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, 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
9,000,572 shares outstanding
as of February 1, 2000.

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[LOGO]

Baird, Kurtz & Dobson

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Kansas City, Missouri 64105
816 221-6300 FAX 816 221-6380
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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, 1999, and the related condensed consolidated statements of income for the three month and six month periods ended December 31, 1999 and 1998, and the related condensed consolidated statements of cash flows for the six month periods ended December 31, 1999 and 1998. 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, 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
Moores Rowland International

Kansas City, Missouri
January 26, 2000

Solutions for Success

MIDWEST GRAIN PRODUCTS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In Thousands)

ASSETS

	December 31, 1999 (Unaudited)	June 30, 1999
CURRENT ASSETS		
Cash and cash equivalents	$ 3,303	$ 4,054
Receivables	29,500	26,656
Inventories	22,365	24,450
Prepaid expenses	1,941	1,174
Deferred income taxes	3,034	3,034
Total Current Assets	60,143	59,368
PROPERTY AND EQUIPMENT, (At Cost)	227,247	224,381
Less accumulated depreciation	133,059	126,465
	94,188	97,916
OTHER ASSETS	137	86
TOTAL ASSETS	$ 154,468	$ 157,370

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

MIDWEST GRAIN PRODUCTS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)

(In Thousands)
LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31, 1999 (Unaudited)	June 30, 1999
CURRENT LIABILITIES		
Current maturities of long-term debt	$ 2,357	$ 2,433
Accounts payable	10,617	9,129
Accrued expenses	3,267	4,296
Income taxes payable	1,942	457
Total Current Liabilities	18,183	16,315
LONG-TERM DEBT	18,681	21,099
POST-RETIREMENT BENEFITS	6,294	6,312
DEFERRED INCOME TAXES	8,199	8,199
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	101,497	99,183
	110,701	108,387
Treasury stock, at cost		
Common; December 31, 1999 - 764,600 shares June 30, 1999 - 239,100		

shares	(7,590)	(2,942)
Total Stockholders' Equity	103,111	105,445
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 154,468	$ 157,370

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

MIDWEST GRAIN PRODUCTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In Thousands)

THREE MONTHS AND SIX MONTHS ENDED DECEMBER 31, 1999 AND 1998

(Unaudited)

<TABLE>
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	Three Months		Six Months	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
NET SALES	$59,962	$53,917	$114,937	$ 105,855
COST OF SALES	54,007	47,843	104,757	95,352
GROSS PROFIT	5,955	6,074	10,180	10,503
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	3,001	3,262	5,681	6,168
	2,954	2,812	4,499	4,335
OTHER OPERATING INCOME	24	64	44	105
INCOME FROM OPERATIONS	2,978	2,876	4,543	4,440
OTHER INCOME (LOSS)				
Interest	(372)	(561)	(761)	(1,086)
Other	(23)	48	42	110
INCOME BEFORE INCOME TAXES	2,583	2,363	3,824	3,464
PROVISION FOR INCOME TAXES	1,020	933	1,510	1,368
NET INCOME	$ 1,563	$ 1,430	$ 2,314	$ 2,096
EARNINGS PER COMMON SHARE	$ .17	$ .15	$ .25	$ .22

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

MIDWEST GRAIN PRODUCTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
SIX MONTHS ENDED DECEMBER 31, 1999 AND 1998
(Unaudited)

	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 2,314	$ 2,096
Items not requiring (providing) cash:		
Depreciation	6,743	6,801
Gain on sale of equipment	3	(3)
Changes in:		
Accounts receivable	(2,844)	2,506
Inventories	2,085	(11,868)
Prepaid expenses and other assets	(818)	(394)
Accounts payable	1,500	1,273
Accrued expenses	(1,047)	(817)
Income taxes receivable/payable	1,485	2,820
Net cash provided by operating activities	9,421	2,414
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(3,036)	(3,424)
Proceeds from sale of equipment	6	5
Net cash used in investing activities	(3,030)	(3,419)
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of treasury stock	(4,648)	(1,581)
Net payments on long-term debt	(2,494)	(2,292)
Net proceeds from notes payable		2,500
Net cash used in financing activities	(7,142)	(1,373)
DECREASE IN CASH AND CASH EQUIVALENTS	(751)	(2,378)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	4,054	4,723
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 3,303	$ 2,345

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

MIDWEST GRAIN PRODUCTS, INC.
NOTE TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED DECEMBER 31, 1999

(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, 1999, and the condensed consolidated results of its operations and its cash flows for the periods ended December 31, 1999 and 1998, and are of a normal recurring nature.

