

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 9, 2010**

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
(Address of principal executive offices)

66002
(Zip Code)

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

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 Condition.

On November 9, 2010 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 2011, which ended September 30, 2010. The press release, dated November 9, 2010 is furnished pursuant to Item 2.02, "Results of Operations and Financial Condition," 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 financial results for the first quarter of fiscal year 2011, which ended September 30, 2010.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Press Release dated November 9, 2010, furnished solely for the purpose of incorporation by reference into Items 2.02, 7.01 and 9.01.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MGP Ingredients, Inc.

Date: November 9, 2010

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

INDEX TO EXHIBITS

99.1 Press Release dated November 9, 2010, furnished solely for the purpose of incorporation by reference into Items 2.02, 7.01 and 9.01.

MGP Ingredients, Inc. Announces FY 2011 First Quarter Results

Highlights

- Company reports Q1 diluted earnings of \$0.28 per share vs. year-ago earnings of \$0.23 per share
- Total sales increase of 13 percent driven mainly by food grade alcohol
- Company strengthens sales, product innovation and customer-facing teams

ATCHISON, Kan., Nov. 9, 2010 (GLOBE NEWSWIRE) -- MGP Ingredients, Inc. (Nasdaq:MGPI) today reported net income of \$5,002,000, or \$0.28 in diluted earnings per share, for the first quarter of fiscal 2011, which ended September 30, 2010. This compares with net income of \$3,738,000, or \$0.23 in diluted earnings per share, for the first quarter of fiscal 2010. Total sales in the first quarter were \$56,978,000, a 13 percent increase from sales of \$50,249,000 for the same period one year ago. The increase was principally due to higher sales of food grade alcohol, with positive contributions from the Company's joint venture distillery operations.

"We are pleased to report another quarter of solid profitability in both of our key segments, including a strong performance from our Illinois Corn Processing, LLC (ICP), joint venture in Pekin, Illinois," said Tim Newkirk, president and chief executive officer. "On the distillery side, we are seeing better demand for high quality food grade industrial alcohol. At the same time, ICP is approaching normalized volumes following start-up last fiscal year. Our focus in this segment is on maintaining gross margin in the face of rising input costs. While we can expect some quarterly variation in distillery sales due to demand cycles and other factors, the general trend is positive and gross margin remains above target."

Newkirk continued, "The ingredients segment continues to make very good progress despite plant interruptions to effect capital investments to support growth. We are especially encouraged by growing demand for our unique fiber and textured wheat protein platforms. I also want to point out that our first quarter SG&A expenses included costs related to our incentive plans, as well as the added expense of rolling out our new business information system. Costs were also affected by the use of outside resources to design and implement supply chain and operating efficiency improvements. While our investments in generating future revenues have a short-term impact on profits, these are critical moves to help capture our full market opportunity."

Distillery Products Segment

- Total distillery products sales revenue for the first quarter was \$42.5 million, an increase of 24 percent compared to the prior year's first quarter. The majority of the increase was attributable to a 32 percent increase in high quality food grade alcohol. Fuel grade alcohol revenues accounted for approximately 5 percent of total distillery products sales for the quarter.
- Distillery products pre-tax profits of \$8.1 million were up 22 percent from pre-tax income of \$6.6 million during the same quarter a year ago. While overall revenues and gross profits increased year-over-year, greater profitability was hampered by significant increases in natural gas prices and corn prices, two principle components of the cost of goods sold. For the first quarter, the per-bushel cost of corn was approximately 15 percent higher than the first quarter of fiscal 2010, while the per-million cubic foot cost of natural gas averaged 58 percent higher than a year ago.

Ingredient Solutions Segment

- Total ingredient segment sales revenue for the first quarter was \$14.1 million, a decrease of 8 percent compared to the prior year's first quarter. The majority of this decrease in revenue was attributable to lower unit volumes of certain specialty starches as well as commodity starches due to planned slowdowns to accommodate a series of facility and process improvements. This decrease was partially offset by a slight increase in sales of specialty proteins.
- Ingredient solutions pre-tax income declined to \$1.4 million compared with \$2.3 million in the prior year's first quarter. This was principally due to higher unit production costs caused by the decreased volume. Profitability was aided by a higher mix of targeted ingredients and lower raw material costs for flour, with the per-pound cost of flour declining by 14 percent compared to the year ago quarter.

Other Segment

- Sales in the other segment for the first quarter were approximately \$0.4 million, a decrease of approximately 40 percent compared to the previous year's first quarter. There were no revenues of pet products in the fourth quarter compared with a year ago. As previously announced, the company sold the assets related to pet products during the first quarter of fiscal 2010. Sales of plant-based biopolymers and resins also decreased by approximately 12 percent due mainly to a decline in unit pricing partially offset by increased volume.
- The other segment reported a slight pre-tax loss of \$20,000 compared to net income of \$116,000 in the prior year period due mainly to lower unit pricing.

Outlook

Newkirk said, "We are seeing compelling evidence that our new business model is operating as planned. We now can be totally focused on generating higher sales of the right products. Our integrated production profile continues to provide a steady source of profits and cash flows from distillery products, allowing us to maintain a relatively high level of reinvestment in supporting specialty ingredient sales to our branded packaged goods customers.

