

Diamond Ranch Foods, Ltd., NEW
Form 10-K/A
July 20, 2011

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

**FORM 10-K/A
AMENDMENT NO. 1**

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2011

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

Commission File Number 000-51206

DIAMOND RANCH FOODS, LTD.

(Name of small business issuer in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

20-1389815

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

355 Food Center Drive B-1, Bronx, NY

(Address of principal executive offices)

10474

(Zip Code)

Registrant's telephone number, including area code: **(718) 991-9595**

Securities registered under Section 12(b) of the Exchange Act: **None**

Act:

Securities registered under Section 12(g) of the Exchange Act: **Common stock, par value \$0.0001 per share**

Act:

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

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Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the last 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input checked="" type="checkbox"/> |

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

Yes No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of September 30, 2010: \$13,755,159.

As of July 11, 2011, the registrant had 11,415,300 outstanding shares of Common Stock.

Documents incorporated by reference: None.

EXPLANATORY NOTE:

On July 14, 2011, Diamond Ranch Foods, Ltd. filed its Annual Report on Form 10-K for its fiscal year ended March 31, 2011 (the "Form 10-K"). The Company hereby amends the Form 10-K to correct Signature page, Section 302 and Section 906 Certifications for its Principal Financial Officer, Item 10, 11 and 12 to include Victor Petrone's resignations which were inadvertently omitted from original filing.

TABLE OF CONTENTS

| | Page |
|---|------|
| PART I | |
| Item 1. Business | 4 |
| Item 1A. Risk Factors | 6 |
| Item 1B. Unresolved Staff Comments | |
| Item 2. Properties | 9 |
| Item 3. Legal Proceedings | 9 |
| Item 4. (Removed and Reserved) | 9 |
| PART II | |
| Item 5. Market for Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities | 9 |
| Item 6. Selected Financial Data | 10 |
| Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations | 11 |
| Item 7A. Quantitative and Qualitative Disclosures About Market Risk | 14 |
| Item 8. Financial Statements and Supplementary Data | 14 |
| Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure | 14 |
| Item 9A. Controls and Procedures | 15 |
| Item 9B. Other Information | 16 |
| PART III | |
| Item 10. Directors, Executive Officers and Corporate Governance | 16 |
| Item 11. Executive Compensation | 18 |
| Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters | 18 |
| Item 13. Certain Relationships and Related Transactions and Director Independence | 19 |
| Item 14. Principal Accountant Fees and Services | 19 |
| PART IV | |
| Item 15. Exhibits, Financial Statement Schedules | 20 |

PART I

ITEM 1. BUSINESS.

Our 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.

We are engaged in the meat processing and distribution industry. Our operations consist 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.

We became the distributor and processor of the "All American Hamburger" and other meat products through the acquisition of MBC Foods, Inc., a second-generation family owned business on May 1, 2004.

In addition to servicing our customers with a full line of fresh meats, we also produce private-labeled and "branded" hot dogs and meats for the Hebrew National(R) Deli line in the New York Metropolitan area, as well as private-label Sabrett(R) Hamburgers for Marathon Foods.

HISTORY AND COMPANY DEVELOPMENT

Our company was originally incorporated in the State of Florida in 1942 as Jerry's Inc. where 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. Jerry's, Inc. ceased its operation in 1998 and remained dormant until March 2004 when we moved our domicile to Nevada and changed our corporate name to Diamond Ranch Foods, Ltd.

On May 1, 2004 we issued 31,607,650 restricted shares of common stock and acquired MBC Foods, Inc. For financial reporting purposes, the transaction was recorded as a reverse merger and shown on the Statement of Stockholders Equity as a net issuance of 25,692,501 shares.

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.

PRODUCTS AND SERVICES

We have moved our operations in January 2009 to the Bronx terminal market which is located near our current client base and potential new customers.

Products

We offer the following products, which we can prepare either fresh, frozen, or vacuum-packed:

All-American Hamburger:

We offer a proprietary-formulated hamburger called the All American Hamburger. Sizes range from 2 oz. to 12 oz. and come in round, oval, or square, as well as custom shapes.

Hebrew National(R) Line

Quality hot dogs

Seasoned pastramis

Corned Beef

Fresh Meats

Beef, including steaks, roasts and ribs Poultry
Pork
Veal Cutlets
Lamb
Gourmet cheeses, Oils and other food items

Variety Meats

Frog
Quail, Rabbit
Wild game (venison, boar, duck and more)

Beginning March 1, Full line Fresh Seafood

Custom Cuts and Butchering

Our butchers can process any meats as either traditional cuts or custom orders according to customer specifications. We specialize in timely delivery and service of such custom products, which can include steaks, chops and other meats, with selections from fresh or frozen packaging.

Distribution

Our fleet of refrigerated trucks delivers orders throughout the NY Metropolitan area. We can also ship anywhere from coast to coast via common carrier.

Our delivery truck fleet consists of eight (8) vehicles described as follows:

2006 and 2007 Mitsubishi FE180 Trucks
2004 Mitsubishi FEHD Truck
2002 UD Nissan 1400

Equipment

We lease or own a variety of meat processing equipment, including, but not limited to:

Band Saws
Hamburger Formation Machines
Overwrap Machines
Stainless Steel Tables
Digital Scales
Pallet Jacks
Platform Scales

All of the refrigeration equipment, a combination of approximately 10 compressor units contained within the premises, is owned by the Company.

Safety

In order to meet the public's expectation for safe food produced in a competitive market environment, we safeguard our products to prevent food safety hazards by adhering to the USDA's Hazard Analysis of Critical Control Points (HACCP) system. Through the years, we have attempted to preserve our reputation and branded products by addressing the vital components of meat processing, such as sanitary plant conditions, regulated processing controls, observance of USDA inspections, and constant monitoring of procedures and standards to guarantee that our systems meet the increasing demands of our customers.

COMPETITION

Our competition can be divided into two (2) primary categories. First, there are the large full line foodservice distributors, such as US Foodservice, Sysco Foods, DiCarlo Distributors, Landmark, and J. Kings. Second, there are the smaller independent jobbers.

Our advantages over the large foodservice distributors are as follows:

- 1) We have an USDA inspected facility with daily fresh custom cutting of all meats and daily fresh manufacturing of the All American Burger.
- 2) We make available daily deliveries with less stringent minimum order amounts. Many restaurants in the inner city do not have enough refrigerator or freezer storage space affording them a minimum of 2-3 deliveries per week.
- 3) We have the flexibility within our location for customers to make "last minute" call-in orders for the same day delivery or second same day deliveries for emergency situations. We have no cut-off times.
- 4) We purchase our raw product on a daily basis. This allows us to react much faster to fluctuation in market conditions whereby the larger foodservice houses cannot because of enormous inventories.
- 5) Our overall overhead is lower. The cost of our operations in proportion to our sales volume affords us the ability to be price competitive.

Our advantages over the small independent jobbers are as follows:

- 1) Since we operate an USDA inspected warehouse that enables us to custom cut and manufacture, we have the ability to eliminate the "middle man" in the chain of supply. We benefit with the additional gross profit because we also act as a supplier of our custom cut, manufactured goods to the independent jobber.
- 2) We have a facility to store inventory. This allows us to "buy in" during favorable market conditions and thus, be more price competitive.
- 3) The location of our facility allows us to satisfy last minute and emergency orders. Once the independent jobber vacates the "Meat Market" premises, he is incapable of filling any additional deliveries or providing service to his customers.
- 4) We have the ability to distribute to large retail accounts based on our USDA Inspection and Product Liability Insurance. We can offer private labeling and custom packaging to any retail chain.

CUSTOMERS

There are no material contracts between the company and any of our customers. We operate an order/invoice method of operations. We have a broad and sizable customer base which does not leave us dependent on any one or even a few customers for revenue. Our largest customer comprises approximately 3.2% of our business, and our second largest comprises approximately 3.0%.

Our customers include:

·
NY Methodist Hospital

·
Madison Square Garden

·
NYU Langone Medial Center

·
Greenwich Water Club

·
Wykagyl Country Club

ITEM 1A. RISK FACTORS

An investment in our securities is highly speculative, involves a high degree of risk and is suitable only for investors with substantial means who can bear the economic risk of the investment for an indefinite period of time, have no need for liquidity of the investment, and have adequate means of providing for their current needs and contingencies. An investment in the securities should be made only by persons able to bear the risk in the event the investment results in a total loss.

