==

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

____

FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly period ended April 1, 2000

OR

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

For the transition period from ___________ to ____________

Commission file number: 0-21116

____

USANA, INC.
(Exact name of registrant as specified in its charter)

Utah	87-0500306
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3838 West Parkway Blvd., Salt Lake City, Utah 84120
(Address of principal executive offices, Zip Code)

(801) 954-7100
(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 such filing requirements for the past 90 days. Yes [X] No [_]

The number of shares outstanding of the registrant's common stock as of May 5, 2000 was 9,745,437.

==

USANA, INC.

FORM 10-Q

For the Quarterly Period Ended April 1, 2000

INDEX

<TABLE>
<CAPTION>
Page

<S> <C>

PART I. FINANCIAL INFORMATION

</TABLE>

USANA, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)

<TABLE>
<CAPTION>

	January 1, 2000	April 1, 2000 (unaudited)
<S>	<C>	<C>
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,411	$ 2,393
Accounts receivable, net	534	813
Income taxes receivable	302	439
Current maturities of notes receivable	5	5
Inventories, net (Note A)	9,855	10,716
Prepaid expenses	1,536	1,563
Deferred income taxes	1,405	1,534
Total current assets	15,048	17,463
Property and Equipment, net	21,528	21,079
Other Assets	197	194
	$ 36,773	$ 38,736
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Checks written in excess of cash in bank	$ 1,416	$ 1,937
Current maturities of long-term debt	2,000	2,000
Accounts payable	4,060	3,431
Other current liabilities (Note B)	5,201	6,207
Line of credit	1,400	3,925
Restructuring provision (Note D)	2,252	2,006
Total current liabilities	16,329	19,506
Deferred Income Taxes	25	2
Long-term Debt, less current portion	7,500	7,000
Stockholders' Equity (Note C)		
Common stock, no par value; authorized 50,000 shares, issued and outstanding 10,169 as of January 1, 2000 and 9,846 as of April 1, 2000	2,877	2,459
Retained earnings	10,078	9,913
Accumulated other comprehensive loss	(36)	(144)

Total stockholders' equity	12,919	12,228
	$ 36,773	$ 38,736

</TABLE>

The accompanying notes are an integral part of these statements.

USANA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

(in thousands, except per share data)

<TABLE>
<CAPTION>

	Quarter Ended (unaudited)	
	April 3, 1999	April 1, 2000
<S>	<C>	<C>
Net Sales	$31,323	$30,536
Cost of Sales	6,383	6,415
Gross profit	24,940	24,121
Operating Expenses:		
Associate incentives	13,909	12,763
Selling, general and administrative	7,244	8,433
Research and development	356	429
Total operating expenses	21,509	21,625
Earnings from Operations	3,431	2,496
Other Income (Expense):		
Interest income	47	19
Interest expense	(6)	(242)
Other, net	(7)	(2)
Total other income (expense)	34	(225)
Earnings before Income Taxes	3,465	2,271
Income Taxes	1,337	909
Net earnings	$ 2,128	$ 1,362
Earnings per Common Share (Note C)		
Basic	$ 0.16	$ 0.14
Diluted	$ 0.16	$ 0.13
Weighted Average Common and Dilutive Common Equivalent Shares outstanding (Note C)		
Basic	13,050	10,048
Diluted	13,557	10,212

</TABLE>

The accompanying notes are an integral part of these statements.

USANA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

Quarters Ended April 3, 1999 and April 1, 2000

(in thousands, except per share data)
(unaudited)

