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 quarter ended September 30, 2017
OR

o **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: 001-33767

AGCO CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware	**58-1960019**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4205 River Green Parkway **Duluth, Georgia**	**30096**
(Address of principal executive offices)	(Zip 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.

x Yes o 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).

x Yes o No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

x	Large accelerated filer	o	Accelerated filer	o	Non-accelerated filer	o	Smaller reporting company	o	Emerging growth company
					(Do not check if a smaller reporting company)				

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

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

As of November 3, 2017, there are 79,549,358 shares of the registrant’s common stock, par value of $0.01 per share, outstanding.

AGCO CORPORATION AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited and in millions, except share amounts)

	September 30, 2017	December 31, 2016
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 312.7	$ 429.7
Accounts and notes receivable, net	1,047.4	890.4
Inventories, net	2,065.2	1,514.8
Other current assets	413.9	330.8
Total current assets	3,839.2	3,165.7
Property, plant and equipment, net	1,439.6	1,361.3
Investment in affiliates	465.5	414.9
Deferred tax assets	98.7	99.7
Other assets	163.3	143.1
Intangible assets, net	653.4	607.3
Goodwill	1,514.7	1,376.4
Total assets	$ 8,174.4	$ 7,168.4
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 107.9	$ 85.4
Accounts payable	869.4	722.6
Accrued expenses	1,311.4	1,160.8
Other current liabilities	259.1	176.1
Total current liabilities	2,547.8	2,144.9
Long-term debt, less current portion and debt issuance costs	1,950.3	1,610.0
Pensions and postretirement health care benefits	264.2	270.0
Deferred tax liabilities	122.5	112.4
Other noncurrent liabilities	196.6	193.9
Total liabilities	5,081.4	4,331.2
Commitments and contingencies (Note 17)		
Stockholders' Equity:		
AGCO Corporation stockholders' equity:		
Preferred stock; $0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding in 2017 and 2016	—	—
Common stock; $0.01 par value, 150,000,000 shares authorized, 79,549,113 and 79,465,393 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively	0.8	0.8
Additional paid-in capital	129.8	103.3
Retained earnings	4,220.6	4,113.6
Accumulated other comprehensive loss	(1,323.0)	(1,441.6)
Total AGCO Corporation stockholders' equity	3,028.2	2,776.1
Noncontrolling interests	64.8	61.1
Total stockholders' equity	3,093.0	2,837.2
Total liabilities and stockholders' equity	$ 8,174.4	$ 7,168.4

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended September 30,	
	2017	**2016**
Net sales	$ 1,986.3	$ 1,761.6
Cost of goods sold	1,557.7	1,408.1
Gross profit	428.6	353.5
Selling, general and administrative expenses	234.3	214.1
Engineering expenses	80.0	66.0
Restructuring expenses	3.0	1.5
Amortization of intangibles	14.3	12.9
Income from operations	97.0	59.0
Interest expense, net	11.6	12.1
Other expense (income), net	18.4	(0.2)
Income before income taxes and equity in net earnings of affiliates	67.0	47.1
Income tax provision	16.9	19.5
Income before equity in net earnings of affiliates	50.1	27.6
Equity in net earnings of affiliates	10.7	11.8
Net income	60.8	39.4
Net (income) loss attributable to noncontrolling interests	(0.1)	0.6
Net income attributable to AGCO Corporation and subsidiaries	$ 60.7	$ 40.0
Net income per common share attributable to AGCO Corporation and subsidiaries:		
Basic	$ 0.76	$ 0.50
Diluted	$ 0.76	$ 0.50
Cash dividends declared and paid per common share	$ 0.14	$ 0.13
Weighted average number of common and common equivalent shares outstanding:		
Basic	79.5	80.7
Diluted	80.2	80.8

See accompanying notes to condensed consolidated financial statements.

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

	Nine Months Ended September 30,	
	2017	**2016**
Net sales	$ 5,779.1	$ 5,316.5
Cost of goods sold	4,544.8	4,221.3
Gross profit	1,234.3	1,095.2
Selling, general and administrative expenses	693.6	643.1
Engineering expenses	229.7	214.3
Restructuring expenses	8.5	5.5
Amortization of intangibles	41.5	35.3
Income from operations	261.0	197.0
Interest expense, net	33.6	34.5
Other expense, net	49.1	27.1
Income before income taxes and equity in net earnings of affiliates	178.3	135.4
Income tax provision	64.9	73.9
Income before equity in net earnings of affiliates	113.4	61.5
Equity in net earnings of affiliates	30.8	37.5
Net income	144.2	99.0
Net income attributable to noncontrolling interests	(2.1)	(0.9)
Net income attributable to AGCO Corporation and subsidiaries	$ 142.1	$ 98.1
Net income per common share attributable to AGCO Corporation and subsidiaries:		
Basic	$ 1.79	$ 1.20
Diluted	$ 1.77	$ 1.20
Cash dividends declared and paid per common share	$ 0.42	$ 0.39
Weighted average number of common and common equivalent shares outstanding:		
Basic	79.5	81.9
Diluted	80.1	82.0

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited and in millions)

	Three Months Ended September 30,	
	2017	**2016**
Net income	$ 60.8	$ 39.4
Other comprehensive income (loss), net of reclassification adjustments:		
Foreign currency translation adjustments	64.5	(12.5)
Defined benefit pension plans, net of tax	3.1	2.4
Unrealized (loss) gain on derivatives, net of tax	(1.8)	1.7
Other comprehensive income (loss), net of reclassification adjustments	65.8	(8.4)
Comprehensive income	126.6	31.0
Comprehensive (income) loss attributable to noncontrolling interests	(0.6)	0.3
Comprehensive income attributable to AGCO Corporation and subsidiaries	$ 126.0	$ 31.3

	Nine Months Ended September 30,	
	2017	**2016**
Net income	$ 144.2	$ 99.0
Other comprehensive income, net of reclassification adjustments:		
Foreign currency translation adjustments	106.5	149.1
Defined benefit pension plans, net of tax	8.9	7.5
Unrealized gain (loss) on derivatives, net of tax	4.3	(5.1)
Other comprehensive income, net of reclassification adjustments	119.7	151.5
Comprehensive income	263.9	250.5
Comprehensive income attributable to noncontrolling interests	(3.2)	(2.0)
Comprehensive income attributable to AGCO Corporation and subsidiaries	$ 260.7	$ 248.5

See accompanying notes to condensed consolidated financial statements.

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

	Nine Months Ended September 30,	
	2017	2016
Cash flows from operating activities:		
Net income	$ 144.2	$ 99.0
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	165.2	167.0
Deferred debt issuance cost amortization	0.5	0.8
Amortization of intangibles	41.5	35.3
Stock compensation expense	31.3	19.3
Proceeds from termination of hedging instrument	—	7.3
Equity in net earnings of affiliates, net of cash received	(15.4)	(13.3)
Deferred income tax provision	0.7	13.6
Other	1.8	(0.1)
Changes in operating assets and liabilities, net of effects from purchase of businesses:		
Accounts and notes receivable, net	(81.2)	(132.2)
Inventories, net	(424.9)	(251.3)
Other current and noncurrent assets	(92.4)	(57.2)
Accounts payable	100.0	(11.0)
Accrued expenses	67.9	(4.8)
Other current and noncurrent liabilities	31.6	0.2
Total adjustments	(173.4)	(226.4)
Net cash used in operating activities	(29.2)	(127.4)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(139.4)	(132.8)
Proceeds from sale of property, plant and equipment	3.3	1.3
Purchase of businesses, net of cash acquired	(188.4)	(383.6)
Investment in consolidated affiliates, net of cash acquired	—	(11.8)
Investments in unconsolidated affiliates	(0.8)	(1.7)
Restricted cash	—	0.4
Net cash used in investing activities	(325.3)	(528.2)
Cash flows from financing activities:		
Proceeds from debt obligations	2,752.9	2,235.2
Repayments of debt obligations	(2,502.5)	(1,518.9)
Purchases and retirement of common stock	—	(170.0)
Payment of dividends to stockholders	(33.4)	(32.1)
Payment of minimum tax withholdings on stock compensation	(6.7)	(1.9)
Investments by noncontrolling interest	0.5	—
Payment of debt issuance costs	—	(0.5)
Net cash provided by financing activities	210.8	511.8
Effects of exchange rate changes on cash and cash equivalents	26.7	14.9
Decrease in cash and cash equivalents	(117.0)	(128.9)
Cash and cash equivalents, beginning of period	429.7	426.7
Cash and cash equivalents, end of period	$ 312.7	$ 297.8

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 its subsidiaries (the "Company" or "AGCO") included herein have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") for interim financial information and the rules and regulations of the Securities and Exchange Commission ("SEC"). In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary to present fairly the Company's financial position, results of operations, comprehensive income (loss) 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 consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016. Results for interim periods are not necessarily indicative of the results for the year.

Recent Accounting Pronouncements

In August 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU"), "Targeted Improvements to Accounting for Hedging Activities" ("ASU 2017-12"), which aligns an entity's risk management activities and financial reporting for hedge relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. The amendments include 1) the ability to apply hedge accounting for risk components in hedging relationships involving nonfinancial risk and interest rate risk, 2) new alternatives for measuring the hedged item for fair value hedges of interest rate risk, 3) elimination of the requirement to separately measure and report hedge ineffectiveness, 4) requirement to present the earnings effect of the hedging instrument in the same income statement line in which the earnings effect of the hedged item is reported and 5) less stringent requirements for effectiveness testing, hedge documentation and applying the critical terms match method. ASU 2017-07 is effective for annual periods beginning after December 15, 2018, and interim periods within those annual periods using a prospective approach. Early adoption is permitted for any interim or annual period. The amendments should be applied to existing hedging relationships on the date of adoption. The Company is currently evaluating the impact of adopting this standard on the Company's results of operations, financial condition and cash flows, but the Company has elected not to adopt the standard for the year ended December 31, 2017.

In March 2017, the FASB issued ASU 2017-07, "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost" ("ASU 2017-07"), which requires the service cost component of net periodic pension and postretirement benefit cost be included in the same line item as other compensation costs arising from services rendered by employees. The other components of net periodic pension and postretirement benefit cost are required to be classified outside the subtotal of income from operations. Of the components of net periodic pension and postretirement benefit cost, only the service cost component will be eligible for asset capitalization. ASU 2017-07 is effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods, using a retrospective approach for the presentation of the service cost component and other components of net periodic pension and postretirement benefit cost in the statement of operations; and a prospective approach for the capitalization of the service cost component of net periodic pension and postretirement benefit cost in assets. Early adoption is permitted for any interim or annual period. ASU 2017-07 allows a practical expedient for applying the retrospective presentation requirements. The Company is currently evaluating the impact of adopting this standard on the Company's results of operations, financial condition and cash flows, but the Company has elected not to early adopt the standard for the year ended December 31, 2017.

In January 2017, the FASB issued ASU 2017-04, "Simplifying the Test for Goodwill Impairment" ("ASU 2017-04"), which eliminates Step 2 from the goodwill impairment test. Under the standard, an entity should perform its goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount, resulting in an impairment charge that is the amount by which the carrying amount exceeds the reporting unit's fair value. The impairment charge, however, should not exceed the total amount of goodwill allocated to a reporting unit. The impairment assessment under ASU 2017-04 applies to all reporting units, including those with a zero or negative carrying amount. ASU 2017-04 is effective for annual periods beginning after December 15, 2019, and interim periods within those annual periods using a prospective approach. Early adoption is permitted for any interim or annual goodwill impairment test performed on testing dates after January 1, 2017. The Company is currently evaluating the impact of adopting this standard on the Company's results of operations, financial condition and cash flows.

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In November 2016, the FASB issued ASU 2016-18, “Restricted Cash” (“ASU 2016-18”). which requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. ASU 2016-18 is effective for annual periods beginning after December 15, 2017, and interim period within those annual periods using a retrospective approach. Early adoption is permitted in any interim or annual period. The Company is currently evaluating the impact of adopting this standard on the Company’s cash flows, but does not expect the standard to have a material impact.

In October 2016, the FASB issued ASU 2016-16, “Intra-Entity Transfers of Assets Other Than Inventory” (“ASU 2016-16”), which requires recognition of the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. Consequently, the standard eliminates the exception to the recognition of current and deferred income taxes for an intra-entity asset transfer other than for inventory until the asset has been sold to an outside party. ASU 2016-16 is effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods using a modified retrospective approach. Early adoption is permitted in any interim or annual period. The Company is currently evaluating the impact of adopting this standard on the Company’s results of operations, financial condition and cash flows, but the Company has elected not to early adopt the standard for the year ended December 31, 2017.

In August 2016, the FASB issued ASU 2016-15, “Classification of Certain Cash Receipts and Cash Payments” (“ASU 2016-15”), which addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. The standard is effective for annual periods beginning after December 15, 2017, and interim periods within those fiscal years. ASU 2016-15 may be applied using a retrospective approach or a prospective approach, if impracticable to apply the amendments retrospectively. Early adoption is permitted in any interim or annual period. The Company adopted ASU 2016-15 on January 1, 2017 and the adoption did not have a material impact on its cash flows.

In June 2016, the FASB issued ASU 2016-13, “Measurement of Credit Losses on Financial Instruments” (“ASU 2016-13”), which requires measurement and recognition of expected versus incurred credit losses for financial assets held. ASU 2016-13 is effective for annual periods beginning after December 15, 2019, and interim periods within those annual periods. This standard will likely impact the results of operations and financial condition of the Company’s finance joint ventures and as a result, will likely impact the Company’s “Investment in affiliates” and “Equity in net earnings of affiliates” upon adoption. The Company’s finance joint ventures are currently evaluating the standard’s impact to their results of operations and financial condition.

In March 2016, the FASB issued ASU 2016-09, “Improvements to Employee Share-Based Payment Accounting” (“ASU 2016-09”). ASU 2016-09 simplifies several aspects of the accounting for share-based payment transactions, including the accounting for forfeitures, employer tax withholding on share-based compensation and the financial statement presentation of excess tax benefits or deficiencies. In addition, the standard clarifies the statement of cash flow presentation for certain components of share-based awards. The Company adopted ASU 2016-09 on January 1, 2017 by prospectively recognizing excess tax benefits and tax deficiencies in the Company’s Condensed Consolidated Statements of Operations as the awards vest or were settled, when applicable, and by prospectively presenting excess tax benefits as an operating activity, rather than a financing activity, in the Company’s Condensed Consolidated Statements of Cash Flows, when applicable. In addition, the Company elected to change its accounting policy to recognize actual forfeitures, rather than estimate the number of awards that are expected to vest, by adjusting stock compensation expense in the same period as the forfeitures occur. The change in accounting policy was adopted using a modified retrospective approach, with a cumulative effect adjustment to “Retained Earnings” of approximately $1.7 million as of January 1, 2017 for the difference between stock compensation expense previously recorded and the amount that would have been recorded without assuming forfeitures.

In February 2016, the FASB issued ASU 2016-02, “Leases” (“ASU 2016-02”), which supersedes the existing lease guidance under current U.S. GAAP. ASU 2016-02 is based on the principle that entities should recognize assets and liabilities arising from leases. The standard does not significantly change the lessees’ recognition, measurement and presentation of expenses and cash flows from the previous accounting standard. Leases are classified as finance or operating. ASU 2016-02’s primary change is the requirement for entities to recognize a lease liability for payments and a right-of-use asset representing the right to use the leased asset during the term of an operating lease arrangement. Lessees are permitted to make an accounting policy election to not recognize the asset and liability for leases with a term of 12 months or less. Lessors’ accounting under the standard is largely unchanged from the previous accounting standard. In addition, ASU 2016-02 expands the disclosure requirements of lease arrangements. The standard is effective for reporting periods beginning after December 15, 2018, and interim periods within those annual periods. Early adoption is permitted. Upon adoption, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The Company is currently evaluating the impact of adopting this standard on the Company's results of operations, financial condition and cash flows, but the Company has elected not to early adopt the standard for the year ended December 31, 2017.

