UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10Q

(Mark One)

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1034

For the quarterly period ended March 25, 2000

or

[_] TRANSITION REPORT PURSUANT OF SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from___________________to___________________________

Commission File Number: 0 - 20242

CENTRAL GARDEN & PET COMPANY

Delaware	68-0275553
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3697 Mt. Diablo Blvd., Suite 310, Lafayette, California 94549

(Address of principle executive offices)

(925) 283-4573

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 such filing requirements for the past 90 days. [x] Yes [_] No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. [_]

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

Common Stock Outstanding as of March 25, 2000 16,914,469

Class B Stock Outstanding as of March 25, 2000 1,657,962

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Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

This quarterly report contains "forward-looking" statements based on current expectations that involve risks and uncertainties. Actual results and the timing of certain events may differ significantly from those projected in these forward-looking statements due to the factors listed below, under

"Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk Factors Relating to Forward-Looking Statements" in our Annual Report on Form 10-K for the fiscal year ended September 25, 1999, and from time to time in our filings with the Securities and Exchange Commission. These risks and uncertainties include, without limitation, the final accounting for all issues between the Company and Monsanto under the Solaris Agreement, such as the amounts receivable from Monsanto for cost reimbursements, payments for cost reductions and payments for services; the amounts payable to Monsanto for inventory; responsibility for obsolete inventory and for non-payment by Solaris' direct sales accounts; costs associated with the realignment of the Company's lawn and garden distribution operations to reflect anticipated business levels for the fiscal year 2000 and the impact of outstanding or potential litigation.

CENTRAL GARDEN & PET COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)
(In thousands, except share amounts)

<TABLE>
<CAPTION>

<S>	September 25, 1999 <C>	March 25, 2000 <C>
ASSETS		
Current Assets:		
Cash & cash equivalents	$ 8,017	$ 8,932
Accounts receivable (less allowance for doubtful accounts of $6,484 and $6,782)	149,411	240,079
Inventories	240,207	302,311
Inventories held for return to manufacturer	75,887	-
Prepaid expenses and other assets	11,254	10,334
Total current assets	484,776	561,656
Land, Buildings, Improvements and Equipment - net	94,179	95,949
Goodwill	346,488	361,258
Other Assets	30,387	37,675

Total	$ 955,830	$ 1,056,538

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:		
Notes payable	$ 95,883	$ 190,177
Accounts payable	188,113	210,226
Accrued expenses	29,667	29,819
Current portion of long-term debt	1,485	1,424
Total current liabilities	315,148	431,646
Long-Term Debt	123,898	122,693
Deferred Income Taxes and Other Long-Term Obligations	21,057	18,883
Commitments and Contingencies	----	----
Shareholders' Equity:		
Preferred stock, $.01 par value: 1,000 shares authorized, none outstanding	----	----
Class B stock, $.01 par value: 3,000,000 authorized, 1,660,919 and 1,657,962 outstanding	16	16
Common stock, $.01 par value: 80,000,000 authorized, 30,183,365 shares issued and 19,332,015 outstanding September 25, 1999; 30,274,219 issued and 16,914,469 outstanding at March 25, 2000	302	302
Additional paid-in capital	524,058	524,622
Retained earnings	94,474	100,094
Treasury stock	(123,123)	(141,718)
Total shareholders' equity	495,727	483,316
Total	$ 955,830	$ 1,056,538

</TABLE>

See notes to consolidated financial statements

CENTRAL GARDEN & PET COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)
(In thousands)

<TABLE>
<CAPTION>

	Six Months Ended March 27, 1999	March 25, 2000
<S>	<C>	<C>
Cash Flows From Operating Activities:		
Net income	$ 15,113	$ 5,620
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	9,695	11,409
Change in assets and liabilities:		
Receivables	(130,621)	(89,173)
Inventories	(112,837)	16,765
Prepaid expenses and other assets	10,655	(2,434)
Accounts payable	198,163	19,838
Accrued expenses and other liabilities	4,903	(2,111)
Net cash used in operating activities	(4,929)	(40,086)
Cash Flows From Investing Activities:		
Additions to land, buildings, improvements and equipment	(11,182)	(7,756)
Payments to acquire companies, net of cash acquired	(13,827)	(26,240)
Net cash used in investing activities	(25,009)	(33,996)
Cash Flows From Financing Activities:		
Proceeds from notes payable - net	67,454	94,294
Repayments on long-term debt	(84)	(1,266)
Proceeds from issuance of stock - net	1,137	564
Payments to reacquire stock	(45,331)	(18,595)

