UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 1997

OR

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

For the transition period from ______________ to _______________

Commission file number 0-19898

AGCO CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	58-1960019
(State of incorporation)	(I.R.S. Employer Identification No.)

4830 River Green Parkway
Duluth, Georgia 30136
(Address of principal executive offices including zip code)

Registrant's telephone number, including area code: (770) 813-9200

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES X NO ____

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.
Common stock par value $.01 per share: 62,475,636 shares outstanding as of March 31, 1997.

AGCO CORPORATION AND SUBSIDIARIES

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Part I. Financial Information
Item 1. Financial Statements

AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	March 31, 1997	December 31, 1996
ASSETS	(Unaudited)	
Current Assets:		
Cash and cash equivalents	$ 25,629	$ 41,707
Accounts and notes receivable, net of allowances	996,991	856,985
Receivables from unconsolidated subsidiary and affiliates.	10,085	12,486
Inventories, net	620,933	473,844
Other current assets	75,988	81,440
Total current assets	1,729,626	1,466,462
Property, plant and equipment, net	319,873	292,437
Investments in unconsolidated subsidiary and affiliates	77,794	80,501
Other assets.	72,771	71,488
Intangible assets, net.	397,156	205,643
Total assets	$ 2,597,220	$ 2,116,531
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 340,021	$ 361,512
Payables to unconsolidated subsidiary and affiliates	23,204	14,567
Accrued expenses	334,389	316,958
Other current liabilities.	23,900	22,951
Total current liabilities	721,514	715,988
Long-term debt.	893,183	567,055
Postretirement health care benefits	24,658	24,445
Other noncurrent liabilities.	46,369	34,378
Total liabilities	1,685,724	1,341,866
Stockholders' Equity:		
Common stock; $0.01 par value, 150,000,000 shares authorized, 62,475,636 and 57,260,151 shares issued and outstanding at March 31, 1997 and December 31, 1996, respectively	624	573
Additional paid-in capital	501,465	360,119
Retained earnings.	436,576	411,422
Unearned compensation	(15,906)	(17,779)
Cumulative translation adjustment.	(11,263)	20,330
Total stockholders' equity.	911,496	774,665
Total liabilities and stockholders' equity.	$ 2,597,220	$ 2,116,531

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited and in thousands, except per share data)

	Three Months Ended March 31, 1997	Three Months Ended March 31, 1996
Revenues:		
Net sales	$ 704,329	$ 453,884
Costs and Expenses:		
Cost of goods sold	569,980	360,144
Selling, general and administrative expenses	61,898	46,246
Engineering expenses	13,253	6,979
Interest expense, net	13,147	5,964
Other expense, net	4,572	2,443
Nonrecurring expenses	2,625	5,923
	665,475	427,699
Income before income taxes, equity in net earnings of unconsolidated subsidiary and affiliates and extraordinary loss	38,854	26,185
Provision for income taxes	13,634	9,033
Income before equity in net earnings of unconsolidated subsidiary and affiliates and extraordinary loss	25,220	17,152
Equity in net earnings of unconsolidated subsidiary and affiliates	2,587	3,443
Income before extraordinary loss	27,807	20,595
Extraordinary loss, net of taxes	(2,080)	(3,503)
Net income	$ 25,727	$ 17,092
Net income per common share:		
Primary:		
Income before extraordinary loss	$ 0.47	$ 0.40
Extraordinary loss	(0.03)	(0.07)
Net income	$ 0.44	$ 0.33
Fully diluted:		
Income before extraordinary loss	$ 0.47	$ 0.37
Extraordinary loss	(0.03)	(0.06)
Net income	$ 0.44	$ 0.31
Weighted average number of common and common equivalent shares outstanding:		
Primary	58,994	51,292
Fully diluted	58,995	57,071
Dividends declared per common share	$ 0.01	$ 0.01

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited and in thousands)