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09"), which provides a single, comprehensive revenue recognition model for all contracts with customers with a five-step analysis in determining when and how revenue is recognized. The new model will require revenue recognition to depict the transfer of promised goods or services to customers at an amount that reflects the consideration expected to be received in exchange for those goods or services. Additional disclosures also will be required to enable users to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, including significant judgments and changes in those judgments. The standard is effective for reporting periods beginning after December 15, 2017, with early adoption permitted for reporting periods beginning after December 31, 2016. Entities have the option to apply the new standard under a full retrospective approach to each prior reporting period presented, or a modified retrospective approach with the cumulative effect of initial adoption and application within the Condensed Consolidated Statement of Stockholders' Equity. The Company plans to adopt the new standard effective January 1, 2018 under the modified retrospective approach. Under the new model, the Company will begin to recognize an asset for the value of expected replacement parts returns. The Company has substantially completed its evaluation process, including the identification of new controls and processes designed to meet the requirements of the standard, at this time the Company has not identified any material impacts to the consolidated financial statements that the Company believes will be material in the year of adoption, with the exception of new and expanded disclosures as previously mentioned.

2. ACQUISITION

On September 1, 2017, the Company acquired Precision Planting LLC ("Precision Planting") for approximately $188.4 million, net of cash acquired of approximately $1.6 million. Precision Planting, headquartered in Tremont, Illinois, is a leading manufacturer of high-tech planting equipment. The acquisition of Precision Planting provided the Company an opportunity to expand its precision farming technology offerings on a global basis. The acquisition was financed by the Company's credit facility (Note 6).

The preliminary fair values of the assets acquired and liabilities assumed as of the acquisition date are presented in the following table (in millions):

Current assets	$ 52.8
Property, plant and equipment	20.7
Intangible assets	64.4
Goodwill	64.3
Total assets acquired	202.2
Current liabilities	12.2
Total liabilities assumed	12.2
Net assets acquired	$ 190.0

The acquired identifiable intangible assets of Precision Planting as of the date of the acquisition are summarized in the following table (in millions):

Intangible Asset	**Amount**	**Weighted-Average Useful Life**
Customer relationships	$ 21.4	14 years
Technology	25.1	10 years
Trademarks	17.9	20 years
	$ 64.4	

The results of operations of Precision Planting have been included in the Company’s Condensed Consolidated Financial Statements as of and from the date of acquisition. The associated tax deductible goodwill has been included in the Company’s North America geographical reportable segment. Proforma results related to the acquisition were not material.

3. RESTRUCTURING EXPENSES

Beginning in 2014 through 2017, the Company announced and initiated several actions to rationalize employee headcount at various manufacturing facilities and various administrative offices located in Europe, South America, China and the United States in order to reduce costs in response to softening global market demand and lower production volumes. The aggregate headcount reduction was approximately 2,750 employees in 2014, 2015 and 2016. During the nine months ended September 30, 2017, the Company recorded severance and related costs associated with further rationalizations in Europe, South America and the United States, in connection with the termination of approximately 440 employees. The components of the restructuring expenses are summarized as follows (in millions):

	Write-down of Property, Plant and Equipment	Employee Severance	Facility Closure Costs	Total
Balance as of December 31, 2016	$ —	$ 14.5	$ 0.8	$ 15.3
First quarter 2017 provision	0.2	4.9	—	5.1
Less: Non-cash expense	(0.2)	—	—	(0.2)
Cash expense	—	4.9	—	4.9
First quarter 2017 cash activity	—	(5.0)	(0.8)	(5.8)
Foreign currency translation	—	0.2	—	0.2
Balance as of March 31, 2017	—	14.6	—	14.6
Second quarter 2017 provision	—	0.4	—	0.4
Second quarter 2017 cash activity	—	(2.5)	—	(2.5)
Foreign currency translation	—	0.9	—	0.9
Balance as of June 30, 2017	$ —	$ 13.4	$ —	$ 13.4
Third quarter 2017 provision	—	3.0	—	3.0
Third quarter 2017 cash activity	—	(3.1)	—	(3.1)
Foreign currency translation	—	0.2	—	0.2
Balance as of September 30, 2017	$ —	$ 13.5	$ —	$ 13.5

4. STOCK COMPENSATION PLANS

The Company recorded stock compensation expense as follows for the three and nine months ended September 30, 2017 and 2016 (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Cost of goods sold	$ 0.8	$ 0.7	$ 2.4	$ 1.6
Selling, general and administrative expenses	7.9	7.2	29.1	18.0
Total stock compensation expense	$ 8.7	$ 7.9	$ 31.5	$ 19.6

Stock Incentive Plan

Under the Company's 2006 Long Term Incentive Plan (the "2006 Plan"), up to 10,000,000 shares of AGCO common stock may be issued. As of September 30, 2017, of the 10,000,000 shares reserved for issuance under the 2006 Plan, approximately 3,373,067 shares were available for grant, assuming the maximum number of shares are earned related to the performance award grants discussed below. The 2006 Plan allows the Company, under the direction of the Board of Directors' Compensation Committee, to make grants of performance shares, stock appreciation rights, restricted stock units and restricted stock awards to employees, officers and non-employee directors of the Company.

Long-Term Incentive Plan and Related Performance Awards

The weighted average grant-date fair value of performance awards granted under the 2006 Plan during the nine months ended September 30, 2017 and 2016 was $61.94 and $47.93, respectively.

During the nine months ended September 30, 2017, the Company granted 539,598 performance awards related to varying performance periods. The awards granted assume the maximum target level of performance is achieved, as applicable. The compensation expense associated with all awards granted under the 2006 Plan is amortized ratably over the vesting or performance period based on the Company's projected assessment of the level of performance that will be achieved and earned. Performance award transactions during the nine months ended September 30, 2017 were as follows and are presented as if the Company were to achieve its maximum levels of performance under the plan awards:

Shares awarded but not earned at January 1	1,982,120
Shares awarded	539,598
Shares forfeited or unearned	(217,498)
Shares earned	—
Shares awarded but not earned at September 30	2,304,220

During the three months ended March 31, 2017, the Company recorded approximately $4.8 million of accelerated stock compensation expense associated with a stock award declined by the Company's Chief Executive Officer.

As of September 30, 2017, the total compensation cost related to unearned performance awards not yet recognized, assuming the Company's current projected assessment of the level of performance that will be achieved and earned, was approximately $42.2 million, and the weighted average period over which it is expected to be recognized is approximately two years. The compensation cost not yet recognized could be higher or lower based on actual achieved levels of performance.

Restricted Stock Unit Awards

During the nine months ended September 30, 2017, the Company granted 111,166 restricted stock unit ("RSU") awards. These awards entitle the participant to receive one share of the Company's common stock for each RSU granted and vest one-third per year over a three-year requisite service period. The compensation expense associated with these awards is amortized ratably over the requisite service period for the awards that are expected to vest. The weighted average grant-date fair value of the RSUs granted under the 2006 Plan during the nine months ended September 30, 2017 and 2016 was $61.99 and $45.10, respectively. RSU transactions during the nine months ended September 30, 2017 were as follows:

Shares awarded but not vested at January 1	222,730
Shares awarded	111,166
Shares forfeited	(7,107)
Shares vested	(88,645)
Shares awarded but not vested at September 30	238,144

As of September 30, 2017, the total compensation cost related to the unvested RSUs not yet recognized was approximately $8.5 million, and the weighted average period over which it is expected to be recognized is approximately two years.

Stock-Settled Appreciation Rights

Compensation expense associated with the stock-settled appreciation rights ("SSAR") awards is amortized ratably over the requisite service period for the awards that are expected to vest. The Company estimated the fair value of the grants using the Black-Scholes option pricing model. SSAR transactions during the nine months ended September 30, 2017 were as follows:

SSARs outstanding at January 1	1,458,611
SSARs granted	286,200
SSARs exercised	(645,744)
SSARs canceled or forfeited	(13,850)
SSARs outstanding at September 30	1,085,217

As of September 30, 2017, the total compensation cost related to the unvested SSARs not yet recognized was approximately $5.1 million, and the weighted average period over which it is expected to be recognized is approximately three years.

Director Restricted Stock Grants

The 2006 Plan provides for annual restricted stock grants of the Company's common stock to all non-employee directors. The 2017 grant was made on April 27, 2017 and equated to 14,968 shares of common stock, of which 12,066 shares of common stock were issued after shares were withheld for taxes. The Company recorded stock compensation expense of approximately $1.0 million during the nine months ended September 30, 2017 associated with this grant.

5. GOODWILL AND OTHER INTANGIBLE ASSETS

Changes in the carrying amount of acquired intangible assets during the nine months ended September 30, 2017 are summarized as follows (in millions):

	Trademarks and Tradenames	Customer Relationships	Patents and Technology	Land Use Rights	Total
Gross carrying amounts:					
Balance as of December 31, 2016	$ 179.2	$ 558.0	$ 122.1	$ 8.5	$ 867.8
Acquisition	17.9	21.4	25.1	—	64.4
Foreign currency translation	8.3	16.7	8.6	0.4	34.0
Balance as of September 30, 2017	$ 205.4	$ 596.1	$ 155.8	$ 8.9	$ 966.2

	Trademarks and Tradenames	Customer Relationships	Patents and Technology	Land Use Rights	Total
Accumulated amortization:					
Balance as of December 31, 2016	$ 49.7	$ 233.0	$ 59.5	$ 2.7	$ 344.9
Amortization expense	7.5	28.4	5.5	0.1	41.5
Foreign currency translation	1.0	8.2	5.1	0.1	14.4
Balance as of September 30, 2017	$ 58.2	$ 269.6	$ 70.1	$ 2.9	$ 400.8

	Trademarks and Tradenames
Indefinite-lived intangible assets:	
Balance as of December 31, 2016	$ 84.4
Foreign currency translation	3.6
Balance as of September 30, 2017	$ 88.0

The Company currently amortizes certain acquired intangible assets, primarily on a straight-line basis, over their estimated useful lives, which range from five to 50 years.

Changes in the carrying amount of goodwill during the nine months ended September 30, 2017 are summarized as follows (in millions):

	North America	South America	Europe/Middle East	Asia/ Pacific/Africa	Consolidated
Balance as of December 31, 2016	$ 543.9	$ 138.8	$ 581.9	$ 111.8	$ 1,376.4
Acquisition	64.3	—	—	—	64.3
Foreign currency translation	—	3.7	61.8	8.5	74.0
Balance as of September 30, 2017	$ 608.2	$ 142.5	$ 643.7	$ 120.3	$ 1,514.7

Goodwill is tested for impairment on an annual basis and more often if indications of impairment exist. The Company conducts its annual impairment analyses as of October 1 each fiscal year.

6. INDEBTEDNESS

Indebtedness consisted of the following at September 30, 2017 and December 31, 2016 (in millions):

	September 30, 2017	December 31, 2016
1.056% Senior term loan due 2020	$ 235.9	$ 211.0
Credit facility, expiring 2020	587.4	329.2
Senior term loans due 2021	353.9	316.5
$5^7/_8$% Senior notes due 2021	305.6	306.6
Senior term loans due between 2019 and 2026	442.4	395.6
Other long-term debt	137.5	141.6
Debt issuance costs	(4.5)	(5.1)
	2,058.2	1,695.4
Less: Current portion of other long-term debt	(107.9)	(85.4)
Total indebtedness, less current portion	$ 1,950.3	$ 1,610.0

1.056% Senior Term Loan

In December 2014, the Company entered into a term loan with the European Investment Bank, which provided the Company with the ability to borrow up to €200.0 million. The €200.0 million (or approximately $235.9 million as of September 30, 2017) of funding was received on January 15, 2015 with a maturity date of January 15, 2020. The Company has the ability to prepay the term loan before its maturity date. Interest is payable on the term loan at 1.056% per annum, payable quarterly in arrears.

Credit Facility

The Company’s revolving credit and term loan facility consists of an $800.0 million multi-currency revolving credit facility and a €312.0 million (or approximately $368.1 million as of September 30, 2017) term loan facility. The maturity date of the credit facility is June 26, 2020. Under the credit facility agreement, interest accrues on amounts outstanding, at the Company’s option, depending on the currency borrowed, at either (1) LIBOR or EURIBOR plus a margin ranging from 1.0% to 1.75% based on the Company’s leverage ratio, or (2) the base rate, which is equal to the higher of (i) the administrative agent’s base lending rate for the applicable currency, (ii) the federal funds rate plus 0.5%, and (iii) one-month LIBOR for loans denominated in U.S. dollars plus 1.0% plus a margin ranging from 0.0% to 0.25% based on the Company’s leverage ratio. As is more fully described in Note 11, the Company entered into an interest rate swap in 2015 to convert the term loan facility’s floating interest rate to a fixed interest rate of 0.33% plus the applicable margin over the remaining life of the term loan facility. As of September 30, 2017, the Company had $587.4 million of outstanding borrowings under the credit facility and the ability to borrow approximately $580.7 million under the facility. Approximately $219.3 million was outstanding under the multi-currency revolving credit facility and €312.0 million (or approximately $368.1 million) was outstanding under the term loan facility as of September 30, 2017. As of December 31, 2016, no amounts were outstanding under the Company’s multi-currency revolving credit facility, and the Company had the ability to borrow approximately $800.0 million under the facility. Approximately €312.0 million (or approximately $329.2 million) was outstanding under the term loan facility as of December 31, 2016.

During 2015, the Company designated its €312.0 million ($368.1 million as of September 30, 2017) term loan facility as a hedge of its net investment in foreign operations to offset foreign currency translation gains or losses on the net investment. See Note 11 for additional information about the net investment hedge.

Senior Term Loans Due 2021

In April 2016, the Company entered into two term loan agreements with Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank”), in the amount of €100.0 million and €200.0 million, respectively. The €300.0 million (or approximately $353.9 million as of September 30, 2017) of funding was received on April 26, 2016 and was partially used to repay a senior term loan with Rabobank which was due May 2, 2016. The Company received net proceeds of approximately €99.6 million (or approximately $112.2 million) after debt issuance costs. The provisions of the two term loans are identical in nature. The Company has the ability to prepay the term loans before their maturity date on April 26, 2021. Interest is payable on the term loans per annum, equal to the EURIBOR plus a margin ranging from 1.0% to 1.75% based on the Company’s net leverage ratio. Interest is paid quarterly in arrears.

5 $^7/_8$% Senior Notes

The Company’s $305.6 million of 5$^7/_8$% senior notes due December 1, 2021 constitute senior unsecured and unsubordinated indebtedness. Interest is payable on the notes semi-annually in arrears. At any time prior to September 1, 2021, the Company may redeem the notes, in whole or in part from time to time, at its option, at a redemption price equal to the greater of (i) 100% of the principal amount plus accrued and unpaid interest, including additional interest, if any, to, but excluding, the redemption date, or (ii) the sum of the present values of the remaining scheduled payments of principal and interest (exclusive of interest accrued to the date of redemption) discounted to the redemption date at the treasury rate plus 0.5%, plus accrued and unpaid interest, including additional interest, if any. Beginning September 1, 2021, the Company may redeem the notes, in whole or in part from time to time, at its option, at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, including additional interest, if any. As is more fully described in Note 11, the Company entered into an interest rate swap in 2015 to convert the senior notes’ fixed interest rate to a floating interest rate over the remaining life of the senior notes. During 2016, the Company terminated the interest rate swap. As a result, the Company recorded a deferred gain of approximately $7.3 million associated with the termination, which will be amortized as a reduction to “Interest expense, net” over the remaining term of the 5$^7/_8$% senior notes through December 1, 2021. As of September 30, 2017, the unamortized portion of the deferred gain was approximately $5.6 million and the amortization for the three and nine months ended September 30, 2017 was approximately $0.3 million and $1.0 million, respectively.

Senior Term Loans Due Between 2019 and 2026

In October 2016, the Company borrowed an aggregate amount of €375.0 million (or approximately $442.4 million as of September 30, 2017) through a group of seven related term loan agreements. The Company received net proceeds of approximately €373.2 million (or approximately $409.5 million as of October 19, 2016) after debt issuance costs which were used to repay borrowings made under the Company’s revolving credit facility. The provisions of the term loan agreements are identical in nature, with the exception of interest rate terms and maturities. The Company has the ability to prepay the term loans before their maturity dates. Interest is payable on the term loans in arrears either semi-annually or annually as provided below (in millions):

Maturity Date	Floating or Fixed Interest Rate	Interest Rate	Interest Payment	Term Loan Amount	
October 19, 2019	Floating	EURIBOR + 0.75%	Semi-Annually	€	1.0
October 19, 2019	Fixed	0.75%	Annually		55.0
October 19, 2021	Floating	EURIBOR + 1.00%	Semi-Annually		25.5
October 19, 2021	Fixed	1.00%	Annually		166.5
October 19, 2023	Floating	EURIBOR + 1.25%	Semi-Annually		1.0
October 19, 2023	Fixed	1.33%	Annually		73.5
October 19, 2026	Fixed	1.98%	Annually		52.5
				€	375.0

Standby Letters of Credit and Similar Instruments

The Company has arrangements with various banks to issue standby letters of credit or similar instruments, which guarantee the Company’s obligations for the purchase or sale of certain inventories and for potential claims exposure for insurance coverage. At September 30, 2017 and December 31, 2016, outstanding letters of credit totaled $15.2 million and $17.1 million, respectively.