<TABLE>
<CAPTION>

<S>	Common Stock Shares <C>	Common Stock Value <C>	Retained earnings <C>	Accumulated other comprehensive income (loss) <C>	Other <C>	Total <C>
For the Quarter Ended April 3, 1999						
Balance at January 2, 1999	13,047	$ 9,131	$ 21,668	$ (182)	$ (531)	$ 30,086
Comprehensive Income						-
Net earnings	-	-	2,128	-	-	2,128
Foreign currency translation adjustment	-	-	-	50	-	50
Comprehensive income						2,178
Advances to Related Party	-	-	-	-	(395)	(395)
Common Stock Issued Under Stock Option Plan, including tax benefit of $13	4	52	-	-	-	52
Balance at April 3, 1999	13,051	$ 9,183	$ 23,796	$ (132)	$ (926)	$ 31,921
For the Quarter Ended April 1, 2000						
Balance at January 1, 2000	10,169	$ 2,877	$ 10,078	$ (36)	$ -	$ 12,919
Comprehensive Income						-
Net earnings	-	-	1,362	-	-	1,362
Foreign currency translation adjustment	-	-	-	(108)	-	(108)
Comprehensive income	-	-	-	-	-	1,254
Shares Repurchased	(323)	(418)	(1,527)	-	-	(1,945)
Common Stock Issued Under Stock Option Plan, including tax benefit of $0	-	-	-	-	-	-
Balance at April 1, 2000	9,846	$ 2,459	$ 9,913	$ (144)	$ -	$ 12,228

</TABLE>

The accompanying notes are an integral part of this statement.

USANA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands, except per share data)
(unaudited)

<TABLE>
<CAPTION>

<S>	Quarter Ended April 3, 1999 <C>	Quarter Ended April 1, 2000 <C>
Increase (Decrease) in Cash and Cash Equivalents		
Cash flows from operating activities		
Net Earnings	$ 2,128	$1,362
Adjustments to reconcile net earnings to net cash provided by Operating Activities		

Depreciation and amortization	1,109	1,140
Restructuring provision	-	(246)
Gain on sale of property and equipment	-	(8)
Deferred income taxes	3	(158)
Provision for inventory obsolescence	87	(531)
Provision for losses on receivables	122	1
Changes in operating assets and liabilities:		
Accounts receivable	(344)	(261)
Inventories	(76)	(484)
Income tax receivable	-	(140)
Prepaid expenses and other assets	(81)	11
Accounts payable	(2,617)	(621)
Other current liabilities	1,782	1,079
	----------	----------
Total Adjustments	(15)	(218)
	----------	----------
Net cash provided by operating activities	2,113	1,144
	----------	----------
Cash flows from investing activities		
Receipts on notes receivable	8	-
Increase in notes receivable	(45)	-
Purchases of property and equipment	(785)	(780)
Proceeds from the sale of property and equipment	22	24
	----------	----------
Net cash used in investing activities	(800)	(756)
	----------	----------

</TABLE>

(Continued)

The accompanying notes are an integral part of these statements.

USANA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands, except per share data)
(unaudited)

<TABLE>
<CAPTION>

	Quarter Ended	
	April 3, 1999	April 1, 2000
<S>	<C>	<C>
Cash flows from financing activities		
Increase in cash overdraft	$ -	$ 527
Net proceeds from the sale of common stock	38	-
Repurchase of common stock	-	(1,945)
Increase in notes receivable - related party	(395)	-
Retirement of long-term debt	-	(500)
Increase (decrease) in line of credit	-	2,525
	-----------	-----------
Net cash (used in) provided by financing activities	(357)	607
Effect of Exchange Rate Changes on Cash	(197)	(13)
	-----------	-----------
Net increase in cash and cash equivalents	759	982
Cash and Cash Equivalents Beginning of Year	2,617	1,411
	-----------	-----------
Cash and Cash Equivalents End of Period	$ 3,376	$ 2,393
	===========	===========
Supplemental Disclosures of Cash Flow Information		
Cash paid during the year for		
Interest	$ 6	$ 222
Income taxes	535	378

</TABLE>

The accompanying notes are an integral part of these statements.

USANA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except per share data)
(unaudited)

Basis of Presentation

The unaudited interim consolidated financial information of USANA, Inc. and Subsidiaries (the "Company" or "USANA") has been prepared in accordance with Article 10 of Regulation S-X promulgated by the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, the accompanying interim consolidated financial information contains all adjustments, consisting of normal recurring adjustments, necessary to present fairly the Company's financial position as of April 1, 2000, and results of operations for the quarters ended April 1, 2000 and April 3, 1999. These financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended January 1, 2000. The results of operations for the quarter ended April 1, 2000 may not be indicative of the results that may be expected for the fiscal year ending December 30, 2000.

