

RAYONIER INC
Form 10-Q
July 27, 2007
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2007

OR

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

For the transition period from _____ to _____

COMMISSION FILE NUMBER 1-6780

RAYONIER INC.

Incorporated in the State of North Carolina

I.R.S. Employer Identification Number 13-2607329

50 North Laura Street, Jacksonville, FL 32202

(Principal Executive Office)

Telephone Number: (904) 357-9100

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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 and (2) has been subject to such filing requirements for the past 90 days. YES NO

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

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

As of July 20, 2007, there were outstanding 77,843,730 Common Shares of the Registrant.

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RAYONIER INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
AND COMPREHENSIVE INCOME

(Unaudited)

(Dollars in thousands, except per share data)

	Three Months Ended June 30, 2007	2006	Six Months Ended June 30, 2007	2006
SALES	\$ 300,351	\$ 312,122	\$ 600,081	\$ 589,274
Costs and Expenses				
Cost of sales (the three and six months ended June 30, 2007 includes \$10.1 million fire loss charge)	231,125	247,185	462,867	471,440
Selling and general expenses	16,122	14,436	31,967	30,620
Other operating income, net	(1,548)	(818)	(4,542)	(2,050)
	245,699	260,803	490,292	500,010
Equity in income (loss) of New Zealand joint venture	1,071	(99)	1,094	(848)
OPERATING INCOME BEFORE GAIN ON SALE OF NEW ZEALAND TIMBER ASSETS	55,723	51,220	110,883	88,416
Gain on sale of New Zealand timber assets		7,769		7,769
OPERATING INCOME	55,723	58,989	110,883	96,185
Interest expense	(13,615)	(11,874)	(27,233)	(24,063)
Interest and miscellaneous income, net	1,171	1,781	2,184	3,979
INCOME BEFORE INCOME TAXES	43,279	48,896	85,834	76,101
Income tax provision	(9,968)	(5,965)	(17,444)	(9,931)
NET INCOME	33,311	42,931	68,390	66,170
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign currency translation adjustment	3,128	(1,035)	2,270	(8,704)
Amortization of pension and postretirement costs	1,227		2,552	
COMPREHENSIVE INCOME	\$ 37,666	\$ 41,896	\$ 73,212	\$ 57,466
EARNINGS PER COMMON SHARE				
Basic earnings per share	\$ 0.43	\$ 0.56	\$ 0.88	\$ 0.87
Diluted earnings per share	\$ 0.42	\$ 0.55	\$ 0.87	\$ 0.85

See Notes to Condensed Consolidated Financial Statements.

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RAYONIER INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(Dollars in thousands unless otherwise stated)

	June 30, 2007	December 31, 2006
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 16,302	\$ 40,171
Accounts receivable, less allowance for doubtful accounts of \$978 and \$560	99,889	100,309
Inventory		
Finished goods	50,558	57,338
Work in process	7,853	7,823
Raw materials	8,384	8,496
Manufacturing and maintenance supplies	1,780	1,936
Total inventory	68,575	75,593
Other current assets	51,050	43,242
Timber assets held for sale	42,247	40,955
Total current assets	278,063	300,270
TIMBER, TIMBERLANDS AND LOGGING ROADS, NET OF DEPLETION AND AMORTIZATION	1,093,346	1,127,513
PROPERTY, PLANT AND EQUIPMENT		
Land	25,178	25,291
Buildings	122,331	118,348
Machinery and equipment	1,248,276	1,221,305
Total property, plant and equipment	1,395,785	1,364,944
Less accumulated depreciation	(1,035,825)	(1,011,164)
	359,960	353,780
INVESTMENT IN JOINT VENTURE	62,843	61,233
OTHER ASSETS	165,107	121,802
	\$ 1,959,319	\$ 1,964,598
LIABILITIES AND SHAREHOLDERS EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 67,069	\$ 73,758
Bank loans and current maturities	550	3,550
Accrued taxes	12,571	16,296
Accrued payroll and benefits	20,560	24,879
Accrued interest	3,517	19,551