7. INVENTORIES

Inventories at September 30, 2017 and December 31, 2016 were as follows (in millions):

	September 30, 2017	December 31, 2016
Finished goods	$ 815.0	$ 589.3
Repair and replacement parts	599.0	532.5
Work in process	215.3	113.8
Raw materials	435.9	279.2
Inventories, net	$ 2,065.2	$ 1,514.8

8. PRODUCT WARRANTY

The warranty reserve activity for the three and nine months ended September 30, 2017 and 2016 consisted of the following (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Balance at beginning of period	$ 296.9	$ 240.6	$ 255.6	$ 230.3
Acquisitions	2.1	3.1	2.1	3.7
Accruals for warranties issued during the period	47.7	43.3	152.6	138.7
Settlements made (in cash or in kind) during the period	(49.3)	(40.1)	(127.4)	(128.3)
Foreign currency translation	6.2	2.0	20.7	4.5
Balance at September 30	$ 303.6	$ 248.9	$ 303.6	$ 248.9

The Company’s agricultural equipment products generally are warranted against defects in material and workmanship for a period of one to four years. The Company accrues for future warranty costs at the time of sale based on historical warranty experience. Approximately $267.4 million and $223.1 million of warranty reserves are included in “Accrued expenses” in the Company’s Condensed Consolidated Balance Sheets as of September 30, 2017 and December 31, 2016, respectively. Approximately $36.2 million and $32.5 million of warranty reserves are included in “Other noncurrent liabilities” in the Company’s Condensed Consolidated Balance Sheets as of September 30, 2017 and December 31, 2016, respectively.

9. NET INCOME PER COMMON SHARE

Basic net income per common share is computed by dividing net income by the weighted average number of common shares outstanding during each period. Diluted net income per common share assumes the exercise of outstanding SSARs and the vesting of performance share awards and RSUs using the treasury stock method when the effects of such assumptions are dilutive. A reconciliation of net income attributable to AGCO Corporation and its subsidiaries and weighted average common shares outstanding for purposes of calculating basic and diluted net income per share for the three and nine months ended September 30, 2017 and 2016 is as follows (in millions, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Basic net income per share:				
Net income attributable to AGCO Corporation and subsidiaries	$ 60.7	$ 40.0	$ 142.1	$ 98.1
Weighted average number of common shares outstanding	79.5	80.7	79.5	81.9
Basic net income per share attributable to AGCO Corporation and subsidiaries	$ 0.76	$ 0.50	$ 1.79	$ 1.20
Diluted net income per share:				
Net income attributable to AGCO Corporation and subsidiaries	$ 60.7	$ 40.0	$ 142.1	$ 98.1
Weighted average number of common shares outstanding	79.5	80.7	79.5	81.9
Dilutive SSARs, performance share awards and RSUs	0.7	0.1	0.6	0.1
Weighted average number of common shares and common share equivalents outstanding for purposes of computing diluted net income per share	80.2	80.8	80.1	82.0
Diluted net income per share attributable to AGCO Corporation and subsidiaries	$ 0.76	$ 0.50	$ 1.77	$ 1.20

SSARs to purchase approximately 0.3 million shares of the Company's common stock for the three and nine months ended September 30, 2017, and approximately 1.5 million and 1.2 million shares of the Company's common stock for the three and nine months ended September 30, 2016, respectively, were outstanding but not included in the calculation of weighted average common and common equivalent shares outstanding because they had an antidilutive impact.

10. INCOME TAXES

At September 30, 2017 and December 31, 2016, the Company had approximately $151.2 million and $139.9 million, respectively, of unrecognized tax benefits, all of which would affect the Company's effective tax rate if recognized. At September 30, 2017 and December 31, 2016, the Company had approximately $57.1 million and $47.0 million, respectively, of accrued or deferred taxes related to uncertain income tax positions connected with ongoing income tax audits in various jurisdictions that it expects to settle or pay in the next 12 months. The Company accrues interest and penalties related to unrecognized tax benefits in its provision for income taxes. At September 30, 2017 and December 31, 2016, the Company had accrued interest and penalties related to unrecognized tax benefits of $20.9 million and $16.4 million, respectively. Generally, tax years 2011 through 2016 remain open to examination by taxing authorities in the United States and certain other foreign tax jurisdictions.

During the second quarter of 2016, the Company recorded a non-cash deferred income tax charge of approximately $31.6 million to increase the valuation allowance on its deferred income tax assets in the United States for previous periods. A valuation allowance is established when it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company assessed the likelihood that its deferred tax assets would be recovered from estimated future taxable income and available tax planning strategies and determined that the adjustment to the valuation allowance at June 30, 2016 was appropriate. In making this assessment, all available evidence was considered including the current economic climate, as well as reasonable tax planning strategies. As of September 30, 2017, the Company believes it is more likely than not that the Company will realize its remaining deferred tax assets, net of the valuation allowance, in future years.

11. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company has significant manufacturing operations in the United States, France, Germany, Finland and Brazil, and it purchases a portion of its tractors, combines and components from third-party foreign suppliers, primarily in various European countries and in Japan. The Company also sells products in over 150 countries throughout the world. The Company's most significant transactional foreign currency exposures are the Euro, Brazilian real and the Canadian dollar in relation to the United States dollar, and the Euro in relation to the British pound.

The Company attempts to manage its transactional foreign exchange exposure by hedging foreign currency cash flow forecasts and commitments arising from the anticipated settlement of receivables and payables and from future purchases and sales. Where naturally offsetting currency positions do not occur, the Company hedges certain, but not all, of its exposures through the use of foreign currency contracts. The Company's translation exposure resulting from translating the financial statements of foreign subsidiaries into United States dollars may be partially hedged from time to time. The Company's most significant translation exposures are the Euro, the British pound and the Brazilian real in relation to the United States dollar and the Swiss franc in relation to the Euro. When practical, the translation impact is reduced by financing local operations with local borrowings.

The Company uses floating rate and fixed rate debt to finance its operations. The floating rate debt obligations expose the Company to variability in interest payments due to changes in the EURIBOR and LIBOR benchmark interest rates. The Company believes it is prudent to limit the variability of a portion of its interest payments, and to meet that objective, the Company periodically enters into interest rate swaps to manage the interest rate risk associated with the Company's borrowings. The Company designates interest rate contracts used to convert the interest rate exposure on a portion of the Company's debt portfolio from a floating rate to a fixed rate as cash flow hedges, while those contracts converting the Company's interest rate exposure from a fixed rate to a floating rate are designated as fair value hedges.

The Company's senior management establishes the Company's foreign currency and interest rate risk management policies. These policies are reviewed periodically by the Finance Committee of the Company's Board of Directors. The policies allow for the use of derivative instruments to hedge exposures to movements in foreign currency and interest rates. The Company's policies prohibit the use of derivative instruments for speculative purposes.

All derivatives are recognized on the Company's Condensed Consolidated Balance Sheets at fair value. On the date the derivative contract is entered into, the Company designates the derivative as either (1) a cash flow hedge of a forecasted transaction, (2) a fair value hedge of a recognized liability, (3) a hedge of a net investment in a foreign operation, or (4) a non-designated derivative instrument.

The Company formally documents all relationships between hedging instruments and hedged items, as well as the risk management objectives and strategy for undertaking various hedge transactions. The Company formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flow of hedged items or the net investment hedges in foreign operations. When it is determined that a derivative is no longer highly effective as a hedge, hedge accounting is discontinued on a prospective basis.

The Company categorizes its derivative assets and liabilities into one of three levels based on the assumptions used in valuing the asset or liability. See Note 15 for a discussion of the fair value hierarchy as per the guidance in ASC 820. The Company's valuation techniques are designed to maximize the use of observable inputs and minimize the use of unobservable inputs.

Counterparty Risk

The Company regularly monitors the counterparty risk and credit ratings of all the counterparties to the derivative instruments. The Company believes that its exposures are appropriately diversified across counterparties and that these counterparties are creditworthy financial institutions. If the Company perceives any risk with a counterparty, then the Company would cease to do business with that counterparty. There have been no negative impacts to the Company from any non-performance of any counterparties.

Derivative Transactions Designated as Hedging Instruments

Cash Flow Hedges

Foreign Currency Contracts

The Company uses cash flow hedges to minimize the variability in cash flows of assets or liabilities or forecasted transactions caused by fluctuations in foreign currency exchange rates. The changes in the fair values of these cash flow hedges are recorded in accumulated other comprehensive loss and are subsequently reclassified into “Cost of goods sold” during the period the sales and purchases are recognized. These amounts offset the effect of the changes in foreign currency rates on the related sale and purchase transactions.

During 2017, the Company designated certain foreign currency contracts as cash flow hedges of expected future sales and purchases. The total notional value of derivatives that were designated as cash flow hedges was $107.4 million and $111.2 million as of September 30, 2017 and December 31, 2016, respectively.

Interest Rate Contract

The Company monitors the mix of short-term and long-term debt regularly. From time to time, the Company manages the risk to interest rate fluctuations through the use of derivative financial instruments. During 2015, the Company entered into an interest rate swap instrument with a notional amount of €312.0 million (or approximately $368.1 million at September 30, 2017) and an expiration date of June 26, 2020. The swap was designated and accounted for as a cash flow hedge. Under the swap agreement, the Company pays a fixed interest rate of 0.33% plus the applicable margin, and the counterparty to the agreement pays a floating interest rate based on the three-month EURIBOR.

Changes in the fair value of the interest rate swap are recorded in accumulated other comprehensive loss and are subsequently reclassified into “Interest expense, net” as a rate adjustment in the same period in which the related interest on the Company’s floating rate term loan facility affects earnings.

The following table summarizes the after-tax impact that changes in the fair value of derivatives designated as cash flow hedges had on accumulated other comprehensive loss and net income during the three and nine months ended September 30, 2017 and 2016 (in millions):

			Recognized in Net Income		
Three Months Ended September 30,		**Gain (Loss) Recognized in Accumulated Other Comprehensive Loss**	**Classification of Gain (Loss)**		**Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income**
2017					
Foreign currency contracts[1]	$	(0.3)	Cost of goods sold	$	1.1
Interest rate contract		(1.0)	Interest expense, net		(0.6)
Total	$	(1.3)		$	0.5
2016					
Foreign currency contracts	$	1.5	Cost of goods sold	$	0.2
Interest rate contract		(0.1)	Interest expense, net		(0.5)
Total	$	1.4		$	(0.3)

			Recognized in Net Income		
Nine Months Ended September 30,		**Gain (Loss) Recognized in Accumulated Other Comprehensive Loss**	**Classification of Gain (Loss)**		**Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income**
2017					
Foreign currency contracts[1]	$	2.9	Cost of goods sold	$	(0.3)
Interest rate contract		(0.6)	Interest expense, net		(1.7)
Total	$	2.3		$	(2.0)
2016					
Foreign currency contracts	$	1.2	Cost of goods sold	$	0.2
Interest rate contract		(7.5)	Interest expense, net		(1.4)
Total	$	(6.3)		$	(1.2)

(1) The outstanding contracts as of September 30, 2017 range in maturity through December 2018.

There was no ineffectiveness with respect to the cash flow hedges during the three and nine months ended September 30, 2017 and 2016.

The following table summarizes the activity in accumulated other comprehensive loss related to the derivatives held by the Company during the nine months ended September 30, 2017 (in millions):

		Before-Tax Amount		Income Tax		After-Tax Amount
Accumulated derivative net losses as of December 31, 2016	$	(10.1)	$	(1.4)	$	(8.7)
Net changes in fair value of derivatives		2.2		(0.1)		2.3
Net losses reclassified from accumulated other comprehensive loss into income		2.3		0.3		2.0
Accumulated derivative net losses as of September 30, 2017	$	(5.6)	$	(1.2)	$	(4.4)

Fair Value Hedges

The Company uses interest rate swap agreements designated as fair value hedges to minimize exposure to changes in the fair value of fixed-rate debt that results from fluctuations in benchmark interest rates. During 2015, the Company entered into an interest rate swap instrument with a notional amount of $300.0 million and an expiration date of December 1, 2021 designated as a fair value hedge of the Company’s $5^7/_8$% senior notes (Note 6). Under the interest rate swap, the Company paid a floating interest rate based on the three-month LIBOR plus a spread of 4.14% and the counterparty to the agreement paid a fixed interest rate of $5^7/_8$%. The gains and losses related to changes in the fair value of the interest rate swap were recorded to “Interest expense, net” and offset changes in the fair value of the underlying hedged $5^7/_8$% senior notes.

During 2016, the Company terminated the existing interest rate swap transaction and received cash proceeds of approximately $7.3 million. The resulting gain was deferred and is being amortized as a reduction to “Interest expense, net” over the remaining term of the Company’s $5^7/_8$% senior notes through December 1, 2021. Refer to Note 6 for further information.

Net Investment Hedges

The Company uses non-derivative and derivative instruments, to hedge a portion of its net investment in foreign operations against adverse movements in exchange rates. For instruments that are designated as hedges of net investments in foreign operations, changes in the fair value of the derivative instruments are recorded in foreign currency translation adjustments, a component of accumulated other comprehensive loss, to offset changes in the value of the net investments being hedged. When the net investment in foreign operations is sold or substantially liquidates, the amounts recorded in accumulated other comprehensive loss are reclassified to earnings. To the extent foreign currency denominated debt is dedesignated from a net investment hedge relationship, changes in the value of the foreign currency denominated debt are recorded in earnings through the maturity date.

During 2015, the Company designated its €312.0 million (or approximately $368.1 million as of September 30, 2017) term loan facility with a maturity date of June 26, 2020 as a hedge of its net investment in foreign operations to offset foreign currency translation gains or losses on the net investment.

The following table summarizes the notional values of the instrument designated as a net investment hedge (in millions):

	Notional Amount as of	
	September 30, 2017	**December 31, 2016**
Foreign currency denominated debt	$ 368.1	$ 329.2

The following table summarizes the after-tax impact of changes in the fair value of the instrument designated as a net investment hedge during the three and nine months ended September 30, 2017 and 2016 (in millions):

	(Loss) Gain Recognized in Accumulated Other Comprehensive Loss for the Three Months Ended		**(Loss) Gain Recognized in Accumulated Other Comprehensive Loss for the Nine Months Ended**	
	September 30, 2017	**September 30, 2016**	**September 30, 2017**	**September 30, 2016**
Foreign currency denominated debt	$ (11.8)	$ (4.8)	$ (38.9)	$ (8.9)

There was no ineffectiveness with respect to the net investment hedge during the three and nine months ended September 30, 2017 and 2016.

Derivative Transactions Not Designated as Hedging Instruments

During 2017 and 2016, the Company entered into foreign currency contracts to economically hedge receivables and payables on the Company and its subsidiaries' balance sheets that are denominated in foreign currencies other than the functional currency. These contracts were classified as non-designated derivative instruments. Gains and losses on such contracts are substantially offset by losses and gains on the remeasurement of the underlying asset or liability being hedged and are immediately recognized into earnings. As of September 30, 2017 and December 31, 2016, the Company had outstanding foreign currency contracts with a notional amount of approximately $1,391.6 million and $1,550.2 million, respectively.

