

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **November 8, 2004**

MGP Ingredients, Inc.

(Exact name of registrant as specified in its charter)

KANSAS
(State or other jurisdiction
of incorporation)

0-17196
(Commission
File Number)

48-0531200
(IRS Employer
Identification No.)

1300 Main Street
Box 130
Atchison, Kansas 66002
(Address of principal executive offices) (Zip Code)

(913) 367-1480
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Conditions.

On November 8, 2004, MGP Ingredients, Inc. (the "Company") issued a press release, incorporated into this Item 2.02 by reference, relating to financial results for the first quarter of fiscal year 2005, which ended September 30, 2004. The press release, dated November 8, 2004, is furnished pursuant to Item 2.02, "Results of Operations and Financial Conditions," Item 7.01, "Regulation FD Disclosure" and Item 9.01, "Financial Statements and Exhibits."

Item 7.01 Regulation FD Disclosure.

Attached as Exhibit 99.1, and incorporated into this Item 7.01 by reference, is a press release relating to the Company's fiscal 2005 first quarter financial results which was issued on November 8, 2004, by the Company.

An investors' conference call will take place at 10:00 a.m. central standard time on Tuesday, November 9, 2004. The Company's senior management will discuss the Company's fiscal 2005 first quarter financial results and certain forward looking information during the conference call. Interested persons may listen to the conference call via telephone by dialing (800) 322-0079 by 9:50 a.m., or access it on the Internet at www.mgpingredients.com.

Item 9.01 Financial Statements and Exhibits.

(c) *Exhibits.*

99.1 Press Release dated November 8, 2004, furnished solely for the purpose of incorporation by reference into Items 7.01 and 9.01.

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 hereunto duly authorized.

MGP INGREDIENTS, INC.

Date: November 8, 2004

By: /s/ Laidacker M. Seaberg
Laidacker M. Seaberg
President and Chief Executive Officer

INDEX TO EXHIBITS

99.1 Press Release dated November 8, 2004, furnished solely for the purpose of incorporation by reference into Items 7.01 and 9.01.



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913.367.1480 • 800.255.0302 • Fax 913.367.0192
www.mgpingredients.com • Symbol/Market: MGPI/NASDAQ

NEWS RELEASE

Contact: Steve Pickman at 913-367-1480

FOR IMMEDIATE RELEASE: MGPI ANNOUNCES FIRST QUARTER RESULTS

ATCHISON, Kan., November 8, 2004—MGP Ingredients, Inc. (Nasdaq: MGPI) today reported results for its fiscal 2005 first quarter ended September 30, 2004. Net income for the quarter was \$291,000, or \$0.02 per share, on sales of \$68,878,000. That compares to net income of \$2,470,000, or \$0.16 per share, on sales of \$57,054,000 for the same period the prior year. The earnings per share data for the prior year's quarter has been adjusted to reflect MGPI's two-for-one stock split that went into effect after the close of business on June 30.

Fiscal 2004 first quarter earnings included \$1,920,000 of pre-tax income (\$1,162,000 net of income taxes) that the company received under a United States Department of Agriculture program that was implemented in December, 2000 to provide cash incentives for ethanol producers who increase their grain usage over comparable quarters to raise fuel alcohol production. In the first quarter of fiscal 2005, the company received \$363,000 pre-tax (\$220,000 net of income taxes) under this program, which extends through September, 2006. MGPI's eligibility to participate in the program is determined from quarter to quarter. The company expects that funds received under the program during the remaining three quarters of fiscal 2005 will be less than were received during the corresponding quarters of fiscal 2004.

The company's results for last year's first quarter also included approximately \$5.7 million of business interruption insurance proceeds resulting from the September 13, 2002 distillery explosion at the company's Atchison, Kansas plant. These proceeds were recorded in other operating income for that period. No such proceeds were received by the company in the first quarter of fiscal 2005.