NOTE A - INVENTORIES

Inventories consist of the following:

<TABLE>
<CAPTION>

	January 1, 2000	April 1, 2000
<S>	<C>	<C>
Raw materials	$ 2,344	$ 1,936
Work in Process	1,945	1,504
Finished Goods	6,388	7,564
	10,677	11,004
Less allowance for inventory reserve	822	288
	$ 9,855	$ 10,716

</TABLE>

NOTE B - OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

<TABLE>
<CAPTION>

	January 1, 2000	April 1, 2000
<S>	<C>	<C>
Associate incentives	$ 1,201	$ 1,009
Accrued compensation	772	928
Sales taxes	692	640
Income taxes	564	1,158
Accrued Associate promotions	478	941
Deferred revenue	35	121
All other	1,459	1,410
	$ 5,201	$ 6,207

</TABLE>

(in thousands, except per share data)

NOTE C - COMMON STOCK AND EARNINGS PER SHARE

The Company's board of directors approved an open market share repurchase program in 2000 that will include up to one million shares of its outstanding common stock. During the first quarter of 2000, the Company had repurchased 323 shares of common stock under this program.

Basic earnings per share are based on the weighted average number of shares outstanding for each period. Shares redeemed have been included in the calculation of weighted average shares outstanding for basic earnings per share. Diluted earnings per common share are based on shares outstanding (computed under basic EPS) and potentially dilutive shares. Potential shares included in dilutive earnings per share calculations include stock options granted but not exercised.

<TABLE>
<CAPTION>

<S>	For the Quarter Ended April 3, 1999 <C>	 April 1, 2000 <C>
Earnings available to common shareholders	$ 2,128	$ 1,362
Basic EPS		
Shares		
Common shares outstanding entire period	13,047	10,169
Weighted average common shares:		
Issued during period	3	-
Canceled during period	-	(121)
Weighted average common shares outstanding during period	13,050	10,048
Earnings per common share - basic	$ 0.16	$ 0.14
Diluted EPS		
Shares		
Weighted average shares outstanding during period - basic	13,050	10,048
Dilutive effect of stock options	507	164
Weighted average shares outstanding during period - diluted	13,557	10,212
Earnings per common share - diluted	$ 0.16	$ 0.13

</TABLE>

Options to purchase 1,354 and 90 shares of stock were not included in the computation of EPS for the quarters ended April 1, 2000 and April 3, 1999, respectively, because their exercise price was greater than the average market price of the shares.

NOTE D--RESTRUCTURING

The Company recorded a restructuring charge and reserve totaling $2,700

(in thousands, except per share data)

($1,700 or $0.13 per share, after tax) in the third quarter of 1999. The Company expects that all activities associated with the Company's restructuring initiative will be completed by the end of the third quarter of 2000. As of April 1, 2000, approximately $694 was charged against the restructuring reserve.

NOTE E--SEGMENT INFORMATION

The Company has five operating segments. The Company's operating segments are based on geographic regions. Management considers the geographic segments of the Company to be the only reportable operating segments. These operating segments are evaluated regularly by management in determining the allocation of resources and in assessing the performance of the Company. Management evaluates performance based on sales revenue and the amount of operating income or loss.

Segment profit or loss is based on profit or loss from operations before income taxes and includes a management fee charged by the domestic operation to each of the foreign entities. All other intersegment transactions are eliminated from the following segment information. Interest revenues and expenses, income taxes and equity in the earnings of subsidiaries, while significant, are not included in the Company's determination of segment profit or loss in assessing the performance of a segment.