See Independent Accountants' Review Report

MIDWEST GRAIN PRODUCTS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
THREE MONTHS AND SIX MONTHS ENDED DECEMBER 31, 1999

Item 2.
RESULTS OF OPERATIONS

General

The Company's net income of $1,563,000 in the second quarter of fiscal 2000 represented an increase compared to the net income of $1,430,000 that was experienced in the second 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 both the second and first quarters was prevented mainly 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 six months of fiscal 2000. However, conditions allowing the Company to build a greater presence in the gluten market during the latter half 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.

Second 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 recently completed the installation of additional production capacity at its Atchison plant.

Sales

Net sales in the second quarter of fiscal 2000 increased by slightly more than $6.0 million above net sales in the second quarter of fiscal 1999. The increase resulted principally from higher sales of wheat gluten and premium wheat starch.

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

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

Sales (Continued)

Alcohol sales were just slightly above the level reached a year ago as growth in unit sales were largely offset by lower selling prices for fuel grade alcohol and food grade alcohol for beverage applications. The decline in alcohol selling prices was due to reduced demand caused mainly by the continuation of excess supplies throughout the industry. While fuel grade alcohol selling prices have recently begun an upturn, the Company does not expect to experience the possibility of any noticeable impact from this situation until the final quarter of fiscal 2000. Sales of distillers feed, the principal by-product of the alcohol production process, dropped below sales a year ago. This was due to lower unit sales as the selling price was approximately even with the same period the prior year.

Net sales for the first six months of fiscal 2000 increased by approximately $9.1 million above net sales for the first six months of fiscal 1999. The majority of this increase occurred in the second quarter for the reasons cited above.

Cost of Sales

The cost of sales in the second quarter of fiscal 2000 increased by approximately $6.2 million compared to cost of sales in the second quarter of fiscal 1999. This occurred principally as the result of 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.

The cost of sales for the first six months of fiscal 2000 rose by approximately $9.4 million above the cost of sales for the first six months of the prior year. This was due to the increase in energy and manufacturing costs discussed 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 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 second quarter of fiscal 2000, raw material costs included a net hedging loss of $530,000 on contracts settled during the quarter compared to $1,037,000 for the second quarter of fiscal 1999. For the first six months of fiscal 2000, raw material costs included a net hedging loss of $1,204,000 on contracts compared to $2,073,000 for the first six months the prior year.

Selling, General and Administrative Expenses

Selling, general and administrative expenses in the second quarter of fiscal 2000 decreased by slightly more than $260,000 below selling, general and administrative expenses in the second 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. These same factors resulted in a reduction of approximately $487,000 in selling, general and administrative costs for the first six months of fiscal 2000 compared to the first six months of fiscal 1999.

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 $1,563,000 in the second quarter of fiscal 2000 compared to net income of $1,430,000 in the first quarter of fiscal 1999. For the first six months of fiscal 2000, the Company had net income of $2,314,000 versus net income of $2,096,000 for the first six months of fiscal 1999.

LIQUIDITY AND CAPITAL RESOURCES

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

	December 31, 1999	June 30, 1999
	(in thousands)	
Cash and cash equivalents	$ 3,303	$ 4,054
Working capital	41,960	43,053
Amounts available under lines of credit	23,000	33,000
Notes payable and long-term debt	21,038	23,532
Stockholders= equity	103,111	105,445

Short-term liquidity continues to be impacted by the high inventory requirements to meet anticipated customer needs for wheat gluten. While still at high levels, gluten inventories have moderated somewhat during the second quarter due to higher sales volumes and lower costs. 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, high alcohol inventories have declined somewhat as sales have exceeded production, but excess supplies still exist throughout the industry.

