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

FORM 10-Q

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

For the quarter ended June 30, 2019
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _________ to _________

Commission File Number: 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.

☒ Yes o No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files).

☒ 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):

☒ Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth 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. ☐

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

Securities registered pursuant to Section 12(b) of the Act

Title of Class	**Trading Symbol**	**Name of exchange on which registered**
Common stock	AGCO	New York Stock Exchange (NYSE)

As of August 5, 2019, there were 76,240,271 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)

	June 30, 2019	December 31, 2018
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 279.9	$ 326.1
Accounts and notes receivable, net	1,010.7	880.3
Inventories, net	2,424.8	1,908.7
Other current assets	446.2	422.3
Total current assets	4,161.6	3,537.4
Property, plant and equipment, net	1,377.8	1,373.1
Right-of-use lease assets	203.3	—
Investment in affiliates	404.7	400.0
Deferred tax assets	97.5	104.9
Other assets	134.6	142.4
Intangible assets, net	541.6	573.1
Goodwill	1,494.0	1,495.5
Total assets	$ 8,415.1	$ 7,626.4
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 70.2	$ 72.6
Short-term borrowings	238.7	138.0
Senior term loan	227.7	—
Accounts payable	931.4	865.9
Accrued expenses	1,557.2	1,522.4
Other current liabilities	203.7	167.8
Total current liabilities	3,228.9	2,766.7
Long-term debt, less current portion and debt issuance costs	1,308.1	1,275.3
Operating lease liabilities	163.3	—
Pensions and postretirement health care benefits	212.0	223.2
Deferred tax liabilities	107.8	116.3
Other noncurrent liabilities	266.3	251.4
Total liabilities	5,286.4	4,632.9
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 2019 and 2018	—	—
Common stock; $0.01 par value, 150,000,000 shares authorized, 76,313,655 and 76,536,755 shares issued and outstanding at June 30, 2019 and December 31, 2018, respectively	0.8	0.8
Additional paid-in capital	7.1	10.2
Retained earnings	4,591.1	4,477.3
Accumulated other comprehensive loss	(1,534.3)	(1,555.4)
Total AGCO Corporation stockholders' equity	3,064.7	2,932.9
Noncontrolling interests	64.0	60.6
Total stockholders' equity	3,128.7	2,993.5
Total liabilities and stockholders' equity	$ 8,415.1	$ 7,626.4

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 June 30,	
	2019	**2018**
Net sales	$ 2,422.6	$ 2,537.6
Cost of goods sold	1,858.7	1,981.3
Gross profit	563.9	556.3
Selling, general and administrative expenses	260.7	271.8
Operating expenses:		
Engineering expenses	87.5	93.0
Restructuring expenses	—	2.7
Amortization of intangibles	15.4	18.2
Bad debt expense	0.7	2.5
Income from operations	199.6	168.1
Interest expense, net	6.0	21.2
Other expense, net	11.6	27.2
Income before income taxes and equity in net earnings of affiliates	182.0	119.7
Income tax provision	53.2	38.5
Income before equity in net earnings of affiliates	128.8	81.2
Equity in net earnings of affiliates	11.6	9.2
Net income	140.4	90.4
Net loss attributable to noncontrolling interests	0.4	1.0
Net income attributable to AGCO Corporation and subsidiaries	$ 140.8	$ 91.4
Net income per common share attributable to AGCO Corporation and subsidiaries:		
Basic	$ 1.84	$ 1.15
Diluted	$ 1.82	$ 1.14
Cash dividends declared and paid per common share	$ 0.16	$ 0.15
Weighted average number of common and common equivalent shares outstanding:		
Basic	76.6	79.3
Diluted	77.2	80.2

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)