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Accrued customer incentives	6,767	9,494
Other current liabilities	36,339	35,110
Current liabilities for dispositions and discontinued operations	8,739	10,699
Total current liabilities	156,112	193,337
LONG-TERM DEBT	666,209	655,447
NON-CURRENT LIABILITIES FOR DISPOSITIONS AND DISCONTINUED OPERATIONS	108,355	111,817
PENSION AND OTHER POSTRETIREMENT BENEFITS	75,533	73,303
OTHER NON-CURRENT LIABILITIES	14,213	12,716
COMMITMENTS AND CONTINGENCIES (Notes 10 and 12)		
SHAREHOLDERS EQUITY		
Common shares, 120,000,000 shares authorized, 77,772,866 and 76,879,826 shares issued and outstanding	471,240	450,636
Retained earnings	491,481	495,988
Accumulated other comprehensive (loss) income	(23,824)	(28,646)
	938,897	917,978
	\$ 1,959,319	\$ 1,964,598

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**RAYONIER INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(Unaudited)****(Dollars in thousand unless otherwise stated)**

	Six Months Ended June 30,	
	2007	2006
OPERATING ACTIVITIES		
Net income	\$ 68,390	\$ 66,170
Non-cash items included in net income:		
Depreciation, depletion and amortization	77,997	66,611
Non-cash cost of forest fire losses	9,601	
Non-cash cost of real estate sold	3,578	4,504
Non-cash stock-based incentive compensation expense	7,597	5,799
Gain on sale of New Zealand timber assets		(7,769)
Deferred income tax expense (benefit)	988	(3,571)
Other	2,759	1,530
Decrease (increase) in accounts receivable	418	(17,507)
Decrease in inventory	6,011	6,815
(Decrease) increase in accounts payable	(7,103)	15,349
Increase in current timber purchase agreements and other current assets	(7,694)	(16,141)
(Decrease) increase in accrued liabilities	(27,790)	2,927
Increase in other non-current liabilities	3,911	1,654
(Increase) decrease in non-current timber purchase agreements and other assets	(1,392)	11,849
Expenditures for dispositions and discontinued operations	(5,671)	(5,108)
CASH PROVIDED BY OPERATING ACTIVITIES	131,600	133,112
INVESTING ACTIVITIES		
Capital expenditures	(51,162)	(61,616)
Purchase of timberlands and wood chipping facilities	(11,668)	(4,324)
Proceeds from sale of portion of New Zealand joint venture		21,770
Increase in restricted cash	(43,213)	(4,240)
Other	102	674
CASH USED FOR INVESTING ACTIVITIES	(105,941)	(47,736)
FINANCING ACTIVITIES		
Issuance of debt	100,000	66,000
Repayment of debt	(93,000)	(67,545)
Dividends paid	(72,749)	(71,841)
Issuance of common shares	11,256	5,345
Repurchase of common shares		(472)
Excess tax benefits on stock based compensation	4,675	2,211
CASH USED FOR FINANCING ACTIVITIES	(49,818)	(66,302)

Recent Accounting Pronouncements

Recent accounting pronouncements that the Company has adopted or that will be required to adopt in the future are summarized below.

On September 30, 2009, the Company adopted updates issued by the Financial Accounting Standards Board (FASB) to the authoritative hierarchy of GAAP. These changes establish the FASB Accounting Standards Codification™ (ASC) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The FASB will no longer issue new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Abstracts; instead the FASB will issue Accounting Standards Updates. Accounting Standards Updates will not be authoritative in their own right as they will only serve to update the Codification. These changes and the Codification itself do not change GAAP. Other than the manner in which new accounting guidance is referenced, the adoption of these changes had no impact on the Consolidated Financial Statements.