Net cash provided by financing activities	23,176	74,997
Net Increase (Decrease) in Cash	(6,763)	915
Cash at Beginning of Period	10,328	8,017
Cash at End of Period	$ 3,565	$ 8,932
Supplemental Information		
Cash paid for interest	$ 4,729	$ 9,410
Cash paid for income taxes	1,316	793
Assets (excluding cash) acquired through purchase of subsidiaries	6,251	7,664
Liabilities assumed through the purchase of subsidiaries	3,274	2,364

</TABLE>

See notes to condensed consolidated financial statements

CENTRAL GARDEN & PET COMPANY

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)
(In thousands, except share amounts)

<TABLE>
<CAPTION>

	Six Months Ended		Three Months Ended	
	March 27, 1999	March 25, 2000	March 27, 1999	March 25, 2000
<S>	<C>	<C>	<C>	<C>
Net sales	$ 675,126	$ 601,534	$ 447,105	$ 382,916
Cost of goods sold and occupancy	516,385	444,528	344,845	284,166
Gross profit	158,741	157,006	102,260	98,750
Selling, general and administrative expenses	127,259	136,693	72,367	71,184
Income from operations	31,482	20,313	29,893	27,566
Interest expense - net	5,425	10,278	3,084	5,968
Income before income taxes	26,057	10,035	26,809	21,598
Income taxes	10,944	4,415	11,260	9,503
Net Income	$ 15,113	$ 5,620	$ 15,549	$ 12,095
Net Income per Share				
Basic	$ 0.51	$ 0.30	$ 0.55	$ 0.65
Diluted	$ 0.50	$ 0.29	$ 0.51	$ 0.58
Weighted average shares outstanding				
Basic	29,851	18,981	28,475	18,572
Diluted	34,259	19,064	32,833	22,769

</TABLE>

See notes to condensed consolidated financial statements

Central Garden & Pet Company
Notes to Condensed Consolidated Financial Statements
Three Months and Six Months Ended March 25, 2000
(Unaudited)

1. Basis of Presentation

The condensed consolidated balance sheet as of March 25, 2000, the consolidated statements of income for both the three and six months ended March 25, 2000 and March 27, 1999 and the consolidated statements of cash flows for the six months ended March 25, 2000 and March 27, 1999 have been prepared by the Company, without audit. The condensed consolidated balance sheet as of September 25, 1999 has been derived from the audited financial statements of the Company for the year ended September 25, 1999. In the opinion of management, all adjustments (which include only normal recurring adjustments) considered necessary to present fairly the financial position, results of operations and cash flows of the Company for the periods mentioned above, have been made.

Due to the seasonal nature of the Company's business, the results of operations for the three and six months ended March 25, 2000 are not indicative of the operating results that may be expected for the year ending September 30, 2000.

It is suggested that these interim financial statements be read in conjunction with the annual audited financial statements, accounting policies and financial notes thereto, included in the Company's 1999 Annual Report which has previously been filed with the Securities and Exchange Commission.

2. Share Repurchase Program

On October 5, 1999, the Company's Board of Directors authorized the Company to increase the share repurchase program up to a maximum of $155 million of common shares. During the six-month period ended March 25, 2000, the Company repurchased 2,500,000 shares for a total of $18.6 million.