The following table summarizes the impact that changes in the fair value of derivatives not designated as hedging instruments had on earnings (in millions):

		For the Three Months Ended		**For the Nine Months Ended**	
	Classification of Gain	**September 30, 2017**	**September 30, 2016**	**September 30, 2017**	**September 30, 2016**
Foreign currency contracts	Other expense, net	$ 13.9	$ —	$ 35.8	$ 14.3

The table below sets forth the fair value of derivative instruments as of September 30, 2017 (in millions):

	Asset Derivatives as of September 30, 2017		Liability Derivatives as of September 30, 2017	
	Balance Sheet Location	**Fair Value**	**Balance Sheet Location**	**Fair Value**
Derivative instruments designated as hedging instruments:				
Foreign currency contracts	Other current assets	$ 1.4	Other current liabilities	$ 1.7
Interest rate contract	Other noncurrent assets	—	Other noncurrent liabilities	5.3
Derivative instruments not designated as hedging instruments:				
Foreign currency contracts	Other current assets	5.1	Other current liabilities	4.1
Total derivative instruments		$ 6.5		$ 11.1

The table below sets forth the fair value of derivative instruments as of December 31, 2016 (in millions):

	Asset Derivatives as of December 31, 2016		Liability Derivatives as of December 31, 2016	
	Balance Sheet Location	**Fair Value**	**Balance Sheet Location**	**Fair Value**
Derivative instruments designated as hedging instruments:				
Foreign currency contracts	Other current assets	$ 0.2	Other current liabilities	$ 3.8
Interest rate contract	Other noncurrent assets	—	Other noncurrent liabilities	6.4
Derivative instruments not designated as hedging instruments:				
Foreign currency contracts	Other current assets	6.3	Other current liabilities	3.2
Total derivative instruments		$ 6.5		$ 13.4

12. CHANGES IN STOCKHOLDERS' EQUITY

The following table sets forth changes in stockholders' equity attributed to AGCO Corporation and its subsidiaries and to noncontrolling interests for the nine months ended September 30, 2017 (in millions):

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Stockholders' Equity
Balance, December 31, 2016	$ 0.8	$ 103.3	$ 4,113.6	$ (1,441.6)	$ 61.1	$ 2,837.2
Stock compensation	—	33.0	—	—	—	33.0
Issuance of stock awards	—	(2.2)	—	—	—	(2.2)
SSARs exercised	—	(4.3)	—	—	—	(4.3)
Comprehensive income:						
Net income	—	—	142.1	—	2.1	144.2
Other comprehensive income, net of reclassification adjustments:						
Foreign currency translation adjustments	—	—	—	105.4	1.1	106.5
Defined benefit pension plans, net of tax	—	—	—	8.9	—	8.9
Unrealized gain on derivatives, net of tax	—	—	—	4.3	—	4.3
Payment of dividends to stockholders	—	—	(33.4)	—	—	(33.4)
Investments by noncontrolling interest	—	—	—	—	0.5	0.5
Adjustment related to the adoption of ASU 2016-09	—	—	(1.7)	—	—	(1.7)
Balance, September 30, 2017	$ 0.8	$ 129.8	$ 4,220.6	$ (1,323.0)	$ 64.8	$ 3,093.0

Total comprehensive income (loss) attributable to noncontrolling interests for the three and nine months ended September 30, 2017 and 2016 was as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net income (loss)	$ 0.1	$ (0.6)	$ 2.1	$ 0.9
Other comprehensive income:				
Foreign currency translation adjustments	0.5	0.3	1.1	1.1
Total comprehensive income (loss)	$ 0.6	$ (0.3)	$ 3.2	$ 2.0

The following table sets forth changes in accumulated other comprehensive loss by component, net of tax, attributed to AGCO Corporation and its subsidiaries for the nine months ended September 30, 2017 (in millions):

	Defined Benefit Pension Plans	Deferred Net (Losses) Gains on Derivatives	Cumulative Translation Adjustment	Total
Accumulated other comprehensive loss, December 31, 2016	$ (304.5)	$ (8.7)	$ (1,128.4)	$ (1,441.6)
Other comprehensive income before reclassifications	—	2.3	105.4	107.7
Net losses reclassified from accumulated other comprehensive loss	8.9	2.0	—	10.9
Other comprehensive income, net of reclassification adjustments	8.9	4.3	105.4	118.6
Accumulated other comprehensive loss, September 30, 2017	$ (295.6)	$ (4.4)	$ (1,023.0)	$ (1,323.0)

The following table sets forth reclassification adjustments out of accumulated other comprehensive loss by component attributed to AGCO Corporation and its subsidiaries for the three months ended September 30, 2017 and 2016 (in millions):

	Amount Reclassified from Accumulated Other Comprehensive Loss		
Details about Accumulated Other Comprehensive Loss Components	Three Months Ended September 30, 2017[1]	Three Months Ended September 30, 2016[1]	Affected Line Item within the Condensed Consolidated Statements of Operations
Derivatives:			
Net gains on foreign currency contracts	$ (0.9)	$ (0.3)	Cost of goods sold
Net losses on interest rate contract	0.6	0.5	Interest expense, net
Reclassification before tax	(0.3)	0.2	
	(0.2)	0.1	Income tax (provision) benefit
Reclassification net of tax	$ (0.5)	$ 0.3	
Defined benefit pension plans:			
Amortization of net actuarial losses	$ 3.2	$ 2.5	[2]
Amortization of prior service cost	0.3	0.3	[2]
Reclassification before tax	3.5	2.8	
	(0.4)	(0.4)	Income tax provision
Reclassification net of tax	$ 3.1	$ 2.4	
Net losses reclassified from accumulated other comprehensive loss	$ 2.6	$ 2.7	

(1) (Gains) losses included within the Condensed Consolidated Statements of Operations for the three months ended September 30, 2017 and 2016.
(2) These accumulated other comprehensive loss components are included in the computation of net periodic pension and postretirement benefit cost. See Note 14 to the Company's Condensed Consolidated Financial Statements.

The following table sets forth reclassification adjustments out of accumulated other comprehensive loss by component attributed to AGCO Corporation and its subsidiaries for the nine months ended September 30, 2017 and 2016 (in millions):

Details about Accumulated Other Comprehensive Loss Components	**Amount Reclassified from Accumulated Other Comprehensive Loss**		**Affected Line Item within the Condensed Consolidated Statements of Operations**
	Nine months ended September 30, 2017[1]	**Nine months ended September 30, 2016[1]**	
Derivatives:			
Net losses (gains) on foreign currency contracts	$ 0.6	$ (0.3)	Cost of goods sold
Net losses on interest rate contract	1.7	1.4	Interest expense, net
Reclassification before tax	2.3	1.1	
	(0.3)	0.1	Income tax (provision) benefit
Reclassification net of tax	$ 2.0	$ 1.2	
Defined benefit pension plans:			
Amortization of net actuarial losses	$ 9.3	$ 7.8	[2]
Amortization of prior service cost	1.0	0.9	[2]
Reclassification before tax	10.3	8.7	
	(1.4)	(1.2)	Income tax provision
Reclassification net of tax	$ 8.9	$ 7.5	
Net losses reclassified from accumulated other comprehensive loss	$ 10.9	$ 8.7	

(1) Losses (gains) included within the Condensed Consolidated Statements of Operations for the nine months ended September 30, 2017 and 2016.
(2) These accumulated other comprehensive loss components are included in the computation of net periodic pension and postretirement benefit cost. See Note 14 to the Company's Condensed Consolidated Financial Statements.

Share Repurchase Program

As of September 30, 2017, the remaining amount authorized to be repurchased is approximately $331.4 million. The authorization for $300.0 million of this amount will expire in December 2019. The remaining amount of $31.4 million authorized has no expiration date.

13. ACCOUNTS RECEIVABLE SALES AGREEMENTS

The Company has accounts receivable sales agreements that permit the sale, on an ongoing basis, of a majority of its wholesale receivables in North America, Europe and Brazil to its U.S., Canadian, European and Brazilian finance joint ventures. As of both September 30, 2017 and December 31, 2016, the receivables sold under the U.S., Canadian, European and Brazilian accounts receivable sales agreements were approximately $1.1 billion.

Under the terms of the accounts receivable agreements in North America, Europe and Brazil, the Company pays an annual servicing fee related to the servicing of the receivables sold. The Company also pays the respective AGCO Finance entities a subsidized interest payment with respect to the sales agreements, calculated based upon LIBOR plus a margin on any non-interest bearing accounts receivable outstanding and sold under the sales agreements. These fees were reflected within losses on the sales of receivables included within “Other expense, net” in the Company’s Condensed Consolidated Statements of Operations. The Company does not service the receivables after the sale occurs and does not maintain any direct retained interest in the receivables. The Company reviewed its accounting for the accounts receivable sales agreements and determined that these facilities should be accounted for as off-balance sheet transactions.

Losses on sales of receivables associated with the accounts receivable financing facilities discussed above, reflected within “Other expense, net” in the Company’s Condensed Consolidated Statements of Operations, were approximately $10.3 million and $27.5 million, respectively, during the three and nine months ended September 30, 2017. Losses on sales of receivables associated with the accounts receivable financing facilities discussed above, reflected within “Other expense, net” in the Company’s Condensed Consolidated Statements of Operations, were approximately $4.3 million and $13.8 million during the three and nine months ended September 30, 2016, respectively.

The Company’s finance joint ventures in Europe, Brazil and Australia also provide wholesale financing directly to the Company’s dealers. The receivables associated with these arrangements are without recourse to the Company. The Company does not service the receivables after the sale occurs and does not maintain any direct retained interest in the receivables. As of September 30, 2017 and December 31, 2016, these finance joint ventures had approximately $40.2 million and $41.5 million, respectively, of outstanding accounts receivable associated with these arrangements. The Company reviewed its accounting for these arrangements and determined that these arrangements should be accounted for as off-balance sheet transactions.

In addition, the Company sells certain trade receivables under factoring arrangements to other financial institutions around the world. The Company reviewed the sale of such receivables and determined that these arrangements should be accounted for as off-balance sheet transactions.

14. EMPLOYEE BENEFIT PLANS

Net periodic pension and postretirement benefit cost for the Company's defined pension and postretirement benefit plans for the three months ended September 30, 2017 and 2016 are set forth below (in millions):

	Three Months Ended September 30,	
Pension benefits	**2017**	**2016**
Service cost	$ 4.2	$ 4.1
Interest cost	5.1	6.2
Expected return on plan assets	(8.9)	(9.8)
Amortization of net actuarial losses	3.2	2.5
Amortization of prior service cost	0.3	0.3
Net periodic pension cost	$ 3.9	$ 3.3

	Three Months Ended September 30,	
Postretirement benefits	**2017**	**2016**
Interest cost	$ 0.4	$ 0.3
Net periodic postretirement benefit cost	$ 0.4	$ 0.3

Net periodic pension and postretirement benefit cost for the Company's defined pension and postretirement benefit plans for the nine months ended September 30, 2017 and 2016 are set forth below (in millions):

	Nine Months Ended September 30,	
Pension benefits	**2017**	**2016**
Service cost	$ 12.8	$ 12.3
Interest cost	15.3	19.0
Expected return on plan assets	(26.7)	(30.2)
Amortization of net actuarial losses	9.3	7.8
Amortization of prior service cost	0.9	0.8
Net periodic pension cost	$ 11.6	$ 9.7

	Nine Months Ended September 30,	
Postretirement benefits	**2017**	**2016**
Service cost	$ 0.1	$ —
Interest cost	1.2	1.1
Amortization of prior service cost	0.1	0.1
Net periodic postretirement benefit cost	$ 1.4	$ 1.2

The following table summarizes the activity in accumulated other comprehensive loss related to the Company’s defined pension and postretirement benefit plans during the nine months ended September 30, 2017 (in millions):

	Before-Tax Amount	Income Tax	After-Tax Amount
Accumulated other comprehensive loss as of December 31, 2016	$ (404.8)	$ (100.3)	$ (304.5)
Amortization of net actuarial losses	9.3	1.4	7.9
Amortization of prior service cost	1.0	—	1.0
Accumulated other comprehensive loss as of September 30, 2017	$ (394.5)	$ (98.9)	$ (295.6)

During the nine months ended September 30, 2017, approximately $22.5 million of contributions had been made to the Company’s defined pension benefit plans. The Company currently estimates its minimum contributions for 2017 to its defined pension benefit plans will aggregate approximately $29.1 million.

During the nine months ended September 30, 2017, the Company made approximately $1.3 million of contributions to its postretirement health care and life insurance benefit plans. The Company currently estimates that it will make approximately $1.5 million of contributions to its postretirement health care and life insurance benefit plans during 2017.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company categorizes its assets and liabilities into one of three levels based on the assumptions used in valuing the asset or liability. Estimates of fair value for financial assets and liabilities are based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally developed market assumptions. In accordance with this guidance, fair value measurements are classified under the following hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

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; and model-derived valuations in which all significant inputs are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Model-derived valuations in which one or more significant inputs are unobservable.

The Company categorizes its pension plan assets into one of the three levels of the fair value hierarchy.

The Company enters into foreign currency and interest rate swap contracts. The fair values of the Company’s derivative instruments are determined using discounted cash flow valuation models. The significant inputs used in these models are readily available in public markets, or can be derived from observable market transactions, and therefore have been classified as Level 2. Inputs used in these discounted cash flow valuation models for derivative instruments include the applicable exchange rates, forward rates or interest rates. Such models used for option contracts also use implied volatility. See Note 11 for a discussion of the Company’s derivative instruments and hedging activities.

Assets and liabilities measured at fair value on a recurring basis as of September 30, 2017 and December 31, 2016 are summarized below (in millions):

	As of September 30, 2017			
	Level 1	Level 2	Level 3	Total
Derivative assets	$ —	$ 6.5	$ —	$ 6.5
Derivative liabilities	$ —	$ 11.1	$ —	$ 11.1

	As of December 31, 2016			
	Level 1	Level 2	Level 3	Total
Derivative assets	$ —	$ 6.5	$ —	$ 6.5
Derivative liabilities	$ —	$ 13.4	$ —	$ 13.4

The carrying amounts of long-term debt under the Company's 1.056% senior term loan, credit facility, senior term loans due 2021 and senior term loans due between 2019 and 2026 (Note 6) approximate fair value based on the borrowing rates currently available to the Company for loans with similar terms and average maturities. At September 30, 2017 and December 31, 2016, the estimated fair value of the Company's $5^7/8$% senior notes (Note 6), based on their listed market values, was approximately $332.4 million and $318.5 million, respectively, compared to its carrying value of $305.6 million and $306.6 million, respectively.

16. SEGMENT REPORTING

Effective January 1, 2017, the Company modified its system of reporting, resulting from changes to its internal management and organizational structure, which changed its reportable segments from North America; South America; Europe/Africa/Middle East; and Asia/Pacific to North America; South America; Europe/Middle East; and Asia/Pacific/Africa. The Asia/Pacific/Africa reportable segment includes the regions of Africa, Asia, Australia and New Zealand, and the Europe/Middle East segment no longer includes certain markets in Africa. Effective January 1, 2017, these reportable segments are reflective of how the Company's chief operating decision maker reviews operating results for the purposes of allocating resources and assessing performance. Disclosures for both the three and nine months ended September 30, 2017 and 2016, as well as the year ended December 31, 2016, have been adjusted to reflect the change in reportable segments.