Financial information summarized by geographic segment for the quarters ended April 3, 1999 and April 1, 2000 is listed below:

<TABLE>
<CAPTION>

<S>	Revenues from External Customers <C>	Earnings before Income Taxes <C>	Long-lived Assets <C>	Total Assets <C>
Quarter ended April 3, 1999:				
Domestic	$ 17,059	$ 1,623	$ 20,285	$ 32,509
Canada	7,099	1,361	243	2,289
Australia - New Zealand	6,473	1,083	1,020	4,067
United Kingdom	692	(600)	924	2,462
Hong Kong	-	-	-	-
All Others	-	(2)	-	6
Totals	$ 31,323	$ 3,465	$ 22,472	$ 41,333

</TABLE>

NOTE E - SEGMENT INFORMATION - CONTINUED

<TABLE>
<CAPTION>

<S>	Revenues from External Customers <C>	Earnings before Income Taxes <C>	Long-lived Assets <C>	Total Assets <C>
Quarter ended April 1, 2000:				
Domestic	$ 15,737	$ 1,017	$ 19,077	$ 29,191
Canada	7,270	1,180	256	1,961
Australia - New Zealand	5,051	(14)	740	3,182
United Kingdom	574	(107)	635	1,993
Hong Kong	1,904	(61)	565	2,400
All Others	-	256	-	9
Totals	$ 30,536	$ 2,271	$ 21,273	$ 38,736

========= ========== ========== ==========

</TABLE>

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Consolidated Financial Statements and Notes thereto contained in this quarterly report.

General

USANA develops and manufactures high-quality nutritional, personal care and weight management products. The Company distributes its products through a network marketing system. Independent distributors in USANA's network are referred to by the Company as Associates. As of April 1, 2000, the Company had approximately 110,000 current Associates in the United States, Canada, Australia, New Zealand, Hong Kong and the United Kingdom. The Company defines a current Associate as an Associate who has made a purchase in the most recent 12-month period. The Company also offers a Preferred Customer program specifically designed for customers who desire to purchase USANA's products for personal consumption, but choose not to become Associates. As of April 1, 2000, the Company had approximately 56,000 Preferred Customers.

The Company's three primary product lines consist of nutritional, personal care and weight management products. Nutritional products accounted for approximately 81% of the Company's net sales for the quarter ended April 1, 2000. The Company's top selling products, USANA Essentials and Proflavanol(R) represented approximately 38% and 14%, respectively, of net sales for the quarter ended April 1, 2000. No other products accounted for more than 10% of net sales during the first quarter of 2000. USANA's personal care line includes skin, hair and body, and dental care products. The Company's weight management line includes a dietary supplement tablet, food bars, meal entrees, instructional videos and other products developed to provide a comprehensive approach to weight management, proper diet, nutrition and healthy living. In addition to its primary product lines, the Company also sells distributor kits and sales aids, which accounted for approximately 3% of the Company's net sales for the quarter ended April 1, 2000.

In February 2000, the Company introduced a value initiative that decreased prices on its products by an average of approximately 24%. With the introduction of the value initiative, the Company believes that it will be more successful in its efforts to attract and retain both Associates and Preferred Customers by offering high quality products and comprehensive customer support services at the lowest prices in the Company's history.

The fiscal year end of the Company is the Saturday closest to December 31 of each year. Fiscal year 2000 will end December 30, 2000.

Results of Operations

Quarters Ended April 1, 2000 and April 3, 1999

Net Sales. Net sales decreased 2.5% to $30.5 million for the quarter ended April 1, 2000, a decrease of $787,000 from the $31.3 million reported for the comparable quarter in 1999. The decrease in net sales is the result of:

. The introduction of the value initiative, which reduced prices by an average of approximately 24% and

. Despite an overall 12.2% increase in the customer base the Associate base in the United States, Canada, Australia and New Zealand has declined by approximately 14%.

Although it may take some time to generate enough volume to compensate for the new lower prices, management believes the better value, in the form of lower prices and moving customers to its autoship program, will benefit both the Company and its customers as follows:

. The Company is expected to benefit by improving customer loyalty and retention,

. Preferred Customers will benefit by taking advantage of the Company's quality products at the new lower prices and

. Associates will have an easier time recruiting Preferred Customers and other Associates at the new lower prices. Additionally, the expected improvements in loyalty and retention should assist the Associates with their business opportunity under the Company's Associate compensation plan.

