

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) **March 11, 2009**

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.)

100 Commercial 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

Reference is made to Note 4 of our Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended June 30, 2008 and to Note 2 of our Notes to Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the period ended December 31, 2008 for a description of our Credit Agreement.

As previously reported, on December 19, 2008, our lenders agreed to a Third Amendment to the Credit Agreement which permitted us, on a temporary basis, to obtain loans and other credit extensions under the Credit Agreement in amounts in excess of our borrowing base. Until January 30, 2009, we were permitted to obtain credit extensions of \$3 million over the borrowing base; thereafter, until February 26, 2009, we were permitted to obtain credit extensions of \$1.5 million over the borrowing base; and thereafter we were permitted to obtain credit extensions of \$500,000 over the borrowing base. Also as previously reported, on February 27, 2009, our lenders agreed to a Fourth Amendment to the Credit Agreement which extended the forbearance period under the Credit Agreement and the February 26, 2009 over advance step-down referred to in the preceding paragraph to March 13, 2009.

On March 11, 2009, in connection with our request that our lenders release their lien on two parcels of land in Atchison that we were not using in our business so that we might sell them, we agreed to apply the net proceeds (\$219,214.64) to our obligations under the Credit Agreement and that the amount of our borrowing base under the Credit Agreement would thereafter be deemed reduced by the amount of such net proceeds.

On March 13, 2009, our lenders agreed to a Fifth Amendment to the Credit Agreement which extended the forbearance period under the Credit Agreement and the over advance step-down date referred to in the preceding paragraph to March 27, 2009.

As of March 13, 2009, after giving effect to the Fifth Amendment, the amount available to us under our Credit Agreement was \$2,069,772.70 and the amount of our outstanding borrowings under the Credit Agreement was \$29,241,207.30.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

4.1 Letter Agreement dated March 11, 2009 with Commerce Bank N.A., as Agent.

4.2 Fifth Amendment to Credit Agreement.

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: March 16, 2009

By : /s/ Timothy W. Newkirk
President and Chief Executive Officer

March 11, 2009

Via E-Mail:

Commerce Bank, N.A.
1000 Walnut St.
Kansas City, MO
Attn: Craig Buckley

Dear Mr. Buckley,

This letter is delivered to you in connection with (a) the Credit Agreement, dated as of May 5, 2008, among MGP Ingredients, Inc. ("MGP"), Midwest Grain Pipeline, Inc., Commerce Bank, N.A., as Agent, Issuing Bank and Swingline Lender, and the Banks party thereto, as amended (as so amended, the "Credit Agreement"), and (b) the letter, dated on or about the date hereof, from the Agent to O'Keefe Wilson Abstract Company relating to the sale of the Empty Lots and Warehouse property referred to therein (the "Closing Letter"). Capitalized terms used and not defined in this Letter have the meanings given to them in the Credit Agreement or the Closing Letter.

The Borrowers (a) authorize and irrevocably instruct the Closing Agent to disburse the Net Sale Proceeds to the Agent as described in paragraph number 1 of the Closing Letter, (b) irrevocably instruct the Agent to apply the Net Sale Proceeds as a prepayment under the Credit Agreement, and (c) agree that, upon the Agent's receipt of Net Sale Proceeds, the amount of the Borrowing Base under the Credit Agreement at any time on or after the date thereof shall be deemed to be reduced by an amount equal to the amount of the Net Sale Proceeds.

Very truly yours,

MGP INGREDIENTS, INC.

By: /s/ David E. Rindom
Name: David E. Rindom
Title: Vice President

MIDWEST GRAIN PIPELINE, INC.