1.) RISK OF LOSS OF INVESTMENT DUE TO HIGHLY COMPETITIVE NATURE OF OUR INDUSTRY.

A majority of the meat packing industry is dominated by four multinational firms. Consolidation and low-cost labor have helped these firms dominate the U.S. industry. Labor cuts by these conglomerates have been due to a decline in unionization and increase in the use of immigrant workers. Potential customers may overlook the Company's products and services because of their inability to institute competitive pricing, availability, and favorable delivery methods as compared to those services provided by the dominant industry players.

2.) RISK OF DEPENDENCE ON KEY PERSONNEL.

The Company is dependent on its present officer and directors, primarily Louis Vucci Jr., Director and CEO. The success of the company is dependent on Mr. Vucci and his management team. Should one or more of these individuals cease to be affiliated with the Company before acceptable replacements are found, there could be a material adverse effect on the Company's business and prospects. We depend substantially on the continued services and performance of our senior management and, in particular, their contracts and relationships, especially within the meat, poultry, and food businesses.

3.) RISK OF LOSS OF AVAILABILITY OF RAW MATERIALS.

The success of the business is contingent on a variety of external factors, such as the availability of healthy livestock at reasonable market prices. The possible introduction of disease into the U.S. national cattle herd, whether unintentionally or as a terrorist act, has been a recent consideration by the Department of Homeland Security (DHS). The U.S. slaughters about 35 million head of cattle per year and is the world's largest beef producing country. Should serious disease occur, no matter how dangerous to human health, the results could be catastrophic to the U.S. economy, as well as a possible cessation of business operations for an undetermined period of time.

4.) RISK OF ENVIRONMENTAL CONDITIONS AND BUSINESS CLIMATE.

We are a small to medium-sized processing facility, and we rely on custom manufacturing for area restaurants and growing niche markets of consumers desiring locally-produced foods for revenue. Customers rely on the consistency in both quantity and quality of the company's products and should that diminish in any way, they could seek products from the competition. Such a loss in sales could affect our revenues and our ability to continue operations.

5.) RISK RELATING TO CONTROLLING INTEREST OF INSIDERS/RISK OF NON-INDEPENDENT BOARD OF DIRECTORS

Our Board of Directors is not independent and our Directors and Officers beneficially own approximately 21.3% of our outstanding Common Stock. These insiders will be able to exercise significant influence over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions. This concentration of ownership may also cause delay or prevent change in control even if it is beneficial to our shareholders.

6.) RISK OF FUTURE DILUTION

There are 11,290,300 shares of our common stock issued and outstanding as of March 31, 2011. All of our common stock is freely tradable except for shares beneficially owned by our "affiliates." We cannot be sure what effect, if any, future sales of our common stock, whether or not those sales come from the issuance, for sale, of additional shares or from stock owned by affiliates becoming free trading. Shareholders will experience dilution if the acquisition price per share is higher than the net tangible book value per share.

7.) RISKS OF REDUCED LIQUIDITY OF "PENNY STOCKS."

The Securities and Exchange Commission has adopted regulations that generally define a "penny stock" as any equity security that has a market price of less than \$5.00 per share and that is not traded on a national stock exchange, NASDAQ or the NASDAQ National Market System. Now, or sometime in the future, penny stocks could be removed from NASDAQ or the NASDAQ National Market System or the securities may become subject to rules of the Commission that impose additional sales practice requirements on broker-dealers effecting transactions in penny stocks. In most instances, unless the purchaser is either (i) an institutional accredited investor, (ii) the issuer, (iii) a director, officer, general partner or beneficial owner of more than five percent (5 %) of any class of equity security of the issuer of the any stock that is the subject of the transaction, or (iv) an established customer of the broker-dealer, the broker-dealer must make a special suitability determination for the purchase of such securities and have received the purchaser's prior written consent to the transaction. Additionally, on any transaction involving a penny stock, the rules of the Commission require, among other things, the delivery, prior to the transaction, of a disclosure schedule prepared by the Commission relating to the penny stock market and the risks associated with investing in penny stocks. The broker dealer also must disclose the commissions payable to both the broker-dealer and registered representative and current quotations for the securities. Finally, among other requirements, monthly statements must be sent to the purchaser of the penny stock disclosing recent price information for the penny stock held in the purchaser's account and information on the limited market in penny stocks. Consequently, the penny stock rules may restrict the ability of broker dealers to sell the securities in any secondary market that may develop.

8.) DOUBT AS TO ABILITY TO CONTINUE AS GOING CONCERN.

Our independent certified public accountant has stated in their report included in this filing that we have suffered recurring losses from operations that raise substantial doubt about our ability to continue as a going concern.

The Company has experienced recurring operating losses and we currently have a working capital deficiency. There is a possibility that our revenues will not be sufficient to meet our operating costs. To date our liabilities have greatly exceeded our current assets. There is a substantial doubt that we can continue as a going concern.

The major part of the Company's liabilities are in the form of loans which were obtained for operating and development purposes. If these loans were not to be renewed the Company would be forced to seek either alternative financing sources, new equity investment, or alternatively sell certain material assets and/or seek reorganization under bankruptcy rules. In the event these loans could not be continued there can be no current assurance of the continued viability of the Company. Additionally, in the event that revenues were to decline below operating cost and such resultant loss exceeded cash and short term receivables there again can be no current assurance of the continued viability of the Company. _

There can be no assurance that we will continue to generate revenues from operations or obtain sufficient capital on acceptable terms, if at all. Failure to obtain such capital or generate such operating revenues would have an adverse impact on our financial position and results of operations and ability to continue as a going concern. Our operating and capital requirements during the next fiscal year and thereafter will vary based on a number of factors, including the level of sales and marketing activities for our services and products. There can be no assurance that additional private or public finances, including debt or equity financing, will be available as needed or, if available, on terms favorable to us. Any additional equity financing may be dilutive to stockholders and such additional equity securities may have rights, preferences or privileges that are senior to those of our existing common stock.

Furthermore, debt financing, if available, will require payment of interest and may involve restrictive covenants that could impose limitations on our operating flexibility. Our failure to successfully obtain additional future funding may jeopardize our ability to continue our business and operations.

GOVERNMENT APPROVAL & REGULATION

We have filed Grants of Inspection with the U.S. Department of Agriculture and are approved to operate as an USDA certified meat processing establishment. We currently operate as establishment number "EST. 5099" as indicated inside the USDA mark of inspection displayed on all of our processed meat items and establishment number "EST.

P-20622" for our processed poultry items. The USDA considers our business a "Small Plant" operation since we employ a staff of 20-500 personnel.

We adhere to the Hazard Analysis and Critical Control Point (HACCP) system established by the USDA and endorsed by the National Academy of Sciences and the National Advisory Committee on Microbiological Criteria for Foods. The HACCP approach is a system of checks and balances that focuses on identifying and preventing hazards from contaminating food, permits more efficient and effective government oversight on establishments and their compliance of food safety laws on a continuing basis, while placing responsibility on the food manufacturer or distributor for ensuring appropriate food safety.

We comply with the USDA Label Regulations on all packages, containers, and boxes used to transport any meat and/or poultry products; including, but not limited to: Product Name, Product Description, Ingredients, and Nutrition Facts Panel.

Furthermore, we must comply with the Standard Sanitation Operational Procedures (SSOP) that we have developed in accordance with the USDA to prevent direct contamination or adulteration of our products. The SSOPs are implemented and maintained on a daily basis and are relevant to the entire establishment and all shifts of operation. The SSOPs are signed and dated by the individual with overall authority on-site or a member of our management team and are verified for adherence by a USDA certified inspector.

We are a federally-recognized establishment, thus, inspections by a USDA certified inspector occur on a daily basis.

We are not subject to inspection by any city or state authority.

EMPLOYEES

We currently have twenty (13) paid full-time employees plus 7 commissioned sales people. We assess employee relations to be exceptional. Mr. Vucci our President, and the rest of the management team, devote one hundred percent (100%) of their professional time to running our company.

FURTHER INFORMATION

As of the effective date of this Registration Statement we will be required to file certain reports with the Securities and Exchange Commission including Annual Reports (Form 10-K), Quarterly Reports (Form 10-Q) and Current Reports (Form 8-K). A copy of our annual report will be provided to all shareholders and will include an audited balance sheet as of the end of the last fiscal year and audited income, cash flow and stockholders equity statements for the last two fiscal years.

Our shareholders and the public in general, may read and copy any materials we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. Additionally, the SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers. The address of that site is <http://www.sec.gov>.

