selling prices.

8

MIDWEST GRAIN PRODUCTS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THREE MONTHS ENDED SEPTEMBER 30, 1999

Sales of wheat starch increased as the result of higher unit sales, while selling prices for this product remained essentially unchanged compared to the first quarter of fiscal 1999.

Cost of Sales

The cost of sales in the first quarter of fiscal 2000 increased by approximately \$3.2 million compared to cost of sales in the first quarter of fiscal 1999. This occurred principally as a result of higher energy and manufacturing costs associated with increased volume sales, largely of alcohol and wheat gluten. The cost increase was partially offset by lower raw material 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 the first quarter of fiscal 2000, raw material costs included a net hedging loss of \$674,000 on contracts settled during the quarter compared to a net hedging loss of \$1,036,000 for the first quarter of fiscal 1999.

Selling, General and Administrative Expenses

Selling, general and administrative expenses in the first quarter of fiscal 2000 decreased by approximately \$227,000 below selling, general and administrative expenses in the first quarter of fiscal 1999. The decrease was due largely to a reduction in expenses related to bad debt, more than offsetting increased costs related to research and marketing activities to strengthen the Company's development and sales of value-added specialty products made from wheat.

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 \$751,000 in the first quarter of fiscal 2000 compared to a net income of \$666,000 in the first quarter of fiscal 1999.

9

MIDWEST GRAIN PRODUCTS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THREE MONTHS ENDED SEPTEMBER 30, 1999

LIQUIDITY AND CAPITAL RESOURCES

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

	September 30, 1999	June 30, 1999
Cash and cash equivalents	\$ 1,582	\$ 4,054
Working capital	42,631	43,053
Amounts available under lines of credit	32,000	33,000
Notes payable and long-term debt	22,241	23,532
Stockholders' equity	105,303	105,445

Short-term liquidity continues to be impacted by the high inventory requirements to meet anticipated customer needs for wheat gluten. As expected, the increased

customer requirements result from the three-year import quota to create a more fair and stable competitive environment. The Company anticipates maintaining this high level to satisfy customer needs throughout fiscal 2000. Additionally, alcohol inventories are also high due to excess supplies throughout the industry.

Short-term liquidity was also impacted by open market purchases of 88,400 shares of the Company's common stock. These purchases were made to fund the Company's stock option plans and for other corporate purposes.

At September 30, 1999, the Company had \$7.7 million committed to improvements in production efficiencies and replacements of existing equipment, which includes the equipment described in the first and third paragraphs on page 8.

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 have been tested successfully, installed and are currently in use. The total costs incurred approximated \$225,000.

10

MIDWEST GRAIN PRODUCTS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THREE MONTHS ENDED SEPTEMBER 30, 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 modified and tested the equipment. The external cost to convert and test the identified processes was less than \$100,000.

The Company has also surveyed key vendors and customers regarding their abilities to achieve Year 2000 compliance. Results of the surveys indicated 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. Additional actions that may be required cannot presently be anticipated.

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.

Item 3. Quantitative and Qualitative Disclosures About 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. The information regarding inventories and futures contracts at June 30, 1999, as presented in the annual report, is not significantly different from September 30, 1999.

11

PART II
OTHER INFORMATION

Item 4 Submission of Matters to a Vote of Security Holders

The annual meeting of stockholders of the Company was held on October 13, 1999. The following actions were taken at the meeting:

Michael R. Haverty was elected to the office of Group A Director for a term expiring in 2002 with 8,327,134 votes for his election and nominal votes withheld.

Randall M. Schrick was elected to the office of Group B Director for a term expiring in 2002 with 409 votes for his election and no votes withheld.

Laidacker M. Seaberg was elected to the office of Group B Director for a term expiring in 2002 with 409 votes for his election and no votes withheld.

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.

27 Financial Data Schedule for the quarter ending September 30, 1999.

99 Press Release dated November 10, 1999.

(b) Reports on Form 8-K

The Company has filed no reports on Form 8-K during the quarter ended September 30, 1999.

12

SIGNATURES

Pursuant to the requirements on 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.