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Short-term liquidity was also impacted by open market purchases of 525,500 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 December 31, 1999, the Company had $7.0 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

The Company successfully implemented its internal Year 2000 Readiness Plan prior to December 31, 1999, and has experienced no material failures or interruptions since that date. It also does not expect any material internal Year 2000 readiness failures to occur in the future. The Company is also not aware of any significant Year 2000 readiness failures that have been experienced by any third party with which the Company deals.

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" 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.

MIDWEST GRAIN PRODUCTS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
THREE MONTHS AND SIX MONTHS ENDED DECEMBER 31, 1999

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 December 31, 1999.

MIDWEST GRAIN PRODUCTS, INC.

PART II

OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

4.1 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. This exhibit supercedes exhibit 4(c) to the Company's form 10-K for the year ended June 30, 1999.

4.2 Copy of Line of Credit Note Under Sixth Amended Line of Credit Loan Agreement. This exhibit supercedes exhibit 4(d) to the Company's form

10-K for the year ended June 30, 1999.

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 December 31, 1999

99 Press Release dated February 7, 2000 (w/o financial statements).

(b) Reports on Form 8-K

The Company has filed no reports on Form 8-K during the quarter ended December 31, 1999.

MIDWEST GRAIN PRODUCTS, INC.

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, 2000 By

Ladd M. Seaberg, President
and Chief Executive Officer

s/Robert G. Booe

Date: February 11, 2000 By

Robert G. Booe, Vice President
and Chief Financial Officer

EXHIBIT INDEX

Exhibit No	Description
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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 December 31, 1999
99	Press Release dated February 7, 2000 (w/o financial statements).

Exhibit 4.1

SIXTH AMENDED LINE OF CREDIT LOAN AGREEMENT

THIS SIXTH AMENDED LINE OF CREDIT LOAN AGREEMENT (the "Agreement"), executed as of this 20th day of December, 1999, by and between MIDWEST GRAIN PRODUCTS, INC., a corporation organized under the laws of the state of Kansas and having its principal place of business in Atchison, Kansas ("Borrower"), and Commerce Bank, N.A., a national banking association, having its principal place of business in Kansas City, Missouri ("Bank").

WHEREAS, Borrower desires to establish a line of credit with Bank to provide working capital; and

WHEREAS, Bank desires to extend such line of credit upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual agreements contained in this Agreement, the parties agree as follows:

ARTICLE I
Line of Credit

Section 1.1. General Terms. Subject to the terms of this Agreement, Bank will lend Borrower, from time to time, until the termination hereof, such sums as Borrower may request, in minimum increments of $100,000, which shall not exceed in the aggregate principal amount at any one time outstanding the sum of Twenty Million and no/100 Dollars ($20,000,000.00) (the "Line of Credit Loan").

Bank's obligation to lend hereunder may be terminated by Bank at any time in Bank's sole discretion, or if no such termination is made, then on November 1, 2001. Each advance under the Line of Credit Loan is at the option of Bank and Bank has no obligation to make advances. In addition this Agreement shall be deemed to automatically terminate if the occurrence of an event pursuant to Section 4.1 causes the Line of Credit Note to become immediately due and payable. The inclusion of monthly interest payments, events of default and an alternate maturity date does not alter the discretionary nature of the line of credit.

Section 1.2. Commitment Fee. Borrower shall pay a fee equal to 1/4% per annum on the unused portion of the Line of Credit Loan. Such fee shall be paid quarterly in arrears.

Section 1.3. Note. Borrower agrees to execute and deliver to Bank the Line of Credit Note to evidence the Line of Credit Loan. Each advance made thereunder, together with each repayment made by Borrower, shall be evidenced by a notation dated the date of the advance or repayment and recorded by Bank on the schedule appearing on the reverse side of or attached to the Line of Credit Note. The

aggregate unpaid principal amount of the Line of Credit Note set forth on the schedule shall be conclusively presumed to reflect the amounts advanced and repaid, and the outstanding principal balance of the Line of Credit Loan.