ITEM 1 B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We sublease our operating facility from a private company on a month-to-month basis for \$9,000 per month. The facility consists of 4,000 sq. ft. with two (2) loading docks on the plant and a separate poultry section.

ITEM 3. LEGAL PROCEEDINGS

On March 31, 2009, a group of former employees of the company filed an involuntary petition against the company for relief under chapter 7 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. The company has filed a motion to dismiss the involuntary case on the grounds that the former employees are not holders of claims eligible to commence an involuntary petition under law and that the filing of the involuntary petition was motivated by bad faith. In connection with its motion to dismiss the involuntary case, the company has asserted claims against the former employees for compensatory and punitive damages. As of the date of this report, no order for relief under the Bankruptcy Code has been entered by the Bankruptcy Court.

ITEM 4. REMOVED AND RESERVED

PART II

ITEM 5. MARKET FOR COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Shares of the Company's common stock are quoted and traded from time to time on the OTC.BB with the trading symbol "DRFO."

The following table sets forth the high and low bid information for the Company's common stock for each quarter within the two fiscal years. The prices reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

| Quarter Ending | Quarterly High | Quarterly Low |
|----------------|----------------|---------------|
| 3/31/2009 | \$5.25 | \$5.25 |
| 6/30/2009 | \$4.10 | \$4.10 |
| 9/30/2009 | \$4.70 | \$4.70 |
| 12/31/2009 | \$3.72 | \$3.72 |
| 3/31/2010 | \$2.70 | \$2.70 |
| 6/30/2010 | \$0.45 | \$0.39 |
| 9/30/2010 | \$1.58 | \$1.41 |
| 12/31/2010 | \$0.98 | \$0.77 |
| 3/31/2011 | \$0.35 | \$0.23 |

Secondary trading of our shares may be subject to certain state imposed restrictions.

The ability of individual shareholders to trade their shares in a particular state may be subject to various rules and regulations of that state. A number of states require that an issuer's securities be registered in their state or appropriately exempted from registration before the securities are permitted to trade in that state.

From time-to-time we may grant options or warrants, or promise registration rights to certain shareholders. We have no control over the number of shares of our common stock that our shareholders sell. The price of our common stock may be adversely affected if large amounts are sold in a short period of time.

Our shares most likely will be subject to the provisions of Section 15(g) and Rule 15g-9 of the Exchange Act, commonly referred to as the "penny stock" rule.

Section 15(g) sets forth certain requirements for transactions in penny stocks and Rule 15g-9(d)(1) incorporates the definition of penny stock as that used in Rule 3a51-1 of the Exchange Act.

The SEC generally defines penny stock to be any equity security that has a market price less than \$5.00 per share, subject to certain exceptions. Rule 3a51-1 provides that any equity security is considered to be a penny stock unless that security is: registered and traded on a national securities exchange meeting specified criteria set by the SEC; authorized for quotation on The NASDAQ Stock Market; issued by a registered investment company; excluded from the definition on the basis of price (at least \$5.00 per share) or the issuer's net tangible assets; or exempted from the definition by the SEC. Broker-dealers who sell penny stocks to persons other than established customers and accredited investors (generally persons with assets in excess of \$1,000,000 or annual income exceeding \$200,000, or \$300,000 together with their spouse), are subject to additional sales practice requirements.

For transactions covered by these rules, broker-dealers must make a special suitability determination for the purchase of such securities and must have received the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, unless exempt, the rules require the delivery, prior to the first transaction, of a risk disclosure document relating to the penny stock market. A broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, and current quotations for the securities. Finally, monthly statements must be sent to clients disclosing recent price information for the penny stocks held in the account and information on the limited market in penny stocks. Consequently, these rules may restrict the ability of broker-dealers to trade and/or maintain a market in our common stock and may affect the ability of shareholders to sell their shares.

As of July 8, 2011, there were approximately 542 holders of record of our common stock. This number does not include an indeterminate number of shareholders whose shares are held by brokers in street name.

TRANSFER AGENT

We have appointed Signature Stock Transfer, Inc., with offices at 2301 Ohio Drive, Suite 100, Plano, TX 75093, phone number 972-612-4120, as transfer agent for our shares of common stock. The transfer agent is responsible for all record-keeping and administrative functions in connection with the common shares and stock warrants.

DIVIDEND POLICY

We don't plan to pay dividends at this time or anytime soon. The board of directors will decide on any future payment of dividends, depending on our results of operations, financial condition, capital requirements, and any other relevant factors. However, we expect to use any future earnings for operations and in the business.

RECENT SALES OF UNREGISTERED SECURITIES.

None.

ITEM 6. SELECTED FINANCIAL DATA.

Not Applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

10

ANALYSIS OF OPERATIONS: 2011 AND 2010 RESULTS

SALES

Our revenues from operations for the year ended March 31, 2011 were \$7,162,889 compared to \$8,548,888 in 2010 which was generated from the sale of our meat products and services. The decrease was a result of reduction in sales due to overall economic conditions. The decrease was \$1,385,999.

COST OF SALES AND GROSS PROFIT

Our cost of sales for the year ended March 31, 2011 was \$5,273,182, generating a gross profit of \$1,889,707 or (26%).

Our gross profit has increased from 18% from the prior year ended March 31, 2010. Management expects gross profits to increase as revenues increase and the cost of sales decrease. The decrease in costs can be attributed to many factors, including, but not limited to better purchasing methods, better mix of product sales generating higher profits and better management control.

We have operated on the same margins with no changes in the types of products sold or services provided from one period to the next. We attribute our growth to new customers and sales accounts and a higher volume of products being sold through these means. The addition to our customer base was achieved by increased sales efforts made by our management team through standard marketing procedures, such as in-person sales visits and demonstrations and "warm" referrals through existing clientele. Increases in revenue can also be attributed to existing clients, who are responsible for managing multiple hotel and restaurant chains.

GENERAL AND ADMINISTRATIVE

Our payroll expenses for the year ended March 31, 2011 was \$912,066, which was an increase of \$208,480 over the amount of \$703,586 for the year ended March 31, 2010. This increase is attributable to an increase in staffing.

Our factoring expense for the year ended March 31, 2011 was \$21,573, which was a decrease of \$60,037 from the amount of \$81,610 for the year ended March 31, 2010. This decrease is mainly attributable to the change in factoring companies and overall reduction in receivables.

Our rent expense for the year ended March 31, 2011 was \$160,338 which was a decrease of \$63,185 over the year ended March 31, 2010.

Our Sales Commission for the year ended March 31, 2011 was \$453,485, which was an increase of \$46,886 over the amount for the year ended March 31, 2010.

General and Administrative costs increased to \$804,195 from \$797,355 or \$60,840 mainly due to increases in maintenance, utilities and consulting.

NET LOSS FROM OPERATIONS

The Company's loss from operations decreased to \$484,537 from \$690,160 or \$248,254.

PLAN OF OPERATION

For the next twelve months we plan to operate the business using our current methods, which include borrowing and factoring. We are able to satisfy our cash requirements, material commitments, and applicable filing fees anticipated under our obligations of the Exchange Act.

We intend to continue using an invoice factoring company in the short-term and over the next 12 months to fund our accounts receivable. We expect to finalize an agreement with a purchasing agent which would provide better terms for purchasing of our goods which could substantially effect our gross profit in a positive way, enabling us to become profitable.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2011, the Company had negative working capital of \$5,329,153. The Company's continued existence is dependent upon its ability to execute its operating plan, and to obtain additional debt or equity financing. There can be no assurance the necessary debt or equity financing will be available, or will be available on terms acceptable to the Company.

Management plans include acquiring existing businesses in our industry, evaluating and introducing new product lines, and obtaining financing to provide working capital. We are actively pursuing alternatives, although no firm commitments have been obtained. In the interim, shareholders have committed to meeting our operating expenses. Although management believes these efforts will be successful, there is no assurance any of these efforts will succeed.

The Company has been meeting its capital requirements through the sale of its Common Stock, Notes Payable, Factoring of Receivables, and Related Party Loans.

For the twelve months ended March 31, 2011, the Company's cash provided by operating activities totaled \$306,807. Cash provided by investing activities was \$9,666, and cash used in financing activities was \$323,897.

The company has also consolidated its sales and marketing force and implemented a commission-based sales force tied to performance. The company plans to augment its current growth by identifying strategic regional acquisition targets with strong local and regional brand recognition.

