

MGP INGREDIENTS INC
 Form 4
 May 17, 2006

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 CAHILL BRIAN T

(Last) (First) (Middle)

10407 N REVERE CT

(Street)

KANSAS CITY, MO 65154

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 MGP INGREDIENTS INC [MGPI]

3. Date of Earliest Transaction
 (Month/Day/Year)
 05/15/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)

Vice President and CFO

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 05/15/2006 | | M | | 14,000 | A | \$ 6.88 |
| Common Stock | 05/15/2006 | | M | | 14,000 | A | \$ 6.25 |
| Common Stock | 05/15/2006 | | S | | 28,000 | D | \$ 53,752 |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Options - ISO | \$ 6.88 | 05/15/2006 | | M | 14,000 | <u>(1)</u> 12/11/2007 | Common Stock | 14,000 |
| Stock Options - ISO | \$ 6.25 | 05/15/2006 | | M | 14,000 | <u>(2)</u> 12/10/2008 | Common Stock | 14,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships |
|--|----------------------------------|
| | Director 10% Owner Officer Other |
| CAHILL BRIAN T 10407 N REVERE CT KANSAS CITY, MO 65154 | Vice President and CFO |

Signatures

Brian T. Cahill 05/17/2006

**Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) 3,500 exercisable on 12/11/1998; 3,500 exercisable on 12/11/1999; 3,500 exercisable on 12/11/2000; and 3,500 exercisable on 12/11/2001.

(2) 3,500 exercisable on 12/10/1999; 3,500 exercisable on 12/10/2000; 3,500 exercisable on 12/10/2001; and 3,500 exercisable on 12/10/2002.

(3) 500 were sold at \$30.80; 1,000 at \$30.89; 1,000 at \$30.94; 1,000 at \$30.95; 5,500 at \$31.00; 500 at \$31.01; 2,000 at \$31.04; 2,500 at \$31.05; 500 at \$31.07; 2,000 at \$31.08; 2,000 at \$31.10; 500 at \$31.12; 2,000 at \$31.17; 1,000 at \$31.20; 2,000 at \$31.26; 1,000 at \$31.30; 1,000 at \$31.87; 1,000 at \$31.90; 500 at \$32.40; and 500 at \$32.67 per share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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