	Three Months Ended March 31, 1997	Three Months Ended March 31, 1996
Cash flows from operating activities:		
Net income	$ 25,727	$ 17,092
Adjustments to reconcile net income to net cash used for operating activities:		
Extraordinary loss, net of taxes	2,080	3,503
Depreciation and amortization	12,355	6,060
Equity in net earnings of unconsolidated subsidiary and affiliates, net of cash received	(2,587)	(3,443)
Deferred income tax provision	4,083	3,840
Amortization of intangibles	3,088	1,003
Amortization of unearned compensation	1,873	3,165
Changes in operating assets and liabilities, net of effects from purchase of businesses:		
Accounts and notes receivable, net	(79,236)	16,302
Inventories, net	(90,486)	(70,970)
Other current and noncurrent assets	2,253	(345)
Accounts payable	(8,517)	(23,121)
Accrued expenses	(45,829)	(12,662)
Other current and noncurrent liabilities	5,716	1,540
Total adjustments	(195,207)	(75,128)
Net cash used for operating activities	(169,480)	(58,036)
Cash flows from investing activities:		
Purchase of businesses, net of cash acquired	(283,843)	(6,180)
Purchase of property, plant and equipment	(7,587)	(5,439)
Net cash used for investing activities	(291,430)	(11,619)
Cash flows from financing activities:		
Proceeds from long-term debt, net	310,832	84,199
Payment of debt issuance costs	(3,488)	(9,851)
Proceeds from issuance of common stock	141,397	458
Dividends paid on common stock	(573)	(506)
Net cash provided by financing activities	448,168	74,300
Effect of exchange rate changes on cash and cash equivalents	(3,336)	(73)
(Decrease) increase in cash and cash equivalents	(16,078)	4,572
Cash and cash equivalents, beginning of period	41,707	20,023
Cash and cash equivalents, end of period	$ 25,629	$ 24,595

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. BASIS OF PRESENTATION

The condensed consolidated financial statements of AGCO Corporation and subsidiaries (the "Company" or "AGCO") included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, to present fairly the Company's financial position, results of operations and cash flows at the dates and for the periods presented. These condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1996. Interim results of operations are not necessarily indicative of results to be expected for the fiscal year.

Effective November 1, 1996, the Company sold a 51% interest in Agricredit Acceptance Company ("Agricredit"), the Company's retail finance subsidiary in North America. Accordingly, the Company's condensed consolidated financial statements as of March 31, 1997 and December 31, 1996 and for the three months ended March 31, 1997 and 1996 reflect Agricredit on the equity method of accounting for the periods presented.

2. ACQUISITIONS AND DISPOSITIONS

Effective January 1, 1997, the Company acquired the operations of Xaver Fendt GmbH & Co. KG ("Fendt") for approximately $283.5 million plus approximately $38.0 million of assumed working capital debt (the "Fendt Acquisition"). The Fendt Acquisition was financed by borrowings under the Company's January 1997 Credit Facility (Note 4). The transaction consisted of the purchase of the outstanding stock of Fendt and its interests in other subsidiaries. Fendt's primary business is the manufacture and distribution of tractors through a network of independent agricultural cooperatives, dealers and distributors in Germany and throughout Europe and Australia.

3. CHARGES FOR NONRECURRING EXPENSES

The results of operations included a charge for nonrecurring expenses of $2.6 million, or $0.03 per common share on a fully diluted basis, for the three months ended March 31, 1997. This nonrecurring charge related to $1.4 million for the restructuring of the Company's European operations, acquired in the acquisition of Massey Ferguson (the "Massey Acquisition") in June 1994, and $1.2 million for the integration of the operations of Deutz Argentina S.A. ("Deutz Argentina") and Fendt, which were acquired in December 1996 and January 1997, respectively. The nonrecurring charge consisted primarily of employee related costs.

The results of operations included a charge for nonrecurring expenses of $5.9 million, or $0.07 per common share on a fully diluted basis, for the three months ended March 31, 1996, related to further restructuring of the Company's European operations acquired in the Massey Acquisition in June 1994.