ACQUISITIONS

We will need to raise additional funds should management decide to acquire existing like-minded businesses. Certain candidates have been identified however no definitive agreements exist. We have targeted several businesses for acquisition in New York City. We would acquire 100% of the stock and operations of these entities, including, without limitation, all rights, title know-how, assignment of property leases, equipment, furnishings, inventories, processes, trade names, trademarks, goodwill, and other assets of every nature used in the entities' operations.

All of the facilities that may be acquired are centrally located within the historic Gansevoort market in lower Manhattan, thus affording the company the ability to take advantage of the economies of scale for delivery, purchasing, and other daily operating responsibilities.

If we were successful in raising funds through the sale of our common stock, and will be able to enter into negotiations for the purchase of any and/or all of the selected businesses, initially no changes in day-to-day operations in any acquired facilities would be necessary.

No negotiations have taken place, and no contracts have been entered into, to purchase any such businesses described herein. We assume that if such purchase(s) were to be completed, additional funds would be required to renovate the existing facilities, as well as improve or replace machinery as prescribed by the existing landlord or pursuant to USDA regulation.

We expect to become profitable within the next twelve months based on our current growth trend. If sales continue to increase, we may elect to purchase/lease one (1) or more pieces of new equipment depending on inflated product demand. However, no new equipment is necessary to satisfy current operations or anticipated sales order increases within the next twelve months.

We do not anticipate hiring new paid full-time employees within the next twelve months. However, we would consider hiring commission-based salespeople should the opportunity arise.

TRENDS

Although restaurant menus follow public consumption trends, the Company supplies a wide variety of specialty products and cuts to its customers. The selection of value-added products can be adjusted to consumer trends very easily. These items typically produce higher margin returns. The Company inventories many products, so if beef preferences increase and poultry preferences decrease, Company sales would shift by item but remain stable by volume. The Company would preserve its financial condition should public consumption trends change by adjusting its inventory and buying cycles.

Management has perceived a variety of recent trends that have had a material impact on our current revenues and our projected revenues for the coming quarters. Meat consumption has dramatically increased overall due to dieting habits; most famously known is The Atkins Diet, as well as other diets, that emphasize high-protein, low-carbohydrate intake. These diets suggest eating meats, including red, instead of high carbohydrate foods, and specifically recommend avoiding refined carbohydrates. High protein consumption has become a part of American culture, more than a societal tendency, in that in order to meet increasing customer requests for low-carb type items. We consider that the market research conducted by this customer was ample to effectuate such a menu change and concurs with our perception that the demand for beef, poultry, and other meats is a continuing and upwards trend. We substantiate the same claims through our own customers' purchasing trends which are evidenced by our increased revenues. The marketplace also indicates that poultry consumption is rising steadily. In order to maximize this trend, we are expanding our pre-cooked poultry offerings to all food providers, as well as those without full-service cooking establishments. Aside from the lack of a cooking facility, many purveyors seek pre-cooked poultry for safety reasons since these products offer a significantly low safety risk at causing bacterial cross-contamination. We offer pre-cooked items currently, and feel that making the investment to market these products under own branded name will increase our revenue due to heightened product awareness and our reputation for quality-conscious production methods.

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 sale of meat products, and the revenue is recognized when the product is delivered to the customer.

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.

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.

GOING CONCERN OPINION BY COMPANY AUDITOR

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustment relating to recoverability and classification of recorded amounts of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company has incurred a net loss for the years ended March 31, 2011 and 2010. These conditions raise substantial doubt as to the Company's ability to continue as a going concern.

The Company's continued existence is dependent upon its ability to execute its operating plan and to obtain additional debt or equity financing. There can be no assurance the necessary debt or equity financing will be available, or will be available on terms acceptable to the Company.

Management plans include acquiring additional meat processing and distribution operations and obtaining additional financing to fund payment of obligations and to provide working capital for operations and to finance future growth. The Company is actively pursuing alternative financing and has had discussions with various third parties, although no firm commitments have been obtained. In the interim, shareholders of the Company have committed to meeting its operating expenses. Management believes these efforts will generate sufficient cash flows from future operations to pay the Company's obligations and realize other assets. There is no assurance any of these transactions will occur.

Management does not consider our auditor's going concern opinion problematic because we have evaluated operating practices during the years ended 2011 and 2010, and have made modifications to our present-day operations accordingly. With a continuous increase in revenues and the continued implementation of stringent purchasing controls, we believe further increases in gross profit will occur, leading to a reduced net loss, with net profit to ultimately follow. We anticipate this trend to continue, however, if a downturn in revenues should occur, or cost of goods increased due to factors outside our control, and operating expenses were unable to be paid through cash flow from operations, our executive officers have committed to contribute capital, or waiver their salaries to offset these expenses.

We intend to expand our business primarily through acquisitions, which would require obtaining debt or equity financing as is indicated in our auditor's going concern opinion. In preparation for such expansion, we have engaged in several substantive discussions with prospective equity investors. Although no terms have been finalized or contracts signed, several investors have showed strong interest in funding our business. We expect to raise capital either through a debt or equity transaction, despite our negative cash flows because the terms of the capital raise would be subject and pursuant to the merit of each acquisition candidate. The acquisitions contemplated are all profitable companies and are engaged in a similar business so economies of scale will also allow our company, as the parent company, to benefit from the elimination of negative cash flow due to the incorporation of the acquisition into our business. Favorable financing terms would consist of a convertible debenture with an interest rate in the range of 6-8%. We would insist on a fixed conversion price converting the debt into common stock at a par with the current market price or at a premium to it.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and related notes are included as part of this report as indexed in the appendix on page F-1 through F-15.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

On August 30, 2010, Gruber & Company, LLC. (Gruber) informed the Registrant that it would not stand for re-election as the Registrant's independent public accountant.

On September 28, 2010, the Registrant engaged M&K CPAS, PLLC (M&K) as the Registrant's independent public accountants. M&K has been engaged to review the Registrant's unaudited interim financial information, commencing with the quarter ended September 30, 2010, and to perform an audit of the Registrant and report on the financial statements for the fiscal year ending March 31, 2011. Besides a standard going concern qualification, Gruber's report on the financial statements for the both of the two past fiscal years did not contain an adverse opinion or a disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope or accounting principles. The decision to change accountants was approved by the registrant's board of directors. During the fiscal years ended March 31, 2010 and March 31, 2009, and any subsequent interim period through August 30, 2010, when our former auditor declined to stand for re-election, there have been no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement, if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement in its report.

During the two most recent fiscal years and through the Engagement Date, neither the Registrant nor anyone on its behalf consulted M&K regarding the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Registrant's financial statements, and neither a written report was provided to the Registrant nor oral advice was provided that M&K concluded was an important factor considered by the

Registrant in reaching a decision as to the accounting, auditing or financial reporting issue; or any matter that was either the subject of a disagreement (as defined in paragraph (a)(1)(iv) of Item 304 of Regulation S-K and the related instructions to this item) or a reportable event (as described in paragraph (a)(1)(v) of Item 304 of Regulation S-K).

On January 20, 2011, Diamond Ranch Foods, Ltd. (the Company) dismissed M & K CPAS, PLLC as independent auditors for the Company. The decision to dismiss M & K CPAS, PLLC and to seek new independent auditors was approved by the Company's Board of Directors.

The review of M & K CPAS, PLLC on the Company's financial statements for the three month period ended September 30, 2010 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty or accounting principles. In connection with the review of the Company's financial statements for the three month period ended September 30, 2010, (1) there were no disagreements with M & K CPAS, PLLC on any matter of accounting principles or practices, financial statement disclosure and procedure which, if not resolved to the satisfaction of M & K CPAS, PLLC, would have caused M & K CPAS, PLLC to make reference to the matter in the filing and (2) there were no reportable events as that term is defined in Item 304 of Regulation S-K promulgated under the Securities Exchange Act of 1934 (Item 304).

On January 20, 2011, the Company engaged Robison, Hill & Company as the Company's independent accountant to audit the Company's financial statements and to perform reviews of interim financial statements. During the fiscal years ended March 31, 2010 and 2009 through January 20, 2011 neither the Company nor anyone acting on its behalf consulted with Robison, Hill & Company regarding (i) either the application of any accounting principles to a specific completed or contemplated transaction of the Company, or the type of audit opinion that might be rendered by Robison, Hill & Company on the Company's financial statements; or (ii) any matter that was either the subject of a disagreement with M & K CPAS, PLLC or a reportable event with respect to M & K CPAS, PLLC.