The Company's four reportable segments distribute a full range of agricultural equipment and related replacement parts. The Company evaluates segment performance primarily based on income from operations. Sales for each segment are based on the location of the third-party customer. The Company's selling, general and administrative expenses and engineering expenses are charged to each segment based on the region and division where the expenses are incurred. As a result, the components of income from operations for one segment may not be comparable to another segment. Segment results for the three and nine months ended September 30, 2017 and 2016 and assets as of September 30, 2017 and December 31, 2016 based on the Company's reportable segments are as follows (in millions):

Three Months Ended September 30,	North America	South America	Europe/ Middle East	Asia/ Pacific/Africa	Consolidated
2017					
Net sales	$ 483.5	$ 273.5	$ 1,017.7	$ 211.6	$ 1,986.3
Income from operations	27.2	9.0	98.9	15.4	150.5
Depreciation	15.5	8.0	26.7	6.1	56.3
Capital expenditures	12.1	10.9	22.8	1.3	47.1
2016					
Net sales	$ 453.0	$ 261.8	$ 883.3	$ 163.5	$ 1,761.6
Income from operations	21.1	5.9	75.8	7.1	109.9
Depreciation	14.4	6.2	29.5	5.0	55.1
Capital expenditures	11.3	26.7	22.8	—	60.8

Nine Months Ended September 30,	North America	South America	Europe/ Middle East	Asia/ Pacific/Africa	Consolidated
2017					
Net sales	$ 1,344.9	$ 747.6	$ 3,179.7	$ 506.9	$ 5,779.1
Income from operations	52.7	13.8	336.6	23.2	426.3
Depreciation	45.4	22.7	83.4	13.7	165.2
Capital expenditures	43.2	31.0	59.3	5.9	139.4
2016					
Net sales	$ 1,360.3	$ 609.4	$ 2,950.4	$ 396.4	$ 5,316.5
Income from operations	44.0	6.3	287.4	8.4	346.1
Depreciation	46.5	16.1	90.7	13.7	167.0
Capital expenditures	31.1	41.1	56.4	4.2	132.8
Assets					
As of September 30, 2017	$ 1,083.6	$ 875.9	$ 2,093.4	$ 511.0	$ 4,563.9
As of December 31, 2016	$ 978.5	$ 739.4	$ 1,635.2	$ 426.3	$ 3,779.4

A reconciliation from the segment information to the consolidated balances for income from operations and total assets is set forth below (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Segment income from operations	$ 150.5	$ 109.9	$ 426.3	$ 346.1
Corporate expenses	(28.3)	(29.3)	(86.2)	(90.3)
Stock compensation expense	(7.9)	(7.2)	(29.1)	(18.0)
Restructuring expenses	(3.0)	(1.5)	(8.5)	(5.5)
Amortization of intangibles	(14.3)	(12.9)	(41.5)	(35.3)
Consolidated income from operations	$ 97.0	$ 59.0	$ 261.0	$ 197.0

	September 30, 2017	December 31, 2016
Segment assets	$ 4,563.9	$ 3,779.4
Cash and cash equivalents	312.7	429.7
Investments in affiliates	465.5	414.9
Deferred tax assets, other current and noncurrent assets	664.2	560.7
Intangible assets, net	653.4	607.3
Goodwill	1,514.7	1,376.4
Consolidated total assets	$ 8,174.4	$ 7,168.4

17. COMMITMENTS AND CONTINGENCIES

Off-Balance Sheet Arrangements

Guarantees

The Company maintains a remarketing agreement with its U.S. finance joint venture, whereby the Company is obligated to repurchase repossessed inventory at market values. The Company has an agreement with its U.S. finance joint venture, AGCO Finance LLC, which limits the Company’s purchase obligations under this arrangement to $6.0 million in the aggregate per calendar year. The Company believes that any losses that might be incurred on the resale of this equipment will not materially impact the Company’s financial position or results of operations due to the fair value of the underlying equipment.

At September 30, 2017, the Company has outstanding guarantees of indebtedness owed to third parties of approximately $75.2 million, primarily related to dealer and end-user financing of equipment. Such guarantees generally obligate the Company to repay outstanding finance obligations owed to financial institutions if dealers or end users default on such loans through 2021. The Company believes the credit risk associated with these guarantees is not material to its financial position or results of operations. Losses under such guarantees historically have been insignificant. In addition, the Company generally would expect to be able to recover a significant portion of the amounts paid under such guarantees from the sale of the underlying financed farm equipment, as the fair value of such equipment is expected to be sufficient to offset a substantial portion of the amounts paid.

Other

The Company sells a majority of its wholesale receivables in North America, Europe and Brazil to its U.S., Canadian, European and Brazilian finance joint ventures. The Company also sells certain accounts receivable under factoring arrangements to financial institutions around the world. The Company reviewed the sale of such receivables and determined that these facilities should be accounted for as off-balance sheet transactions.

Legal Claims and Other Matters

The Environmental Protection Agency of Victoria, Australia has issued the Company's Australian subsidiary a notice regarding remediation of contamination of a property located in a suburb of Melbourne, Australia. The property was owned and divested by the subsidiary before the subsidiary was acquired by the Company. The Australian subsidiary has applied to the Victorian Supreme Court for judicial review seeking to quash the decision of the Environmental Protection Agency of Victoria and to suspend the remediation notice. At this time, the Company is not able to determine whether the subsidiary might have any liability or the nature and cost of any possible required remediation.

In August 2008, as part of routine audits, the Brazilian taxing authorities disallowed deductions relating to the amortization of certain goodwill recognized in connection with a reorganization of the Company's Brazilian operations and the related transfer of certain assets to the Company's Brazilian subsidiaries. The amount of the tax disallowance through September 30, 2017, not including interest and penalties, was approximately 131.5 million Brazilian reais (or approximately $41.5 million). The amount ultimately in dispute will be greater because of interest and penalties. The Company has been advised by its legal and tax advisors that its position with respect to the deductions is allowable under the tax laws of Brazil. The Company is contesting the disallowance and believes that it is not likely that the assessment, interest or penalties will be required to be paid. However, the ultimate outcome will not be determined until the Brazilian tax appeal process is complete, which could take several years.

The Company is a party to various other legal claims and actions incidental to its business. The Company believes that none of these claims or actions, either individually or in the aggregate, is material to its business or financial statements as a whole, including its results of operations and financial condition.

18. SUBSEQUENT EVENT

On October 2, 2017, the Company acquired certain net assets of the forage division of the Lely Group ("Lely") for approximately €88.7 million (or approximately $104.1 million). Lely, headquartered in Maassluis, Netherlands, is a leading manufacturer of hay and forage equipment in Europe. The acquisition was financed through the Company's credit facility (Note 6). The Company will allocate the purchase price to the assets acquired and liabilities assumed based on preliminary estimates of their fair values as of the acquisition date. The acquired net assets primarily consisted of accounts receivable, inventories, property, plant and equipment, accounts payable and accrued expenses, goodwill and certain identifiable intangible assets.

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

GENERAL

Our operations are subject to the cyclical nature of the agricultural industry. Sales of our equipment are affected by changes in net cash farm income, farm land values, weather conditions, the demand for agricultural commodities, commodity prices and general economic conditions. We record sales when we sell equipment and replacement parts to our independent dealers, distributors and other customers. To the extent possible, we attempt to sell products to our dealers and distributors on a level basis throughout the year to reduce the effect of seasonal demands on manufacturing operations and to minimize our investment in inventories. However, 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, our net sales historically have been the lowest in the first quarter and have increased in subsequent quarters.

RESULTS OF OPERATIONS

For the three months ended September 30, 2017, we generated net income of $60.7 million, or $0.76 per share, compared to net income of $40.0 million, or $0.50 per share, for the same period in 2016. For the first nine months of 2017, we generated net income of $142.1 million, or $1.77 per share, compared to net income of $98.1 million, or $1.20 per share, for the same period in 2016.

Net sales during the three and nine months ended September 30, 2017 were $1,986.3 million and $5,779.1 million, respectively, which were approximately 12.8% and 8.7% higher than the same periods in 2016, respectively, primarily due to the benefit of new acquisitions and sales growth in our South America, Europe/Middle East ("EME") and Asia/Pacific/Africa ("APA") regions.

Income from operations for the three months ended September 30, 2017 was $97.0 million compared to $59.0 million for the same period in 2016. Income from operations was $261.0 million for the nine months ended September 30, 2017 compared to $197.0 million for the same period in 2016. The increase in income from operations for the three and nine months was primarily a result of higher net sales and improved operating margins.

Regionally, income from operations in our EME region increased in both the three and nine months ended September 30, 2017 compared to the same periods in 2016. The increase was primarily due to increased net sales and production levels as well as a favorable sales mix. In our North American region, income from operations improved for the three and nine months ended September 30, 2017 as compared to the same periods in 2016. The impacts from improved factory productivity and expense reduction efforts were partially offset by lower net sales and production volumes. Income from operations in our South American region also increased in both the three and nine months ended September 30, 2017 compared to the same periods in 2016. The benefits of higher net sales and production volumes were mostly offset by material cost inflation and costs associated with transitioning to new tier 3 emission technology. The operating results in our APA region improved for both the three and nine months ended September 30, 2017 compared to the same periods in 2016 primarily due to higher net sales and production levels.

Industry Market Conditions

Harvests over the last four consecutive years have been near record levels and are satisfying growing global demand for grain. These higher grain inventories pressure commodity prices and generally result in lower farm income. Industry demand for equipment in most global markets remains at historically low levels as a result of these weaker economic conditions.

In North America, industry unit retail sales of utility and high horsepower tractors for the first nine months of 2017 decreased by approximately 3% compared to the first nine months of 2016. Industry unit retail sales of combines for the first nine months of 2017 increased by approximately 6% compared to the first nine months of 2016. Industry retail sales were significantly lower for high horsepower tractors, partially offset by higher retail sales for lower horsepower tractors.

In Western Europe, industry unit retail sales of tractors for the first nine months of 2017 decreased by approximately 3% compared to the first nine months of 2016. Industry unit retail sales of combines for the first nine months of 2017 decreased by approximately 9% compared to the first nine months of 2016. Lower commodity prices in the arable farming sector are being partially offset by improving conditions for dairy and livestock producers across the region. Growth in the United Kingdom, Spain and Italy was primarily offset by a decrease in market demand in France.

South America industry unit retail sales of tractors for the first nine months of 2017 increased approximately 20% compared to the same period in 2016. Industry unit retail sales of combines for the first nine months of 2017 increased by approximately 18% compared to the first nine months of 2016. Improved industry retail sales in Brazil as compared to depressed levels experienced in the first nine months of 2016 as well as more supportive government policies in Argentina contributed to growth in the region.

STATEMENTS OF OPERATIONS

Net sales for the three months ended September 30, 2017 were $1,986.3 million compared to $1,761.6 million for the same period in 2016. Net sales for the nine months ended September 30, 2017 were $5,779.1 million compared to $5,316.5 million for the same period in 2016. Foreign currency translation positively impacted net sales by approximately $47.6 million, or 2.7%, for the three months ended September 30, 2017, and negatively impacted net sales by approximately $6.1 million, or 0.1%, for the nine months ended September 30, 2017. Recent acquisitions positively impacted net sales by approximately $39.9 million, or 2.3%, for the three months ended September 30, 2017, and by approximately $130.6 million, or 2.5%, for the nine months ended September 30, 2017.

The following tables sets forth, for the three and nine months ended September 30, 2017, the impact to net sales of currency translation by geographical segment (in millions, except percentages):

	Three Months Ended September 30,		Change		Change Due to Currency Translation		Change Due to Acquisitions	
	2017	2016	$	%	$	%	$	%
North America	$ 483.5	$ 453.0	$ 30.5	6.7%	$ 4.4	1.0 %	$ 10.0	2.2%
South America	273.5	261.8	11.7	4.5%	(0.9)	(0.3)%	0.7	0.3%
Europe/Middle East[1]	1,017.7	883.3	134.4	15.2%	38.4	4.3 %	25.4	2.9%
Asia/Pacific/Africa[1]	211.6	163.5	48.1	29.4%	5.7	3.5 %	3.8	2.3%
	$ 1,986.3	$ 1,761.6	$ 224.7	12.8%	$ 47.6	2.7 %	$ 39.9	2.3%

	Nine Months Ended September 30,		Change		Change Due to Currency Translation		Change Due to Acquisitions	
	2017	2016	$	%	$	%	$	%
North America	$ 1,344.9	$ 1,360.3	$ (15.4)	(1.1)%	$ (1.9)	(0.1)%	$ 19.4	1.4%
South America	747.6	609.4	138.2	22.7 %	43.4	7.1 %	2.5	0.4%
Europe/Middle East[1]	3,179.7	2,950.4	229.3	7.8 %	(49.1)	(1.7)%	93.7	3.2%
Asia/Pacific/Africa[1]	506.9	396.4	110.5	27.9 %	1.5	0.4 %	15.0	3.8%
	$ 5,779.1	$ 5,316.5	$ 462.6	8.7 %	$ (6.1)	(0.1)%	$ 130.6	2.5%

(1) Effective January 1, 2017, we realigned our regional structure as reflected above. See Note 16 to our condensed consolidated financial statements for further information.

Regionally, net sales in North America increased during the three months ended September 30, 2017 compared to the same period in 2016. The increase was a result of net sales growth of mid-range tractors and high horsepower tractors, partially offset by net sales declines of sprayers and combines. Net sales in North America decreased during the nine months ended September 30, 2017 compared to the same period in 2016 resulting from softer industry demand and dealer inventory reduction efforts. In the EME region, net sales were higher during the three and nine months ended September 30, 2017 compared to the same periods in 2016. The increase was primarily due to the benefit of acquisitions and net sales growth throughout Western Europe. Net sales in South America increased during the three and nine months ended September 30, 2017 compared to the same periods in 2016. Net sales growth was the most significant in Argentina. In the APA region, net sales increased during the three and nine months ended September 30, 2017 compared to the same periods in 2016, primarily driven by growth in Australia and China. We estimate worldwide average price increases were approximately 1.4% and 1.2% during the three and nine months ended September 30, 2017, respectively, compared to the same prior year periods. Consolidated net sales of tractors and combines, which comprised approximately 58% and 60% of our net sales for the three and nine months ended

September 30, 2017, respectively, increased approximately 13% and 9%, respectively, for the three and nine months ended September 30, 2017 compared to the same periods in 2016. Unit sales of tractors and combines increased approximately 5% and 3%, respectively, for the three and nine months ended September 30, 2017 compared to the same periods in 2016. The difference between the unit sales change and the change in net sales was primarily the result of foreign currency translation, pricing and sales mix changes.

The following table sets forth, for the periods indicated, the percentage of net sales of certain items in our Condensed Consolidated Statements of Operations (in millions, except percentages):

	Three Months Ended September 30,			
	2017		2016	
	$	% of Net Sales	$	% of Net Sales[(1)]
Gross profit	$ 428.6	21.6%	$ 353.5	20.1%
Selling, general and administrative expenses	234.3	11.8%	214.1	12.2%
Engineering expenses	80.0	4.0%	66.0	3.7%
Restructuring expenses	3.0	0.2%	1.5	0.1%
Amortization of intangibles	14.3	0.7%	12.9	0.7%
Income from operations	$ 97.0	4.9%	$ 59.0	3.3%

	Nine Months Ended September 30,			
	2017		2016	
	$	% of Net Sales[(1)]	$	% of Net Sales
Gross profit	$ 1,234.3	21.4%	$ 1,095.2	20.6%
Selling, general and administrative expenses	693.6	12.0%	643.1	12.1%
Engineering expenses	229.7	4.0%	214.3	4.0%
Restructuring expenses	8.5	0.1%	5.5	0.1%
Amortization of intangibles	41.5	0.7%	35.3	0.7%
Income from operations	$ 261.0	4.5%	$ 197.0	3.7%

(1) Rounding may impact summation of amounts.

Gross profit as a percentage of net sales improved for both the three and nine months ended September 30, 2017 compared to the same periods in 2016 with margins benefiting from the impact of pricing, higher production as well as material cost and labor productivity initiatives. Production hours increased in both Europe and South America in response to increased demands in those regions during the nine months ended September 30, 2017, while production hours decreased in the North American region. We recorded approximately $0.8 million and $2.4 million of stock compensation expense within cost of goods sold during the three and nine months ended September 30, 2017, respectively, compared to approximately $0.7 million and $1.6 million, respectively, for the comparable periods in 2016, as is more fully explained below and in Note 4 to our Condensed Consolidated Financial Statements.

SG&A expenses and engineering expenses combined, as a percentage of sales, declined for the three and nine months ended September 30, 2017 compared to the same periods in 2016 primarily as a result of increased net sales as well as expense-reduction initiatives. We recorded approximately $7.9 million and $29.1 million of stock compensation expense within SG&A expenses during the three and nine months ended September 30, 2017, respectively, compared to $7.2 million and $18.0 million during the same periods in 2016, respectively, as is more fully explained in Note 4 to our Condensed Consolidated Financial Statements. During the three months ended March 31, 2017, we recorded approximately $4.8 million of accelerated stock compensation expense associated with a stock award declined by our Chief Executive Officer.

The restructuring expenses of $3.0 million and $8.5 million recorded during the three and nine months ended September 30, 2017, respectively, were primarily related to severance and other related costs associated with the rationalization of certain manufacturing operations and administrative offices located in Europe, South America and the United States. Refer to Note 3 to our Condensed Consolidated Financial Statements for further information.

Interest expense, net was approximately $11.6 million and $33.6 million for the three and nine months ended September 30, 2017, respectively, compared to approximately $12.1 million and $34.5 million for the comparable periods in 2016.