The initial enrollment of Preferred Customers under the value initiative has been strong. Consequently, the Preferred Customer base increased by 86.7% at April 1, 2000 compared to the levels at April 3, 1999.

The following tables illustrate the change in sales and customers by market for the quarters ended April 3, 1999 and April 1, 2000:

<TABLE>
<CAPTION>

Sales By Market
(in thousands)
Quarter Ended

Market	April 3, 1999		April 1, 2000		Change from Prior Year	Percent Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
United States	$ 17,059	54.5%	$ 15,737	51.5%	$ (1,322)	(7.7%)
Canada	7,099	22.6	7,270	23.8	171	2.4%
Australia-New Zealand	6,473	20.7	5,051	16.6	(1,422)	(22.0%)
United Kingdom	692	2.2	574	1.9	(118)	(17.1%)
Hong Kong	-	-	1,904	6.2	1,904	-
Consolidated	$ 31,323	100.0%	$ 30,536	100.0%	$ (787)	(2.5%)

</TABLE>

<TABLE>
<CAPTION>

Current Associates By Market

Market	As of April 3, 1999		As of April 1, 2000		Change from Prior Year	Percent Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
United States	58,000	49.1%	50,000	45.5%	(8,000)	(13.8%)
Canada	31,000	26.3	25,000	22.7	(6,000)	(19.4%)
Australia-New Zealand	27,000	22.9	25,000	22.7	(2,000)	(7.4%)
United Kingdom	2,000	1.7	3,000	2.7	1,000	50.0%
Hong Kong	-	-	7,000	6.4	7,000	-
Consolidated	118,000	100.0%	110,000	100.0%	(8,000)	(6.8%)

</TABLE>

<TABLE>
<CAPTION>

Preferred Customers By Market

Market	As of April 3, 1999		As of April 1, 2000		Change from Prior Year	Percent Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
United States	18,000	60.0%	31,000	55.4%	13,000	72.2%
Canada	8,000	26.7	14,000	25.0	6,000	75.0%
Australia-New Zealand	4,000	13.3	9,000	16.0	5,000	125.0%
United Kingdom	-	-	1,000	1.8	1,000	-
Hong Kong	-	-	1,000	1.8	1,000	-
Consolidated	30,000	100.0%	56,000	100.0%	26,000	86.7%

============ =========== ============= =========== =============
</TABLE>

<TABLE>
<CAPTION>

Total Customers By Market

Market	As of April 3, 1999		As of April 1, 2000		Change from Prior Year	Percent Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
United States	76,000	51.4%	81,000	48.8%	5,000	6.6%
Canada	39,000	26.3	39,000	23.5	-	0.0%
Australia-New Zealand	31,000	20.9	34,000	20.5	3,000	9.7%
United Kingdom	2,000	1.4	4,000	2.4	2,000	100.0%
Hong Kong	-	-	8,000	4.8	8,000	-
Consolidated	148,000	100.0%	166,000	100.0%	18,000	12.2%

</TABLE>

Cost of Sales. Cost of sales remained flat at $6.4 million for the respective quarters. As a percentage of net sales, cost of sales increased to 21.0% for the quarter ended April 1, 2000 from 20.4% for the comparable quarter in 1999. The increase in cost of sales as a percentage of net sales can be attributed to the implementation of the value initiative offset partially by continued improvements in production and procurement efficiencies.

The Company expects that the run rate of cost of sales as a percentage of net sales will approach 25% by the end of fiscal 2000 as more customers adopt the lower prices offered by the value initiative.

Associate Incentives. Associate incentives decreased 8.2% to $12.8 million for the quarter ended April 1, 2000, a decrease of $1.1 million from the $13.9 million reported in the comparable quarter in 1999. As a percentage of net sales, Associate incentives decreased to 41.8% in the first quarter of 2000 from 44.4% for the comparable quarter in 1999. The decrease in Associate incentives as a percentage of net sales can primarily be attributed to the introduction of the value initiative, which decreased the ratio of sales volume points to the wholesale sales price on products purchased. Associate incentives are paid on the amount of sales volume points generated.