ITEM 9A. CONTROLS AND PROCEDURES

Management, including our chief executive officer and chief financial officer, as of the end of the period covered by this Annual Report on Form 10-K, we have concluded our disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934 were effective to ensure that information required to be disclosed in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

Changes in Internal Controls. There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation. There were no significant deficiencies or material weaknesses and therefore there were no corrective actions taken. However, the design of any system of controls is based in part upon certain assumptions about the likelihood of future events and there is no certainty that any design will succeed in achieving its stated goal under all potential future considerations, regardless of how remote.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Internal control over financial reporting refers to a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer and effected by our Board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in connection with generally accepted accounting principles, including those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting cannot provide absolute assurance of the prevention or detection of misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In connection with the preparation of this Annual Report on Form 10-K for the year ended March 31, 2011, management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our internal controls over financial reporting, pursuant to Rule 13a-15 under the Exchange Act. Our Chief Executive Officer and Chief Financial Officer have concluded that the design and operation of our internal controls and procedures are effective as of March 31, 2011. There were no significant changes in our internal controls over financial reporting that occurred during the fourth fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

This Annual Report on Form 10-K/A does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management's report in this Annual Report on Form 10-K/A.

ITEM 9B. OTHER INFORMATION

Not Applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The following table sets forth as of July 8, 2011 certain information regarding our current directors and executive officers:

| Name | Age | Position |
|------------------|------------|--|
| Louis Vucci, Jr. | 41 | Chief Executive Officer, Chief Financial Officer, President and Director |
| Phillip Serlin | 68 | Vice President of Business Development and Director |

Louis Vucci, Jr., President, Chief Executive Officer and Director

Mr. Louis Vucci, Jr. has been our President and Director since March 8, 2004. Since 1990, Mr. Vucci was President of Vucci Foods, Inc., a meat distribution company, whose operations were integrated into MBC Foods, Inc. in 2003. Mr. Vucci specialized in sales account management and expansion.

Mr. Vucci devotes 100% of his time as our chief executive officer.

Philip Serlin, Vice President of Business Development and Director

Mr. Philip Serlin has been our Vice President of Business Development and Director since March 8, 2004. Mr. Serlin became the Chief Operations Officer of MBC Foods, Inc. in 1999 after he integrated his company, PHS Ship Supply Corp., a hamburger and chop meat processing company, into the operations of MBC Foods, Inc. Mr. Serlin devotes 100% of his time as Vice President of Business Development and Director.

DIRECTOR COMPENSATION

Our directors are also employees, but are not compensated for their duties performed as directors.

TERM OF OFFICE

The directors named above will serve until the next annual meeting of our shareholders. In absence of an employment agreement, officers hold their positions at the satisfaction of the Board of Directors.

FAMILY RELATIONSHIPS

None.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

None of our directors or executive officers has, during the past five years,

1. have been convicted in a criminal proceeding and none of our directors or executive officers is subject to a pending criminal proceeding,
2. been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, futures, commodities or banking activities, or
3. been found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

AUDIT COMMITTEE FINANCIAL EXPERT

The Company's board of directors does not have an "audit committee financial expert," within the meaning of such phrase under applicable regulations of the Securities and Exchange Commission, serving on its audit committee. The board of directors believes that all members of its audit committee are financially literate and experienced in business matters, and that one or more members of the audit committee are capable of (i) understanding generally accepted accounting principles ("GAAP") and financial statements, (ii) assessing the general application of GAAP principles in connection with our accounting for estimates, accruals and reserves, (iii) analyzing and evaluating our financial statements, (iv) understanding our internal controls and procedures for financial reporting; and (v) understanding audit committee functions, all of which are attributes of an audit committee financial expert. However, the board of directors believes that there is not any audit committee member who has obtained these attributes through the experience specified in the SEC's definition of "audit committee financial expert." Further, like many small

companies, it is difficult for the Company to attract and retain board members who qualify as "audit committee financial experts," and competition for these individuals is significant. The board believes that its current audit committee is able to fulfill its role under SEC regulations despite not having a designated "audit committee financial expert."

COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

The Company does not have a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934. Accordingly, the Company's executive officers and directors and persons who own more than 10% of its equity securities are not subject to the beneficial ownership reporting requirements of Section 16(a) of that Act. However, although not required, certain of such persons do file beneficial ownership reports with the Securities and Exchange Commission.

To the best of our knowledge and based solely upon our review of the reports filed and submitted to the Company during the fiscal year ended March 31, 2011, the Company believes that all reports were timely filed by such persons.

ITEM 11. EXECUTIVE COMPENSATION.

The following table provides certain summary information concerning the compensation earned by the named executive officers for the year ended March 31, 2011 and March 31, 2010, for services rendered in all capacities to Diamond Ranch Foods, Ltd.:

| Name & Principal Position | Year | Salary (\$) | Bonus (\$) | Stock Awards (\$) | Option Awards (\$) | Non-Equity Incentive Plan Compensation (\$) | Nonqualified Deferred Compensation Earnings (\$) | All Other Compensation (\$) | Total (\$) |
|--|------|----------------|---------------|-------------------------|--------------------------|--|---|-----------------------------------|------------|
| Louis Vucci, Jr. President, CEO and Director | 2011 | 100,000 | -0- | -0- | -0- | -0- | -0- | -0- | 100,000 |
| | 2010 | 145,000 | -0- | -0- | -0- | -0- | -0- | -0- | 145,000 |
| Victor Petrone ⁽¹⁾ COO, CFO and Director | 2011 | 100,000 | -0- | -0- | -0- | -0- | -0- | -0- | 100,000 |
| Philip Serlin Director | 2011 | 85,000 | -0- | -0- | -0- | -0- | -0- | -0- | 85,000 |
| | 2010 | 130,000 | -0- | -0- | -0- | -0- | -0- | -0- | 130,000 |

⁽¹⁾ On April 10, 2011, the Company accepted the resignation from Victor Petrone the Company's Chief Financial Officer, Chief Operating Officer and member of the Board of Directors. Effective on the same date to fill the vacancy created by Mr. Petrone's resignation as Chief Financial Officer, the Company appointed Louis Vucci, Jr., President, Chief Executive Officer and Director, as the Company's Chief Financial Officer. At this time, no one has been chosen to fill the vacancies of Chief Operating Officer and member of the Board of Directors left by the resignations of Mr. Petrone.

We do not have a longterm incentive plan or arrangement of compensation with any individual in the group of officers and directors.

EMPLOYMENT AGREEMENTS

None.

STOCK OPTION GRANTS AND EXERCISES

We granted no stock options to any of our officers or directors.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following table sets forth, a information regarding the beneficial ownership of our common stock with respect to each of our executive officers, each of our directors, each person known by us to own beneficially more than 5% of the common stock, and all of our directors and executive officers as a group. Each individual or entity named has sole investment and voting power with respect to shares of common stock indicated as beneficially owned by them, except where otherwise noted.

| Name and Address ⁽¹⁾ | Number of Shares Beneficially Owned ⁽²⁾ | Class | Percentage Beneficially Owned ⁽³⁾ |
|--|---|--------|---|
| Louis Vucci, Jr. | 2,000,000 | Common | 17.7% |
| President, CEO and Director Victor Petrone ⁽⁴⁾ | -0- | Common | * |
| COO, CFO and Director Philip Serlin | 300,000 | Common | 2.6% |
| Vice President of Business Development and Director All Officers and Directors as a group (3 in number) | 2,300,000 | Common | 20.3% |

*Denotes less than 1%

(1) Unless otherwise stated, the address of all persons is 355 Food Center Drive B-1, Bronx, NY 10474.

(2) The information contained in this table with respect to beneficial ownership reflects "beneficial ownership" as defined in Rule 13d-3 under the Exchange Act. All information with respect to the beneficial ownership of any shareholder has been furnished by such shareholder and, except as otherwise indicated or pursuant to community property laws, each shareholder has sole voting and investment power with respect to shares listed as beneficially owned by such shareholder. Pursuant to the rules of the Commission, in calculating percentage ownership, each person is deemed to beneficially own shares subject to options or warrants exercisable within 60 days of the date of this Filing, but shares subject to options or warrants owned by others (even if exercisable within 60 days) are deemed not to be outstanding.

(3) The above percentages are based on 11,415,300 shares of common stock outstanding as of March 31, 2011.