Date: November 11, 1999

By S/ Ladd M. Seaberg
Ladd M. Seaberg, President
and Chief Executive Officer

Date: November 11, 1999

By S/ Robert G. Booe
Robert G. Booe, Vice President
and Chief Financial Officer

13

EXHIBIT INDEX

Exhibit No.	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.

27 Financial Data Schedule for the quarter ending September 30, 1999.

99 Press Release dated November 10, 1999.

[LOGO]

Baird, Kurtz & Dobson

City Center Square
1100 Main, Suite 2700
Kansas City, Missouri 64105
816 221-6300 FAX 816 221-6380
www.bkd.com

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

We are aware that our report dated October 28, 1999 on our review of the interim financial information of Midwest Grain Products, Inc. for the periods ended September 30, 1999 and 1998 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 part of the registration statement prepared or certified by us within the meaning of Sections 7 and 11 of that Act.

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

Member of
Moores Rowland International

Kansas City, Missouri
October 28, 1999

Solutions for Success

<TABLE> <S> <C>

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<LEGEND>

Exhibit 27

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM
MIDWEST GRAIN PRODUCTS, INC. CONSOLIDATED STATEMENT OF INCOME FOR
THE THREE MONTHS ENDED SEPTEMBER 30, 1998 AND CONSOLIDATED BALANCE
SHEET AS AT SEPTEMBER 30, 1998, AND IS QUALIFIED IN ITS ENTIRETY BY
REFERENCE TO SUCH FINANCIAL STATEMENTS.

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<CIK> 0000835011

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<MULTIPLIER> 1,000

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<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.

</FN>

</TABLE>

FOR IMMEDIATE RELEASE: MIDWEST GRAIN SHOWS FIRST QUARTER EARNINGS INCREASE

ATCHISON, Kan., November 10, 1999--Results released today by Midwest Grain Products, Inc. show that the company's earnings for the first quarter of fiscal 2000 rose slightly above the same period the prior year and were up substantially over the fourth quarter of fiscal 1999.

The company had net income of \$751,000, or 8 cents per share, on sales of \$54,975,000 for the current year's first quarter, which ended Sept. 30. That compares to last year's first quarter net income of \$666,000, or 7 cents per share, on sales of \$51,938,000, and marks a sizeable turnaround compared to the net loss of \$1,059,000 that was incurred in the final quarter of fiscal 1999.

"While our profitability in this year's first quarter was just above the level we reached during the same period a year ago, we have come a long way since the start of fiscal 2000," said Ladd Seaberg, president and chief executive officer. "Furthermore," he added, "we currently are experiencing strong indications of more significant improvements to our bottom line, principally as the result of increased growth in our specialty and modified wheat starch and wheat protein markets, together with improved operational efficiencies."

The increase in first quarter earnings compared to a year ago resulted principally from the effects of increased demand for the company's vital wheat gluten, specialty wheat proteins and wheat starches combined with lower raw material costs for grain, according to Seaberg. These factors partially offset the impact of reduced selling prices for the company's alcohol products, a situation resulting from the continuation of excess supplies throughout the industry, he noted.

"The realization of even greater demand for our wheat gluten in the first quarter was prevented by a huge wave of gluten imports from the European Union (E.U.) just prior to the start of the quarter," Seaberg said. He explained that during the month of June, 1999, which marked the opening of the second year of a three-year annual quota on imports of foreign gluten, the E.U.'s entire allocation of 45 million pounds entered the United States market. "This lowered our potential to increase gluten sales more rapidly in the first quarter," he said. "However, conditions allowing us to strengthen our presence in the gluten market during much of the remainder of fiscal 2000 should materialize," he added.

Seaberg reiterated that the company also expects to realize continued growth in sales of its specialty wheat proteins and specialty and modified wheat starches, which are produced and marketed for use in a variety of value-added food and non-food applications. The company currently is completing the installation of additional equipment at its Atchison, Kansas plant to increase wheat starch production capacity. Work is also underway at the Atchison plant to enhance the company's alcohol distillation process and further improve alcohol production cost efficiencies. This project is expected to be completed by the end of fiscal 2000.

This release 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 marketing 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.

###