	Six Months Ended June 30,	
	2019	2018
Net sales	$ 4,418.4	$ 4,545.1
Cost of goods sold	3,397.8	3,560.8
Gross profit	1,020.6	984.3
Selling, general and administrative expenses	522.9	536.4
Operating expenses:		
Engineering expenses	172.0	183.9
Restructuring expenses	1.7	8.6
Amortization of intangibles	30.7	33.9
Bad debt expense	1.3	2.9
Income from operations	292.0	218.6
Interest expense, net	9.5	31.5
Other expense, net	26.2	38.7
Income before income taxes and equity in net earnings of affiliates	256.3	148.4
Income tax provision	72.6	49.9
Income before equity in net earnings of affiliates	183.7	98.5
Equity in net earnings of affiliates	22.4	16.9
Net income	206.1	115.4
Net (income) loss attributable to noncontrolling interests	(0.2)	0.3
Net income attributable to AGCO Corporation and subsidiaries	$ 205.9	$ 115.7
Net income per common share attributable to AGCO Corporation and subsidiaries:		
Basic	$ 2.69	$ 1.46
Diluted	$ 2.66	$ 1.44
Cash dividends declared and paid per common share	$ 0.31	$ 0.30
Weighted average number of common and common equivalent shares outstanding:		
Basic	76.6	79.4
Diluted	77.3	80.3

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 June 30,	
	2019	2018
Net income	$ 140.4	$ 90.4
Other comprehensive income (loss), net of reclassification adjustments:		
Foreign currency translation adjustments	4.4	(190.4)
Defined benefit pension plans, net of tax	3.0	3.0
Deferred gains and losses on derivatives, net of tax	4.8	1.5
Other comprehensive income (loss), net of reclassification adjustments	12.2	(185.9)
Comprehensive income (loss)	152.6	(95.5)
Comprehensive (income) loss attributable to noncontrolling interests	(0.3)	3.2
Comprehensive income (loss) attributable to AGCO Corporation and subsidiaries	$ 152.3	$ (92.3)

	Six Months Ended June 30,	
	2019	2018
Net income	$ 206.1	$ 115.4
Other comprehensive income (loss), net of reclassification adjustments:		
Foreign currency translation adjustments	16.6	(180.7)
Defined benefit pension plans, net of tax	6.0	6.1
Deferred gains and losses on derivatives, net of tax	0.7	0.6
Other comprehensive income (loss), net of reclassification adjustments	23.3	(174.0)
Comprehensive income (loss)	229.4	(58.6)
Comprehensive (income) loss attributable to noncontrolling interests	(2.4)	2.4
Comprehensive income (loss) attributable to AGCO Corporation and subsidiaries	$ 227.0	$ (56.2)

See accompanying notes to condensed consolidated financial statements.

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

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Cash flows from operating activities:		
Net income	$ 206.1	$ 115.4
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	107.1	115.1
Amortization of intangibles	30.7	33.9
Stock compensation expense	24.8	22.5
Equity in net earnings of affiliates, net of cash received	(16.8)	(13.4)
Deferred income tax benefit	13.2	(14.3)
Loss on extinguishment of debt	—	15.7
Other	3.0	1.3
Changes in operating assets and liabilities:		
Accounts and notes receivable, net	(143.5)	(83.0)
Inventories, net	(513.7)	(396.3)
Other current and noncurrent assets	(18.2)	(47.3)
Accounts payable	83.1	7.9
Accrued expenses	1.6	6.7
Other current and noncurrent liabilities	9.7	47.2
Total adjustments	(419.0)	(304.0)
Net cash used in operating activities	(212.9)	(188.6)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(114.9)	(89.8)
Proceeds from sale of property, plant and equipment	0.1	2.3
Investments in unconsolidated affiliates	—	(5.8)
Other	—	0.4
Net cash used in investing activities	(114.8)	(92.9)
Cash flows from financing activities:		
Proceeds from indebtedness	1,621.5	2,555.7
Repayments of indebtedness	(1,219.0)	(2,289.3)
Purchases and retirement of common stock	(70.0)	(34.3)
Payment of dividends to stockholders	(23.7)	(23.8)
Payment of minimum tax withholdings on stock compensation	(26.7)	(3.5)
Payment of debt issuance costs	(0.5)	—
Investment by noncontrolling interests	1.0	—
Net cash provided by financing activities	282.6	204.8
Effects of exchange rate changes on cash and cash equivalents	(1.1)	(10.4)
Decrease in cash and cash equivalents	(46.2)	(87.1)
Cash and cash equivalents, beginning of period	326.1	367.7
Cash and cash equivalents, end of period	$ 279.9	$ 280.6

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. 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, 2018. Results for interim periods are not necessarily indicative of the results for the year. Certain prior period amounts have been reclassified to conform to the current period presentation. The Company corrected its Condensed Consolidated Statement of Cash Flows for the six months ended June 30, 2018 by reclassifying approximately $15.7 million related to the loss on the extinguishment of debt to "Cash flows from operating activities" from "Cash flows from financing activities." The Company concluded this correction was immaterial to the Condensed Consolidated Financial Statements.