4. LONG-TERM DEBT

Long-term debt consisted of the following at March 31, 1997 and December 31, 1996 (in thousands):

	March 31, 1997	December 31, 1996
Revolving credit facility - Equipment Operations	$619,982	$317,439
Senior subordinated notes	247,993	247,957
Other long-term debt	25,208	1,659
	$893,183	$567,055

On January 14, 1997, the Company replaced its $650.0 million unsecured credit facility (the "March 1996 Credit Facility") with a new credit facility (the "January 1997 Credit Facility"), which allowed for borrowings of up to $1.2 billion. In March 1997, the lending commitment for the January 1997 Credit Facility was reduced by $141.2 million which represented the proceeds to the Company, net of underwriting discounts, from the Company's common stock offering (Note 5). Lending commitments under the January 1997 Credit Facility reduce from the current commitment of $1.1 billion as of March 31, 1997 to $1.0 billion on January 1, 1998. In addition, borrowings under the January 1997 Credit Facility may not exceed the sum of 90% of eligible accounts receivable and 60% of eligible inventory. As of March 31, 1997, approximately $620.0 million was outstanding under the January 1997 Credit Facility and available borrowings were approximately $434.1 million.

5. COMMON STOCK OFFERING

In March 1997, the Company completed a public offering of 5.2 million shares of its common stock (the "Offering"). The net proceeds to the Company from the Offering were approximately $140.8 million, after deduction of underwriting discounts and commissions and estimated expenses. The Company used the proceeds from the Offering to reduce a portion of the borrowings outstanding under the January 1997 Credit Facility.

6. EXTRAORDINARY LOSS

During the first quarter of 1997, as part of the refinancing of the March 1996 Credit Facility with the January 1997 Credit Facility, the Company recorded an extraordinary loss of $2.1 million, net of taxes of $1.4 million, for the write-off of unamortized debt costs related to the March 1996 Credit Facility. During the first quarter of 1996, as part of the refinancing of the Company's $550.0 million secured revolving credit facility (the "June 1994 Credit Facility") with the March 1996 Credit Facility, the Company recorded an extraordinary loss of $3.5 million, net of taxes of $2.2 million, for the write-off of unamortized debt costs related to the June 1994 Credit Facility.

7. NET INCOME PER COMMON SHARE

Primary net income per common share is computed by dividing net income by the weighted average number of common and common equivalent shares outstanding during each period. Common equivalent shares include shares issuable upon the assumed exercise of outstanding stock options. Fully diluted net income per common share assumes the elimination of interest expense, net of taxes, related to the Company's 6 1/2% convertible subordinated debentures which were converted into common stock in June 1996.

8. INVENTORIES

Inventories consist primarily of farm tractors, combines, implements, hay and forage equipment and service parts and are valued at the lower of cost or market. Cost is determined on a first-in, first-out basis. Market is net realizable value for finished goods and repair and replacement parts. For work in process, production parts and raw materials, market is replacement cost.

Inventory balances at March 31, 1997 and December 31, 1996 were as follows (in thousands):

	March 31, 1997	December 31, 1996
Finished goods	$261,605	$171,105
Repair and replacement parts	246,099	222,601
Work in process, production parts and raw materials.	201,085	134,734
Gross inventories	708,789	528,440
Allowance for surplus and obsolete inventories	(87,856)	(54,596)
Inventories, net	$620,933	$473,844

9. ACCOUNTING CHANGE

In February 1997, the Financial Accounting Standards Board issued Statement No. 128 ("SFAS 128"), "Earnings per Share" which specifies the computation, presentation and disclosure requirements for earnings per share. The Company will be required to adopt this new statement in the fourth quarter of 1997 and all prior period earnings per share data will be restated to conform with the provisions of SFAS 128. Based on a preliminary evaluation of this statement's requirements, the Company does not expect the per share amounts reported under SFAS 128 to be materially different than those calculated and presented under Accounting Principles Board Opinion No. 15.

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

GENERAL

The Company's operations are subject to the cyclical nature of the agricultural industry. Sales of the Company's equipment have been affected by changes in net cash farm income, farm land values, weather conditions, the demand for agricultural commodities and general economic conditions. The Company's operations are expected to be subject to such conditions in the future. Sales are recorded by the Company when equipment and replacement parts are shipped by the Company to its independent dealers, distributors or other customers. To the extent possible, the Company attempts to ship products to its dealers and distributors on a level basis throughout the year to reduce the effect of seasonal demands on its manufacturing operations and to minimize its investment in inventory. Retail sales by dealers to farmers are highly seasonal and are a function of the timing of the planting and harvesting seasons. As a result, the Company's net sales and operating results have historically been the lowest in the first quarter and have increased in subsequent quarters.