3. Earnings Per Share

The following is a reconciliation of the numerators and denominators of the basic and diluted per-share computations for income from continuing operations:

<TABLE>
<CAPTION>

	Three Months Ended March 25, 2000			Six Months Ended March 25, 2000		
	Income	Shares	Per Share	Income	Shares	Per Share
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Basic EPS:						
Net income	$12,095	18,572	$0.65	$ 5,620	18,981	$0.30
Effect of dilutive securities:						
Options to purchase common stock		89			83	
Convertible notes	1,042	4,107		-	-	
Diluted EPS:						
Net income attributed to common shareholders	$13,137	22,769	$0.58	$ 5,620	19,064	$0.29

<CAPTION>

	Three Months Ended March 27, 1999			Six Months Ended March 27, 1999		
	Income	Shares	Per Share	Income	Shares	Per Share
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Basic EPS:						
Net income	$15,549	28,475	$0.55	$15,113	29,851	$0.51
Effect of dilutive securities:						
Options to purchase common stock		251			301	
Convertible notes	1,079	4,107		2,158	4,107	
Diluted EPS:						
Net income attributed to common shareholders	$16,628	32,833	$0.51	$17,271	34,259	$0.50

</TABLE>

Shares of common stock from the assumed conversion of the Company's convertible securities totaling 4,107,143 were not included in the computation of diluted EPS for the six month period ended March 25, 2000 because the assumed conversion would have been anti-dilutive.

4. Segment Information

Management has determined that the reportable segments of the Company are its Distribution, Pet Products and Garden Products segments, based on the level at which chief operating decision making group reviews the results of operations in order to make decisions regarding performance assessment and resource allocation. There has been no change in the segments reported or the basis of measurement of segment profit or loss from that which was reported in the Company's 1999 Form 10-K. Segment information for the three-month and six-month periods ended March 27, 1999 and March 25, 2000 and segment assets at September 25, 1999 and March 25, 2000 are set forth below (dollars in thousands):

<TABLE>
<CAPTION>

	Three Months Ended		Six Months Ended	
<S>	March 27, 1999 <C>	March 25, 2000 <C>	March 27, 1999 <C>	March 25, 2000 <C>
Net sales				
Distribution	$280,898	$200,426	$409,686	$307,126
Garden Products	120,367	135,067	175,374	196,665
Pet Products	62,712	67,245	117,297	127,234
Corporate, eliminations and all other	(16,872)	(19,822)	(27,231)	(29,491)
Total net sales	$447,105	$382,916	$675,126	$601,534
Intersegment sales				
Garden Products	$ 9,541	$ 13,984	$ 13,231	$ 17,604
Pet Products	7,912	5,810	14,056	11,361
Corporate, eliminations and all other	(581)	28	(56)	526
Total intersegment sales	$ 16,872	$ 19,822	$ 27,231	$ 29,491
Income (loss) from operations				
Distribution	$ 7,703	$ 4,661	$ 4,786	$ (2,360)
Garden Products	19,298	20,499	21,907	24,720
Pet Products	9,170	10,535	14,674	15,322
Corporate, eliminations and all other	(6,278)	(8,129)	(9,885)	(17,369)
Income from operations	29,893	27,566	31,482	20,313
Interest expense	3,084	5,968	5,425	10,278
Income taxes	11,260	9,503	10,944	4,415
Net income	$ 15,549	$ 12,095	$ 15,113	$ 5,620
Depreciation and amortization				
Distribution	$ 750	$ 1,165	$ 1,652	$ 2,274
Garden Products	626	818	1,486	1,804
Pet Products	921	1,213	1,879	2,357
Corporate, eliminations and all other	2,286	2,548	4,678	4,974
Total depreciation and amortization	$ 4,583	$ 5,744	$ 9,695	$ 11,409
Expenditures for long-lived assets				
Distribution	$ 2,102	$ 617	$ 3,544	$ 1,680
Garden Products	1,266	736	2,433	2,697
Pet Products	2,408	1,595	3,743	3,337
Corporate, eliminations and all other	13	19	1,462	42
Total expenditures for long-lived assets	$ 5,789	$ 2,967	$ 11,182	$ 7,756

</TABLE>

<TABLE>
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	September 25, 1999	March 25, 2000

<S> <C> <C>

Assets		
Distribution	$216,981	$ 211,245
Garden Products	179,953	260,255
Pet Products	99,583	108,560
Corporate, eliminations and all other	459,313	476,478
Total assets	$955,830	$1,056,538

</TABLE>

5. Proposal to Spin Off Garden Distribution Business

On March 20, 2000, the Company announced that it is preparing to file with the Securities and Exchange Commission ("SEC") a Form 10 which, when declared effective by the SEC, would permit the Company to spin off its lawn and garden distribution business to shareholders. If the spin off is completed, the lawn and garden business would become a separate public company while Central would continue to operate its existing lawn and garden branded products business, as well as its branded pet products and pet distribution businesses.