Recent Accounting Pronouncements

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-13, "Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement" ("ASU 2018-13"). The standard revises the disclosure requirements by removing disclosures no longer considered cost beneficial, modifying specific requirements of disclosures and adding certain disclosures identified as relevant. ASU 2018-13 is effective for annual periods beginning after December 15, 2019, and interim periods within those annual periods. Early adoption is permitted. Certain amendments of the standard should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments of the standard should be applied retrospectively to all periods presented. The standard will not have an impact on the Company's results of operations, financial condition and cash flows.

In February 2018, the FASB issued ASU 2018-02, "Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income" ("ASU 2018-02"), which allows for the election to reclassify the disproportionate income tax effects of the Tax Cuts and Jobs Act (the "2017 Tax Act") on items within accumulated other comprehensive income (loss) to retained earnings. These disproportionate income tax effect items are referred to as "stranded tax effects." The amendments within ASU 2018-02 only relate to the reclassification of the income tax effects of the 2017 Tax Act. Certain disclosures are required in the period of adoption as to whether an entity has elected to reclassify the stranded tax effects. The Company adopted the standard effective January 1, 2019, and the adoption did not have a material impact on the Company's results of operations, financial condition and cash flows.

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 expects to adopt ASU 2017-04 effective January 1, 2020 and will apply the standard to all impairment tests performed thereafter.

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 as the adoption of the standard relates to the Company. The Company's equity method finance joint ventures currently will be required to adopt ASU 2016-13 for annual periods beginning after December 15, 2020 and interim periods within those annual periods. In April 2019, the FASB issued ASU 2019-04, “Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments” (“ASU 2019-04”), which provides, among other things, targeted improvements to certain aspects of accounting for credit losses addressed by ASU 2016-13. The effective dates for ASU 2019-04 are the same as the effective dates for ASU 2016-03. The standard, and its subsequent modification, is not expected to have a material impact on the Company’s results of operations, financial condition and cash flows as it relates to the Company’s financial assets; however, it will likely impact the results of operations and financial condition of the Company’s finance joint ventures. Therefore, adoption of the standard by the Company’s finance joint ventures will likely impact the Company’s “Investment in affiliates” and “Equity in net earnings of affiliates.” The Company’s finance joint ventures are currently evaluating the standard’s impact to their results of operations and financial condition.

In February 2016, the FASB issued ASU 2016-02, “Leases” (“ASU 2016-02”), which superseded 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 new standard does not significantly change the lessees’ recognition, measurement and presentation of expenses and cash flows from the previous accounting standard and leases continue to be classified as finance or operating. The primary change under ASU 2016-02 is the requirement for entities to recognize a lease liability for payments and a right-of-use (“ROU”) asset representing the right to use the leased asset during the term of an operating lease arrangement. Lessees were 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 new standard was largely unchanged from the previous accounting standard. In addition, ASU 2016-02 expanded the disclosure requirements of lease arrangements. Upon adoption, lessees and lessors were required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. In July 2018, the FASB issued ASU 2018-11, “Targeted Improvements,” which allowed for a new, optional transition method that provided the option to use the effective date as the date of initial application on transition. Under this option, the comparative periods would continue to apply the legacy guidance in ASC 840, including the disclosure requirements, and a cumulative effect adjustment would be recognized in the period of adoption rather than the earliest period presented. Under this transition option, comparative reporting would not be required and the provisions of the standard would be applied prospectively to leases in effect at the date of adoption.