Effective January 1, 1997, the Company acquired the operations of Xaver Fendt GmbH & Co. KG ("Fendt"), a manufacturer and distributor of tractors, primarily in Germany and throughout Europe (the "Fendt Acquisition"). The Fendt Acquisition added a new line of tractors to the Company's product offerings and expanded the Company's market presence in Germany and throughout Europe and Australia. See Note 2 of the Notes to the Condensed Consolidated Financial Statements for further discussion.

RESULTS OF OPERATIONS

NET INCOME

The Company recorded net income for the three months ended March 31, 1997 of $25.7 million compared to $17.1 million for the three months ended March 31, 1996. Net income per common share on a fully diluted basis was $0.44 and $0.31 for the three months ended March 31, 1997 and 1996, respectively. Net income for the three months ended March 31, 1997 included nonrecurring expenses of $2.6 million, or $0.03 per share on a fully diluted basis, related to the restructuring of the Company's European operations, acquired in the Massey Acquisition in June 1994, and the integration of the Deutz Argentina and Fendt operations, acquired in December 1996 and January 1997, respectively (see "Charges for Nonrecurring Expenses"). In addition, net income for the three months ended March 31, 1997 included an extraordinary after-tax charge of $2.1 million, or $0.03 per share on a fully diluted basis, for the write-off of unamortized debt costs related to the refinancing of the Company's March 1996 Credit Facility (see "Liquidity and Capital Resources"). Net income for the three months ended March 31, 1996 included nonrecurring expenses of $5.9 million, or $0.07 per share on a fully diluted basis, related to the restructuring of the Company's European operations (see "Charges for Nonrecurring Expenses"). In addition, net income for the three months ended

March 31, 1996 included an extraordinary after-tax charge of $3.5 million, or $0.06 per share on a fully diluted basis, for the write-off of unamortized debt costs related to the refinancing of the June 1994 Credit Facility (see Note 6 of the Notes to the Condensed Consolidated Financial Statements). The Company's improved results for the first quarter of 1997 reflected the positive impact of the Company's recent acquisitions.

RETAIL SALES

In the United States and Canada, industry unit retail sales of tractors for the three months ended March 31, 1997 increased approximately 7% over the same period in 1996, while industry unit retail sales of combines and hay and forage equipment decreased approximately 6% and 12%, respectively, compared to the prior year. The Company believes general market conditions continue to be positive due to favorable economic conditions relating to high net cash farm incomes, strong commodity prices and high export demand. Company unit settlements of tractors in the United States and Canada decreased for the three months ended March 31, 1997 compared to 1996 primarily due to the change in the timing of the year-end for the Massey Ferguson annual volume bonus program from January to December and the strong retail sales of high horsepower tractors in the first quarter of 1996. Company unit settlements of combines increased significantly for the first quarter of 1997 compared to the prior year primarily due to strong contract harvester sales and the continued success of the Company's enhanced product offerings. Company unit settlements of hay and forage equipment were flat compared to the prior year.

In Western Europe, industry unit retail sales of tractors decreased approximately 3% in the first quarter of 1997 compared to the prior year primarily due to decreases in the U.K. and France and the relatively strong retail sales of tractors during the first quarter of 1996. Company retail sales of tractors in Western Europe decreased in line with the industry. Outside of North America and Western Europe, industry unit retail sales of tractors showed mixed results with increases particularly in South America primarily due to increasingly favorable economic and inflationary conditions in Brazil and the lower sales volumes experienced during the first quarter of 1996 following the suspension of Brazilian Central Bank loan programs during the first half of 1996. The Company's market share outside of North America and Western Europe improved in 1997 compared to 1996, particularly in South America and the Far East, reflecting the Company's strong distribution network in these markets.