Other expense, net was approximately $18.4 million for the three months ended September 30, 2017, and other income, net was approximately $0.2 million for the three months ended September 30, 2016. Other expense, net was approximately $49.1 million and $27.1 million for the nine months ended September 30, 2017 and 2016, respectively. Losses on sales of receivables, primarily related to our accounts receivable sales agreements with our finance joint ventures in North America, Europe and Brazil and included in other expense, net, were approximately $10.3 million and $27.5 million for the three and nine months ended September 30, 2017, respectively, compared to approximately $4.3 million and $13.8 million for the comparable periods in 2016. In addition, during the three months ended September 30, 2017, other expense, net was a result of foreign exchange losses compared to foreign exchange gains in the same period in 2016. The increase in other expense, net during the during the nine months ended September 30, 2017 as compared to the same period in 2016 was a result of higher foreign exchange losses.

We recorded an income tax provision of approximately $16.9 million and $64.9 million for the three and nine months ended September 30, 2017, respectively, compared to $19.5 million and $73.9 million, respectively, for the comparable periods in 2016. Our effective tax rate varies from period to period due to the mix of taxable income and losses in the various tax jurisdictions in which we operate. Our effective tax rate for the three and nine months ended September 30, 2017 reflects the impact of establishing a valuation allowance during the three months ended June 30, 2016 against our U.S. net deferred income tax assets, as we have not been recording a tax benefit against losses in that jurisdiction since that period.

During the three months ended June 30, 2016, we recorded a non-cash deferred tax adjustment of approximately $31.6 million to establish a valuation allowance against our U.S. net deferred income tax assets for previous periods. A valuation allowance is established when it is more likely than not that some portion or all of the deferred tax assets will not be realized. We assessed the likelihood that our deferred tax assets would be recovered from estimated future taxable income and available tax planning strategies and determined that the adjustment to the valuation allowance at June 30, 2016 was appropriate. In making this assessment, all available evidence was considered including the current economic climate, as well as reasonable tax planning strategies. As of September 30, 2017, we believe it is more likely than not that we will realize our remaining deferred tax assets, net of the valuation allowance, in future years.

Equity in net earnings of affiliates, which is primarily comprised of income from our finance joint ventures, was approximately $10.7 million and $30.8 million for the three and nine months ended September 30, 2017, respectively, compared to approximately $11.8 million and $37.5 million for the comparable periods in 2016. The decrease for the three and nine months ended September 30, 2017 as compared to the same periods in 2016 was primarily due to lower net earnings from certain finance joint ventures and other affiliates. Refer to “Finance Joint Ventures” for further information regarding our finance joint ventures and their results of operations.

FINANCE JOINT VENTURES

Our AGCO Finance joint ventures provide both retail financing and wholesale financing to our dealers in the United States, Canada, Europe, Brazil, Argentina and Australia. The joint ventures are owned by AGCO and by a wholly owned subsidiary of Rabobank, a financial institution based in the Netherlands. The majority of the assets of the finance joint ventures consist of finance receivables. The majority of the liabilities consist of notes payable and accrued interest. Under the various joint venture agreements, Rabobank or its affiliates provide financing to the joint ventures, primarily through lines of credit. We do not guarantee the debt obligations of the joint ventures. As of September 30, 2017, our capital investment in the finance joint ventures, which is included in “Investment in affiliates” on our Condensed Consolidated Balance Sheets, was approximately $430.1 million compared to $380.8 million as of December 31, 2016. The total finance portfolio in our finance joint ventures was approximately $8.6 billion and $8.0 billion as of September 30, 2017 and December 31, 2016, respectively. The total finance portfolio as of September 30, 2017 included approximately $7.3 billion of retail receivables and $1.3 billion of wholesale receivables from AGCO dealers. The total finance portfolio as of December 31, 2016 included approximately $6.7 billion of retail receivables and $1.3 billion of wholesale receivables from AGCO dealers. The wholesale receivables either were sold directly to AGCO Finance without recourse from our operating companies or AGCO Finance provided the financing directly to the dealers. For the nine months ended September 30, 2017, our share in the earnings of the finance joint ventures, included in “Equity in net earnings of affiliates” within our Condensed Consolidated Statements of Operations, was $30.7 million compared to $36.8 million for the same period in 2016.

LIQUIDITY AND CAPITAL RESOURCES

Our financing requirements are subject to variations due to seasonal changes in inventory and receivable levels. Internally generated funds are supplemented when necessary from external sources, primarily our credit facility and accounts receivable sales agreement facilities. We believe that the following facilities discussed below, together with available cash and internally generated funds, will be sufficient to support our working capital, capital expenditures and debt service requirements for the foreseeable future (in millions):

	September 30, 2017
1.056% Senior term loan due 2020	$ 235.9
Credit facility, expiring 2020	587.4
Senior term loans due 2021	353.9
5 7/8% Senior notes due 2021	305.6
Senior term loans due between 2019 and 2026	442.4
Other long-term debt	137.5
Debt issuance costs	(4.5)
	$ 2,058.2

While we are in compliance with the financial covenants contained in these facilities and currently expect to continue to maintain such compliance, should we ever encounter difficulties, our historical relationship with our lenders has been strong and we anticipate their continued long-term support of our business. Refer to Note 6 to the Condensed Consolidated Financial Statements for further information regarding our current facilities.

Our accounts receivable sales agreements in North America, Europe and Brazil permit the sale, on an ongoing basis, of a majority of our receivables to our U.S., Canadian, European and Brazilian finance joint ventures. The sales of all receivables are without recourse to us. We do not service the receivables after the sale occurs, and we do not maintain any direct retained interest in the receivables. These agreements are accounted for as off-balance sheet transactions and have the effect of reducing accounts receivable and short-term liabilities by the same amount. As of both September 30, 2017 and December 31, 2016, the receivables sold under the U.S., Canadian, European and Brazilian accounts receivable sales agreements were approximately $1.1 billion.

Our finance joint ventures in Europe, Brazil and Australia also provide wholesale financing directly to our dealers. The receivables associated with these arrangements are also without recourse to us. As of September 30, 2017 and December 31, 2016, these finance joint ventures had approximately $40.2 million and $41.5 million, respectively, of outstanding accounts receivable associated with these arrangements. These arrangements are accounted for as off-balance sheet transactions. In addition, we sell certain trade receivables under factoring arrangements to other financial institutions around the world. These arrangements are also accounted for as off-balance sheet transactions.

Cash Flows

Cash flows used in operating activities were approximately $29.2 million for the first nine months of 2017 compared to approximately $127.4 million for the first nine months of 2016. Our 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. We had $1,291.4 million in working capital at September 30, 2017 as compared to $1,020.8 million at December 31, 2016 and $1,271.1 million at September 30, 2016. Accounts receivable and inventories, combined, at September 30, 2017 were $707.4 million and $275.8 million higher than at December 31, 2016 and September 30, 2016, respectively. The increase in accounts receivable and inventories as of September 30, 2017 compared to September 30, 2016 was primarily due to foreign exchange and acquisition impacts, as well as higher seasonal inventory requirements primarily in the South American and EME regions.

Capital expenditures for the first nine months of 2017 were $139.4 million compared to $132.8 million for the same period of 2016. We anticipate that capital expenditures for the full year of 2017 will be approximately $200.0 million to $225.0 million and will be used primarily to support the development and enhancement of new and existing products, upgrade our system capabilities and improve our factory productivity.

Our debt to capitalization ratio, which is total indebtedness divided by the sum of total indebtedness and stockholders' equity, was 40.0% and 37.5% at September 30, 2017 and December 31, 2016, respectively.

COMMITMENTS, OFF-BALANCE SHEET ARRANGEMENTS AND CONTINGENCIES

We are party to a number of commitments and other financial arrangements, which may include "off-balance sheet" arrangements. At September 30, 2017, we have outstanding guarantees of indebtedness owed to third parties of approximately $75.2 million, primarily related to dealer and end-user financing of equipment. We also sell a majority of our wholesale receivables in North America, Europe and Brazil to our U.S., Canadian, European and Brazilian finance joint ventures. At September 30, 2017, we had outstanding designated and non-designated foreign currency contracts with a gross notional amount of approximately $1,499.0 million. Refer to "Liquidity and Capital Resources" and "Item 3. Quantitative and Qualitative Disclosures about Market Risk-Foreign Currency Risk Management," as well as to Notes 11, 13 and 17 to our Condensed Consolidated Financial Statements, for further discussion of these matters.

Contingencies

The Environmental Protection Agency ("EPA") of Victoria, Australia has issued our Australian subsidiary a notice to our subsidiary regarding remediation of contamination of a property located in a suburb of Melbourne, Australia. Our Australian subsidiary has applied to the Victoria Supreme court for judicial review seeking to quash the decision of the EPA of Victoria and to suspend the notice.

As part of routine audits, the Brazilian taxing authorities disallowed deductions relating to the amortization of certain goodwill recognized in connection with a reorganization of our Brazilian operations and the related transfer of certain assets to our Brazilian subsidiaries.

Refer to Note 17 to our Condensed Consolidated Financial Statements for further discussion of these matters.

OUTLOOK

Industry demand for farm equipment is expected to remain relatively flat in Europe, weaken in North America, but strengthen in South America, for the full year of 2017 compared to 2016. Our net sales in 2017 are expected to increase compared to 2016, primarily due to the impact of pricing, acquisition-related sales and improved net sales volumes. Income from operations and net income are expected to be above 2016 levels due to higher net sales as well as margin improvements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The discussion and analysis of our financial condition and results of operations are based upon our Condensed Consolidated Financial Statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. On an ongoing basis, management evaluates estimates, including those related to reserves, goodwill and intangible assets, income taxes, pension and other postretirement benefit obligations, derivative financial instruments and contingencies. Management bases these estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. A description of critical accounting policies and related judgments and estimates that affect the preparation of our Condensed Consolidated Financial Statements is set forth in our Annual Report on Form 10-K for the year ended December 31, 2016.

FORWARD-LOOKING STATEMENTS

Certain statements in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Quarterly Report on Form 10-Q are forward-looking, including certain statements set forth under the headings “Liquidity and Capital Resources” and “Outlook.” Forward-looking statements reflect assumptions, expectations, projections, intentions or beliefs about future events. These statements, which may relate to such matters as earnings, net sales, margins, industry demand, market conditions, commodity prices, farm incomes, foreign currency translation, general economic outlook, availability of financing, product development and enhancement, factory productivity, production and sales volumes, benefits from cost reduction initiatives, tax rates, compliance with loan covenants, capital expenditures and working capital and debt service requirements are “forward-looking statements” within the meaning of the federal securities laws. These statements do not relate strictly to historical or current facts, and you can identify certain of these statements, but not necessarily all, by the use of the words “anticipate,” “assumed,” “indicate,” “estimate,” “believe,” “predict,” “forecast,” “rely,” “expect,” “continue,” “grow” and other words of similar meaning. Although we believe that the expectations and assumptions reflected in these statements are reasonable in view of the information currently available to us, there can be no assurance that these expectations will prove to be correct.

These forward-looking statements involve a number of risks and uncertainties, and actual results may differ materially from the results discussed in or implied by the forward-looking statements. Adverse changes in any of the following factors could cause actual results to differ materially from the forward-looking statements:

- general economic and capital market conditions;
- availability of credit to our retail customers;
- the worldwide demand for agricultural products;
- grain stock levels and the levels of new and used field inventories;
- cost of steel and other raw materials;
- energy costs;
- performance and collectability of the accounts receivable originated or owned by AGCO or AGCO Finance;
- government policies and subsidies;
- weather conditions;
- interest and foreign currency exchange rates;
- pricing and product actions taken by competitors;
- commodity prices, acreage planted and crop yields;
- farm income, land values, debt levels and access to credit;
- pervasive livestock diseases;
- production disruptions;
- production levels and capacity constraints at our facilities, including those resulting from plant expansions and systems upgrades;

- integration of recent and future acquisitions;
- our expansion plans in emerging markets;
- supply constraints;
- our cost reduction and control initiatives;
- our research and development efforts;
- dealer and distributor actions;
- regulations affecting privacy and data protection;
- technological difficulties; and
- political and economic uncertainty in various areas of the world.

Any forward-looking statement should be considered in light of such important factors. For additional factors and additional information regarding these factors, please see "Risk Factors" in our Form 10-K for the year ended December 31, 2016.

New factors that could cause actual results to differ materially from those described above emerge from time to time, and it is not possible for us to predict all of such factors or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made, and we disclaim any obligation to update the information contained in such statement to reflect subsequent developments or information except as required by law.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Currency Risk Management

For quantitative and qualitative disclosures about market risks, see “Quantitative and Qualitative Disclosures About Market Risks” in Item 7A of Part II of our Annual Report on Form 10-K for the year ended December 31, 2016. As of the third quarter of 2017, there has been no material change in our exposure to market risks.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of September 30, 2017, have concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

The Company’s management, including the Chief Executive Officer and the Chief Financial Officer, does not expect that the Company’s disclosure controls or the Company’s internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected. We will conduct periodic evaluations of our internal controls to enhance, where necessary, our procedures and controls.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation described above that occurred during the three months ended September 30, 2017 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are a party to various other legal claims and actions incidental to our business. These items are more fully discussed in Note 17 to our Condensed Consolidated Financial Statements.

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit	The filings referenced for incorporation by reference are AGCO Corporation
10.1	Letter Agreement for Far East Markets, dated July 24, 2017, between AGCO International GmbH and Tractors and Farm Equipment Limited	July 27, 2017, Form 8-K, Exhibit 10.1
10.2	Letter Agreement for Mexico, dated July 24, 2017, between AGCO International GmbH and Tractors and Farm Equipment Limited	July 27, 2017, Form 8-K, Exhibit 10.2
10.3	Letter Agreement for Australia/New Zealand, dated July 24, 2017, between AGCO International GmbH and Tractors and Farm Equipment Limited	July 27, 2017, Form 8-K, Exhibit 10.3
10.4	Amendment to the Letter Agreement for Africa, dated July 24, 2017, between AGCO International GmbH and Tractors and Farm Equipment Limited	July 27, 2017, Form 8-K, Exhibit 10.4
10.5	2006 Long-Term Incentive Plan	Filed herewith
31.1	Certification of Martin Richenhagen	Filed herewith
31.2	Certification of Andrew H. Beck	Filed herewith
32.1	Certification of Martin Richenhagen and Andrew H. Beck	Furnished herewith
101.INS	XBRL Instance Document	Filed herewith
101.SCH	XBRL Taxonomy Extension Schema	Filed herewith
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	Filed herewith
101.DEF	XBRL Taxonomy Extension Definition Linkbase	Filed herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase	Filed herewith
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	Filed herewith

SIGNATURES

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

AGCO CORPORATION
Registrant

Date: November 8, 2017

/s/ Andrew H. Beck

Andrew H. Beck
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.5

AGCO CORPORATION
2006 LONG-TERM INCENTIVE PLAN

As amended through March 2016.

The AGCO Corporation 2006 Long-Term Incentive Plan has been established by AGCO Corporation to (a) attract and retain persons eligible to participate in the Plan; (b) motivate Participants, by means of appropriate incentives, to achieve long-range goals; (c) provide incentive compensation opportunities that are competitive with those of other similar companies; and (d) further identify Participants' interests with those of the Company's other shareholders through compensation that is based on the Company's common stock; and thereby promote the long-term financial interest of the Company and the Subsidiaries, including the growth in value of the Company's equity and enhancement of long-term shareholder return.

ARTICLE I
GENERAL

1.1 Participation. Subject to the terms and conditions of the Plan, the Committee shall determine and designate, from time to time, from among the Eligible Individuals (including transferees of Eligible Individuals to the extent the transfer is permitted by the Plan and the applicable Award Agreement), those persons who will be granted one or more Awards under the Plan, and thereby become Participants in the Plan. In the discretion of the Committee, a Participant may be granted any Award permitted under the provisions of the Plan, and more than one Award may be granted to a Participant.

1.2 Operation, Administration, and Definitions. The operation and administration of the Plan, including the Awards made under the Plan, shall be subject to the provisions of Section 6 (relating to operation and administration). Capitalized terms in the Plan shall be defined as set forth in the Plan (including the definition provisions of Article II of the Plan).