In December 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-29 (ASU 2010-29), *Business Combinations (Topic 805) Disclosure of Supplementary Pro Forma Information for Business Combinations*. This Accounting Standards Update requires a public entity to disclose pro forma information for business combinations that occurred in the current reporting period. The disclosures include pro forma revenue and earnings of the combined entity for the current reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the annual reporting period. If comparative financial statements are presented, the pro forma revenue and earnings of the combined entity for the comparable prior reporting period should be reported as though the acquisition date for all business combinations that occurred during the current year had been as of the beginning of the comparable prior annual reporting period. The amendments in this Update affect any public entity as defined by Topic 805 that enters into business combinations that are material on an individual or aggregate basis. The amendments in this Update are effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. Early adoption is permitted. The Company does not expect the provisions of ASU 2010-29 to have a material effect on its financial position, results of operations or cash flows.

In August 2009, the FASB issued ASU 2009-05, which amends ASC 820 to provide further guidance on measuring the fair value of a liability. It primarily does three things: 1) sets forth the types of valuation techniques to be used to value a liability when a quoted price in an active market for the identical liability is not available, 2) clarifies that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability, and 3) clarifies that both a quoted price in an active market for the identical liability at the measurement date and the quoted price for the identical liability when traded as an asset in an active market, when no adjustments to the quoted price of the asset are required, are Level 1 fair value measurements. The Company's adoption of ASU 2009-05 did not have a material impact on its financial position, results of operations or liquidity.

In June 2009, the FASB issued guidance now codified as ASC Topic 105, *Generally Accepted Accounting Principles* (ASC 105), which establishes the FASB Accounting Standards Codification as the source of GAAP to be applied to nongovernmental agencies. ASC 105 explicitly recognizes rules and interpretive releases of the SEC under authority of federal securities laws as authoritative GAAP for SEC registrants. ASC 105 became effective for interim or annual periods ending after September 15, 2009. ASC 105 does not have a material impact on the Company's consolidated financial statements presented hereby.

In January 2010, the FASB issued Update No. 2010-6, *Improving Disclosures About Fair Value Measurements* (ASU 2010-6), which requires reporting entities to make new disclosures about recurring or nonrecurring fair-value measurements including significant transfers into and out of Level 1 and Level 2 fair-value measurements and information on

purchases, sales, issuances, and settlements on a gross basis in the reconciliation of Level 3 fair-value measurements. ASU 2010-6 is effective for annual reporting periods beginning after December 15, 2009, except for Level 3 reconciliation disclosures, which are effective for annual periods beginning after December 15, 2010. The Company is currently evaluating the effect of this update on its financial position, results of operations and liquidity.

In October 2009, the FASB issued authoritative guidance on revenue recognition that became effective for the Company beginning July 1, 2010, with earlier adoption permitted. Under the new guidance on arrangements that include software elements, tangible products that have software components that are essential to the functionality of the tangible product will no longer be within the scope of the software revenue recognition guidance, and software-enabled products will now be subject to other relevant revenue recognition guidance. Adoption of this new guidance did not have a material impact on our financial statements.

In August 2010, the FASB issued Accounting Standards Update 2010-22 (ASU 2010-22), *Accounting for Various Topics -- Technical Corrections to SEC Paragraphs - An announcement made by the staff of the U.S. Securities and Exchange Commission*. This Accounting Standards Update amends various SEC paragraphs based on external comments received and the issuance of SAB 112, which amends or rescinds portions of certain SAB topics. The Company does not expect the provisions of ASU 2010-22 to have a material effect on its financial position, results of operations or cash flows.

In August 2010, the FASB issued Accounting Standards Update 2010-21 (ASU 2010-21), *Accounting for Technical Amendments to Various SEC Rules and Schedules: Amendments to SEC Paragraphs Pursuant to Release No. 33-9026: Technical Amendments to Rules, Forms, Schedules and Codification of Financial Reporting Policies*. The Company does not expect the provisions of ASU 2010-21 to have a material effect on its financial position, results of operations or cash flows.