REVENUES

Net sales for the three months ended March 31, 1997 were $704.3 million, representing an increase of $250.4 million, or 55.0%, over net sales of $453.8 million for the same period in 1996. Net sales increased $139.5 million, or 65%, in Western Europe for the first three months of 1997, compared to the same period in 1996 resulting from the Fendt Acquisition, which was acquired effective January 1, 1997. Additionally, net sales in South America increased $72.0 million for the first quarter of 1997, primarily related to the impact of acquired operations in Brazil and Argentina, which were acquired in June 1996 and December 1996, respectively. In the remaining international markets, net sales increased $21.9 million, or 32%, over the first three months of 1996, primarily related to increased sales in Africa, Eastern Europe and the

Far East markets. The Company also achieved increases in net sales in its North American operations of $17.0 million, or 10.1%, for the first three months of 1997 compared to the same period in the prior year, primarily related to increased sales of combines and the timing of shipments of certain European sourced tractors compared to 1996.

COSTS AND EXPENSES

Cost of goods sold for the three months ended March 31, 1997 was $570.0 million (80.9% of net sales) compared to $360.1 million (79.3% of net sales) for the same period in 1996. Gross profit, defined as net sales less cost of goods sold, was $134.3 million (19.1% of net sales) for the three months ended March 31, 1997 compared to $93.7 million (20.7% of net sales) for the same period in the prior year. The gross margins for the first quarter of 1997 were negatively impacted by the following: (1) lower margins related to the South American operations primarily resulting from low production volumes in Brazil, (2) lower margins related to the newly acquired Fendt operations and (3) an unfavorable impact of foreign exchange related to the Company's products manufactured in the U.K. resulting from the recent strength of the British pound.

Selling, general and administrative expenses for the three months ended March 31, 1997 were $61.9 million (8.8% of net sales) compared to $46.2 million (10.2% of net sales) for the same period in 1996. The decrease in selling, general and administrative expenses as a percentage of net sales compared to the prior year was primarily due to cost reduction initiatives in the Company's European operations, lower operating expense ratios related to newly acquired operations and a decrease in the amortization of stock-based compensation expense of $1.8 million compared to the prior year.

Engineering expenses were $13.3 million (1.9% of net sales) for the three months ended March 31, 1997 compared to $7.0 million (1.5% of net sales) for the same period in 1996. The increase as a percentage of net sales compared to the prior year was primarily due to additional engineering expenses related to the newly acquired Fendt operations.

Interest expense, net was $13.1 million for the three months ended March 31, 1997 compared to $6.0 million for the same period in the prior year. The Company had higher interest expense, net in the first quarter of 1997 compared to 1996 resulting from additional borrowings related to the acquisitions of the agricultural and industrial equipment business of Iochpe-Maxion S.A. (the "Maxion Agricultural Equipment Business"), Deutz Argentina and Fendt.

Other expense, net was $4.6 million for the three months ended March 31, 1997 compared to $2.4 million for the same period in 1996. The increase in other expense, net compared to the prior year was primarily due to increased amortization of intangibles related to the acquisitions of the Maxion Industrial Equipment Business, Deutz Argentina and Fendt.

Nonrecurring expenses were $2.6 million and $5.9 million for the three months ended March 31, 1997 and 1996, respectively. The nonrecurring charge recorded in 1997 related to the further restructuring of the Company's European operations, acquired in the Massey Acquisition in June 1994, and the integration of the Deutz Argentina and Fendt operations, acquired in December 1996 and

January 1997, respectively. The nonrecurring charge recorded in 1996 primarily related to costs associated with the restructuring of the Company's European operations. See "Charges for Nonrecurring Expenses" for further discussion.

The Company recorded a net income tax provision of $13.6 million and $9.0 million for the three months ended March 31, 1997 and 1996, respectively. For both periods, the Company's income tax provision approximated statutory rates, although actual income tax payments remained at rates below statutory rates resulting from the utilization of net operating loss carryforwards acquired in the Massey Acquisition.

Equity in net earnings of unconsolidated affiliates was $2.6 million and $3.4 million for the three months ended March 31, 1997 and 1996, respectively. The decrease in 1997 compared to the prior year relates to a decrease in net income recognized related to Agricredit. As a result of the Company selling a 51% joint venture interest in Agricredit in November 1996, the Company recognized only 49% of the net income of the North American retail finance company during the three months ended March 31, 1997 compared to 100% for the same period in 1996.