The Company expects that the run rate of Associate incentives as a percentage of net sales will approach 37% by the end of fiscal 2000 as more customers adopt the lower prices and sales volume point ratio offered by the value initiative.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased 16.4% to $8.4 million for the quarter ended April 1, 2000, an increase of $1.2 million from the $7.2 million reported for the comparable quarter in 1999. Selling, general and administrative expenses as a percentage of net sales increased to 27.6% in the first quarter of 2000 from 23.1% for the comparable quarter in 1999. The increase in selling, general and administrative expenses can be attributed to:

. Spending in the Company's newest market, Hong Kong,

. Spending to promote and support the value initiative,

. Other sales and marketing activities and

. Spending to research and explore new international opportunities.

The Company expects to see continued pressure on selling, general and administrative expenses in order to promote and support the value initiative. As unit volume begins to compensate for the decrease in prices, management believes that selling, general and administrative expenses should decrease as a percentage of net sales.

Research and Development. Research and development expenses increased 20.5% to $429,000 for the first quarter of 2000, an increase of $73,000 from the

$356,000 reported for the comparable quarter in 1999. As a percentage of net

sales, research and development expenses increased to 1.4% in the first quarter of 2000 from 1.1% for the comparable period of 1999. The Company continues to keep abreast of the latest research in nutrition and degenerative diseases and is committed to developing new products, reformulating existing products and maintaining its involvement in numerous clinical studies.

Net Earnings. Net earnings decreased 36.0% to $1.4 million for the quarter ended April 1, 2000, a decrease of $766,000 from the $2.1 million for the comparable quarter in 1999. The decrease in net earnings can primarily be attributed to:

- Substantially higher selling, general and administrative expenses,
- Lower sales and
- Higher interest expense on debt incurred to fund the repurchase of common stock in 1999 and early 2000.

Diluted earnings per share decreased $0.03 to $0.13 for the first quarter of 2000 from $0.16 for the comparable quarter in 1999.

Liquidity and Capital Resources

The Company has historically financed its growth primarily from cash flows from operations. On April 1, 2000, the Company had a negative net working capital of $2.0 million compared to negative net working capital of $1.3 million at January 1, 2000. The change in net working capital during the first three months of 2000 was primarily the result of the repurchase of approximately 323,000 shares of common stock, for a total of $1.9 million. This use of working capital will provide earnings per share benefits in future periods. Furthermore, the Company has substantial, unused availability under its line of credit.

The Company does not extend credit to its customers, but requires payment prior to shipping, which eliminates significant receivables.

The Company invested approximately $780,000 in property and equipment during the first quarters of both 2000 and 1999. Inventory increased to $10.7 million at April 1, 2000, an increase of $861,000 from $9.9 million at January 1, 2000. The increase in inventory was a direct result of building up reserves for the value initiative, which the Company anticipated would drive up unit volume requirements.

During 1999, the Company entered into agreements with a financial institution to provide up to $25 million in secured credit facilities consisting of a $10 million 5-year term loan and a $15 million 3-year revolving line of credit. The credit facilities contain restrictive covenants requiring the Company to maintain certain financial ratios. The Company was in compliance with these covenants on April 1, 2000. As of April 1, 2000, $9.0 million was outstanding on the 5-year term loan and $3.9 million was outstanding on the line of credit.

The Company believes that its current cash balance, the available line of credit and cash provided by operations will be sufficient to cover its short and long-term needs in the ordinary course of business. In the event the Company experiences an adverse operating environment or unusual capital expenditure requirements, additional financing may be required. There are not any known demands, commitments, events, or uncertainties not previously discussed at April 1, 2000 that would adversely affect the Company. There can be no assurance that additional financing, if required, would be available on favorable terms. The Company may also require or seek additional financing, including through the sale of its equity securities to finance future expansion into new markets, capital acquisitions associated with the growth of the Company and for other reasons. Any financing which involves the sale of equity securities or instruments convertible into such securities could result in immediate and possibly significant dilution to existing shareholders.