6. Subsequent Event

On March 29, 2000, the Company announced that it had acquired the AMDRO and IMAGE consumer product lines from American Cyanamid, the agricultural products division of American Home Products Corporation, for approximately $28 million.

7. Other Charges

In September 1999, the Company recorded Other charges totaling $7.6 million associated with the expiration of the Solaris Agreement, workforce reductions and facility closures in the Company's Distribution operations. During the six months ended March 25, 2000, the Company closed the three distribution centers identified in the September 2000 closure plan, completed the associated workforce reductions, and paid all remaining severance amounts accrued as of September 25, 1999. $.5 million is remaining in accrued expenses as of March 25, 2000 associated with lease costs, property taxes and other facility costs which will be required to be paid through the expiration of the leases on these closed distribution centers. In addition, $1.5 million is remaining as an asset valuation reserve on a building and certain facility assets which will no longer be used and are currently expected to be disposed of during fiscal 2000.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Central was incorporated in Delaware in June 1992 and is the successor to a California corporation which was incorporated in 1955. References to "we," "us," or "Central" means Central Garden & Pet Company and its subsidiaries and divisions, and their predecessor companies and subsidiaries. Central's operations are grouped into three business segments, the lawn and garden branded products business ("Garden Products"), the distribution business ("Distribution") and the pet branded products business ("Pet Products").

From October 1, 1995 to September 30, 1999, Distribution distributed Solaris product nationwide, pursuant to an exclusive distribution agreement. Management believes that the relationship with Solaris embodied in the Solaris Agreement had a substantial impact on our results of operations. Sales of products purchased from Solaris, our largest supplier, accounted for approximately 43% of Distribution's net sales and 27% of Central's net sales during fiscal 1999. Under the Solaris Agreement, Distribution, in addition to serving as the master agent and master distributor of Solaris products, provided a wide range of value-added services including logistics, order processing and fulfillment, inventory distribution and merchandising. As a result of the Solaris Agreement, a majority of our sales of Solaris products were derived from servicing direct sales accounts, rather than as a traditional distributor. Under the Solaris Agreement, our inventories of Solaris product increased significantly, since we not only carried inventories to support our own sales of Solaris products but also certain inventory previously carried by Solaris as well as additional inventories to support sales of Solaris products by our former network of independent distributors.

In January 1999, Monsanto sold its Solaris lawn and garden business exclusive of its Roundup herbicide products for consumer use to The Scotts Company ("Scotts") and entered into a separate, long-term, exclusive agreement pursuant to which Monsanto continues to make Roundup herbicide products for consumer use and Scotts markets the products. Scotts has been for many years a substantial supplier to us and, in connection with its direct sales, a substantial purchaser of our services.

Scotts has altered its distribution systems for certain products, including Ortho and Miracle-Gro products and Monsanto's consumer Roundup products for which Scotts acts as Monsanto's exclusive sales agent. Beginning October 1, 1999, Scotts began to distribute Ortho and Roundup products through a system that involves a combination of distributors, of which we are the largest, as well as through direct sales by Scotts to certain major retailers. In addition, Scotts has begun to sell Miracle-Gro directly to certain retailers.

The business likely to be taken over in this fiscal year ending September 30, 2000 by Scotts is estimated to be approximately $200-250 million in sales. The gross profit associated with these sales in fiscal 1999 was approximately $15-25 million. We expect this loss of gross profit to be partially offset this fiscal year with expense reductions and other business growth. However, there is no assurance that the business taken over by Scotts will not be greater than $200-250 million, that Scotts will continue to do business with us at all in future years, or that we will be successful in our attempts to reduce expenses and generate new business.