Strong results in the company's distillery products segment and within some specialty ingredient lines in the current year's first quarter were offset by higher operating costs, including increased grain prices and utility costs, and higher selling, general and administrative expenses compared to the first quarter of the prior fiscal year, noted Ladd Seaberg, president and chief executive officer. "Our results also reflected a decline in sales of low-carb related products, particularly our Fibersym™ 70 resistant wheat starch, compared to the level we experienced in the immediately preceding fourth quarter," Seaberg said. "As discussed previously, demand for lower net carbohydrate products slowed during the first quarter, resulting in reduced specialty ingredients sales across a higher operating cost base in place to accommodate previously high demand. We have taken steps to reduce our operating cost exposure while we monitor sales patterns in that product area. We are committed to maintaining a flexible operating structure that corresponds closely to our market opportunities. We will continue to allocate resources to support growth in our specialty ingredients business, where the beneficial effect on our profit margins is well-established.

Referring to the company's June 3, 2004 guidance of anticipated fiscal 2005 earnings of \$1.03 to \$1.08 per share (adjusted for the recent 2-for-1 stock split), Seaberg stated that the estimate was as of the date given and is not being confirmed or updated at this time. "In light of current instability of market demand for some of our ingredients, management has chosen to postpone updating guidance until a more consistent pattern of order activity emerges," he said.

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ADD 1—MGPI ANNOUNCES FIRST QUARTER RESULTS

Although down compared to the fourth quarter of fiscal 2004, total sales of the company's ingredients experienced a 4 percent increase versus last year's first quarter. The improvement compared to a year ago was due to a 19 percent rise in sales of specialty ingredients. Meanwhile, in line with the company's strategy to place increased emphasis on specialty ingredients, sales of commodity ingredients were reduced by 46 percent. The increase in specialty ingredients sales compared to a year ago was driven partially by sales of the Company's Arise® line of wheat protein isolates which are produced for use in bakery and related products. Sales of the company's Fibersym™ line of resistant starches, while substantially below their fiscal 2004 fourth quarter level, also were up compared to last year's first quarter when MGPI introduced this product line to the marketplace. Demand for the company's Wheatex® line of textured wheat proteins, which principally are used in meat analog and meat extension applications, also increased compared to the prior year's first quarter.

In the non-food area, sales of the Company's Polytriticum™ lines of grain-based resins, which are used mainly in the manufacture of pet chews, also rose compared to the prior year's first quarter and on a sequential quarter basis, driven by strong demand for unique pet chew products in the marketplace.

"Favorable response to our differentiated resin technology within the pet industry continues to accelerate," continued Seaberg. "We are investing in our Polytriticum™ product lines to more fully leverage our market opportunity in this fast growing segment. These include the addition of equipment and processes that will allow us to further penetrate the market with new and existing customers."

Driven by a 51 percent increase in fuel grade alcohol revenues, total sales of the company's distillery products rose by approximately \$10.9 million, or 31 percent, compared to the first quarter of fiscal 2004. Sales of food grade alcohol for industrial applications increased \$4.1 million, or 106 percent, and sales of food grade alcohol for beverage applications rose by 3 percent. Distillers feed sales increased by approximately \$2.1 million, or 34 percent, over the prior year due to increased alcohol production and higher prices. There were no sales of unfinished alcohol in the current year's first quarter, in contrast to \$6.3 million in sales of unfinished alcohol during the first quarter of fiscal 2004 when production at the Atchison facility was affected by the September 13, 2002 distillery explosion. Prices of corn and milo, MGPI's principal raw material for the alcohol production process, were up approximately 13 percent compared to last year's first quarter. However, corn and milo prices have declined since the end of the current year's first quarter due to positive crop conditions during the growing and harvesting seasons.

Complete sales and pre-tax income data by segments for the first quarter ended September 30 follow below. Pre-tax operating income for each segment is based on net sales less identifiable operating expenses. Interest expense, investment income and other general miscellaneous expenses have been excluded from segment operations and classified as Corporate:

<u>Sales</u>	<u>1st QTR. FY 2005</u>	<u>1st QTR. FY 2004</u>
Ingredients Segment	\$22,754,000	\$21,917,000
Distillery Products Segment	46,124,000	35,137,000
<u>Pre-tax income (loss)</u>		
Ingredients Segment	\$(115,000)	\$2,571,000
Distillery Products Segment	874,000	1,905,000
Corporate	(278,000)	(395,000)

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ADD 2—MGPI ANNOUNCES FIRST QUARTER RESULTS