Forward-Looking Statements

The statements contained in this Report that are not purely historical are considered to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange

Act. These statements represent the Company's expectations, hopes, beliefs, anticipations, commitments, intentions and strategies regarding the future. They may be identified by the use of words or phrases such as "believes," "expects," "anticipates," "should," "plans," "estimates," and "potential," among others. Forward-looking statements include, but are not limited to, statements contained in Management's Discussion and Analysis of Financial Condition and Results of Operations regarding the Company's financial performance, revenue and expense levels in the future and the sufficiency of its existing assets to fund future operations and capital spending needs. Readers are cautioned that actual results could differ materially from the anticipated results or other expectations expressed in such forward-looking statements for the reasons detailed in the Company's Annual Report on Form 10-K, pages 29 through 36. The fact that some of the risk factors may be the same or similar to the Company's past reports filed with the Securities and Exchange Commission means only that the risks are present in multiple periods. The Company believes that many of the risks detailed here and in the Company's SEC filings are part of doing business in the industry in which the Company operates and competes and will likely be present in all periods reported. The fact that certain risks are endemic to the industry does not lessen their significance. The forward-looking statements contained in this Report are made as of the date of this Report and the Company assumes no obligation to update them or to update the reasons why actual results could differ from those projected in such forward-looking statements. Among others, risks and uncertainties that may affect the business, financial condition, performance, development and results of operations of the Company include:

- The Company's dependence upon a network marketing system to distribute its products;
- High turnover of Associates,
- Activities of its independent Associates;
- Rigorous government scrutiny of network marketing practices;
- Potential effects of adverse publicity regarding nutritional supplements or the network marketing industry;
- Reliance on key management personnel, including the Company's President, Chief Executive Officer and Chairman of the Board of Directors, Dr. Myron W. Wentz PhD;
- Extensive government regulation of the Company's products and manufacturing;
- Risks related to the Company's expansion into international markets;
- Failure of the Company to sustain or manage growth including the failure to continue to develop new products;
- The possible adverse effects of increased Associate incentives as a percentage of net sales;
- The Company's reliance on information technology;
- The adverse effect of the Company's loss of a high level sponsoring Associate together with a group of leading Associates in that person's downline;
- The loss of product market share or Associates to competitors;
- Potential adverse effect of taxation and transfer pricing regulation or exchange rate fluctuations;
- The Company's reliance on outside suppliers for raw materials;
- The Company's business may be subject to particular intellectual property risks or

. Manufacturers may be subject to product liability claims and other manufacturing activity risks.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company conducts its business in several countries and intends to continue to expand its foreign operations. The net sales are affected by fluctuations in interest rates, currency exchange rates and other uncertainties inherent in doing business and selling product in more than one currency. In addition, the operations of the Company are exposed to significant risks associated with changes in social, political and economic conditions inherent in foreign operations, including changes in the laws and policies that govern foreign investment in countries where it has operations as well as, to a lesser extent, changes in U.S. laws and regulations relating to foreign trade and investment.

Fluctuations in foreign currency exchange rates may favorably or adversely affect the Company's reported earnings and, accordingly, the comparability of its period-to-period results of operations. Changes in currency exchange rates may affect the relative prices at which the Company sells its products. A 10% change in the average foreign currency exchange rates for the quarter ended April 1, 2000, would have resulted in net sales increasing and decreasing approximately $1.5 million.

To protect against these risks, the Company enters into forward and option contracts to hedge certain commitments denominated in foreign currency, including intercompany cash transfers. Transaction hedging activities seek to protect operating results and cash flows from the potentially adverse effects of currency exchange fluctuations. The Company believes that its cash management and investment policies have minimized these risks. However, there can be no assurance that these practices will be successful in eliminating all or substantially all of the risks encountered by the Company in connection with its foreign currency transactions.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