Due to the changes in Scotts' distribution system, our inventory of Scotts products and the related payables have been reduced by an amount in excess of $75 million. Additionally, we have taken actions to realign our lawn and garden distribution operations to reflect anticipated business levels for fiscal 2000. The amount and profitability of Distribution's business with Scotts in fiscal 2000 and in future years, if any, may be influenced by numerous factors and are impossible to predict. Accordingly, the actual results of our operations may differ significantly from the foregoing estimates.

The sale of the Solaris business by Monsanto and the expiration of the Solaris Agreement subject our Distribution business to significant uncertainties. These include our new relationship with Scotts and the resolution of all payments due between us and Monsanto under the Solaris Agreement, such as the amounts receivable from Monsanto for cost reimbursements, payments for cost reductions and payments for services; the amounts payable to Monsanto for inventory; and responsibility for obsolete inventory and for non-payment by Solaris' sub-agents. The resolution of these uncertainties may involve litigation and could have a material adverse effect on our results of operations, financial position and/or cash flows.

Three Months Ended March 25, 2000
Compared with Three Months Ended March 27, 1999

Net sales for the three months ended March 25, 2000 decreased by 14.4% or $64.2 million to $382.9 million from $447.1 million for the quarter ended March 27, 1999. The $64.2 million decrease was primarily the net result of an $80.5 million decrease in Distribution sales (primarily attributable to reduced Solaris sales) offset by a $14.7 million increase in Garden Products sales (partially attributed to the inclusion of Unicorn Laboratories, which was acquired in December 1999) together with a $4.5 million increase in Pet Products sales.

Gross profit decreased by 3.4% or $3.5 million from $102.3 million during the quarter ended March 27, 1999 to $98.8 million for the comparable 2000 period. Gross profit as a percentage of net sales increased from 22.9% for the three months ended March 27, 1999 to 25.8% for the three months ended March 25, 2000. The decrease in gross profit dollars was principally related to the decrease in Distribution sales. Excluding Distribution, gross profit dollars from existing operations remained relatively constant. The increase in gross profit as a percentage of net sales is primarily the result of an increase in Distribution gross profit percentage offset in part by a decrease in Garden Products gross profit percentage. The increased Distribution gross profit percentage was primarily the result of the reduction in sales of low margin Solaris products principally to retailers' distribution centers. Garden Products gross profit percentage declined principally due to the impact of increased sales of lower margin products to mass retailers.

Selling, general and administrative expenses decreased 1.7% or $1.2 million from $72.4 million during the quarter ended March 27, 1999 to $71.2 million for the comparable 2000 period. As a percentage of net sales, selling, general and administrative expenses increased from 16.2% during the quarter ended March 27, 1999 to 18.6% for the comparable 2000 period. The primary factors contributing to the selling, general and administrative expenses decrease in absolute dollars was the net result of decreases in Distribution expenses, substantially offset by increases in expenses related to (1) the inclusion of expenses of Unicorn Laboratories, which was acquired in December 1999, (2) professional fees incurred in relation to our strategic planning and evaluation process, and (3) increases in operating expenses associated with the sales increases in both Garden Products and Pet Products.

Net interest expense for the quarter ended March 25, 2000 increased by $2.9

million to $6.0 million from $3.1 million for the quarter ended March 27, 1999. The increase is due to higher average outstanding short-term debt resulting principally from the Company's stock repurchase program, the acquisition in December 1999 of Unicorn Laboratories, and the investment in Cedar Works, also in December 1999.

Average short-term borrowings for the quarter ended March 25, 2000 were $198.6 million compared with $65.9 million for the quarter ended March 27, 1999. The average short-term interest rates for the quarter ended March 25, 2000 and March 27, 1999 were 8.9% and 7.4%, respectively.

The Company's effective income tax rate for the quarter ended March 25, 2000 was 44% compared with 42% for the quarter ended March 27, 1999. The increase in the effective tax rate results principally from non-deductible goodwill expense being a higher percentage of taxable income than was the case in the quarter ended March 27,1999.