In July 2010, the FASB issued Accounting Standards Update 2010-20 (ASU 2010-20), *Receivables (Topic 310): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*. The amendments in this Update are to provide financial statement users with greater transparency about an entity's allowance for credit losses and the credit quality of its financing receivables. The disclosures about activity that occurs during the reporting period are effective for interim and annual reporting periods beginning on or after December 15, 2010. The Company does not expect the provisions of ASU 2010-20 to have a material effect on its financial position, results of operations or cash flows.

In April 2010, the FASB issued Accounting Standards Update 2010-17 (ASU 2010-17), *Revenue Recognition - Milestone Method (Topic 605)*. ASU 2010-17 provides guidance on applying the milestone method of revenue recognition in arrangements with research and development activities. The amendments in this Update are effective on a prospective basis for milestones achieved in fiscal years, and interim periods within those years, beginning on or after June 15, 2010. The Company's adoption of the provisions of ASU 2010-17 did not have a material impact on its revenue recognition.

In March 2010, the FASB issued Accounting Standards Update 2010-11 (ASU 2010-11), *Derivatives and Hedging (Topic 815): Scope Exception Related to Embedded Credit Derivatives*. The amendments in this Update are effective for each reporting entity at the beginning of its first fiscal quarter beginning after June 15, 2010. Early adoption is permitted at the beginning of each entity's first fiscal quarter beginning after issuance of this Update. The Company's adoption of the provisions of ASU 2010-11 did not have a material effect on its financial position, results of operations or cash flows.

In February 2010, the FASB Accounting Standards Update 2010-10 (ASU 2010-10), *Consolidation (Topic 810): Amendments for Certain Investment Funds*. The amendments in this Update are effective as of the beginning of a reporting entity's first annual period that begins after November 15, 2009 and for interim periods within that first reporting period. Early application is not permitted. The Company's adoption of provisions of ASU 2010-10 did not have a material effect on its financial position, results of operations or cash flows.

In February 2010, the FASB issued ASU No. 2010-09 *Subsequent Events (ASC Topic 855) - Amendments to Certain Recognition and Disclosure Requirements (ASU 2010-09)*. ASU No. 2010-09 requires an entity that is an SEC filer to evaluate subsequent events through the date that the financial statements are issued and removes the requirement for an SEC filer to disclose a date, in both issued and revised financial statements, through which the filer had evaluated subsequent events. The adoption did not have an impact on the Company's financial position, results of operations or cash flows.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the AICPA, and the SEC did not or are not believed by management to have a material impact on the Company's present or future financial statements.

In management's opinion, all adjustments necessary for a fair statement of the results for the interim periods have been made. All adjustments made were of a normal recurring nature.

NOTE 2 SHAREHOLDER LOANS PAYABLE

As of December 31, 2011, the Company has outstanding payables to shareholders in the amount of \$150,671. These payables were provided for short-term working capital purposes, bear no interest, and are payable on demand.

NOTE 3 CURRENCY ADJUSTMENT

The Company's principal operations are located in South Africa and the primary currency used is the South African Rand. Accordingly, the financial statements are first prepared in using Rand and then converted to US Dollars for reporting purposes, with the average conversion rate being used for income statement purposes and the closing exchange rate as of December 31, 2011 applied to the balance sheet. Differences resulting from the fluctuation in the exchange rate are recorded as an offset to equity in the balance sheet. For the three months ended December 31, 2011, the currency translation adjustments were \$1,051.

NOTE 4 COMMON STOCK

During the quarter ended December 31, 2011, the Company issued a total of 76,000,000 shares to acquire 100% of the capital of Global Energy Solutions, Inc., an Irish company that owns several subsidiary companies located in South Africa. For reporting purposes, these shares have been reflected as outstanding since inception and the issued and outstanding capital immediately prior to the share exchange has been shown as issued as of the date of the share exchange.

Prior to executing the share exchange, the Company issued 14,000,000 to various third parties in exchange for services rendered. These shares, together with the prior outstanding balance, have been treated as shares issued as of the share exchange date since Global Energy Solutions is the surviving company for reporting purposes.