(4) On April 10, 2011, the Company accepted the resignation from Victor Petrone the Company's Chief Financial Officer, Chief Operating Officer and member of the Board of Directors. Effective on the same date to fill the vacancy created by Mr. Petrone's resignation as Chief Financial Officer, the Company appointed Louis Vucci, Jr., President, Chief Executive Officer and Director, as the Company's Chief Financial Officer. At this time, no one has been chosen to fill the vacancies of Chief Operating Officer and member of the Board of Directors left by the resignations of Mr. Petrone.

CHANGES IN CONTROL

We are unaware of any contract or other arrangement, the operation of which may, at a subsequent date, result in a change in control of our Company. Presently in the by-laws there are no provisions that could delay a change in control of the Company.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

As of March 31, 2011, we have an outstanding note payable to Berkshire Capital Management Co., Inc., a shareholder, in the amount of \$2,640,942. The note is payable in lump-sum including interest at 5% and as of the date of this report is past due. Interest on the notes began accruing on September 30, 2004. We considered the terms of this loan to be more beneficial than any other loans that might have been available from third parties at that time.

To the best of our knowledge, there are no other transactions involving any Director, Executive Officer, any nominee for election as a Director or Officer, or any 5% shareholder who is a beneficial owner or any member of the immediate family of the same.

ITEM 14. PRINCIPAL ACCOUNTANT FEES & SERVICES.

The following is a summary of the fees billed to the Company by M&K CPAS, PLLC and Gruber & Company our principal accountants, for professional services rendered during 2011 and 2010:

| Services | 2011 | 2010 |
|--------------------|-----------|-----------|
| Audit Fees | \$ 16,000 | \$ 10,000 |
| Audit-Related Fess | - | - |
| Tax Fees | - | - |
| Total | \$ 16,000 | \$ 10,000 |

AUDIT FEES. Consist of fees billed for professional services rendered for the audits of our consolidated financial statements included in our annual report, reviews of our interim consolidated financial statements included in quarterly reports, other services performed in connection with filings with the Securities and Exchange Commission and related comfort letters and other services that are normally provided by Robison, Hill & Company and Gruber & Company in connection with statutory and regulatory filings or engagements.

TAX FEES. Consist of fees billed for professional services for tax compliance, tax advice and tax planning. These services include assistance regarding federal, state and local tax compliance and consultation in connection with various transactions and acquisitions.

ALL OTHER FEES. Consist of fees billed for products and services provided by the principal accountant other than Audit Fees, Audit-Related Fees and Tax Fees.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

| 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 |
| 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 | | | | |
| 21 | List of Subsidiaries | | X | | | |

DIAMOND RANCH FOODS, LTD.

FINANCIAL STATEMENTS

MARCH 31, 2011 AND 2010

F-1

C O N T E N T S

| | PAGE |
|--|------|
| Reports of Independent Registered Public Accounting Firm | F-3 |
| Balance Sheets | F-4 |
| Statement of Operations | F-5 |
| Statement of Stockholders' Equity | F-6 |
| Statement of Cash Flows | F-7 |
| Notes to Financial Statements | F-9 |

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**ROBISON, HILL & CO.
A PROFESSIONAL
CORPORATION**

Certified Public Accountants

BRENT M. DAVIES, CPA
DAVID O. SEAL, CPA
W. DALE WESTENSKOW, CPA
BARRY D. LOVELESS, CPA
STEPHEN M. HALLEY, CPA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

Diamond Ranch Foods, Ltd.

We have audited the accompanying balance sheets of Diamond Ranch Foods, Ltd. as of March 31, 2011 and the related statements of operations, stockholder's equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We

believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Diamond Ranch Foods, Ltd. as of March 31, 2011 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations which raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Robison, Hill & Co.

Certified Public Accountants

Salt Lake City, Utah

July 11, 2011

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

THE BOARD OF DIRECTORS AND SHAREHOLDERS OF DIAMOND RANCH FOODS, LTD.

We have audited the accompanying balance sheet of Diamond Ranch Foods, Ltd. as of March 31, 2010 and the related statements of operations, stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Diamond Ranch Foods, Ltd. as of March 31, 2010 and the results of its' operations and its' cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in note 1 to the financial statements, the Company has suffered recurring losses from operations that raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from this uncertainty.

/s/ Gruber & Company, LLC

Gruber & Company, LLC

Lake Saint Louis, Missouri

July 8, 2010

F-4

DIAMOND RANCH FOODS, LTD.
CONSOLIDATED BALANCE SHEETS

| ASSETS | March 31, | |
|--|------------------|------------------|
| Current Assets: | 2011 | 2010 |
| Cash in Bank | \$ - | \$ 7,424 |
| Marketable Securities | - | 22,000 |
| Accounts Receivable Factored | - | 422,406 |
| Accounts Receivable-Non Factored (Net) | 574,282 | 760,874 |
| Inventory | 95,143 | 231,398 |
| Other Current Assets | 2,215 | 2,734 |
| Total Current Assets | 671,640 | 1,446,836 |
| Fixed Assets Net | 270,768 | 281,021 |
| Total Assets | \$ 942,408 | \$ 1,727,857 |
| LIABILITIES & STOCKHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Bank overdraft | \$ - | \$ 48,660 |
| Accounts Payable and Accrued Expenses | 913,377 | 973,574 |
| Accounts payable Related party | 1,935,755 | 1,874,408 |
| Factoring Line of Credit | - | 379,465 |
| Shareholder Loans | 2,640,942 | 2,526,887 |
| Interest payable | 510,719 | 425,689 |
| Total Current Liabilities | 6,000,793 | 6,228,683 |
| TOTAL LIABILITIES | 6,000,793 | 6,228,683 |
| STOCKHOLDERS' DEFICIT | | |
| Preferred Stock, authorized 10,000,000 shares, par value \$.0001, 5,284 shares issued and outstanding as of March 31, 2011 and March 31, 2010 | 1 | 1 |
| Common Stock, authorized 500,000,000 shares, \$.0001 par value \$.0001, 11,415,300 shares issued and outstanding as of March 31, 2011 and 11,290,300 March 31, 2010 | 1,142 | 1,129 |
| Additional Paid-In Capital | 4,475,102 | 4,484,942 |
| Retained Deficit | (9,534,630) | (8,986,898) |
| Total Stockholders' Deficit | (5,058,385) | (4,500,826) |
| Total Liabilities and Stockholders' Deficit | \$ 942,408 | \$ 1,727,857 |

The accompanying notes are an integral part of these financial statements.

F-5

DIAMOND RANCH FOODS, LTD.
CONSOLIDATED INCOME STATEMENTS

| | March 31, | |
|----------------------------------|------------------|--------------|
| | 2011 | 2010 |
| Revenues, net | \$ 7,162,889 | \$ 8,548,888 |
| Cost of Goods Sold | 5,273,182 | 7,007,977 |
| Gross Profit | \$ 1,889,707 | \$ 1,540,911 |
| Expenses: | | |
| Payroll | 912,066 | 703,586 |
| Factoring Fee | 21,573 | 81,610 |
| Rent Expense | 160,338 | 223,523 |
| Depreciation & Amortization | 22,587 | 18,398 |
| General & Admin. | 804,195 | 797,355 |
| Sales Commission | 453,485 | 406,599 |
| Total Expenses | \$ 2,374,244 | \$ 2,231,071 |
| Net (Loss) from Operations | (484,537) | (690,160) |
| Other Income (Expense): | | |
| Interest Income and Other | 42,943 | 10 |
| Bad Debt Expense | (21,088) | - |
| Debt Forgiveness | - | 55,000 |
| Realized Loss on Securities | - | (102,122) |
| Interest and Financing Expense | (85,050) | (92,551) |
| Net Income (Loss) | \$ (547,732) | \$ (829,823) |
| Basic & Diluted (Loss) Per Share | \$ (0.05) | \$ (0.08) |
| Weighted Avg. Shares Outstanding | 11,342,697 | 10,802,800 |

The accompanying notes are an integral part of these financial statements.