LIQUIDITY AND CAPITAL RESOURCES

The Company's financing requirements are subject to variations due to seasonal changes in inventory and dealer receivable levels. Internally generated funds are supplemented when necessary from external sources, primarily the Company's revolving credit facility. In January 1997, the Company replaced the $650.0 million March 1996 Credit Facility with the new $1.2 billion January 1997 Credit Facility (see Note 4 of the Notes to the Condensed Consolidated Financial Statements). The January 1997 Credit Facility is the Company's primary source of financing and provides increased borrowing capacity over the March 1996 Credit Facility. In March 1997, the lending commitment for the January 1997 Credit Facility was reduced by $141.2 million wich represented the proceeds to the Company, net of underwriting discounts, from the Company's common stock offering (see Note 5 of the Notes to the Condensed Consolidated Financial Statements). Lending commitments under the January 1997 Credit Facility reduce from the current commitment of $1.1 billion as of March 31, 1997 to $1.0 billion on January 1, 1998. In addition, borrowings under the January 1997 Credit Facility may not exceed the sum of 90% of eligible accounts receivable and 60% of eligible inventory. As receivables and inventories fluctuate, borrowings under the January 1997 Credit Facility fluctuate as well. As of March 31, 1997, approximately $620.0 million was outstanding under the January 1997 Credit Facility and available borrowings were approximately $434.1 million.

In March 1997, the Company completed a public offering of 5.2 million shares of its common stock (the "Offering"). The net proceeds to the Company from the Offering were approximately $140.8 million, after deduction of underwriting discounts and commissions and estimated expenses. The Company used the proceeds from the Offering to reduce a portion of the borrowings outstanding under the January 1997 Credit Facility.

The Company's working capital requirements are seasonal, with investments in working capital typically building in the first half of the year and then reducing in the second half of the year. As of March 31, 1997, the Company had $1,008.1 million of working capital, an increase of $257.6 million over working capital of $750.5 million as of December 31, 1996. The increase in working capital was primarily due to working capital acquired in the Fendt Acquisition and normal seasonal requirements, particularly in receivables and inventories.

Cash flow used for operating activities was $169.5 million and $58.0 million for the three months ended March 31, 1997 and 1996, respectively. The increase in cash flow used for operating activities in 1997 compared to the prior year was primarily due to increases in receivables and inventories and decreases in accrued expenses. Additionally, for the three months ended March 31, 1996, cash flow from operations was favorably impacted by the collection of unusually high levels of international accounts receivable at December 31, 1995 which were collected in 1996.

Capital expenditures for the three months ended March 31, 1997 were $7.6 million compared to $5.4 million for the same period in 1996. The Company anticipates that additional capital expenditures for the remainder of 1997 will range from approximately $65.0 million to $75.0 million and will primarily be used to support the development and enhancement of new and existing products.

In April 1997, the Company's Board of Directors declared a dividend of $0.01 per share of common stock for the second quarter of 1997. The declaration and payment of future dividends will be at the sole discretion of the Board of Directors and will depend upon the Company's results of operations, financial condition, cash requirements, future prospects, limitations imposed by the Company's credit facilities and other factors deemed relevant by the Company's Board of Directors.

The Company believes that available borrowings under the January 1997 Credit Facility, available cash and internally generated funds will be sufficient to support its working capital, capital expenditures and debt service requirements for the foreseeable future.

The Company from time to time reviews and will continue to review acquisition and joint venture opportunities as well as changes in the capital markets. If the Company were to consummate a significant acquisition or elect to take advantage of favorable opportunities in the capital markets, the Company may supplement availability or revise the terms under its credit facilities or complete public or private offerings of equity or debt securities.

CHARGES FOR NONRECURRING EXPENSES

The Company recorded $1.4 million of nonrecurring expenses during the first quarter of 1997 related to the further restructuring of the Company's European operations, acquired in June 1994 as a result of the Massey Acquisition. These costs primarily related to the centralization of certain administrative functions (see Note 3 of the Notes to the Condensed Consolidated Financial Statements). Savings from the further restructuring of the Company's European operations are expected to result primarily from reduced general and administrative expenses.

The Company recorded $1.2 million of nonrecurring expenses during the first quarter of 1997 related to the integration of the Company's Deutz Argentina and Fendt operations, acquired in December 1996 and January 1997, respectively. These costs primarily related to the rationalization of manufacturing and administrative functions in the Company's South American operations and Fendt operations in Europe (see Note 3 of the Notes to the

Condensed Consolidated Financial Statements). Savings from the integration of the South American and Fendt operations are expected to result primarily in reduced cost of goods sold and selling, general and administrative expenses.

