

NUTRACEA
Form 10-Q
August 14, 2012

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2012

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-32565

NutraCea

(Exact Name of Registrant as Specified in its Charter)

California

(State or other jurisdiction of incorporation or organization)

6720 North Scottsdale Road, Suite 390

Scottsdale, AZ

(Address of Principal Executive Offices)

87-0673375

(I.R.S. Employer Identification No.)

85253

(Zip Code)

Issuer's telephone number, including area code: (602) 522-3000

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. 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes

No x

As of July 31, 2012, shares of the registrant's common stock outstanding totaled 204,833,937.

NutraCea
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Cautionary Note about Forward-Looking Statements

This quarterly report on Form 10-Q contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including, but not limited to, any projections of earnings, revenue, liquidity or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include the words “may,” “could,” “will,” “estimate,” “intend,” “contingent,” “believe,” “expect” or “anticipate” or other similar words. The forward-looking statements contained herein reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Actual results may differ materially from those projected in such forward-looking statements due to a number of factors, risks and uncertainties, including the factors that may affect future results set forth in this Current Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2011. We disclaim any obligation to update any forward looking statements as a result of developments occurring after the date of this quarterly report.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

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NutraCea
Condensed Consolidated Statements of Operations
Three and Six Months Ended June 30, 2012 and 2011
(Unaudited) (in thousands, except per share amounts)

	Three Months		Six Months	
	2012	2011	2012	2011
Revenues	\$9,711	\$10,502	\$19,457	\$19,150
Cost of goods sold	7,948	7,915	15,953	14,357
Gross profit	1,763	2,587	3,504	4,793
Operating expenses:				
Selling, general and administrative	3,058	3,764	6,703	7,241
Professional fees	516	798	987	1,600
Impairment of property, plant and equipment	1,069	-	1,069	-
Recovery from former customer	-	-	-	(800)
Total operating expenses	4,643	4,562	8,759	8,041
Loss from operations	(2,880)	(1,975)	(5,255)	(3,248)
Other income (expense):				
Interest income	16	67	63	80
Interest expense	(387)	(424)	(805)	(812)
Foreign currency exchange, net	(576)	9	(782)	53
Change in fair value of derivative warrant and conversion liabilities	2,868	2,435	506	(141)
Loss on extinguishment	-	-	(2,986)	-
Financing expense	(20)	-	(1,544)	-
Other income	3	309	7	367
Other expense	(23)	(401)	(117)	(426)
Total other income (expense)	1,881	1,995	(5,658)	(879)
Income (loss) before income taxes	(999)	20	(10,913)	(4,127)
Income taxes	369	(52)	911	8
Net loss	(630)	(32)	(10,002)	(4,119)
Net loss attributable to noncontrolling interest in Nutra SA	429	11	972	39
Net loss attributable to NutraCea shareholders	\$(201)	\$(21)	\$(9,030)	\$(4,080)
Loss per share attributable to NutraCea shareholders				