F-6

DIAMOND RANCH FOODS, LTD.
CONSOLIDATED STATEMENTS OF EQUITY

| | Preferred Stock | | Common Stock | | Additional Paid-in Capital | Retained Earnings (Deficit) | Total |
|--------------------------------------|-----------------|--------|--------------|--------|----------------------------------|-----------------------------------|-------------|
| | Shares | Amount | Shares | Amount | | | |
| Balance March 31, 2009 | 5,284 | 1 | 10,777,800 | 1,078 | 4,459,368 | (8,157,075) | (3,696,628) |
| Shares issued for services | - | - | 512,500 | 51 | 25,574 | - | 25,625 |
| Net loss | | | | | | (829,823) | (829,823) |
| Balance March 31, 2010 | 5,284 | 1 | 11,290,300 | 1,129 | 4,484,942 | (8,986,898) | (4,500,826) |
| Forgiveness of related party debt | - | - | - | - | (109,827) | - | (109,827) |
| Stock issued for cash | - | - | 125,000 | 13 | 99,987 | - | 100,000 |
| Net loss | - | - | - | - | - | (547,732) | (547,732) |
| Balance March 31, 2011 | 5,284 | 1 | 11,415,300 | 1,142 | 4,475,102 | (9,534,630) | (5,058,385) |

The accompanying notes are an integral part of these financial statements.

DIAMOND RANCH FOODS, LTD.**CONSOLIDATED STATEMENTS OF CASH FLOWS**

| | For the year ended | |
|---|---------------------------|--------------|
| | March 31, | |
| | 2011 | 2010 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net Loss | (547,732) | \$ (829,823) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Depreciation and Amortization | 22,587 | 18,398 |
| Forgiveness of debt | - | (55,000) |
| Loss on sale of available for sale securities | - | 102,122 |
| Decrease (Increase) in Inventory | 136,255 | (96,453) |
| (Increase) Decrease in Accounts Receivable | 608,998 | (548,993) |
| (Increase) Decrease in Other Current Assets | 519 | 14,754 |
| Stock Issued in Exchange for Services | - | 25,625 |
| (Decrease) Increase in Accounts Payable and Accrued Expenses | (60,197) | 1,103,414 |
| Increase in Related Party Payable | 61,347 | - |
| Interest Payable | 85,030 | 89,859 |
| Net Cash Provided by (Used in) Operating Activities | 306,807 | (176,097) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sale of available for sale securities | 22,000 | 320,178 |
| Purchase of available for sale securities | - | (381,900) |
| Acquisition of fixed assets | (12,334) | (277,708) |
| Net Cash Used in Investing Activities | 9,666 | (339,430) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Bank overdraft | (48,660) | 48,660 |
| Payments on Capital Lease Obligation | - | (2,849) |
| Factoring Payable | (379,465) | 62,684 |
| Shareholder Loans | 114,055 | 442,399 |
| Payments on Notes Payable | - | (35,000) |
| Sale of Common Stock | 100,000 | -- |
| Contribution of Capital from Stockholders | (109,827) | -- |
| Net Cash Provided by (Used in) Financing Activities | (323,897) | 515,894 |
| Net (Decrease) Increase in Cash and Cash Equivalents | (7,424) | 367 |
| Cash and Cash Equivalents at Beginning of Period | (7,424) | 7,057 |

| | | |
|--|---|-------|
| Cash and Cash Equivalents at End of Period | - | 7,424 |
|--|---|-------|

SUPPLEMENTAL CASH FLOW INFORMATION:

Cash paid during the year for:

| | | |
|--------------|-------|-------|
| Interest | \$ -- | \$ -- |
| Income taxes | \$ -- | \$ -- |

**SUPPLEMENTAL DISCLOSURE OF NO-CASH
INVESTING AND FINANCING ACTIVITIES:**

| | | |
|---------------------------|-------|----------|
| Stock issued for services | \$ -- | \$25,625 |
|---------------------------|-------|----------|

The accompanying notes are an integral part of these financial statements.

DIAMOND RANCH FOODS, LTD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND MARCH 31, 2010

NOTE 1 - NATURE OF OPERATIONS AND GOING CONCERN

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustment relating to recoverability and classification of recorded amounts of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company incurred an operating loss of \$547,732 for the year ended March 31, 2011 and has a negative stockholders equity of \$5,058,385 and has a negative working capital of \$5,329,153.

The Company's continued existence is dependent upon its ability to continue to execute its operating plan and to obtain additional debt or equity financing. There can be no assurance the necessary debt or equity financing will be available, or will be available on terms acceptable to the Company.

Management plans include acquiring additional meat processing and distribution operations and obtaining additional financing to fund payment of obligations and to provide working capital for operations and to finance future growth. The Company is actively pursuing alternative financing and has had discussions with various third parties, although no firm commitments have been obtained. In the interim, shareholders of the Company have committed to meeting its operating expenses. Management believes these efforts will generate sufficient cash flows from future operations to pay the Company's obligations and realize other assets. There is no assurance any of these transactions will occur.

Organization and Basis of Presentation

The Company was incorporated under the laws of the State of Florida on November 30, 1942 under the name Jerry's Inc. The Company ceased all operating activities during the period from January 1, 1998 to March 8, 2004 and was considered dormant. On March 8, 2004 the Company changed its domicile to the State of Nevada. On March 30, 2004, the company changed its name to Diamond Ranch Foods, Ltd.

On May 1, 2004, the shareholders of the Diamond Ranch Foods, Ltd. (formerly Jerry's Inc.) completed a stock purchase agreement with MBC Foods, Inc., a Nevada corporation. The merger was accounted for as a reverse merger, with MBC Foods, Inc. being treated as the acquiring entity for financial reporting purposes. In connection with this merger, Diamond Ranch Foods, Ltd. (formerly Jerry's Inc.) issued 31,607,650 shares of common stock for the acquisition of MBC Foods, Inc. which was recorded as a reverse merger and shown on the Statement of Stockholders Equity as a net issuance of 25,692,501 shares.

For financial reporting purposes, MBC Foods, Inc. was considered the new reporting entity.

Nature of Business

The Company is a meat and seafood processing and distribution company now located in the Hunts Point Coop Market, Bronx, NY. The Companies operations consist of packing, processing, labeling, and distributing products to a customer base, including, but not limited to; in-home food service businesses, retailers, hotels, restaurants, and institutions, deli and catering operators, and industry suppliers.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

This summary of accounting policies for Diamond Ranch Foods, Ltd. and its wholly-owned subsidiary, Executive Seafood, Inc., is presented to assist in understanding the Company's financial statements. The accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Reverse Stock Split

On September 19, 2008 the Company affected a 2,000 to 1, reverse stock split and changed its symbol to DRFO. The financials have been restated for all periods presented to reflect this reverse stock split.

Use of Estimates

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. In preparing the financial statements, management is required to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the balance sheet and statement of operations for the year then ended. Actual results may differ from these estimates. Estimates are used when accounting for allowance for bad debts, collect ability of accounts receivable, amounts due to service providers, depreciation and litigation contingencies, among others.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes.

Revenue recognition

The Company derives its revenue from the sale of meat and seafood products, and the revenue is recognized when the product is delivered to the customer.

Concentration of Credit Risk

The Company has no significant off-balance sheet concentrations of credit risk such as foreign exchange contracts, options contracts or other foreign hedging arrangements.

Fixed Assets

Fixed assets are recorded at cost. Major renewals and improvements are capitalized, while maintenance and repairs are expensed when incurred. As of March 31, 2011 depreciation is computed as follows:

| | Cost | Method | Life | Accumulated Depreciation | Net |
|-------------------|------------|---------------|-----------|-----------------------------|------------|
| Equipment | \$ 347,900 | Straight Line | 3-5 Years | \$ 341,505 | \$ 6,395 |
| Building and land | 264,373 | Straight Line | 20 Years | - | 264,373 |
| | \$ 612,273 | | | \$ 341,505 | \$ 270,768 |

Total depreciation expense for the year ended March 31, 2011 and 2010 was \$22,587 and \$18,399, respectively.

Impairment of Long-Lived Assets

In accordance with ASC Topic 360, formerly SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be fully recoverable. The assessment of possible impairment is based on the Company's ability to recover the carrying value of its asset based on estimates of its undiscounted future cash flows. If these estimated future cash flows are less than the carrying value of the asset, an impairment charge is recognized for the difference between the asset's estimated fair value and its carrying value. As of the date of these financial statements, the Company is not aware of any items or events that would cause it to adjust the recorded value of its long-lived assets for impairment.

Earnings per Share

Basic gain or loss per share has been computed by dividing the loss for the period applicable to the common stockholders by the weighted average number of common shares outstanding during the years. There are no dilutive outstanding common stock equivalents as of March 31, 2011 and 2010.