NOTE 5 FUTURE OBLIGATIONS

In February 2012, the Company entered into a long-term (49 year) lease of tea, avocado, macadamia and timber plantation estates totaling roughly 8 thousand acres in South Africa. Under the terms of the lease, the Company is required to pay annual rent of R250,000 (\$30,000) plus an annual dividend of 26% of net income generated from the use of the property with a R500,000 (\$60,000) annual minimum dividend. The first payment of R20,883 (\$2,610) is due April 2012.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This statement includes projections of future results and "forward looking statements" as that term is defined in Section 27A of the Securities Act of 1933 as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934 as amended (the "Exchange Act"). All statements that are included in this Quarterly Report, other than statements of historical fact, are forward looking statements. Although management believes that the expectations reflected in these forward looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct.

BUSINESS

Plandaí Biotechnology, Inc., (the Company) through its recent acquisition of Global Energy Solutions, Ltd. and its subsidiaries, focuses on the farming of whole fruits, vegetables and live plant material and the production of proprietary functional foods and botanical extracts for the health and wellness industry. Its principle holdings consist of land, farms and infrastructure in South Africa.

The Company was incorporated, as Jerry's Inc., in the State of Florida on November 30, 1942. Prior to it ceasing its operations in 1998, the company catered airline flights and operated coffee shops, lounges and gift shops at airports and other facilities located in Florida, Alabama and Georgia. The company's airline catering services included the preparation of meals in kitchens located at, or adjacent to, airports and the distribution of meals and beverages for service on commercial airline flights. The company also provided certain ancillary services, including, among others, the preparation of beverage service carts, the unloading and cleaning of plates, utensils and other accessories arriving on incoming aircraft, and the inventory management and storage of airline-owned dining service equipment. After ceasing its operations in 1998, the company remained dormant until March of 2004 when we moved our domicile to Nevada and changed our name to Diamond Ranch Foods, Ltd. Diamond Ranch Foods, Ltd. was engaged in the meat processing and distribution industry. Operations consisted of packing, processing, custom meat cutting, portion controlled meats, private labeling, and distribution of our products to a diversified customer base, including, but not limited to; in-home food service businesses, retailers, hotels, restaurants and institutions, deli and catering operators, and industry suppliers. On November 17, 2011, the Company, through its wholly-owned subsidiary, Plandaí Biotechnologies, Inc. consummated a share exchange with Global Energy Solutions Corporation Limited, an Irish corporation. Under the terms of the Share Exchange, GES received 76,000,000 shares of Diamond Ranch that had been previously issued to Plandaí Biotechnologies, Inc. in exchange for 100% of the issued and outstanding capital of GES. On November 21, 2011, the Company filed an amendment to the articles of incorporation to change the name of the company to Plandaí Biotechnology, Inc.

The cash flow from operations is sufficient to fund capital requirements. However, we will seek to raise additional capital through the sale of common stock to fund the expansion of our company. There can be no assurance that we will be successful in raising the capital required and without additional funds we would be unable to expand our plant, acquire other companies, or exponentially increase our sales volume.

DISPOSITION OF SUBSIDIARY

On November 17, 2011, the Company sold its subsidiary, Diamond Ranch, Ltd., together with its wholly-owned subsidiary, Executive Seafood, Inc. to the former officer and director of Diamond Ranch. Under the terms of the sale, the purchaser assumed all associated debt as consideration. During the three and six months ended December 31, 2011, Diamond Ranch, Ltd. and Executive Seafood, Inc. had negligible revenues from operations, generated a net loss of \$126,000, and as of the date of disposition, liabilities exceeded assets by over \$5,000,000.

As a result of the Share Exchange Agreement and disposition of Diamond Ranch, Ltd., the operations of Diamond Ranch Foods, Ltd., consist entirely of the operations of Global Energy Solutions Corporation Limited.