The Company expects to record total nonrecurring expenses of approximately $15.0 million in 1997 related to the Company's restructuring and integration plans. While the Company believes that cost savings from its restructuring and integration plans can be attained, there can be no assurance that all objectives will be achieved.

In the first quarter of 1996, the Company recorded nonrecurring expenses of $5.9 million related to the restructuring of the Company's European operations. These costs primarily related to the centralization and rationalization of the Company's European operations' administrative, sales, and marketing functions.

FORWARD LOOKING STATEMENTS

Certain information included in Management's Discussion and Analysis of Financial Condition and Results of Operations constitute forward looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Although the Company believes that the expectations reflected in such forward looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. Additionally, the Company's financial results are sensitive to movement in interest rates and foreign currencies, as well as general economic conditions, pricing and product actions taken by competitors, production disruptions and changes in environmental, international trade and other laws which impact the way in which it conducts its business.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

11.0 - Statement re: Computation of Per Share Earnings.

27.0 - Financial Data Schedule (electronic filing purposes only).

(b) Reports on Form 8-K

The Company filed a Current Report on form 8-K dated February 28, 1997 disclosing AGCO Corporation's Management's Discussion and Analysis of Financial Condition and Results of Operations for the years ended December 31, 1996, 1995 and 1994 and its Consolidated Financial Statements as of December 31, 1996 and 1995 and for the years ended December 31, 1996, 1995 and 1994.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on behalf by the undersigned thereunto duly authorized.

AGCO CORPORATION
Registrant

Date: May 15, 1997

Chris E. Perkins

Chris E. Perkins
Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description	Sequentially Numbered Page
11.0	Statement re: Computation of Per Share Earnings.	
27.0	Financial Data Schedule (electronic filing purposes only).	

Exhibit 11

AGCO CORPORATION AND SUBSIDIARIES
STATEMENT RE: COMPUTATION OF PER SHARE EARNINGS (1)
(in thousands, except per share data)

	Three Months Ended March 31, 1997	Three Months Ended March 31, 1996
PRIMARY EARNINGS PER SHARE		
Weighted average number of common shares outstanding	58,605	50,757
Shares issued upon assumed exercise of outstanding stock options	389	535
Weighted average number of common and common equivalent shares outstanding	58,994	51,292
Income before extraordinary loss	$ 27,807	$ 20,595
Extraordinary loss	(2,080)	(3,503)
Net income available for common stockholders	$ 25,727	$ 17,092
Net income per common share:		
Income before extraordinary loss	$ 0.47	$ 0.40
Extraordinary loss	(0.03)	(0.07)
Net income	$ 0.44	$ 0.33
FULLY DILUTED EARNINGS PER SHARE		
Weighted average number of common shares outstanding	58,605	50,757
Shares issued upon assumed conversion of the convertible subordinated debentures	-	5,778
Shares issued upon assumed exercise of outstanding stock options (2)	390	536
Weighted average number of common and common equivalent shares outstanding	58,995	57,071
Income before extraordinary loss	$ 27,807	$ 20,595
Extraordinary loss	(2,080)	(3,503)
Net income	25,727	17,092
Interest expense on convertible subordinated debentures, net of applicable income taxes	-	398
Net income available for common stockholders	$ 25,727	$ 17,490
Net income per common share:		
Income before extraordinary loss	$ 0.47	$ 0.37
Extraordinary loss	(0.03)	(0.06)
Net income	$ 0.44	$ 0.31

(1) All numbers of shares in this exhibit are weighted on the basis of the number of days the shares were outstanding or assumed to be outstanding during each period.

(2) Based on the treasury stock method using the higher of the average or period end market price.

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1,000

3-MOS
DEC-31-1997
JAN-01-1997
MAR-31-1997
25,629
0
996,991
0
620,933
1,729,626
319,873
0
2,597,220
721,514
893,183
0
0
624
910,872
2,597,220
704,329
704,329
569,980
569,980
13,253
1,317
13,147
38,854
13,634
27,807
0
(2,080)
0
25,727
0.44
0.44