By: /s/ David E. Rindom
Name: David Rindom
Title: Vice President

FIFTH AMENDMENT TO CREDIT AGREEMENT

This Fifth Amendment to Credit Agreement (the "Amendment") is made as of March 13, 2009, by and among MGP Ingredients, Inc., a Kansas corporation ("MGP"), Midwest Grain Pipeline, Inc., a Kansas corporation ("Midwest Grain"), Commerce Bank, N.A., as Agent, Issuing Bank and Swingline Lender under the Credit Agreement referred to below, and the Banks party to the Credit Agreement referred to below. MGP and Midwest Grain are each referred to herein as a "Borrower" and are collectively referred to herein as the "Borrowers." The Banks, the Agent, the Issuing Bank and the Swingline Lender are each referred to herein as a "Bank Party" and are collectively referred to herein as the "Bank Parties."

Preliminary Statements

(a) The Borrowers and the Bank Parties are parties to a Credit Agreement dated as of May 5, 2008, as amended by (i) a First Amendment to Credit Agreement dated as of September 3, 2008, and a letter agreement dated October 31, 2008, (ii) a Second Amendment to Credit Agreement dated as of November 7, 2008, (iii) a Third Amendment to Credit Agreement dated as of December 19, 2008, and (iv) a Fourth Amendment to Credit Agreement dated as of February 27, 2009, and a letter agreement dated as of March 11, 2009 (as so amended, the "Credit Agreement"). Capitalized terms used and not defined in this Amendment have the meanings given to them in the Credit Agreement.

(b) The Borrowers have requested that the outside date of the Standstill Period be extended to March 27, 2009 and that, likewise, the date of the next reduction in the Overadvance Amount be extended to March 27, 2009.

(c) The Bank Parties are willing to agree to the foregoing requests by the Borrowers, subject, however, to the terms, conditions and agreements set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Acknowledgement of Defaults and Banks' Rights. The Borrowers acknowledge and agree that: (a) the Borrowers have failed to comply with their obligations under the Credit Documents and that, as a result, Designated Defaults have occurred and are continuing under the Credit Agreement; and (b) because of the Designated Defaults, and but for the Bank Parties' agreements set forth in Section 3.19 of the Credit Agreement, as amended hereby, the Bank Parties have the present legal right (i) to stop making Loans and other credit extensions under the Credit Documents, (ii) to accelerate the maturity of the Obligations, and (iii) to exercise all other rights or remedies available to the Bank Parties upon the occurrence of an Event of Default.

2. Standstill Period Expiration Date. The reference to "March 13, 2009" in Section 3.19 of the Credit Agreement is amended to read "March 27, 2009".

3. Delay of the Overadvance Step-down. Each reference to "March 13, 2009" in the definition of Overadvance Amount in Section 1.1 of the Credit Agreement is amended to read "March 27, 2009".

4. No Other Amendments; No Waiver. Except as amended hereby, the Credit Agreement and the other Credit Documents shall remain in full force and effect and be binding on the parties in accordance with their respective terms. Nothing in this Amendment shall constitute a waiver by any of the Bank Parties of any Default or Event of Default which may exist on the date hereof, and nothing herein shall require any Bank Party to waive any Default or Event of Default which may arise hereafter. Nothing herein shall act to release any Lien on any Collateral or limit the scope or amount of the obligations secured thereby.

5. Reaffirmation of Credit Documents. Each Borrower reaffirms its obligations under the Credit Agreement, as amended hereby, and the other Credit Documents to which it is a party or by which it is bound, and represents, warrants and covenants to the Bank Parties, as a material inducement to the Bank Parties to enter into this Amendment, that: (a) such Borrower has no and in any event waives any defense, claim or right of setoff or recoupment with respect to its obligations under, or in any other way relating to, the Credit Agreement, as amended hereby, or any of the other Credit Documents to which it is a party, or any Bank Party's actions or inactions in respect of any of the foregoing, and (b) except as otherwise expressly provided in this Amendment, all representations and warranties made by such Borrower in the Credit Agreement or the other Credit Documents to which it is a party are true and complete on the date hereof as if made on the date hereof.