PRODUCTS AND SERVICES

Plandaf Biotechnologies has a proprietary technology that extracts a high level of bio-available compounds from organic matter including green tea leaves and most other organic materials. Various tests have been conducted over the past ten years using this technology that generates functional chemical compounds possessing nutritive properties that act effectively as preventive agents in the healthcare field. Polyphenols from green tea are an excellent source antioxidant and anti-carcinogenic substances. The Company intends to use its plantation leases to focus on the farming of whole fruits, vegetables and live plant material and the production of proprietary functional foods and botanical extracts for the health and wellness industry using its proprietary extraction technology.

COMPETITION

The Company faces competition from a variety of sources. There are several large producers of farm products including green tea and there are numerous companies that develop and market nutraceutical products that include bio-available compounds including those from green tea extract. Many of these competitors benefit from established distribution, market-ready products, and greater levels of financing. Plandaf intends to compete by producing higher quality and higher concentration extracts, producing at lower costs, and controlling a vertically integrated market that includes all stages from farming through production and marketing.

CUSTOMERS

Plandaf will market to end users as well as other nutraceutical companies that require high-quality bio-available extracts for their products. In addition, the Company anticipates having surplus farm products including fruits, and nuts. The Company also controls significant water rights which can be leased to third parties

SALES

For the three and six months ended December 31, 2011, were \$14,000 compared to sales of \$-- for the six months ended December 31, 2010. The Company did not begin operations until late 2011.

EXPENSES

Our total expenses for the three and six months ended December 31, 2011 was \$26,815, and \$57,086, respectively, which was an increase of \$21,676 and \$50,824 from \$5,139 and \$6,262 for the three and six months ended December 31, 2010. The increase in expenses

results from the Company commencing operations in the second half of 2011.

LIQUIDITY AND CAPITAL RESOURCES

For the Six-Months ended December 31, 2011; the Company's cash used in operating activities totaled \$39,520 and cash provided by financing activities was \$31,030.

PLAN OF OPERATION

On November 17, 2011, the Company executed a share exchange with Global Energy Solutions, an Irish company that, through its subsidiaries, controls over 8 thousand acres of plantation properties in South Africa. Now operating as Plandaí Biotechnology, Inc., the Company plans to use a proprietary extraction process to create bio-available extracts using the farm produce from the plantation, with an initial emphasis on green tea extract. During the 2012 calendar year, Plandaí expects to commence farming operations and is considering selling off surplus raw materials including water shares. The Company will also continue developing products using its bioavailable green tea extract with plans to have market-ready product within 12 months.

The Company's long-term existence is dependent upon our ability to execute our operating plan and to obtain additional debt or equity financing to fund payment of obligations and provide working capital for operations. There can be no assurance the necessary debt or equity financing will be available, or will be available on terms acceptable to the Company.

CRITICAL ACCOUNTING POLICIES

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and judgments that affect our reported assets, liabilities, revenues, and expenses, and the disclosure of contingent assets and liabilities. We base our estimates and judgments on historical experience and on various other assumptions we believe to be reasonable under the circumstances. Future events, however, may differ markedly from our current expectations and assumptions. While there are a number of significant accounting policies affecting our financial statements, we believe the following critical accounting policies involve the most complex, difficult and subjective estimates and judgments.

Revenue recognition

The Company derives its revenue from the production and sale of farm goods, raw materials and the sale of bioavailable extracts in both raw material and finished product form. Revenues are recognized when product is ordered and delivered. Product shipped on consignment is not counted in revenue until sold.