The Company adopted the new guidance effective January 1, 2019 using a modified retrospective approach and no cumulative effect adjustment was recorded upon adoption. Based on the Company’s current lease portfolio, the adoption of the standard as of January 1, 2019 resulted in the recognition on that date of ROU assets and operating lease liabilities in the amount of approximately $194.2 million and $196.4 million, respectively, in the Company’s Condensed Consolidated Balance Sheets. The adoption of the new standard did not materially impact the Company’s Condensed Consolidated Statements of Operations or Condensed Consolidated Statements of Cash Flows.

ASU 2016-02 provided a number of optional practical expedients in transition. The Company elected the “package of practical expedients” which permitted the Company not to reassess its prior conclusions about lease identification, lease classification and initial direct costs. The Company has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases. The Company elected the practical expedient to separate lease and non-lease components for a majority of its operating leases, other than real estate and office equipment leases.

In connection with the adoption of ASU 2016-02 on January 1, 2019, the Company completed the design of new processes and internal controls, which included the implementation of a software solution and the cataloging of the Company’s existing and ongoing population of leased assets. See Note 19 for additional information and related disclosures.

2. RESTRUCTURING EXPENSES

From 2014 through 2019, 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 3,890 employees between 2014 and 2018. During the six months ended June 30, 2019, the Company recorded severance and related costs associated with further rationalizations in Europe, Africa, South America and the United States in connection with the termination of approximately 40 employees. Restructuring expenses activity during the three and six months ended June 30, 2019 is summarized as follows (in millions):

	Write-down of Property, Plant and Equipment	Employee Severance	Total
Balance as of December 31, 2018	$ —	$ 7.1	$ 7.1
First quarter 2019 provision	0.3	1.4	1.7
Less: Non-cash expense	(0.3)	—	(0.3)
Cash expense	—	1.4	1.4
First quarter 2019 cash activity	—	(2.6)	(2.6)
Foreign currency translation	—	(0.1)	(0.1)
Balance as of March 31, 2019	$ —	$ 5.8	$ 5.8
Second quarter 2019 provision	—	—	—
Second quarter 2019 cash activity	—	(0.8)	(0.8)
Foreign currency translation	—	—	—
Balance as of June 30, 2019	$ —	$ 5.0	$ 5.0

3. STOCK COMPENSATION PLANS

The Company recorded stock compensation expense as follows for the three and six months ended June 30, 2019 and 2018 (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Cost of goods sold	$ 0.5	$ 1.1	$ 1.0	$ 1.9
Selling, general and administrative expenses	12.2	12.5	24.2	20.9
Total stock compensation expense	$ 12.7	$ 13.6	$ 25.2	$ 22.8

Stock Incentive Plan

Under the Company's Long-Term Incentive Plan (the "Plan"), up to 10,000,000 shares of AGCO common stock may be issued. As of June 30, 2019, of the 10,000,000 shares reserved for issuance under the Plan, approximately 3,422,908 shares were available for grant, assuming the maximum number of shares are earned related to the performance award grants discussed below. The 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 Plan during the six months ended June 30, 2019 and 2018 was $61.01 and $71.40, respectively.

During the six months ended June 30, 2019, the Company granted 542,180 performance awards related to varying performance periods. The awards granted assume the maximum target levels of performance are achieved. The compensation expense associated with all awards granted under the 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. Performance award transactions during the six months ended June 30, 2019 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	938,862
Shares awarded	542,180
Shares forfeited	(43,076)
Shares earned	(11,200)
Shares awarded but not earned at June 30	1,426,766

As of June 30, 2019, 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, was approximately $43.2 million, and the weighted average period over which it is expected to be recognized is approximately one and a half 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 six months ended June 30, 2019, the Company granted 165,160 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 being 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 Plan during the six months ended June 30, 2019 and 2018 was $61.01 and $71.40, respectively. RSU transactions during the six months ended June 30, 2019 were as follows:

RSUs awarded but not vested at January 1	352,975
RSUs awarded	165,160
RSUs forfeited	(7,338)
RSUs vested	(111,419)
RSUs awarded but not vested at June 30	399,378

As of June 30, 2019, the total compensation cost related to the unvested RSUs not yet recognized was approximately $15.5 million, and the weighted average period over which it is expected to be recognized is approximately one and a half 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 six months ended June 30, 2019 were as follows:

SSARs outstanding at January 1	1,099,592
SSARs granted	243,600
SSARs exercised	(359,977)
SSARs canceled or forfeited	(21,077)
SSARs outstanding at June 30	962,138

As of June 30, 2019, 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 Plan provides for annual restricted stock grants of the Company's common stock to all non-employee directors. The 2019 grant was made on April 25, 2019 and equated to 19,386 shares of common stock, of which 14,105 shares of common stock were issued after shares were withheld for taxes. The Company recorded stock compensation expense of approximately $1.4 million during the six months ended June 30, 2019 associated with these grants.