Exhibit Number	Description
3.1	Articles of Incorporation [Incorporated by reference to the Company's Registration Statement on Form 10, File No. 0-21116, effective April 16, 1993]
3.2	Bylaws [Incorporated by reference to the Company's Registration Statement on Form 10, File No. 0-21116, effective April 16, 1993]
4.1	Specimen Stock Certificate for Common Stock, no par value [Incorporated by reference to the Company's Registration Statement on Form 10, File No. 0-21116, effective April 16, 1993]
10.1	Business Loan Agreement by and between Bank of America National Trust and Savings Association, d/b/a Seafirst Bank ("Seafirst Bank") and the Company [Incorporated by reference to the Company's Report on Form 10-Q for the period ended June 27, 1998]
10.2	Loan Modification Agreement by and between Seafirst Bank and the Company [Incorporated by reference to the Company's Report on Form 10-Q for the period ended June 27, 1998]
10.3	Employment Agreement dated June 1, 1997 by and between the Company and Gilbert A. Fuller [Incorporated by reference to the Company's Report on Form 10-Q for the period ended June 27, 1998]
10.4	Amended and Restated Long-Term Stock Investment and Incentive Plan [Incorporated by reference to the Company's Report on Form 10-Q

for the period ended June 27, 1998]

10.5 Promissory Note and Redemption Agreement dated April 28, 1999 [Incorporated by reference to the Company's Report on Form 10-Q for the period ended April 3, 1999]

10.6 Stock Pledge Agreement dated April 28, 1999 [Incorporated by reference to the Company's Report on Form 10-Q for the period ended April 3, 1999]

10.7 Redemption Agreement dated July 30, 1999 [Incorporated by reference to the Company's Report on Form 8-K, filed September 24, 1999]

10.8 Term Note dated September 20, 1999 [Incorporated by reference to the Company's Report on Form 8-K, filed September 24, 1999]

10.9 Revolving Note dated September 20, 1999 [Incorporated by reference to the Company's Report on Form 8-K, filed September 24, 1999]

10.10 Credit Agreement dated September 20, 1999 [Incorporated by reference to the Company's Report on Form 8-K, filed September 24, 1999]

11.1 Computation of Net Income per Share (included in Notes to Consolidated Financial Statements)

27.1 Financial Data Schedule

99.1 Press Release dated September 21, 1999. [Incorporated by reference to the Company's Report on Form 8-K, filed September 24, 1999]

(b) Reports on Form 8-K.

The Company filed no current reports on Form 8-K during the quarter ended April 1, 2000.

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.

USANA, INC.

Date: May 15, 2000 By: /s/ Gilbert A. Fuller

Gilbert A. Fuller
Senior Vice President and
Chief Financial Officer

<TABLE> <S> <C>

<ARTICLE> 5
<CIK> 0000896264
<NAME> USANA, INC.
<MULTIPLIER> 1,000

<S> <C>
<PERIOD-TYPE> 3-MOS
<FISCAL-YEAR-END> DEC-30-2000
<PERIOD-START> JAN-02-2000
<PERIOD-END> APR-01-2000
<CASH> 2,393
<SECURITIES> 0
<RECEIVABLES> 1,044
<ALLOWANCES> 231
<INVENTORY> 10,716
<CURRENT-ASSETS> 17,463
<PP&E> 31,298
<DEPRECIATION> 10,219
<TOTAL-ASSETS> 38,736
<CURRENT-LIABILITIES> 19,506
<BONDS> 0
<PREFERRED-MANDATORY> 0
<PREFERRED> 0
<COMMON> 2,459
<OTHER-SE> 9,769
<TOTAL-LIABILITY-AND-EQUITY> 38,736
<SALES> 30,536
<TOTAL-REVENUES> 30,536
<CGS> 6,415
<TOTAL-COSTS> 21,625
<OTHER-EXPENSES> 225
<LOSS-PROVISION> 1
<INTEREST-EXPENSE> 242
<INCOME-PRETAX> 2,271
<INCOME-TAX> 909
<INCOME-CONTINUING> 1,362
<DISCONTINUED> 0
<EXTRAORDINARY> 0
<CHANGES> 0
<NET-INCOME> 1,362
<EPS-BASIC> 0.14
<EPS-DILUTED> 0.13

</TABLE>