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) **October 11, 2006**

MGP Ingredients, Inc.
(Exact name of registrant as specified in its charter)

KANSAS	**0-17196**	**48-0531200**
(State or other jurisdiction of incorporation)	(Commission File Number)	(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 1.01. Entry into a Material Definitive Agreement

On October 11, the Board of Directors approved a form of indemification agreement which will be entered into by the company with each member of the Board and each executive officer.

The agreement generally provides that the company will indemnify the director or officer who is a party thereto (an "Indemnitee"), within 30 days of written demand, to the fullest extent permitted by law, against expenses (including interest from the date of payment by the Indemnitee until the date the Indemnitee is reimbursed), judgments, fines, penalties and amounts paid in settlement of any threatened, pending or completed action, suit or proceeding, inquiry or investigation (a "Claim") to which the Indemnitee is or is threatened to be a party, witness or other participant by reason of the fact that the Indemnitee is or was serving as a director, officer or in another fiduciary capacity of the company or other company related enterprise at the request of the company, or based upon acts or omissions of the Indemnitee in such capacity or in any other capacity while serving as a director, officer or in another fiduciary capacity for the company or a company related enterprise. For this purpose, service as a director, officer or in another fiduciary capacity of a 20% or more company owned entity or of an employee benefit plan of the company or such other entity will be deemed serving at the request of the company for a company related enterprise.

An Indemnitee will not be entitled to indemnification under the agreement unless ordered by a court or unless the Reviewing Party (as defined below) determines that the Indemnitee met the applicable standard of conduct provided by law and that specified circumstances which would preclude indemnification under the agreement do not exist. In addition, an Indemnitee will not be entitled to indemnification in any action brought by or in the right of the company in which the Indemnitee is finally adjudged to be liable to the company, unless and to the extent the court in which the proceeding was brought determines that the Indemnitee is fairly entitled to be indemnified for expenses. The agreement provides for partial indemnification if the Indemnitee is entitled to indemnification for a portion of a Claim. Further, an Indemnitee is entitled to indemnification against expenses where he or she has been successful on the merits or otherwise in defense of a Claim.

The agreement also provides generally for the advance of the Indemnitee's expenses within two business days after the Indemnitee requests the same and delivers to the company an undertaking to repay the advance if the Indemnitee settles a proceeding without the company's consent or if the Reviewing Party determines that the Indemnitee is not entitled to indemnification because he or she did not meet the applicable standard of conduct. However, if the Indemnitee commences a legal proceeding to determine his or her entitlement to indemnification, a determination by the Reviewing Party not to authorize indemnification will not be binding and the Indemnitee will not be required to reimburse the advance until a final judicial determination of his or her right to indemnification has been made.

If the company has not paid a claim for indemnification or advance within 90 days of the Indemnitee's request, the Indemnitee may commence litigation to seek an initial determination of entitlement or to challenge a determination by the Reviewing Party. Neither the failure of the Reviewing Party to have made a determination nor an actual determination that the Indemnitee has not met the applicable standard of conduct shall be a defense to the action or create a presumption that the Indemnitee has not met the applicable standard of conduct, and the company will bear the burden of proof in any such proceeding that the applicable standard of conduct was not met. The company will indemnify the Indemnitee against expense reasonably incurred in connection with any such claim for indemnity (or any claim for indemnification under any other agreement or bylaw or for recovery under any company maintained liability insurance policy) that is successfully asserted, in whole or in part.

The Reviewing Party under the agreement is (i) the Board of Directors, acting by a majority vote of disinterested directors who are not parties to the claim, even though less than a quorum, (ii) a committee of disinterested directors designated by a majority vote of disinterested directors, even though less than a quorum or (iii) if there are no disinterested directors, or if the disinterested directors so direct, (a) independent legal counsel or (b) the shareholders. However, following a change in control, as defined (other than one approved by a majority of the persons who were directors prior to the change in control), the Reviewing Party shall be independent counsel, and the company also is required to seek advice in the matter from special independent counsel selected by the Indemnitee and approved (or deemed approved) by the Company who has not performed services for the company, the Indemnitee or the acquiring person for five years.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

As previously announced, the Company's Chairman of the Board, Cloud L. "Bud" Cray, stepped down as chairman of the Board at the close of the Company's Annual Meeting on October 12, 2006. The Board has designated the Company's current President and Chief Executive Officer, Ladd M. Seaberg. as Chairman. Timothy W. Newkirk, who has been serving as Chief Operating Officer, will replace Mr. Seaberg as President. Mr. Seaberg will continue to serve as Chief Executive Officer.

Item 7.01. Regulation FD Disclosure.

Attached as Exhibit 99.1, and incorporated into this Item 7.01 by reference, is a press release issued by the Company on October 12, 2006 relating to the election of directors at the annual meeting of stockholders.