Income Taxes

The Company accounts for income taxes under ASC Topic 740, formerly SFAS No. 109, *Accounting for Income Taxes*, as clarified by ASC Topic 740, formerly FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, (FIN No. 48). Deferred tax assets and liabilities are determined based upon differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized.

The Company adopted the provisions of ASC Topic 740, formerly FIN No. 48 on January 1, 2007. Previously, the Company had accounted for tax contingencies in accordance with Statement of Financial Accounting Standards No. 5, *Accounting for Contingencies*. As required by ASC Topic 450, formerly FIN No. 48, the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. At the adoption date, the Company applied ASC Topic 740, formerly FIN No. 48 to all tax positions for which the statute of limitations remained open. As a result of the implementation of ASC Topic 740, formerly FIN No. 48, the Company did not recognize any change in the liability for unrecognized tax benefits.

The Company is subject to income taxes in the U.S. federal jurisdiction, the State of New York and New York City. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. With few exceptions, the Company is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for the years before April 1, 2007.

The Company is not currently under examination by any federal or state jurisdiction.

The Company's policy is to record tax-related interest and penalties as a component of operating expenses.

Inventory

Inventory consists of finished meat and seafood products, and is valued at the lower of cost, determined on the first-in, first-out basis (FIFO), or market value.

Fair Value of Financial Instruments

Fair value of certain of the Company's financial instruments including cash and cash equivalents, accounts receivable, account payable, accrued expenses, notes payables, and other accrued liabilities approximate cost because of their short maturities. The Company measures and reports fair value in accordance with ASC 820, Fair Value Measurements and Disclosure defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value investments.

Fair value, as defined in ASC 820, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset should reflect its highest and best use by market participants, principal (or most advantageous) markets, and an in-use or an in-exchange valuation premise. The fair value of a liability should reflect the risk of nonperformance, which includes, among other things, the Company's credit risk.

Valuation techniques are generally classified into three categories: the market approach; the income approach; and the cost approach. The selection and application of one or more of the techniques may require significant judgment and are primarily dependent upon the characteristics of the asset or liability, and the quality and availability of inputs. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 also provides fair value hierarchy for inputs and resulting measurement as follows:

Level 1

Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities; The Company values its available for sale securities using Level 1.

Level 2

Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3

Unobservable inputs for the asset or liability that are supported by little or no market activity and that are significant to the fair values.

Fair value measurements are required to be disclosed by the Level within the fair value hierarchy in which the fair value measurements in their entirety fall. Fair value measurements using significant unobservable inputs (in Level 3 measurements) are subject to expanded disclosure requirements including a reconciliation of the beginning and ending balances, separately presenting changes during the period attributable to the following: (i) total gains or losses for the period (realized and unrealized), segregating those gains or losses included in earnings, and a description of where those gains or losses included in earnings are reported in the statement of income.

Marketable Securities

Marketable securities consist of publicly-traded securities that are classified as available-for-sale securities. On the balance sheet, available-for-sale securities are classified as current assets. Available-for-sale securities are recorded at fair market value based upon quoted market prices. Unrealized gains and losses, net of related income taxes, are recorded in accumulated other comprehensive income (loss) in stockholders' equity (deficit).

Realized gains and losses from the sale of available-for-sale securities are recorded in other income (expense) and are computed using the specific identification method. During the year ended March 31, 2011, the Company sold available-for-sale securities for proceeds of \$22,000 which was the acquisition price, resulting in no realized gain or loss. The Company had no marketable securities as of March 31, 2011.

The Company's policy for assessing recoverability of its available-for-sale securities is to record a charge against net earnings when the Company determines that a decline in the fair value of a security drops below the cost basis and judges that decline to be other-than-temporary.

Advertising

Advertising costs are expensed as incurred.

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.

NOTE 3-MARKETABLE SECURITIES

During the year ended March 31, 2011, the Company liquidated 2,000,000 shares of stock of an unaffiliated company which had been acquired at \$0.011 cents per share. Total proceeds on liquidation were \$22,000, resulting in no gain or loss on the sale. The Company had no marketable securities as of March 31, 2011.

NOTE 4 - INCOME TAXES

As of March 31, 2011, the Company had a net operating loss carryforward for income tax reporting purposes of approximately \$9,500,000 which can be offset against future taxable income through 2031. Current tax laws limit the amount of loss available to be offset against future taxable income when a substantial change in ownership occurs. Therefore, the amount available to offset future taxable income may be limited. No tax benefit has been reported in the financial statements because the Company believes there is a 50% or greater chance the carry-forwards will expire unused. Accordingly, the potential tax benefits of the loss carry-forwards are offset by a valuation allowance of the same amount.

| | 2011 | 2010 |
|----------------------|--------------|--------------|
| Net Operating Losses | \$ 2,945,000 | \$ 2,790,000 |
| Valuation Allowance | (2,945,000) | (2,790,000) |
| | \$ - | \$ - |

The Company evaluates its valuation allowance requirements based on projected future operations. When circumstances change and cause a change in management's judgment about the recoverability of deferred tax assets, the impact of the change on the valuation is reflected in current income.

NOTE 5 - OPERATING LEASE COMMITMENTS

The Companies operating facility consists of approximately 3,500 sq. ft. The Company leases the space on a month-to-month basis at \$9,000 per month.

The Company leases six delivery trucks under non-cancelable operating losses. The minimum rentals due on these six delivery trucks are as follows at March 31, 2011 and 2010:

| | |
|----------------|----------------|
| March 31, 2011 | March 31, 2010 |
|----------------|----------------|

| | | |
|----------------------------|-----------|------------|
| Year ending March 31, 2011 | - | 87,048 |
| Year ending March 31, 2012 | 24,552 | 24,552 |
| Total | \$ 24,552 | \$ 111,600 |

NOTE 7- NOTES PAYABLE

Factoring Line of Credit

In 2007 the Company entered into an agreement with a factoring corporation. Under the terms of the agreement, the Company would receive 90 percent of the purchase price up front and 10 percent would be held in reserves until the receivables are collected. The term of the agreement is one year, renewable at the Corporations discretion. A discount charge of sixty-five hundredths of one percent (.0065) modified from nine tenths of one per cent (.0090) on March 23, 2009 is charged, with increases based upon a time frame of receivables outstanding. Receivables over 90 days are returned to the Company.

These factoring lines of credit have been treated as a secured financing arrangement. As of March 31, 2011, the Company did not have any advances under the factoring line of credit. As of March 31, 2010 the company had factored receivables in the

amount of \$422,406 and recorded a liability of \$379,465. Discount provided during factoring of the accounts receivable have been expensed on the accompanying Statements of Operations as Factoring Fees.

NOTE 8 LOANS PAYABLE

As of March 31, 2011, the Company has outstanding notes payable to a shareholder in the amount of \$2,640,942. These loans bear interest at rates of 3% per annum. Accrued interest as of March 31, 2011 was \$510,719. During the year ended March 31, 2011, the shareholder forgave \$109,827 of this indebtedness, which was charged to Additional Paid-in Capital.

In September 2006, the Company received \$100,000 for a note bearing interest at 7.5%, payable in monthly installments starting February 2009 of \$5,000 per month. On July 28, 2009 the Company entered into a mutual release agreement in which the parties agreed to settle the remaining \$90,000 debt for \$35,000. The Company recorded forgiveness of debt in the amount of \$55,000 for the year ended March 31, 2010 and has recorded the amount as other income.

NOTE 9 - RELATED PARTY TRANSACTIONS

At March 31, 2011 the Company was indebted to a vendor, a related party, representing 65% of the total payables. While the Company can, if needed, replace this vendor in buying product to sell, the loss of this relationship would have a material impact on the Company.

NOTE 10-COMMON STOCK TRANSACTIONS

During the year ended March 31, 2010, the Company issued 512,500 shares of common stock for services rendered. The shares issued were valued at \$.05, the bid price on the date of issuance.

During the year ended March 31, 2011, the Company issued 125,000 shares of common stock for cash of \$100,000.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DIAMOND RANCH FOODS, LTD.
(Registrant)

July 20, 2011

By: /s/ Louis Vucci, Jr.

Louis Vucci, Jr., Chief Executive Officer
(On behalf of the Registrant and as Principal Executive Officer) and
Director

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

July 20, 2011 /s/ Louis Vucci, Jr.

Louis Vucci, Jr., Chief Executive Officer
(Principal Executive Officer,) and Director

July 20, 2011 /s/ Philip Serlin

Philip Serlin, Director