Section 1.4. Principal Payment. In the event of a default as defined in Section 4.1 or on November 1, 2001, the principal balance of the Line of Credit Note together with all accrued interest shall become immediately due and payable.

Section 1.5. Interest. If the outstanding balance is less than $500,000, the line of credit shall bear interest at a per annum rate equal to the Prime Rate. If the outstanding balance is $500,000 or greater, the line of credit shall bear interest at the greater of either (1) the Prime Rate, minus 1%, or (2) the Federal Funds Rate plus 1.50%. Interest will be payable monthly, in arrears, and at maturity, whether by acceleration or otherwise. Interest will be computed on the actual days outstanding based upon a year consisting of 360 days.

"Prime Rate" means the Prime Rate of interest established from time to time by Bank and designated as such for its internal convenience, and no representation is made that the Prime Rate is the best, the lowest or a favored rate of interest. The rate of interest, if tied to the Prime Rate, shall change with and be effective on the date of each change in the Prime Rate.

"Federal Funds Rate" means the effective Federal Funds Rate as quoted by the Federal Reserve Bank of New York on a daily basis. The Federal Funds Rate is adjusted daily.

Section 1.6. Purpose. Borrower represents the purpose of the Line of Credit Loan is to provide short term working capital.

Section 1.7. Disbursements. Bank will credit the proceeds of any borrowing hereunder to Borrower's deposit account maintained with Bank.

Section 1.8. Condition of Loans. Any advance under the Line of Credit Note is subject to the condition precedent that no event of default described in Section 4.1 shall have occurred, and that the Line of Credit has not been terminated. Each request for a borrowing under the Line of Credit Note shall be deemed to constitute a representation by Borrower at the time of the request that no event of default as defined in Section 4.1 exists or is imminent and that the representations and warranties of Borrower contained in this Agreement are true in all material respects on or as of the date of borrowing.

ARTICLE II
Warranties and Representations

Section 2.1. Good Standing. The Borrower is a corporation duly organized and in good standing, under the laws of the state of Kansas, and has the power to own its property and to carry on its business and is in good standing in each jurisdiction in which the character of the properties owned by it or in which

the transaction of its business makes such qualifications necessary.

Section 2.2. Authority. The Borrower has full power and authority to enter into this Agreement, to make the borrowing hereunder, and to execute and deliver the Line of Credit Note, all of which has been duly authorized by all proper and necessary corporate action. No consent or approval of stockholders is required as a condition to the validity of this Agreement or the Line of Credit Loan.

Section 2.3. Binding Agreement. This Agreement constitutes, and the Line of Credit Note when issued and delivered pursuant hereto, for value received, will constitute, the valid and legally binding obligations of the Borrower in accordance with all stated terms.

Section 2.4. Litigation. There are no proceedings pending, or, so far as the officers of the Borrower know threatened, which will materially adversely affect the financial condition or operations of the Borrower or any subsidiary.

Section 2.5. No Conflicting Agreements. There are no charter, bylaw, or preference stock provisions of the Borrower and no provision of any existing mortgage, indenture, contract or agreement binding on the Borrower or affecting its property, which would conflict with or in any way prevent the execution, delivery, or carrying out of the terms of this Agreement and of the Line of Credit Note.

Section 2.6. Taxes. The Borrower has filed all Federal, State and other tax and similar returns and has paid or provided for the payment of all taxes and assessments due thereunder including, without limitation, all withholding, FICA and franchise taxes.

Section 2.7. Financial Statements. There have been no material changes in the Borrower's financial statements dated June 30, 1999.

ARTICLE III
Covenants

So long as this Agreement remains in effect or as long as there is any principal or interest due on the Line of Credit Note, Borrower agrees as follows:

Section 3.1. Comply with all Company Covenants as defined and contained in Section 5 of the Note Agreement dated as of August 1, 1993, between Borrower and the Principal Mutual Life Insurance Company (the "Principal Agreement") including, but not limited to, the following:

(a) Current Ratio. Maintain a Current Ratio of not less than 1.50 to 1.00.

