

NUTRACEA
Form 424B3
December 07, 2007

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-129839

**PROSPECTUS SUPPLEMENT No. 2
DATED DECEMBER 7, 2007
TO PROSPECTUS DATED
May 16, 2007 OF**

NUTRACEA

**10,733,449 SHARES
COMMON STOCK**

The final prospectus of NutraCea dated May 16, 2007, as amended by prospectus supplement dated May 16, 2007 and prospectus supplement dated November 15, 2007, is supplemented to include the following updated information:

Selling Security Holders Table

The “Selling Security Holders” table contained in the final prospectus dated May 16, 2007 is updated to reflect a transfer to the Fort Mason Master LP of warrants to purchase a total of 300,000 shares of NutraCea common stock. These shares were previously held beneficially by Nite Capital, LP.

In addition, the “Selling Security Holders” table contained in the final prospectus dated May 16, 2007 is updated to reflect a transfer to Joseph Halpern of warrants to purchase a total of 87,920 shares of NutraCea common stock, a transfer to Yael Simpson of warrants to purchase a total of 87,920 shares of NutraCea common stock, and a transfer to Baruch Halpern Rev Trust, dtd 6/13/06 of warrants to purchase a total of 703,360 shares of NutraCea common stock. These shares were previously held beneficially by Halpern Capital, Inc.

In addition, the “Selling Securities Security Holders” table contained in the final prospectus dated May 16, 2007 is updated to reflect a transfer to Craig Horn of warrants to purchase a total of 42,635 shares of NutraCea common stock, and a transfer to Carl Kruse of warrants to purchase a total of 42,635 shares of NutraCea common stock. These shares were previously held beneficially by Gary Loomis.

Percentage of beneficial ownership is based on approximately 142,776,599 shares of common stock outstanding as of November 2, 2007.

| Name of Selling Shareholder | Common Shares Beneficially Owned Prior to Offering | Common Shares | | Common Shares Beneficially Owned After Offering Number | Percentage |
|-----------------------------|--|----------------------------------|-----------|---|------------|
| | | Offered by this Prospectus | | | |
| Nite Capital, LP | — | — | — | — | * |
| Fort Mason Master LP (7) | 2,535,570 | 281,730 | 2,253,840 | 2,253,840 | * |
| Fort Mason Partners LP (7) | 164,430 | 18,270 | 146,160 | 146,160 | * |

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| | | | | |
|--|-----------|---------|---------|---|
| Halpern Capital, Inc. | — | — | — | * |
| Joseph Halpern (8) | 127,920 | 87,920 | 40,000 | * |
| Craig Horn (20) | 42,635 | 42,635 | — | * |
| Yael Simpson (22) | 127,920 | 87,920 | 40,000 | * |
| Baruch Halpern Rev Trust, dtd 6/13/06 (23) | 1,023,360 | 703,360 | 320,000 | * |
| Carl Kruse (24) | 42,635 | 42,635 | — | * |

*

Represents holdings of less than one percent

- (7) The shares listed herein are owned by Fort Mason Master, L.P. and Fort Mason partners, L.P. (collectively, the “Fort Mason Funds”). 1,033,010 shares of common stock underlying warrants immediately exercisable are held of record by Fort Mason Master, L.P. and 66,990 of common stock underlying warrants immediately exercisable are held of record by Fort Mason Partners, L.P. Fort Mason Capital, LLC serves as the general partner of each of the Fort Mason Funds and, in such capacity, exercises sole voting and investment authority with respect to such shares. Mr. Daniel German serves as the sole managing member of Fort Mason Capital, LLC. Fort Mason Capital, LLC and Mr. German disclaim beneficial ownership of the shares, except to the extent of its or his pecuniary interest, if any. In addition, reported ownership includes shares registered under Registration Number 333-141744.
- (8) Reported ownership includes shares registered under: (i) Registration Number 333-129839, in which 87,920 shares of common stock underlying warrants are immediately exercisable; and (ii) Registration Number 333-134957, in which 40,000 shares of common stock underlying warrants are immediately exercisable.
- (20) Reported ownership includes 42,635 shares of common stock underlying warrants are immediately exercisable.
- (22) Reported ownership includes shares registered under: (i) Registration Number 333-129839, in which 87,920 shares of common stock underlying warrants are immediately exercisable; and (ii) Registration Number 333-134957, in which 40,000 shares of common stock underlying warrants are immediately exercisable.
- (23) Reported ownership includes shares registered under: (i) Registration Number 333-129839, in which 703,360 shares of common stock underlying warrants are immediately exercisable; and (ii) Registration Number 333-134957, in which 320,000 shares of common stock underlying warrants are immediately exercisable. Baruch Halpern is the natural person with voting and investment power with respect to such securities.
- (24) Reported ownership includes 42,635 shares of common stock underlying warrants are immediately exercisable.