Intangible and Long-Lived Assets

We follow Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 360, Property Plant and Equipment , which establishes a primary asset approach to determine the cash flow estimation period for a group of assets and liabilities that represents the unit of accounting for a long lived asset to be held and used. Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

Goodwill is accounted for in accordance with ASC Topic 350, Intangibles Goodwill and Other . We assess the impairment of long-lived assets, including goodwill and intangibles on an annual basis or whenever events or changes in circumstances indicate that the fair value is less than its carrying value. Factors that we consider important which could trigger an impairment review include poor economic performance relative to historical or projected future operating results, significant negative industry, economic or company specific trends, changes in the manner of our use of the assets or the plans for our business, market price of our common stock, and loss of key personnel. We have determined that there was no impairment of goodwill during 2011 or 2010. The share exchange did not result in the recording of goodwill and there is not currently any goodwill recorded.

Potential Derivative Instruments

We periodically assess our financial and equity instruments to determine if they require derivative accounting. Instruments which may potentially require derivative accounting are conversion features of debt and common stock equivalents in excess of available authorized common shares.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK RISKS RELATED TO OUR BUSINESS

We Have Historically Lost Money and Losses May Continue in the Future

We have historically lost money. The loss for the fiscal year March 31, 2011 was \$547,732 and future losses are likely to occur. Accordingly, we may experience significant liquidity and cash flow problems if we are not able to raise additional capital as needed and on acceptable terms. No assurances can be given we will be successful in reaching or maintaining profitable operations.

We Will Need to Raise Additional Capital to Finance Operations

Our operations have relied almost entirely on external financing to fund our operations. Such financing has historically come from a combination of borrowings and from the sale of common stock and assets to third parties. We will need to raise additional capital to fund our anticipated operating expenses and future expansion. Among other things, external financing will be required to cover our operating costs. We cannot assure you that financing whether from external sources or related parties will be available if needed or on favorable terms. The sale of our common stock to raise capital may cause dilution to our existing shareholders. Our inability to obtain adequate financing will result in the need to curtail business operations. Any of these events would be materially harmful to our business and may result in a lower stock price.

There is Substantial Doubt About Our Ability to Continue as a Going Concern Due to Recurring Losses and Working Capital Shortages, Which Means that We May Not Be Able to Continue Operations Unless We Obtain Additional Funding

The report of our independent accountants on our March 31, 2011 financial statements include an explanatory paragraph indicating that there is substantial doubt about our ability to continue as a going concern due to recurring losses and working capital shortages. Our ability to continue as a going concern will be determined by our ability to obtain additional funding. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Our Common Stock May Be Affected By Limited Trading Volume and May Fluctuate Significantly

There has been a limited public market for our common stock and there can be no assurance that an active trading market for our common stock will develop. As a result, this could adversely affect our shareholders' ability to sell our common stock in short time periods, or possibly at all. Our common stock has experienced, and is likely to experience in the future, significant price and volume fluctuations that could adversely affect the market price of our common stock without regard to our operating performance. In addition, we believe that factors such as quarterly fluctuations in our financial results and changes in the overall economy or the condition of the financial markets could cause the price of our common stock to fluctuate substantially. Substantial fluctuations in our stock price could significantly reduce the price of our stock.

There is no Assurance of Continued Public Trading Market and Being a Low Priced Security may Affect the Market Value of Our Stock

To date, there has been only a limited public market for our common stock. Our common stock is currently quoted on the OTCBB. As a result, an investor may find it difficult to dispose of, or to obtain accurate quotations as to the market value of our stock. Our stock is subject to the low-priced security or so called "penny stock" rules that impose additional sales practice requirements on broker-dealers who sell such securities. The Securities Enforcement and Penny Stock Reform Act of 1990 requires additional disclosure in connection with any trades involving a stock defined as a penny stock (generally, according to recent regulations adopted by the SEC, any equity security that has a market price of less than \$5.00 per share, subject to certain exceptions that we no longer meet). For example, brokers/dealers selling such securities must, prior to effecting the transaction, provide their customers with a document that discloses the risks of investing in such securities. Included in this document are the following:

- the bid and offer price quotes in and for the "penny stock," and the number of shares to which the quoted prices apply,
- the brokerage firm's compensation for the trade, and
- the compensation received by the brokerage firm's sales person for the trade.