6. Representations and Warranties. Each Borrower represents and warrants to the Bank Parties as follows: (a) it is a validly existing corporation and has full corporate power and authority to enter into this Amendment and any documents or transactions contemplated hereby and to pay and perform any obligations it may have in respect of the foregoing; (b) its execution, delivery and performance of this Amendment and any documents or transactions contemplated hereby do not violate or conflict with, or require any consent under, (1) its organizational documents or any other agreement or document relating to its formation, existence or authority to act, (2) any agreement or instrument by which it or any its properties is bound, (3) any court order, judicial proceeding or any administrative or arbitral order or decree, or (4) any applicable law, rule or regulation; and (c) no authorization, approval or consent of or by, and no notice to or filing or registration with, any governmental authority or other Person is necessary for it to enter into this Amendment or any document or transaction contemplated hereby or to perform any of its obligations with respect to any of the foregoing.

7. Release of Bank Parties. Without limiting any other provision of this Amendment, each Borrower, on behalf of itself and any officers, directors, agents, attorneys, employees, representatives, affiliates, successors and assigns it may have and anyone claiming through or under it (collectively, with respect to all Borrowers, the "Releasing Parties"), hereby releases, remises and acquits each Bank Party, and its officers, directors, agents, attorneys, employees, representatives, affiliates, successors and assigns and anyone claiming through or under it (collectively, with respect to all Bank Parties, the "Released Parties"), from all manners of action, causes of action, claims and demands of every kind and nature whatsoever, whether known or unknown, fixed or contingent, liquidated or unliquidated, as of the date of this Amendment, that any of the Releasing Parties had or may have against any of the Released Parties.

8. Conditions Precedent to Amendment. Unless and to the extent the Agent waives the benefits of this sentence by giving written notice thereof to the Borrowers, the Bank Parties shall have no duties under this Amendment, nor shall any extensions, waivers or other concessions by the Bank Parties under this Amendment be effective, in each case until the Agent has received fully executed originals of each of the following, each in form and substance satisfactory to the Agent:

(a) *Amendment*. This Amendment;

(b) *Other*. Such other documents, consents, agreements or other items as the Agent may reasonably request.

9. Joint and Several Liability. Notwithstanding anything in this Amendment to the contrary, each Borrower's representations, warranties and covenants under this Amendment (and under the other Credit Documents as amended hereby) shall be the joint and several representations, warranties and covenants of all Borrowers.

10. Expenses. The Borrowers shall pay the reasonable out-of-pocket legal fees and expenses incurred by the Agent, the Banks and their respective representatives in connection with the preparation and closing of this Amendment and any other documents referred to herein and the consummation of any transactions referred to herein or therein.

11. Governing Law. This Amendment shall be governed by the same law that governs the Credit Agreement.

12. Counterparts; Fax Signatures. This Amendment may be executed in one or more counterparts and by different parties thereto, all of which counterparts, when taken together, shall constitute but one agreement. This Amendment may be validly executed and delivered by fax, e-mail or other electronic means and any such execution or delivery shall be fully effective as if executed and delivered in person.

[signature page(s) to follow]

IN WITNESS WHEREOF, the parties have entered into this Amendment as of the date first above written.

MGP INGREDIENTS, INC.

By: /s/ Robert Zonneveld
Name: Robert Zonneveld

Title: V.P & CFO

MIDWEST GRAIN PIPELINE, INC.

By: /s/ Robert Zonneveld
Name: Robert Zonneveld

Title: V.P & CFO

COMMERCE BANK, N.A.,
as Agent, Issuing Bank, Swingline Lender and a Bank

By: /s/ Crag D. Buckley
Name: Craig D. Buckley
Title: Vice President

BMO CAPITAL MARKETS FINANCING, INC.,

as a Bank

By: /s/ Barry W. Stratton
Name: Barry Stratton
Title: Managing Director

NATIONAL CITY BANK,

as a Bank

By: /s/ Michael Leong
Title: Vice President

Name: Michael Leong