“Looking ahead toward the balance of fiscal 2005, prices for corn and milo have continued to decline more substantially since the end of the first quarter,” Seaberg said. “Also, to reduce our exposure to additional increases in natural gas prices caused by heightened demand in the winter months, we have contracted the majority of our anticipated gas supply requirements through February, 2005.” Seaberg added that interest in healthier food options, including whole grain nutrition and meat alternatives, “continues to gain momentum,” both in the U.S. and abroad. “These well-established trends transcend shorter term interest in dieting, and point to a larger trend toward healthier lifestyles,” he continued. “This is the market opportunity we are targeting, and we will do so through continued investments in R&D, marketing and process engineering that result in a strong, differentiated product pipeline and greater customer opportunities. At the same time, we will pursue a number of initiatives to generate greater cash flows through improving our plant utilization and working capital management.”

The company will host an investor conference call on Tuesday, November 9, at 10 a.m. central time to review the first quarter results. Stockholders and other interested parties may listen to the call via telephone by dialing 800-322-0079 by 9:50 a.m. central time on November 9, or access it on the Internet at www.mgpingredients.com.

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, actions of governments or government officials and actions of insurers. Any changes in the assumptions or factors could produce materially different results than those predicted and could impact stock values.

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MGP INGREDIENTS, INC.
CONSOLIDATED STATEMENT OF EARNINGS

(unaudited) (Dollars in thousands, except per share)	Three Months Ended September 30	
	2004	2003
NET SALES	\$ 68,878	\$ 57,054
COST OF SALES	<u>63,804</u>	<u>55,367</u>
GROSS PROFIT	5,074	1,687
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	4,882	3,698
OTHER OPERATING INCOME	<u>286</u>	<u>6,090</u>
INCOME FROM OPERATIONS	478	4,079
OTHER INCOME (EXPENSE)		
OTHER INCOME (NET)	309	281
INTEREST EXPENSE	<u>(306)</u>	<u>(279)</u>
INCOME BEFORE INCOME TAXES	481	4,081
PROVISION FOR INCOME TAXES	<u>190</u>	<u>1,611</u>
NET INCOME	\$ 291	\$ 2,470
OTHER COMPREHENSIVE LOSS	(313)	(30)
	<u>(22)</u>	<u>2,440</u>
COMPREHENSIVE INCOME (LOSS)		
BASIC EARNINGS PER COMMON SHARE	\$ 0.02	\$ 0.16
DILUTED EARNINGS PER COMMON SHARE	\$ 0.02	\$ 0.16
Weighted average shares outstanding-Basic	15,932,913	15,332,404
Weighted average shares outstanding-Diluted	16,648,019	15,371,474

CONSOLIDATED BALANCE SHEETS

(unaudited) (Dollars in thousands)	Sept. 30 2004	June 30 2003	(unaudited) (Dollars in thousands)	Sept. 30 2004	June 30 2003
ASSETS			LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	\$ 4,771	\$ 6,488	Current maturities of long-term debt	\$ 10,382	\$ 3,201
Receivables	31,907	34,243	Accounts payable	8,655	10,576
Inventories	39,172	32,775	Accrued expenses	5,395	7,815
			Deferred income	12,183	12,598
Prepaid expenses	3,081	828	Income taxes payable	2,129	2,423
Deferred income taxes	2,090	2,090			
Income taxes receivable	-	-	Total Current Liabilities	<u>\$ 38,744</u>	<u>\$ 36,613</u>
Total Current Assets	81,021	76,424			
PROPERTY AND EQUIPMENT, At Cost	300,571	296,377			
Less accumulated depreciation	<u>190,464</u>	<u>187,280</u>	LONG-TERM DEBT	18,821	12,561
	110,107	109,097	POST-RETIREMENT BENEFITS	5,985	5,977
Insurance Receivable	1,425	1,425	DEFERRED INCOME TAXES	12,777	13,677
OTHER ASSETS	<u>91</u>	<u>91</u>	STOCKHOLDERS' EQUITY	<u>116,317</u>	<u>118,209</u>
	<u>\$ 192,644</u>	<u>\$ 187,037</u>		<u>\$ 192,644</u>	<u>\$ 187,037</u>