"There is a strong focus at MGPI to enhance our service levels on the ingredients side with regard to product innovation and

commercialization. This is based on heightened new product activity across several of our key customer categories. We've said before that our job is to help our customers grow their businesses. To support this mission, we are strengthening our product innovation and applications capabilities and have recently added a new national sales director to lead our sales initiatives in the ingredients segment."

Newkirk concluded, "The coming year will be all about execution. The early evidence of improved profitability is encouraging, but MGPI is still a work in progress."

About MGP Ingredients

In business since 1941, MGP Ingredients, Inc. is a recognized pioneer in the development and production of value-added, grain-based starches, proteins and food grade alcohol products for the branded packaged goods industry. The company has facilities in Atchison, Kan., and Onaga, Kan. that are equipped with the latest technologies to assure high quality products and to maintain efficient production and service capabilities.

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", "encouraged", "opportunities", "potential" 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) disruptions in operations at our Atchison facility, (ii) the availability and cost of grain and fluctuations in energy costs, (iii) the effectiveness of our hedging strategy, (iv) the competitive environment and related market conditions, (v) our ability to maintain compliance with all applicable loan agreement covenants (vi), the ability to effectively operate the Illinois Corn Processing, LLC ("ICP"), joint venture, (vii) our ability to realize operating efficiencies, (viii) and actions of governments. For further information on these and other 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, 2010.

MGP INGREDIENTS, INC.

CONSOLIDATED STATEMENTS OF INCOME

(unaudited)	Quarter Ended	
(Dollars in thousands, except per share)	Sept. 30, 2010	Sept. 30, 2009
Net Sales	56,978	\$ 50,249
Cost of Sales	<u>46,624</u>	<u>40,412</u>
Gross Profit	\$ 10,354	\$ 9,837
Selling, General and Administrative Expenses	6,227	4,596
Other operating costs	273	797
Gain/(Loss) on sale/disposal of assets	<u>289</u>	<u>(200)</u>
Income from Operations	\$ 3,565	\$ 4,644
Other Income, Net	3	21
Interest Expense	(125)	(789)
Equity in earnings/(loss) of joint venture	<u>1,589</u>	<u>(48)</u>
Income Before Income Taxes	\$ 5,032	\$ 3,828
Provision for Income Taxes	<u>30</u>	<u>90</u>
Net Income	\$ 5,002	\$ 3,738
Other Comprehensive Income, net of tax	<u>28</u>	<u>3</u>
Comprehensive Income	\$ 5,030	\$ 3,741
Basic Earnings Per Common Share	\$ 0.28	\$ 0.23
Diluted Earnings Per Common Share	\$ 0.28	\$ 0.23
Weighted average shares outstanding – Basic	16,675,744	16,602,971
Weighted average shares outstanding – Diluted	16,696,246	16,603,068

CONSOLIDATED BALANCE SHEET (UNAUDITED)

(Dollars in thousands)

Sept. 30, 2010 June 30, 2010 (Dollars in thousands)

Sept. 30, 2010 June 30, 2010

LIABILITIES AND STOCKHOLDERS' EQUITY

ASSETS

Current Assets:

Cash and cash equivalents	\$ 157	\$ 6,369
Restricted cash	--	971
Receivables	22,249	17,674
Inventory	18,121	14,524
Prepaid expenses	1,802	1,517
Deposits	1,120	733
Deferred income tax assets	4,330	6,267
Refundable income taxes	600	578
Total Current Assets	<u>\$ 48,379</u>	<u>\$ 48,633</u>

Property and Equipment, At Cost	165,614	164,559
Less accumulated depreciation	(108,388)	(107,196)
Net property, plant and equipment	<u>\$ 57,226</u>	<u>\$ 57,363</u>

Investment in unconsolidated subsidiary	15,883	14,266
Other assets	781	875
TOTAL ASSETS	<u>\$ 122,269</u>	<u>\$ 121,137</u>

Current Liabilities:

Current maturities on long-term debt	\$ 700	\$ 689
Revolving credit facility	1,517	--
Accounts payable	10,377	10,341
Accounts payable to affiliate	3,672	4,951
Accrued expenses	6,194	7,510
Total Current Liabilities	<u>\$ 22,460</u>	<u>\$ 23,491</u>

Other Liabilities:

Long-term debt, less current maturities	1,897	2,082
Deferred credit	5,239	5,379
Accrued Retiree Health and Life Insurance Benefits	8,339	8,170
Other non-current liabilities	2,767	2,964
Deferred income taxes	4,330	6,267

Total Liabilities	<u>\$ 45,032</u>	<u>\$ 48,353</u>
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Stockholders' Equity	<u>77,237</u>	<u>72,784</u>
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 122,269</u>	<u>\$ 121,137</u>
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Capital Structure

Net Investment in:

Working capital	\$ 25,919	\$ 25,142
Property, plant and equipment	57,226	57,363
Other non-current assets	16,664	15,141
Total	<u>\$ 99,809</u>	<u>\$ 97,646</u>

Financed By:

Long-term debt*	\$ 1,897	\$ 2,082
Deferred liabilities	20,675	22,780
Stockholders' equity	77,237	72,784
Total	<u>\$ 99,809</u>	<u>\$ 97,646</u>

*Excludes short-term portion. Short-term portion is included within working capital.

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