Attached as Exhibit 99.2, and incorporated into this Item 7.01 by reference, is a press release issued by the Company on October 12, 2006 relating to Mr. Cray's resignation as Chairman of the Board.

Item 9.01. Exhibits.

(d) Exhibits

99.1 Press Release dated October 12, 2006 relating to the election of directrors, furnished solely for the purpose of incorporation by reference into Item 7.01 and 9.01.

99.2 Press Release dated October 12, 2006 relating to Mr. Cray's resignation as Chairman of the Board, furnished solely for the purpose of incorporation by reference into Item 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: October 12, 2006

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

MGP INGREDIENTS, INC.
1300 Main Street, P.O. Box 130 • Atchison, Kansas 66002-0130
913.367.1480 • 800.255.0302 • Fax 913.367.0192
www.mgpingredients.com • Symbol/Market: MGPI/NASDAQ

NEWS RELEASE

CONTACT: **Steve Pickman or Marta Myers**
913-367-1480

FOR IMMEDIATE RELEASE:

MGPI STOCKHOLDERS RE-ELECT SCHALLER, MILLER, BRAUDE TO BOARD

ATCHISON, Kan., October 12, 2006—Daryl R. Schaller, Ph.D., president of Schaller Consulting, Homosassa, Fla., and Linda E. Miller, independent marketing consultant and a member of the University of Kansas engineering management faculty, have been re-elected to the Board of Directors of MGP Ingredients, Inc. (**Nasdaq/MGPI**) by holders of the company's common stock. Michael Braude, retired president and chief executive officer of the Kansas City Board of Trade has been re-elected to the board by holders of the company's preferred stock. The terms of all three expire in 2009.

Results of the elections were announced at the company's annual meeting of stockholders today in Atchison. Stockholders also approved a restricted stock plan for non-employee directors, which was the only other item on this year's ballot.

Dr. Schaller has been a member of the company's board since October, 1997. He currently serves as chairman of the board's human resources and compensation committee and is a member of the audit review committee. Dr. Schaller's professional career spans several years in scientific research and consultation in the food industry. He began his consulting business 10 years ago and, from November, 2001 through June, 2003, he served as vice president of research and development of International Multifoods Corp., Minneapolis. He previously spent 25 years with the Kellogg Company, retiring in 1996 as Kellogg's senior vice president of scientific affairs.

Miller, who was first elected to the board of MGP Ingredients in 2000, also currently serves on the board's audit review and human resources and compensation committees. She has been an independent marketing consultant for 18 years and a member of the University of Kansas faculty since 1989. Prior to that, she spent six years as marketing director of the American Business Women's Association, Kansas City, Mo., five years as general manager and sales manager for Baxter, a hospital supply company headquartered in Chicago, and five years in various marketing and sales positions with DuPont.

Braude became a director of MGPI in 1991. He, too, is a member of the board's audit review and human resources and compensation committees. Braude served for 16 years as president and CEO of the Kansas City Board of Trade, retiring from that position in 2000. From November, 2000 until March, 2004, he served as executive vice president of Country Club Bank, Kansas City, Mo. Prior to 1984, he was executive vice president and a director of American Bank and Trust Company of Kansas City.

About MGP Ingredients

In business since 1941, MGP Ingredients, Inc. is a recognized pioneer in the development and production of natural grain-based products, including specialty proteins and starches and food grade and fuel grade alcohol. The Company has facilities in Atchison, Kan., Pekin, Ill., Kansas City, Kan., and Onaga, Kan. that utilize the latest technologies to assure high quality products and to maintain efficient production and service capabilities

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Exhibit 99.2

MGP INGREDIENTS, INC.
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NEWS RELEASE

Contact: Steve Pickman or Marta Myers
913-367-1480

FOR IMMEDIATE RELEASE:

CLOUD L. "BUD" CRAY STEPS DOWN AS CHAIRMAN OF MGP INGREDIENTS;
LADD SEABERG ADDS NEW ROLE OF CHAIRMAN, REMAINS CEO;
PRESIDENT TIM NEWKIRK OUTLINES GROWTH PLAN

ATCHISON, Kan., October 12, 2006—Cloud L. "Bud" Cray stepped down as chairman of the Board of Directors of MGP Ingredients, Inc.**(Nasdaq/MGPI)** today at the close of the company's annual meeting of stockholders. As previously announced, he will maintain a position on the board, to which he was re-elected for a three-year term by holders of the company's preferred stock in 2004. Cray is succeeded by Ladd M. Seaberg, who also continues as chief executive officer of the company. Tim Newkirk, who was named chief operating officer of MGPI this past spring, succeeds Seaberg as president.