ARTICLE II
DEFINED TERMS

In addition to the other definitions contained herein, the following definitions shall apply:

2.1 Award. The term "Award" means any award or benefit granted under the Plan, including, without limitation, the grant of Options, SARs, Restricted Stock, Restricted Stock Units and Performance Share Awards.

2.2 Award Agreement. The term "Award Agreement" is defined in Section 5.2.

2.3 Board. The term "Board" means the Board of Directors of the Company.

2.4 Change in Control. The term "Change in Control" shall mean a change in the ownership of the Company, change in the effective control of the Company or change in ownership of a substantial portion of the Company's assets, as described in Section 409A of the Code, including each of the following:

(a) A change in the ownership of the Company occurs on the date that any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, possess more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company (not including where any one person, or more than one person acting as a group, who is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, acquires additional stock).

(b) A change in the effective control of the Company is presumed (which presumption may be rebutted by the Committee) to occur on the date that: any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing thirty percent (30%) or more of the total voting power of the stock of the Company, or a majority of the members of the Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election of such new directors.

(c) A change in the ownership of a substantial portion of the Company's assets occurs on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total fair market value equal to or more than forty percent (40%) of the total fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions unless the assets are transferred to (i) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock, (ii) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly by the Company, (iii) a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all of the outstanding stock of the Company, or (iv) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a person, or more than one person acting as a group, that owns directly or indirectly, fifty percent (50%) or more of the total value or voting power of all of the outstanding stock of the Company.

2.5 Code. The term "Code" means the Internal Revenue Code of 1986, as amended. A reference to any provision of the Code shall include reference to any successor provision of the Code.

2.6 Committee. The term "Committee" is defined in Section 8.1.

2.7 Company. The term "Company" means AGCO Corporation, a Delaware corporation.

2.8 Effective Date. The term "Effective Date" means April 21, 2011.

2.9 Eligible Individual. The term "Eligible Individual" means any employee of the Company or a Subsidiary and any board member, consultant or other person providing services to the Company or a Subsidiary. An Award may be granted to an individual, in connection with hiring, retention or otherwise, prior to the date the employee first performs services for the Company or the Subsidiaries, provided that such Awards shall not become effective prior to the date the individual first performs such services. However, only employees of the Company or any Subsidiary shall be considered Eligible Individuals with respect to Incentive Stock Options.

2.10 Exchange Act. The term “Exchange Act” means the Securities Exchange Act of 1934, as amended.

2.11 Exercise Price. The term “Exercise Price” is defined in Section 3.1.

2.12 Fair Market Value. The term “Fair Market Value” means, for any particular date:

(a) for any period during which the Stock shall be listed for trading on a national securities exchange, the closing price per share of stock on such exchange, or

(b) for any period during which the Stock shall not be listed for trading on a national securities exchange, but when prices for the Stock shall be reported by Nasdaq, the closing bid price as reported by the Nasdaq, or

(c) in the event neither Section 2.12 (a) or (b) above shall be applicable, the market price per share of Stock as determined in good faith by the Committee using a reasonable valuation method based on the facts and circumstances on the valuation date; provided, however, that the use of a value per share of stock previously calculated shall not be reasonable if, as of the date of grant, such valuation fails to reflect information available after the date of valuation that may materially affect the value of the Company or if the valuation per share of stock was calculated on a date more than twelve (12) months prior to the date of grant.

If Fair Market Value is to be determined as of a day when the securities markets are not open, the Fair Market Value on that day shall be the Fair Market Value on the preceding day when the markets were open. The provisions of this Section 2.12 shall be interpreted in accordance with Section 409A of the Code and the regulations issued thereunder and applicable accounting principles.

2.13 Incentive Stock Option. The term “Incentive Stock Option” means an Option that is intended to satisfy the requirements applicable to an “incentive stock option” described in section 422(b) of the Code.

2.14 Non-Qualified Option. The term “Non-Qualified Option” means an Option that is not intended to be an “incentive stock option” as that term is described in section 422(b) of the Code.

2.15 Option. The term “Option” means either an Incentive Stock Option or a Non-Qualified Option and the grant of an Option entitles the Participant to purchase shares of Stock at an Exercise Price established by the Committee.

2.16 Participant. The term “Participant” means those Eligible Individuals who are granted one or more Awards under the Plan.

2.17 Performance Measures. The term “Performance Measures” means the measurable performance objectives, if any, established by the Committee for a Performance Period that are to be achieved with respect to an Award granted to a Participant under the Plan. Performance Measures may be described in terms of Company-wide objectives or in terms of objectives that are related to performance of the division, Subsidiary, department or function within the Company or a Subsidiary in which the Participant receiving the Award is employed or on which the Participant’s efforts have the most influence. The achievement of the Performance Measures established by the Committee for any Performance Period will be determined without regard to the effect on such Performance Measures of any acquisition or disposition by the Company of a trade or business, or of substantially all of the assets of a trade or business, during the Performance

Period and without regard to any change in, or interpretation of, accounting standards by the Financial Accounting Standards Board (or any successor entity) or any other authority that establishes or interprets accounting principles applicable to the Company or its Subsidiaries. The Performance Measures established by the Committee for any Performance Period under the Plan will consist of one or more of the following:

(1) revenue and/or growth in revenue in relation to target objectives;

(2) productivity and/or improvement in productivity;

(3) improvement in or attainment of expense levels;

(4) operating income and/or growth in operating income in relation to target objectives;

(5) margins and/or growth in margins (gross, operating or otherwise) in relation to target objectives;

(6) net income and/or growth in net income in relation to target objectives;

(7) earnings per share and/or growth in earnings per share in relation to target objectives;

(8) total stockholder return (measured as the total of the appreciation of and dividends declared on common stock) in relation to target objectives;

(9) return on invested capital in relation to target objectives;

(10) return on stockholder equity in relation to target objectives;

(11) return on assets in relation to target objectives;

(12) return on common book equity in relation to target objectives;

(13) operating cash flow and/or growth in operating cash flow in relation to target objectives;

(14) cash available in relation to target objectives;

(15) customer satisfaction and/or improvement in customer satisfaction;

(16) quality and related metrics; and

(17) achievement of milestones on special projects.

If the Committee determines that, as a result of a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which the Company conducts its business, or any other events or circumstances, the Performance Measures are no longer suitable, the Committee may in its discretion modify such Performance Measures or the related minimum acceptable level of achievement, in whole or in part, with respect to a period as the Committee deems appropriate and equitable, except where such action would result in the loss of the otherwise available exemption of the Award under Section 162(m) of the Code, if applicable. In such case, the Committee will not make any modification of the Performance Measures or minimum acceptable level of achievement.

2.18 Performance Period. The term “Performance Period” means, with respect to an Award, a period of not less than one year within which the Performance Measures relating to such Award are to be measured. Notwithstanding the foregoing, up to 250,000 Performance Shares (less any shares referenced in the second sentence of Section 6.2) may have Performance Periods that are less than one year. The Performance Period will be established by the Committee at the time the Award is granted.

2.19 Performance Share. The term “Performance Share” means an Award that is a grant of a right to receive shares of Stock that is contingent on the achievement of performance or other objectives during a specified period.

2.20 Plan. The Term “Plan” means the 2006 AGCO Corporation Long-Term Incentive Plan as amended and/or restated from time to time.

2.21 Restricted Stock. The term “Restricted Stock” means an Award that is a grant of shares of Stock with such shares of Stock subject to a risk of forfeiture or other restrictions or conditions that will lapse over a specified period or upon the achievement of one or more goals relating to completion of service by the Participant, or achievement of performance or other objectives, as determined by the Committee.

2.22 Restricted Stock Unit. The term “Restricted Stock Unit” means an Award granted to a Participant pursuant to Article IV-A under which no shares of Stock are actually awarded to the Participant on the date of grant.

2.23 SAR. The term “SAR” means a stock appreciation right and the grant of a SAR entitles the Participant to receive, in cash or Stock (as determined in accordance with subsection 3.4), value equal to (or otherwise based on) the excess of: (a) the Fair Market Value of a specified number of shares of Stock at the time of exercise; over (b) an Exercise Price established by the Committee.

2.24 Subsidiaries. The term “Subsidiary” means any corporation during any period in which it is a “subsidiary corporation” (as that term is defined in Code Section 424(f)) with respect to the Company.

2.25 Stock. The term “Stock” means shares of common stock of the Company, par value $.01 per share.

2.26 Ten Percent Shareholder. The term “Ten Percent Shareholder” means an individual shareholder of the Company owning stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any parent or Subsidiary. For purposes of the preceding sentence, the rules of Section 424 of the Code shall apply in determining stock ownership.

ARTICLE III
OPTIONS AND SARS

3.1 Exercise Price. The “Exercise Price” of each Option and SAR granted under this Article 3 shall be established by the Committee or shall be determined by a method established by the Committee at the time the Option or SAR is granted; except that the Exercise Price shall not be less than 100% of the Fair Market Value of a share of Stock on the date of grant (110% of the Fair Market Value on such date in the event of an Incentive Stock Option granted to a Participant who is a Ten Percent Shareholder).

3.2 Exercise. An Option and a SAR shall be exercisable in accordance with such terms and conditions and during such periods as may be established by the Committee. Notwithstanding the foregoing, no Incentive Stock Options may be exercisable more than ten (10) years after the date of grant (five (5) years after the date of grant in the event of Incentive Stock Options granted to a Participant who is a Ten Percent Shareholder).

3.3 Payment of Option Exercise Price. The payment of the Exercise Price of an Option granted under this Article 3 shall be subject to the following:

(a) Subject to the following provisions of this Section 3.3, the full Exercise Price for shares of Stock purchased upon the exercise of any Option shall be paid at the time of such exercise (except that, in the case of an exercise arrangement approved by the Committee and described in Section 3.3(c), payment may be made as soon as practicable after the exercise).

(b) The Exercise Price shall be payable in cash or by tendering, by either actual delivery of shares or by attestation, shares of Stock acceptable to the Committee, and valued at Fair Market Value as of the day of exercise, or in any combination thereof, as determined by the Committee.

(c) The Committee may permit a Participant to elect to pay the Exercise Price upon the exercise of an Option by irrevocably authorizing a third party to sell shares of Stock (or a sufficient portion of the shares) acquired upon exercise of the Option and remit to the Company a sufficient portion of the sale proceeds to pay the entire Exercise Price and any minimum tax withholding resulting from such exercise.

3.4 Settlement of Award. Shares of Stock delivered pursuant to the exercise of an Option or SAR shall be subject to such conditions, restrictions and contingencies as the Committee may establish in the applicable Award Agreement. Settlement of SARs may be made in shares of Stock (valued at their Fair Market Value at the time of exercise), in cash, or in a combination thereof, as determined in the discretion of the Committee. The Committee, in its discretion, may impose such conditions, restrictions and contingencies with respect to shares of Stock acquired pursuant to the exercise of an Option or a SAR as the Committee determines to be desirable.

3.5 Incentive Stock Option Limits. To the extent the aggregate Fair Market Value of Stock with respect to which Incentive Stock Options (whether granted under this Plan or any other plan of the Company or any parent or Subsidiary of the Company) are first exercisable by any Participant during any calendar year exceeds $100,000, such Options, to the extent of the excess, shall be treated as Non-Qualified Options.

3.6 Repricing Prohibited. The Committee shall not reprice any outstanding option or SAR, directly or indirectly, without the approval of the stockholders of the Company, provided that nothing herein shall prevent the Committee from taking any action provided for in Section 6.2(d).

ARTICLE IV-A
RESTRICTED STOCK UNITS

4.1 Restricted Stock Units. A Restricted Stock Unit shall entitle the Participant to receive, at a specified future date or time, one share of Stock with respect to each Restricted Stock Unit that becomes payable under the terms and conditions of the Award or, in the Committee's sole discretion at the time thereof, an amount in cash equal to the then Fair Market Value of such share of Stock. At the time of the grant, the Committee must determine the number of Restricted Stock Units subject to an award of Restricted Stock

Units and (i) the period over which such Restricted Stock Unit shall vest and become payable and in what proportions or (ii) the Performance Period and the Performance Goals applicable to the determination of the ultimate settlement of the Restricted Stock Unit.

4.2 Settlement. Settlement with respect to Restricted Stock Units may be made by the Company in shares of Stock, or in cash, as provided in the applicable Award Agreement or Award program or, in the absence of such provision, as the Committee may determine in its sole discretion.

4.3 Conditions to Settlement. Each Restricted Stock Unit granted under the Plan shall be settled at the end of the vesting period or Performance Period or upon the occurrence of an event, and in such number of shares or amount, as the Committee shall specify in the applicable Award Agreement or Award program.

ARTICLE IV- B
PERFORMANCE SHARE AWARDS

At the time a Performance Share Award is granted, the Committee may designate whether such Performance Share Award being granted to the Participant is intended to be "performance-based compensation" as that term is used in section 162(m) of the Code. Any such Performance Share Awards designated as intended to be "performance-based compensation" shall be conditioned on the achievement of one or more Performance Measures, over a specified Performance Period. Prior to payment of such Performance Shares, the Committee must certify in writing that the Performance Measures and other material terms of the Award were in fact satisfied.

For Performance Share Awards intended to be "performance-based compensation," the grant of the Awards and the establishment of the Performance Measures shall be made during the period required under Section 162(m) of the Code.

ARTICLE V
TERMS AND CONDITIONS OF ALL AWARDS

5.1 Awards. The number of shares of Stock as to which an Award may be granted will be determined by the Committee in its sole discretion, subject to the provisions of Section 6.2(a) as to the total number of shares available for grants under the Plan and subject to the limits on Awards in the following sentence. On such date as required by Section 162(m) of the Code and the regulations thereunder for compensation to be treated as qualified performance-based compensation, the maximum number of shares of Stock with respect to which Options, SARs, Restricted Stock, Restricted Stock Units or Performance Shares may be granted during any calendar year period to any Participant may not exceed 500,000. If, after grant, an Award is cancelled, the cancelled Award shall continue to be counted against the maximum number of shares for which Awards may be granted to Participant as described in this Section 5.1.

5.2 Award Agreements. Each Award will either be evidenced by an "Award Agreement" in such form and containing such terms, conditions and restrictions as the Committee may determine to be appropriate, including without limitation, Performance Goals that must be achieved as a condition to vesting or payment of the Award, or be made subject to the terms of an Award program, containing such terms, conditions and restrictions as the Committee may determine to be appropriate, including without limitation, Performance Goals that must be achieved as a condition to vesting or payment of the Award. Each Award Agreement or Award program is subject to the terms of the Plan and any provisions contained in the Award Agreement or Award program that is inconsistent with the Plan are null and void.

5.3 Grant Date. The date an Award is granted will be the date on which the Committee has approved the terms and conditions of the Award and has determined the recipient of the Award and the number of shares covered by the Award, and has taken all such other actions necessary to complete the grant of the Award.

5.4 Post-termination Obligations. The terms of an Award may provide that the Award will be forfeited and that the Participant will be obligated to turn over to the Company the proceeds of an Award in the event that the Participant violates any post-termination obligations that the Participant has to the Company or any Subsidiary including, without limitation, any obligation not to compete with the Company or any Subsidiary (regardless of whether such obligation is enforceable under applicable law), not to solicit employees, customers or clients of the Company or any Subsidiary, to maintain the confidentiality of information belonging to the Company or any Subsidiary, or not to disparage the Company or any Subsidiary or any of their affiliates.

5.5 Clawback Policy. Each Award will be subject to any "clawback" policy of the Company in effect on the date that the Award is granted and any other "clawback" policy that the Company thereafter is required by law to adopt.

ARTICLE VI
OPERATION AND ADMINISTRATION

6.1 Effective Date. The Plan, as amended and restated, became effective as of the Effective Date subject to approval by the shareholders of the Company. Awards granted prior to the Effective Date shall be governed by the terms of the Plan in effect on the date of grant except as expressly provided otherwise. The Plan shall be unlimited in duration and, in the event of Plan termination, shall remain in effect as long as any Awards under it are outstanding; provided, however, that, to the extent required by the Code, no Incentive Stock Option may be granted under the Plan on or after January 1, 2021.