In addition, the brokerage firm must send the investor:

- a monthly account statement that gives an estimate of the value of each "penny stock" in the investor's account, and
- a written statement of the investor's financial situation and investment goals.

If the person purchasing the securities is someone other than an accredited investor or an established customer of the broker/dealer, the broker/dealer must also approve the potential customer's account by obtaining information concerning the customer's financial situation, investment experience and investment objectives. The broker/dealer must also make a determination whether the transaction is suitable for the customer and whether the customer has sufficient knowledge and experience in financial matters to be reasonably expected to be capable of evaluating the risk of transactions in such securities. Accordingly, the Commission's rules may limit the number of potential purchasers of the shares of our common stock.

Resale restrictions on transferring "penny stocks" are sometimes imposed by some states, which may make transaction in our stock more difficult and may reduce the value of the investment. Various state securities laws pose restrictions on transferring "penny stocks" and as a result, investors in our common stock may have the ability to sell their shares of our common stock impaired.

There can be no assurance we will have market makers in our stock. If the number of market makers in our stock should decline, the liquidity of our common stock could be impaired, not only in the number of shares of common stock which could be bought and sold, but also through possible delays in the timing of transactions, and lower prices for the common stock than might otherwise prevail. Furthermore, the lack of market makers could result in persons being unable to buy or sell shares of the common stock on any secondary market.

We Could Fail to Retain or Attract Key Personnel

Our future success depends in significant part on the continued services of Roger Duffield, our President. We cannot assure you we would be able to find an appropriate replacement for key personnel. Any loss or interruption of our key personnel's services could adversely affect our ability to develop our business plan. We have no employment agreements or life insurance on Mr. Duffield.

Nevada Law and Our Charter May Inhibit a Takeover of Our Company That Stockholders May Consider Favorable

Provisions of Nevada law, such as its business combination statute, may have the effect of delaying, deferring or preventing a change in control of our company. As a result, these provisions could limit the price some investors might be willing to pay in the future for shares of our common stock.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act)) that are designed to be effective in providing reasonable assurance that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission (the SEC), and that such information is accumulated and communicated to our management to allow timely decisions regarding required disclosure.

In designing and evaluating disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute assurance of achieving the desired objectives. Also, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. The design of any system of controls is based, in part, upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of management, including our chief executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, management concluded that our disclosure controls and procedures are effective as of December 31, 2011 to cause the information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods prescribed by SEC, and that such information is accumulated and communicated to management, including our chief executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in our internal controls over financial reporting identified in connection with the requisite evaluation that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

This item is not applicable as we are currently considered a smaller reporting company.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In connection with the Share Exchange dated November 17, 2011, the Company issued 76,000,000 shares of unregistered, restricted common stock to the owners of Global Energy Solutions Corporation Limited. The shares were issued under Rule 144 of the Securities Act of 1933.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. [Removed and Reserved]

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Plandaí Biotechnology, Inc. includes herewith the following exhibits:

Exhibit	Exhibit Description	Filed herewith	Incorporated by reference		
			Form	Period ending	Exhibit Filing date
3.1	Diamond Ranch Foods, Ltd. Articles		10SB-12G		3.1 3/6/2005
3.2	Diamond Ranch Foods, Ltd. By-Laws		10SB-12G		3.2 3/6/2005
3.3	Amendment to Articles of Incorporation dated November 18, 2011		8-K		5.03 11/23/2011
2.01	Share Exchange Agreement between Plandaí Biotechnologies, Inc. and Global Energy Solutions Corporation Limited		8-K		2.01 11/23/2011
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
101.INS*	XBRL Instance Document	X			
101.SCH*		X			

	XBRL Taxonomy Extension Schema Document	
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document	X
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document	X
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document	X
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Definition	X

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PlandafBiotechnology, Inc.
(Registrant)

Date: February 21, 2012

By: /s/ Roger Duffield

Roger Duffield, President

(On behalf of the Registrant and as
Principal Executive Officer)