Six Months Ended March 25, 2000
Compared with Six Months Ended March 27, 1999

Net sales for the six months ended March 25, 2000 decreased by 10.9% or $73.6 million to $601.5 million from $675.1 million for the six months ended March 27, 1999. The $73.6 million decrease was primarily the net result of an $102.6 million decrease in Distribution sales (primarily attributable to reduced Solaris sales) being partially offset by a $21.3 million increase in Garden Products sales (partially attributed to the inclusion of Unicorn Laboratories, which was acquired in December 1999, and Norcal Pottery, which was acquired in January 1999), together with a $9.9 million increase in Pet Products sales.

Gross profit decreased by 1.1% or $1.7 million from $158.7 million during the six months ended March 27, 1999 to $157.0 million for the comparable 2000 period. Gross profit as a percentage of net sales increased from 23.5% for the six months ended March 27, 1999 to 26.1% for the six months ended March 25, 2000. The decrease in gross profit dollars was principally related to the decrease in Distribution sales. Excluding Distribution, gross profit dollars from existing operations remained relatively constant. The increase in gross profit as a percentage of net sales is primarily the result of an increase in Distribution gross profit percentage offset in part by a decrease in Garden Products and Pet Products gross profit percentages. The increased Distribution gross profit percentage was primarily the result of the reduction in sales of low margin Solaris products principally to retailer's distribution centers. Garden Products and Pet Products gross profit percentages declined principally due to the impact of increased sales of lower margin products to mass retailers.

Selling, general and administrative expenses increased 7.4% or $9.4 million from $127.3 million during the six months ended March 27, 1999 to $136.7 million for the comparable 2000 period. As a

percentage of net sales, selling, general and administrative expenses increased from 18.9% during the six months ended March 27, 1999 to 22.7% for the comparable 2000 period.

The primary factors contributing to the selling, general and administrative expenses increase in the six months ended March 25, 2000 included: (1) the inclusion of expenses for Norcal Pottery, which was acquired in January 1999, as well as Unicorn Laboratories, which was acquired in December 1999; (2) professional fees incurred in relation to our strategic planning and evaluation process; (3) the short term effects of the end of the Solaris Alliance producing a rapid decrease in Garden Distribution sales and related inventory levels coupled with management's decision to defer certain cost reductions during the fiscal quarter ending in December 25, 1999 in order to maintain operational infrastructure for the upcoming garden season and flexibility for future strategic planning; and (4) increases in operating expenses associated with the sales increases in both Garden Products and Pet Products.

Net interest expense for the six months ended March 25, 2000 increased by $4.9 million, to $10.3 million from $5.4 million for the six months ended March 27, 1999. The increase is due to higher average outstanding short-term debt resulting principally from the Company's stock repurchase program, the acquisitions in January 1999 of Norcal Pottery and December 1999 of Unicorn Laboratories, and the December 1999 investment in Cedar Works. During the quarter ended December 25, 1999 the Company repurchased 2,500,000 shares of it's stock for a total cost of approximately $18.6 million, primarily through the use of it's revolving credit facility.

Average short-term borrowings for the six months ended March 25, 2000 were $171.3 million compared with $38.8 million for the six months ended March 27, 1999. The average short-term interest rates for the six months ended March 25, 2000 and March 27, 1999 were 8.2% and 8.0%, respectively.

The Company's effective income tax rate for the six months ended March 25, 2000 was 44% compared with 42% for the six months ended March 27, 1999. The increase in the effective tax rate results principally from non-deductible goodwill expense being a higher percentage of taxable income than was the case in the six months ended March 27, 1999.

Impact of Year 2000

The Company's systems that were assessed, modified, or converted for Year 2000 compliance operated throughout the Year 2000 century change without significant errors or interruptions when processing data and transactions incorporating Year 2000 dates. To date, the Company has not encountered any significant problems relating to Year 2000 issues with any of the systems of customers, vendors, or other constituents with whom the Company has significant relationships.

