MGP INGREDIENTS INC Form 10-Q August 09, 2012

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

### FORM 10-Q

(Mark One)	
[ X] QUARTERLY REPORT OF 1934	T PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
For the quarterly period ende	d June 30, 2012
	or
[ ] TRANSITION REPORT OF 1934	PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
For the transition period from	to
Commission File Number: 0	-17196
	MGP INGREDIENTS, INC. (Exact name of registrant as specified in its charter)
KANSAS (State or other jurisdiction of incorporation or organization)	45-4082531 (I.R.S. Employer Identification No.)
100 Commercial Street, Atchison Kansas (Address of principal executive offices)	66002 (Zip Code)
	(913) 367-1480 (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. [X] Yes [ ] No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). [X ] Yes [ ] No

a smaller reporting company. See definition o	is a large accelerated filer, an accelerated filer, a non-accelerated filer or of "large accelerated filer", "accelerated filer and "smaller reporting". (Check One) [ ] Large accelerated filer [ ] Accelerated filer
[ ] Non-accelerated filer	[ X] Smaller Reporting Company
Indicated by check mark whether the registran Act). [ ]Yes [ X ] No	nt is a shell company (as defined in Rule 12b-2 of the Exchange
Indicate the number of shares outstanding of date.	each of the issuer's classes of common stock, as of the latest practicable
C	Common stock, no par value
17	7,973,065 shares outstanding
	as of August 3, 2012

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#### FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements as well as historical information. All statements, other than statements of historical facts, included in this Quarterly Report on Form 10-Q regarding the prospects of our industry and our prospects, plans, financial position and business strategy may constitute forward-looking statements. In addition, 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," "pot 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. Investors should not place undue reliance upon forward-looking statements, and the Company undertakes no obligation to publicly update or revise any forward-looking statements. Important factors that could cause actual results to differ materially from our expectations include, among others; (i) disruptions in operations at our Atchison facility or Indiana distillery, (ii) the availability and cost of grain and fluctuations in energy costs, (iii) the effectiveness of our hedging strategy, (iv) our ability to integrate the acquired operations of Lawrenceburg Distillers Indiana, LLC into our own, (v) the competitive environment and related market conditions, (vi) the ability to effectively pass raw material price increases on to customers, (vii) the profitability of the Illinois Corn Processing, LLC ("ICP") joint venture, (viii) our ability to maintain compliance with all applicable loan agreement covenants, (ix) our ability to realize operating efficiencies, (x) actions of governments and (xi) consumer tastes and preferences. For further information on these and other risks and uncertainties that may affect our business, see Item 1A. Risk Factors of our Annual Report on Form 10-K for the six month transition period ended December 31, 2011, as updated by Item 1A. Risk Factors of this Quarterly Report on Form 10-Q.

#### METHOD OF PRESENTATION

All amounts in this quarterly report, except for shares, units, bushels, gallons, pounds, mmbtu, per share, per bushel and per gallon amounts, are shown in thousands.

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# PART I. FINANCIAL INFORMATION

# ITEM 1. FINANCIAL STATEMENTS

# MGP INGREDIENTS, INC.

# $CONDENSED\ CONSOLIDATED\ STATEMENTS\ OF\ COMPREHENSIVE\ INCOME\ (LOSS)$

(Unaudited)

(Dollars in thousands, except per-share amounts)

	Quarter Ended				Year to	Da	ate Ended	
	June 30, Ju		June 30,	June 30,			June 30,	
	2012		2011		2012		2011	
Sales	\$87,263		\$68,882		\$175,693	}	\$133,093	3
Less: excise taxes	1,729		84		3,815		107	
Net sales	85,534		68,798		171,878		132,986	6
Cost of sales (a)	79,618		71,586		160,383	}	129,255	5
Gross profit (loss)	5,916		(2,788	)	11,495		3,731	
Selling, general and administrative expenses	6,285		4,880		14,033		10,570	
Other operating costs	176		425		250		425	
Loss from operations	(545	)	(8,093	)	(2,788	)	(7,264	)
Gain on sale of joint venture interest	-		-		4,055		-	
Other income, net	2		2		4		5	
Interest expense	(232	)	-		(487	)	(92	)
Equity in earnings (loss) of joint ventures	(143	)	(2,296	)	294		(2,172	)
Income (loss) before income taxes	(918	)	(10,387	)	1,078		(9,523	)
Provision (benefit) for income taxes	(68	)	(129	)	52		34	
Net income (loss)	(850	)	(10,258	)	1,026		(9,557	)
Other comprehensive income (loss), net of tax	12		2,971		185		2,988	
Comprehensive income (loss)	\$(838	)	\$(7,287	)	\$1,211		\$(6,569	)
Per share data								
Total basic earnings (loss) per common share	\$(0.05	)	\$(0.61	)	\$0.06		\$(0.57	)
Total diluted earnings (loss) per common share	\$(0.05	)	\$(0.61	)	\$0.06		\$(0.57	)