A director since 1947 and chairman since 1980, Cray reflected on the company's past milestones and expressed optimism about future opportunities. "The future of MGP Ingredients is more exciting than ever," he said. "Simultaneously, we face some interesting challenges. I feel very confident about the transition to new leadership. Under CEO Ladd Seaberg, the company has successfully navigated some of the most evolutionary periods in its history. We now have strategies and plans in place to maintain our growth. At the same time, our new president, Tim Newkirk, has everyone focused on ways to better serve customers, improve profits and build value for our stockholders."

Seaberg called Cray "a true visionary" and praised him for "the outstanding leadership he has provided to the company and board throughout his amazing and successful career." He added that "we are very fortunate to have someone of Tim Newkirk's caliber to serve as our new president. We look forward to Tim's refreshing approach to creating value for our company and stockholders, and I offer him my full support and confidence as he oversees the development and implementation of future growth initiatives."

As chairman and CEO, Seaberg said he plans to perform an active role in helping launch MGP Ingredients into new areas of growth. "I will remain intimately involved in day-to-day management and in charting the company's strategic direction in its mission to provide customers with superior product solutions derived from natural sources. With all that has transpired over the past two years, the coming fiscal year should see us get back to the basics, namely our heritage. While in some ways this marks a new beginning for MGP Ingredients, we like to think of it as a recommitment. We will do this by focusing on the following priorities in specific ways:

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- Achieve the full profit opportunity from our key products. We plan to aggressively control costs and improve the productivity of our capital base. We will maintain a strong research and development program that is focused on projects with high prospects for commercial success. At the same time, we will work to enhance our risk management programs regarding commodity prices and energy costs.

- Make our customers' businesses more productive. For our distillery customers, we want to be the lowest-cost producer of the highest-quality products. On the ingredients side, we will shift our focus to providing solutions. We will redouble our efforts on how we collaborate with customers, while striving to exceed their expectations.

- Ensure the right people in the right roles can do great work. We have tremendous strength in its people throughout the company. We need to make sure we are organized in a way that allows our teams to be more productive and innovative, while allowing us to measure the return on every investment we make. Through greater measurement and accountability, we aim to create a stronger link between performance and reward."

In his remarks, Newkirk said "I am very excited and honored to have the opportunity to build on the tradition of excellence that has been the hallmark of Bud Cray and Ladd Seaberg. They have guided this company through many changes, successfully leading the way past periodic obstacles and challenges to achieve long-term growth. I look forward to continuing that legacy and driving improved returns for our company and stockholders."

Newkirk went on to outline a program that is geared to maintain strength in the distillery segment and a return to excellence in the company's ingredients segment. Newkirk said, "We plan to approach ingredients sales in a totally new way. For example, we will no longer have sales agents but instead solutions partners. We know that we can add greater value if we respond to customer initiatives by working directly with their in-house R&D and product development groups. To boost the success rate, our ingredients technicians and applications specialists will be much more proactive as part of a customer-facing team focused on total solutions.

"We are also reviewing all products in our Ingredients segment for profitability. At the current price of wheat, we have to ensure we can adequately cover our variable costs. On one hand, commodity products have improved our capacity utilization, but the resulting sales of low valued commodity wheat gluten and commodity starch are negatively impacting our margins. We aim to reduce sales of these ingredients where feasible. We also plan to find the lowest-cost sourcing for key ingredients, some of which have been produced internally."

Seaberg concluded, "While it is gratifying to report record financial results from last year, I am actually more encouraged by the prospect of what lies ahead. With the majority of our invested capital in fixed plant assets, our greatest lever for creating stockholder value is improving our productivity. Since we operate in the volatile world of commodities, it's also our greatest defense. This past year, especially, has been a true test of our system wide operating capabilities. We reviewed our strengths, as well as our weaknesses, and have plans in place to further improve our performance."

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NOTE: Biographical sketches of Mr. Cray, Mr. Seaberg and Mr. Newkirk are available in the**Executive Profiles** section under **Company** on the company's website, www.mgpingredients.com.

About MGP Ingredients
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Cautionary Note Regarding Forward-Looking Statements
This news release contains forward-looking statements as well as historical information. Forward-looking statements are usually identified by or are associated with such words as "intend," "plan", "believe," "estimate," "expect," "anticipate," "hopeful," "should," "may," "will", "could" and or the negatives of these terms or variations of them or similar terminology. 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. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others: (i) the availability and cost of grain, (ii) fluctuations in gasoline prices, (iii) fluctuations in energy costs, (iv) competitive environment and related market conditions, (vi) our ability to realize operating efficiencies, (vii) the effectiveness of our hedging programs; (viii) access to capital and (ix) actions of governments. For further information on these and ither risks and uncertainties that may affect the company's business, see Item 1A—Risk Factors in the company's Annual Report on Form 10-K for the fiscal year ended June 30, 2006.

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