Liquidity and Capital Resources

The Company has financed its growth through a combination of bank borrowings, supplier credit, internally generated funds and sales of securities to the public. The Company received net proceeds (after offering expenses) of approximately $431.0 million from its five public offerings of common stock in July 1993, November 1995, July 1996, August 1997 and January 1998. In November 1996, the

Company completed the sale of $115 million 6% subordinated convertible notes generating approximately $112 million net of underwriting commissions.

The Company's business is highly seasonal and its working capital requirements and capital resources track closely to this seasonal pattern. During the first fiscal quarter accounts receivable reach their lowest level while inventory, accounts payable and short-term borrowings begin to increase. Since the Company's short-term credit line fluctuates based upon a specified asset borrowing base, this quarter is typically the period when the asset borrowing base is at its lowest and consequently the Company's ability to borrow is at its lowest. During the second fiscal quarter, receivables, accounts payable and short-term borrowings begin to increase, reflecting the build-up of inventory and related payables in anticipation of the peak selling season. During the third fiscal quarter, principally due to the Solaris Agreement, inventory levels have remained relatively constant while accounts receivable peak and short-term borrowings start to decline as cash collections are received during the peak-selling season. During the fourth fiscal quarter, inventory levels are at their lowest, and accounts receivable and payables are substantially reduced through conversion of receivables to cash.

For the six months ended March 25, 2000, the Company used cash from operating activities of $40.1 million primarily relating to the normal cycle of receivables build up in Distribution and in Garden Products. Inventory levels declined principally as a result of lower Distribution balances associated with lowered sales levels in the current year, partially offset by increased inventory levels at Garden and Pet Products consistent with their increased sales volumes. Accounts payable did not increase at the same rate as inventory partially due to favorable vendor payment terms for a fiscal 1999 program that was paid in fiscal 2000. In addition, the increased inventory at Garden Products had shorter payment terms than were associated with comparable inventory increases within the Distribution segment during prior periods. Net cash used from investing activities of $34.0 million resulted from acquisitions of new companies and the acquisition of office and warehouse equipment, including computer hardware and software. Cash generated from financing activities of $75.0 million consisted principally of borrowings of $94.3 million of short-term debt, partially offset by repayments of $18.6 million to acquire treasury shares.

The Company has a $150 million line of credit with Congress Financial Corporation (Western). The available amount under the line of credit fluctuates based upon a specific asset-borrowing base. The line of credit bears interest at a rate either equal to the prime rate or LIBOR plus 2% at the Company's option, and is secured by substantially all of the Company's assets. At March 25, 2000, the Company had $126.0 million of outstanding borrowings and had $24.0 million of available borrowing capacity under this line. The Company's line of credit contains certain financial covenants such as minimum net worth and minimum working capital requirements. The line also requires the lender's prior written consent to any acquisition of a business. In connection with the acquisition of one company in fiscal 1998, the Company assumed a $60.0 million line of credit, subsequently increased to $70 million, of which $5.8 million was available at March 25, 2000. Interest related to this line is based on a rate either equal to the prime rate or LIBOR plus .875% at the Company's option.

The Company believes that cash flow from operations, funds available under its line of credit, and arrangements with suppliers will be adequate to fund its presently anticipated working capital requirements for the foreseeable future. The Company anticipates that its capital expenditures will not exceed $18.0 million for the next 12 months.

As part of its growth strategy, the Company has engaged in acquisition discussions with a number of companies in the past and it anticipates it will continue to evaluate potential acquisition candidates. If one or more potential acquisition opportunities, including those that would be material, become available in the near future, the Company may require additional external capital. In addition, such acquisitions would subject the Company to the general risks associated with acquiring companies, particularly if the acquisitions are relatively large.

Weather and Seasonality

Historically, the Company's sales of lawn and garden products have been influenced by weather and climate conditions in the markets it serves. During the last several years, the Company's results of operations were negatively affected by severe weather conditions in many parts of the country. Additionally, the Company's business is highly seasonal. In fiscal 1999, approximately 2/3 of the Company's sales occurred in the first six months of the calendar year. Substantially all of the Company's operating income is typically generated in this period which has historically offset the operating losses incurred during the first fiscal quarter of the year.