(b) Consolidated Tangible Net Worth. Maintain Consolidated Tangible Net Worth at an amount not less than THE GREATER OF (i) $81,631,000 or (ii) the sum of $81,631,000 plus 50% of Consolidated Net Income for the period from and after September 30, 1999 to the date of determination thereof (considered as a single accounting period).

(c) Funded Debt. Not permit Consolidated Funded Debt to exceed 60% of total capitalization.

(d) Debt/Worth. Maintain a ratio of Debt to Tangible Net Worth of not more than 2.50 to 1.00.

(e) Fixed Charges Coverage Ratio. Maintain at the end of each fiscal quarter a ratio of Net Income Available for Fixed Charges to Fixed Charges for the 4 consecutive quarters then ending of not less than 1.50 to 1.00.

The Company Covenants shall survive any amendment, modification or termination of the Principal Agreement.

Section 3.2 Taxes, etc. Promptly pay all taxes, assessments and other government charges (unless such payments are being contested in good faith).

Section 3.3 Insurance. Maintain insurance on all its properties in such amounts and against such hazards as is customary in Borrower's industry.

Section 3.4 Books and Records. Maintain its books and records and account for financial transactions in accordance with generally accepted accounting principals.

Section 3.5 Financial Reporting. Borrower shall furnish Bank with the following information:

(a) Its annual audited financial statement within 90 days of its fiscal year-end, in a form and prepared by a certified public accounting firm acceptable to Bank;

(b) Its quarterly financial statements within 45 days after the end of each quarter; and

(c) Such other information as Bank may reasonably request from time to time.

Section 3.6 Notification. Notify Bank immediately if it becomes aware of the occurrence of any Event of Default (as defined under Section 4.1 hereof) or of any fact, condition, or event that, only with the giving of notice or passage of time or both, would become an Event of Default, or if it becomes aware of a material adverse change in the business prospects, financial condition (including, without limitation, proceedings in bankruptcy, insolvency,

reorganization, or the appointment of a receiver or trustee), or results of operations of Company, or the failure of Company to observe any of its undertakings under this Agreement of any other note or agreement binding on Borrower including, but not limited to, the Principal Agreement.

ARTICLE IV
Defaults

Section 4.1. Events of Default. The entire unpaid balance of the Line of Credit Note shall become immediately due and payable without demand, presentment, notice or protest of any kind (all of which are expressly waived), upon the happening of any of the following events of default:

(a) Nonpayment of any interest or any principal payment owing under the Line of Credit Note whether at maturity or otherwise; or

(b) If any certificate, statement, representation, warranty or audit furnished by or on behalf of the Borrower in connection with this Agreement, including those contained herein, or as an inducement by Borrower to enter into, modify, extend, or renew this Agreement shall prove to be false in any material respect, or if Borrower shall have omitted the listing of a substantial contingent or unliquidated liability or claim against Borrower or, if on the date of execution of this Agreement there shall have been any materially adverse change in any of the facts disclosed by any such certificate, statement, representation, warranty or audit, which change shall not have been disclosed by Borrower to Bank at or prior to the time of execution; or

(c) If Borrower shall default in the due performance or observance of any covenant undertaken by it under this Agreement; or

(d) Default in the performance of the obligations of Borrower pursuant to any other note or agreement binding on Borrower including, but not limited to, the Principal Agreement; or

(e) Borrower shall be adjudicated a bankrupt, or make a general assignment for the benefit of its creditors, or there are instituted by or against Borrower any type of bankruptcy proceedings or any proceeding for the liquidation or the termination of Borrower's affairs, or the appointment of a receiver or trustee for Borrower or for any of Borrower's assets, or a properly filed petition for Borrower's reorganization under the Bankruptcy Code or otherwise is approved, or Borrower files a petition for arrangement under Chapter 11 of the Bankruptcy Code or any similar statute.