6.2 Shares Subject to Plan. The shares of Stock for which Awards may be granted under the Plan shall be subject to the following:

(a) Subject to the following provisions of this subsection 6.2, the maximum number of shares of Stock that may be delivered to Participants and their beneficiaries under the Plan shall be 10,000,000 (which shall include shares issued before and after the Effective Date).

(b) For purposes of calculating the total number of shares of Stock available under this Plan for grants of Awards, (i) the grant of an Award of Options, Restricted Stock, Restricted Stock Units, SARs or a Performance Share Award shall be deemed to be equal to the maximum number of shares of Stock which may be issued under the Award, (ii) subject to the provisions of this Section 6.2 there shall again be available for Awards under this Plan all of the following: (A) shares of Stock represented by Awards which have been cancelled, forfeited, surrendered or terminated or which expire unexercised and (B) the excess portion of variable Awards, such as SARs, Restricted Stock Units and Performance Share Awards, which become fixed at less than their maximum limitations.

(c) If the Exercise Price of any stock option granted under the Plan or any prior equity incentive plan of the Company is satisfied by tendering shares of Stock to the Company (by either actual delivery or by attestation), only the number of shares of Stock issued net of the shares of Stock tendered shall be deemed delivered for purposes of determining the maximum number of shares of Stock for delivery under the Plan.

(d) Subject to Article VII, in the event of a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares), the Committee shall adjust Awards to preserve the benefits or potential benefits of the Awards. Action by the Committee may include: (i) adjustment of the number and kind of shares which may be delivered under the Plan and the applicable limits under the Plan; (ii) adjustment of the number and kind of shares subject to outstanding Awards; (iii) adjustment of the Exercise Price of outstanding Options and SARs; and (iv) any other adjustments that the Committee determines to be equitable; provided, however that any adjustments to the number of shares subject to an Award and the Exercise Price to be paid therefor, shall be proportionately adjusted to reflect such transaction and only such transaction on a pro rata basis such that the aggregate Exercise Price of such Awards, if any, is not less than the aggregate Exercise Price before such transaction. The foregoing adjustment and the manner of application of the foregoing provisions shall be determined by the Committee in its sole discretion and to the extent not prohibited under Section 409A of the Code and the regulations thereunder. Any such adjustment may provide for the elimination of any fractional share which might otherwise become subject to an Award.

6.3 General Restrictions. Delivery of shares of Stock or other amounts under the Plan shall be subject to the following:

(a) Notwithstanding any other provisions of the Plan, the Company shall have no liability to deliver any shares of Stock under the Plan or make any other distribution of benefits under the Plan unless such delivery or distribution would comply with all applicable laws (including, without limitation, the requirements of the Securities Act of 1933), and the applicable requirements of any securities exchange or similar entity.

(b) To the extent that the Plan provides for issuance of stock certificates to reflect the issuance of shares of Stock, the issuance may be effected on a non-certificated basis, to the extent not prohibited by applicable law or the applicable rules of any stock exchange.

(c) For Restricted Stock Awards, the time period for vesting, subject to Article VII and other provisions relating to the termination of employment, shall not be less than three years. Notwithstanding the foregoing, up to 250,000 Restricted Shares (less any shares referenced in the second sentence of Section 2.18) may vest in less than three years.

6.4 Tax Withholding. All Awards under the Plan are subject to withholding or payment of all applicable taxes, and the Committee may condition the delivery of any shares or other benefits under the Plan on satisfaction of the applicable withholding obligations. The Committee, in its discretion, and subject to such requirements as the Committee may impose prior to the occurrence of such withholding, may permit such withholding obligations to be satisfied through cash payment by the Participant or through the surrender of shares of Stock to which the Participant is otherwise entitled under the Plan.

6.5 Section 409A of the Code. Notwithstanding anything to the contrary contained herein, Awards granted under this Plan are not intended to be treated as deferred compensation within the meaning of Section 409A of the Code. Towards that end, the Plan will be administered and construed by the Committee in a manner to fulfill such intent. Notwithstanding the foregoing, none of the Company, its Subsidiaries or the Committee shall be liable to any Participant if any Award fails to be exempt from, or to be in compliance with, Section 409A of the Code.

6.6 Use of Shares. Subject to the overall limitation on the number of shares of Stock that may be delivered under the Plan, the Committee may use available shares of Stock as the form of payment for compensation, grants or rights earned or due under any other compensation plans or arrangements of the Company or a Subsidiary, including the plans and arrangements of the Company or a Subsidiary assumed in business combinations.

6.7 Dividends and Dividend Equivalents. An Award other than an Option or SAR Award may provide the Participant with the right to receive dividend payments or dividend equivalent payments with respect to Stock subject to the Award (both before and after the Stock subject to the Award is earned, vested, or acquired), which payments may be either made currently or credited to an account for the Participant, and may be settled in cash or Stock as determined by the Committee. Any such settlements, and any such crediting of dividends or dividend equivalents or reinvestment in shares of Stock, may be subject to such conditions, restrictions and contingencies as the Committee shall establish, including the reinvestment of such credited amounts in Stock equivalents.

6.8 Payments. Awards may be settled through cash payments, the delivery of shares of Stock, or combination thereof, as the Committee shall determine provided that, in the case of Restricted Stock Awards, Restricted Stock Units and Performance Share Awards, such settlement shall be made within two and a half months after the later of (i) the last day of the Participant’s taxable year during which the Award is no longer subject to a substantial risk of forfeiture or (ii) the last day of the Company’s taxable year during which the Award is no longer subject to a substantial risk of forfeiture. Any Award settlement, including payments thereof or delivery of Stock, may be subject to such conditions, restrictions and contingencies as the Committee shall determine. Each Subsidiary shall be liable for payment of cash due under the Plan with respect to any Participant to the extent that such benefits are attributable to the services rendered for that Subsidiary by the Participant. Any disputes relating to liability of a Subsidiary for cash payments shall be resolved by the Committee.

6.9 Transferability. Except as otherwise provided by the Committee, Awards under the Plan are not transferable except as designated by the Participant by will or by the laws of descent and distribution.

6.10 Form and Time of Elections. Unless otherwise specified herein, each election required or permitted to be made by any Participant or other person entitled to benefits under the Plan, and any permitted modification, or revocation thereof, shall be in writing filed with the Committee at such times, in such form, and subject to such restrictions and limitations, not inconsistent with the terms of the Plan, as the Committee shall require.

6.11 Action by Company or Subsidiary. Any action required or permitted to be taken by the Company or any Subsidiary shall be by resolution of its board, or by action of one or more members of the board (including a committee of the board) who are duly authorized to act for the board, or (except to the extent prohibited by applicable law or applicable rules of any stock exchange) by a duly authorized officer of such company.

6.12 Gender and Number. Where the context admits, words in any gender shall include any other gender, words in the singular shall include the plural and the plural shall include the singular.

6.13 Limitation of Implied Rights.

(a) Neither a Participant nor any other person shall, by reason of participation in the Plan, acquire any right in or title to any assets, funds or property of the Company or any Subsidiary whatsoever, including, without limitation, any specific funds, assets, or other property which the

Company or any Subsidiary, in their sole discretion, may set aside in anticipation of a liability under the Plan. A Participant shall have only a contractual right to the Stock or amounts, if any, payable under the Plan, unsecured by any assets of the Company or any Subsidiary, and nothing contained in the Plan shall constitute a guarantee that the assets of the Company or any Subsidiary shall be sufficient to pay any benefits to any person.

(b) The Plan does not constitute a contract of employment or service, and selection as a Participant will not give any participating employee or service provider the right to be retained in the employ or service of the Company or any Subsidiary, nor any right to claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms of the Plan. Except as otherwise provided in the Plan, no Award under the Plan shall confer upon the holder thereof any rights as a shareholder of the Company prior to the date on which the individual fulfills all conditions for receipt of such rights and issuance of Stock to such individual.

6.14 Evidence. Evidence required of anyone under the Plan may be by certificate, affidavit, document or other information which the person acting on it considers pertinent and reliable, and signed, made or presented by the proper party or parties.

6.15 Governing Law. This Plan and all Awards granted hereunder shall be governed by the laws of the State of Delaware, except to the extent federal law applies.

ARTICLE VII
CHANGE IN CONTROL

Subject to the provisions of Section 6.2(d) (relating to the adjustment of shares), and except as otherwise provided in the Plan or the Award Agreement reflecting the applicable Award, upon the occurrence of a Change in Control: (a) all outstanding Options shall become fully exercisable; (b) all outstanding SARs shall become fully exercisable; and (c) all Restricted Stock, Restricted Stock Units and Performance Shares shall become fully vested.

Notwithstanding any provision of any Award Agreement, in the event of or in anticipation of a Change in Control, the Committee in its discretion may (a) declare that some or all outstanding Options and/or SARs previously granted under the Plan, whether or not then exercisable or vested, shall terminate as of a date before or on the Change in Control without any payment to the holder thereof (other than repayment of the purchase price, if any, paid for such Awards), provided that the Committee gives prior written notice to the Participants of such termination and gives such Participants the right to exercise the outstanding Options or SARs for at least seven (7) days before such date to the extent then exercisable (or to the extent such Options or SARs would have been exercisable as of the Change in Control); (b) terminate before or on the Change in Control some or all outstanding Awards previously granted under the Plan, whether or not then exercisable, vested or earned and payable, in consideration of payment to the holder thereof, (i) with respect to each share of Stock for which the Option or SAR is then exercisable (or for which the Option or SAR would have been exercisable as of the Change in Control), of the excess, if any, of the Fair Market Value on such date of the Stock subject to such portion of the Option or SAR over the exercise or base price (provided that outstanding Options or SARs that are not then exercisable and that would not become exercisable on the Change in Control, and Options or SARs with respect to which the Fair Market Value of the Stock subject to the Options or SARs does not exceed the exercise or base price, shall be cancelled without any payment therefor), (ii) with respect to Restricted Stock Awards that are not then nonforfeitable and transferable (but that would have become nonforfeitable and transferable as of the Change in Control) in exchange for the payment equal to the difference between the then Fair Market Value of the shares of

Stock subject to the Restricted Stock Award less the unpaid purchase price, if any, for such shares or (iii) with respect to Restricted Stock Units or Performance Shares that are not then vested, earned and payable (but that would have become vested, earned and payable as of the Change in Control) in exchange for a payment equal to the amount which would have been payable under such Restricted Stock Units or Performance Share Awards; (c) terminate before or on the Change in Control some or all outstanding Restricted Stock Units or Performance Share Awards previously granted under the Plan that are not then vested, earned and payable (and that would not have become vested, earned and payable as of the Change in Control) without any payment to the holder thereof or (d) take such other action as the Committee determines to be reasonable under the circumstances to permit the Participant to realize the value of the Award (which value for purposes of Awards that are not then exercisable, vested or payable and that would not become exercisable, vested or payable as of the Change in Control, and Options or SARs with respect to which the Fair Market Value of the Stock subject to the Options or SARs does not exceed the exercise or base price, shall be deemed to be zero). The payments described above may be made in any manner the Committee determines, including in cash, stock or other property (whether or not part of the consideration of the Change in Control). The Committee may take the actions described above with respect to Awards that are not then exercisable whether or not the Participant will receive any payment therefor. The Committee in its discretion may take any of the actions described in this Article VII contingent on consummation of the Change in Control and with respect to some or all outstanding Awards, whether or not then exercisable, vested or payable or on an Award-by-Award basis, which actions need not be uniform with respect to all outstanding Awards. However, the Awards shall not be terminated to the extent that written provision is made for their continuance, assumption or substitution by the Company or a successor employer or its parent or subsidiary in connection with the Change in Control.

ARTICLE VIII
COMMITTEE

8.1 Administration. The authority to control and manage the operation and administration of the Plan shall be vested in a committee (the "Committee") in accordance with this Article 8. So long as the Board has a Compensation Committee, the Compensation Committee shall constitute the committee unless expressly determined otherwise by the Board. In the event that the Board does not have a Compensation Committee or the Board expressly determines that the Compensation Committee shall not be the Committee, the members of the Committee shall be selected by the Board and the Committee shall be comprised of two or more members of the Board who satisfy the independence requirements of Section 162(m) of the Code as well as any other applicable stock exchange or Exchange Act independence requirements. If the Committee does not exist, or for any other reason determined by the Board, the members of the Board deemed to meet such independence standards by the Board may take any action under the Plan that would otherwise be the responsibility of the Committee.

8.2 Powers of Committee. The Committee's administration of the Plan shall be subject to the following:

(a) Subject to the provisions of the Plan, the Committee will have the authority and discretion to select from among the Eligible Individuals those persons who shall receive Awards, to determine the time or times of receipt, to determine the types of Awards and the number of shares covered by the Awards, to establish the terms, conditions, performance criteria, restrictions, and other provisions of such Awards, and (subject to the restrictions imposed by Article IX) to cancel or suspend Awards.

(b) The Committee may, without amending the Plan, provide for different terms and conditions for the Awards granted to Participants who are foreign nationals or employed outside the United States in order to accommodate differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters, and may make such awards pursuant to sub-plans and other appropriate means.

(c) The Committee will have the authority and discretion to interpret the Plan, to establish, amend, and rescind any rules and regulations relating to the Plan, to determine the terms and provisions of any Award Agreement made pursuant to the Plan, and to make all other determinations that may be necessary or advisable for the administration of the Plan.

(d) Any interpretations of the Plan by the Committee and any decisions made by it under the Plan are final and binding on all persons.

(e) In controlling and managing the operation and administration of the Plan, the Committee shall take action in a manner that conforms to the articles and by-laws of the Company and applicable state corporate law.

8.3 Delegation by Committee. Except to the extent prohibited by applicable law or the applicable rules of a stock exchange, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it. Any such allocation or delegation may be revoked by the Committee at any time.

8.4 Information to be Furnished to Committee. The Company and Subsidiaries shall furnish the Committee with such data and information as it determines may be required for it to discharge its duties. The records of the Company and Subsidiaries as to an employee's or Participant's employment, service, termination of employment or service, leave of absence, reemployment and compensation shall be conclusive on all persons unless determined by the Committee to be incorrect. Participants and other persons entitled to benefits under the Plan must furnish the Committee such evidence, data or information as the Committee considers desirable to carry out the terms of the Plan.

ARTICLE IX
AMENDMENT AND TERMINATION

The Board may, at any time, amend or terminate the Plan, provided that no amendment or termination may, in the absence of written consent to the change by the affected Participant (or, if the Participant is not then living, the affected beneficiary), materially adversely affect the rights of any Participant or beneficiary under any Award granted under the Plan prior to the date such amendment is adopted by the Board; provided that adjustments pursuant to Section 6.2(d) and amendments to allow the Plan and the Awards issued thereunder to comply with the provisions of Section 409A of the Code and the regulations and other applicable law thereunder or to be exempt from Section 409A of the Code shall not be subject to the foregoing limitations of this Article IX.

Notwithstanding the foregoing, no amendment that (i) materially increases the benefits accruing to participants under the Plan, or (ii) materially expands the definition of Eligible Employee shall be effective until such amendment has been approved by stockholders of the Company.

Exhibit 31.1

Certification Pursuant to § 302 of the Sarbanes-Oxley Act of 2002

I, Martin Richenhagen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AGCO Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 8, 2017

/s/ Martin Richenhagen

Martin Richenhagen

Chairman of the Board, President and Chief Executive Officer

Exhibit 31.2

Certification Pursuant to § 302 of the Sarbanes-Oxley Act of 2002

I, Andrew H. Beck, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AGCO Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 8, 2017

/s/ Andrew H. Beck

Andrew H. Beck

Senior Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION

The undersigned, as the Chairman of the Board, President and Chief Executive Officer and as the Senior Vice President and Chief Financial Officer of AGCO Corporation, respectively, certify that, to the best of their knowledge and belief, the Quarterly Report on Form 10-Q for the period ended September 30, 2017, which accompanies this certification fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and the information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of AGCO Corporation at the dates and for the periods indicated. The foregoing certifications are made pursuant to 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) and shall not be relied upon for any other purpose.

/s/ Martin Richenhagen

Martin Richenhagen
Chairman of the Board, President and Chief Executive Officer
November 8, 2017

/s/Andrew H. Beck

Andrew H. Beck
Senior Vice President and Chief Financial Officer
November 8, 2017

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to AGCO Corporation and will be retained by AGCO Corporation and furnished to the Securities and Exchange Commission or its staff upon request.