ITEM 3. Quantitative and Qualitative Disclosure About Market Risk

The Company believes there has been no material change in its exposure to market risk from that discussed in the Company's 1999 Consolidated Financial Statements.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

In December 1997, the Company acquired all of the stock of TFH Publications, Inc. The purchase price paid to the prior owners included $70 million in cash, a $10 million loan, possible earnouts, if certain future earnings projections were met, as well as other consideration. In September 1998, the prior owners of TFH brought suit against the Company and certain executives of the Company for damages and relief from their obligations under the Promissory Note, alleging, among other things, that the Company's failure to properly supervise the TFH management team had jeopardized their prospects of achieving the earnouts. The Company believes that these allegations are without merit. The Company counterclaimed against the prior owners for enforcement of the Promissory Note, damages and other relief, alleging, among things, fraud, misrepresentation and breach of fiduciary duty by the prior owners of TFH. These actions, Herbert R. Axelrod and Evelyn Axelrod v. Central Garden & Pet Company; Glen S. Axelrod; Gary Hersch; William E. Brown; Robert B. Jones; Glen Novotny; and Neill Hines, Docket No. MON-L-5100-99, and TFH Publications, Inc. v.Herbert Axelrod et al., Docket No. L-2127-99 (consolidated cases), are in the New Jersey Superior Court. There is no trial date at this time.

During the course of discovery in this action, the Company has become aware of certain information which suggests that prior to the acquisition of TFH by the Company, certain records of TFH were prepared in an inaccurate manner which resulted in underpayment of taxes by certain individuals. Those individuals could be liable for back taxes, interest, and penalties. In addition, even though all of the events occurred prior to the acquisition of TFH by the Company, there is a possibility that TFH could be liable for penalties for events which occurred under prior management. The Company believes that TFH has strong defenses available to the assertion of any penalties against TFH. The Company cannot predict whether TFH will be required to pay any such penalties. In the event that TFH were required to pay penalties, the Company would seek compensations from the prior owners.

The Company, based on consultation with legal counsel, does not believe that the outcome of the above matters will have a material adverse impact on its operations, financial position, or cash flows.

ITEM 2. Changes in Securities and Use of Proceeds
Not Applicable

ITEM 3. Defaults Upon Senior Securities
Not Applicable

ITEM 4. Submission of Matter to a Vote of Securities Holders
(a) The annual meeting of shareholders was held on February 14, 2000.
(b) The following directors were elected at the meeting
William E. Brown
Glenn W. Novotny
Brooks M. Pennington III

Lee D. Hines, Jr.
Daniel P. Hogan, Jr.
Bruce A. Westphal

Set forth below is a tabulation with respect to the matter voted on at the meeting:

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<S>	For	Against or Withheld
William E. Brown		
Common	14,441,708	86,597
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Glenn W. Novotny		
Common	14,442,610	85,695
Class B	1,651,707	-0-
Brooks M. Pennington III		
Common	14,439,231	89,074
Class B	1,651,707	-0-
Lee D. Hines, Jr.		
Common	14,438,885	89,420
Class B	1,651,707	-0-
Daniel P. Hogan, Jr.		
Common	14,442,256	86,049
Class B	1,651,707	-0-
Bruce A. Westphal		
Common	14,442,156	86,149
Class B	1,651,707	-0-

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ITEM 5. Other Information
Not Applicable

ITEM 6. Exhibits and Reports on Form 8-K

(a) The following report on Form 8-K was filed during the quarter ended March 25, 2000.

(1) On March 20, 2000, the Company filed a report on Form 8-K dated March 20, 2000 disclosing that the Company is preparing to file a Form 10 with the SEC which, when declared effective by the SEC, would permit the Company to spin off its lawn and garden distribution business to shareholders.

SIGNATURES

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

CENTRAL GARDEN & PET COMPANY
Registrant

Dated: May 5, 2000

____
William E. Brown, Chairman of the Board and
Chief Executive Officer

/s/ Lee D. Hines, Jr.
Lee D. Hines, Jr., Vice President and
Chief Financial Officer

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