(f) Any judgment or judgments, writ or writs, or warrant or warrants of attachment, or any similar process or processes shall be entered or filed against the Borrower or any Subsidiary or against any

of their respective property or assets and remain unstayed and undischarged for a period of 60 days from the date of its entry.

Section 4.2. Remedies. If any event of default occurs, Bank may resort to any remedy existing at law or in equity for the collection of the Line of Credit Note and enforcement of the covenants and provisions of this Agreement. Bank's resort to any remedy shall not prevent the concurrent or subsequent employment of any other remedy.

Section 4.3. Waiver. Any waiver of an event of default by Bank shall not extend to or affect any subsequent default. No failure or delay by Bank in exercising any right hereunder shall operate as a waiver nor shall any single or partial exercise of any right preclude any other right hereunder.

ARTICLE V
Miscellaneous

Section 5.1. Amendments. This Agreement may be amended or modified in whole or in part at anytime, if in writing and signed by the parties. Bank may further consent in writing, or give written waiver to any covenant or event which might otherwise create a default.

Section 5.2. Delay, Waiver. No omission or delay on the part of Bank in exercising any right, power, or privilege hereunder shall impair or operate as a waiver thereof, nor shall any single or partial exercise or any right, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. No waiver by Bank will be valid unless in writing and signed by Bank and then only to the extent specified therein. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which Bank would otherwise have.

Section 5.3. Bank. Whenever in this Agreement reference is made to the Bank, such term shall be deemed for the purpose of benefits, powers, and privileges hereunder to include any firm, person, or corporation who may be the holder from time to time of the Note issued hereunder or a participation therein.

Section 5.4. Governing Law. This Agreement and the Line of Credit Note shall be construed and interpreted in accordance with the laws of the State of Missouri.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first above written.

ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT, INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT, ARE NOT ENFORCEABLE. TO PROTECT YOU (BORROWER) AND US (CREDITOR) FROM

MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US EXCEPT AS WE MAY LATER AGREE IN WRITING.

MIDWEST GRAIN PRODUCTS, INC.	COMMERCE BANK, N.A.
By: s/Ladd M. Seaberg____________	By: s/Frederick J. Marston__________
Title: President - CEO____________	Title: VP__________________________
By: s/Robert G. Booe________________	
Title: VP-CFO_____________________	

Exhibit 4.2

LINE OF CREDIT NOTE

$20,000,000 December 20, 1999

FOR VALUE RECEIVED, the undersigned, MIDWEST GRAIN PRODUCTS, INC., a Kansas corporation ("Borrower") hereby promises to pay to the order of Commerce Bank, N.A. ("Bank") at its offices in Kansas City, Missouri, the aggregate unpaid principal amount and accrued interest of all borrowings hereunder. The aggregate unpaid principal amount shall also become immediately due and payable, without demand or further action on the part of Bank upon the occurrence of an event of default as set forth in Section 4.1 of the Sixth Amended Line of Credit Loan Agreement, as amended, dated as of December 20, 1999 (the 'Agreement").

Interest on this note shall be calculated on the actual number of days on the basis of a year of 360 days. If the outstanding balance is less than $500,000, the line of credit shall bear interest at a per annum rate equal to the Prime Rate. If the outstanding balance is $500,000 or greater, the line of credit shall bear interest at the greater of either (1) the Prime Rate, minus 1 %, or (2) the Federal Funds Rate plus 1.50%.

Interest will be payable monthly, in arrears, and at maturity, whether by acceleration or otherwise, beginning January 1, 2000, and on the first day of each month thereafter. Interest will be computed on the actual days outstanding based upon a year consisting of 360 days. If any interest payment on this note shall become due and payable on a day which is not a business day of Bank, payment shall be made on the next succeeding business day of Bank.

"Prime Rate" means the Prime Rate of interest established from time to time by Commerce Bank and designated as such for its internal convenience, and no representation is made that the Prime Rate is the best, the lowest or a favored rate of interest. The rate of interest, if tied to the Prime Rate, shall change with and be effective on the date of each change in the Prime Rate.

"Federal Funds Rate" means the effective Federal Funds Rate as quoted by the Federal Reserve Bank of New York on a daily basis. The Federal Funds Rate is adjusted daily.

So long as the Agreement has not been terminated, Borrower may, from the date of this note through November 1, 2001 borrow, repay and reborrow sums, at any one time outstanding, not to exceed $20,000,000. All advances and repayments hereunder shall be endorsed on the reverse hereof (or an attached schedule) by the Bank or holder, and between the undersigned and Bank, such endorsements and the balances derived from such endorsements shall be conclusively presumed to reflect the amounts advanced and repaid hereunder and the then outstanding and unpaid balance of sums advanced or readvanced hereunder.

The undersigned hereby waives presentment, protest, demand and notice of dishonor or default.

This note is issued pursuant to the terms of the Agreement, to which Agreement, and any amendments thereto, reference is hereby made for a statement of the terms and conditions under which this borrowing was made, and is to be repaid.

MIDWEST GRAIN PRODUCTS, INC.

By: S/Ladd M. Seaberg______________

Title: _President - CEO____________

By: S/Robert G. Booe_______________

Title: _VP-CFO_____________________

Exhibit 15.2

[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 January 26, 2000 on our review of the interim financial information of Midwest Grain Products, Inc. for the periods ended December 31, 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
January 26, 2000

Solutions for Success

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Exhibit 27

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM MIDWEST GRAIN PRODUCTS, INC. CONSOLIDATED STATEMENT OF INCOME FOR THE SIX MONTHS ENDED DECEMBER 31, 1999 AND CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1999, 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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Exhibit 99

[LOGO and Letterhead for Midwest Grain Products, Inc.] PRESS RELEASE

FOR IMMEDIATE RELEASE: MIDWEST GRAIN POSTS SECOND QUARTER EARNINGS INCREASE

ATCHISON, Kan., February 7, 2000--Ladd Seaberg, president and chief executive officer of Midwest Grain Products, Inc., announced today that results for the company's second quarter of fiscal 2000 moved ahead of results for the same period the prior year.

The company's net income for the quarter, which ended Dec. 31, 1999, was $1,563,000, or 17 cents per share, on sales of $59,962,000. That compares to net income of $1,430,000, or 15 cents per share, on sales of $53,917,000 that Midwest Grain experienced in the second quarter of fiscal 1999.

For the first six months of fiscal 2000, the company had net income of $2,314,000, or 25 cents per share, on sales of $114,937,000, compared to net income of $2,096,000, or 22 cents per share, on sales of $105,855,000 for the first six months of fiscal 1999.

Seaberg attributed the second quarter earnings improvement to the effects of heightened demand for the company's wheat gluten, specialty wheat proteins and wheat starches combined with lower raw material costs for grain. "The reasons for our improvement were essentially the same as those we experienced in the current year's first quarter," Seaberg said. "Similarly," he added, "these positive factors were partially offset by the impact of reduced selling prices for our alcohol products due to the continuation of excess supplies throughout the industry."

Recently, selling prices for fuel grade alcohol have stabilized, and in some instances increased, according to Seaberg. "While this situation is not expected to have an immediate effect on our results, it could have some measurable impact during the final quarter of the year," Seaberg said. Meanwhile, work continues at Midwest Grain's Atchison plant to enhance the company's alcohol distillation process and further improve alcohol production cost efficiencies.

The realization of even greater demand for the company's wheat gluten throughout the first six months of fiscal 2000 was largely prevented by a huge surge of gluten imports from the European Union (E.U.) just prior to the start of the year, Seaberg explained. As previously reported, 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 surge reduced our potential to realize a more substantial increase in gluten sales in the first half of the year" he said. "I remain hopeful, however, that more favorable conditions in the gluten market may yet materialize during the remainder of fiscal 2000," he added.

The company also expects to realize continued growth in sales of its specialty wheat-based ingredients, which are produced and marketed for use in a variety of value-added food and non-food applications. "We're making good progress in this area," Seaberg said, "and, as a result, are solidifying our position in the marketplace as a customer-oriented solutions provider."

This news 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.

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