4. **GOODWILL AND OTHER INTANGIBLE ASSETS**

Changes in the carrying amount of acquired intangible assets during the six months ended June 30, 2019 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, 2018	$ 203.4	$ 586.3	$ 155.8	$ 8.6	$ 954.1
Foreign currency translation	(0.3)	(0.2)	(0.4)	—	(0.9)
Balance as of June 30, 2019	$ 203.1	$ 586.1	$ 155.4	$ 8.6	$ 953.2

	Trademarks and Tradenames	Customer Relationships	Patents and Technology	Land Use Rights	Total
Accumulated amortization:					
Balance as of December 31, 2018	$ 73.4	$ 310.8	$ 80.7	$ 3.0	$ 467.9
Amortization expense	5.7	20.0	4.9	0.1	30.7
Foreign currency translation	—	—	(0.2)	—	(0.2)
Balance as of June 30, 2019	$ 79.1	$ 330.8	$ 85.4	$ 3.1	$ 498.4

	Trademarks and Tradenames
Indefinite-lived intangible assets:	
Balance as of December 31, 2018	$ 86.9
Foreign currency translation	(0.1)
Balance as of June 30, 2019	$ 86.8

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

Changes in the carrying amount of goodwill during the six months ended June 30, 2019 are summarized as follows (in millions):

	North America	South America	Europe/Middle East	Asia/Pacific/Africa	Consolidated
Balance as of December 31, 2018	$ 611.1	$ 116.7	$ 649.6	$ 118.1	$ 1,495.5
Foreign currency translation	—	1.4	(2.7)	(0.2)	(1.5)
Balance as of June 30, 2019	$ 611.1	$ 118.1	$ 646.9	$ 117.9	$ 1,494.0

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. There have been no indicators of impairment during the six months ended June 30, 2019.

5. **INDEBTEDNESS**

Long-term debt consisted of the following at June 30, 2019 and December 31, 2018 (in millions):

	June 30, 2019	December 31, 2018
1.056% Senior term loan due 2020	$ 227.7	$ 228.7
Senior term loan due 2022	170.7	171.5
Credit facility, expires 2023	96.8	114.4
1.002% Senior term loan due 2025	284.6	—
Senior term loans due between 2019 and 2028	811.6	815.3
Other long-term debt	17.3	20.6
Debt issuance costs	(2.7)	(2.6)
	1,606.0	1,347.9
Less: 1.056% Senior term loan due 2020	(227.7)	—
Senior term loans due 2019	(63.7)	(63.8)
Current portion of other long-term debt	(6.5)	(8.8)
Total long-term indebtedness, less current portion	$ 1,308.1	$ 1,275.3

1.056% Senior Term Loan

In December 2014, the Company entered into a term loan with the European Investment Bank (“EIB”), which provided the Company with the ability to borrow up to €200.0 million. The €200.0 million (or approximately $227.7 million as of June 30, 2019) of funding was received on January 15, 2015 with a maturity date of January 15, 2020. The Company is permitted 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.

Senior Term Loan Due 2022

In October 2018, the Company entered into a term loan agreement with Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank”), in the amount of €150.0 million (or approximately $170.7 million as of June 30, 2019). The Company has the ability to prepay the term loan before its maturity date of October 28, 2022. Interest is payable on the term loan quarterly in arrears at an annual rate equal to the Euro Interbank Offered Rate (“EURIBOR”) plus a margin ranging from 0.875% to 1.875% based on the Company’s credit rating.

Credit Facility

In October 2018, the Company entered into an $800.0 million multi-currency revolving credit facility. The credit facility matures on October 17, 2023. Interest accrues on amounts outstanding under the credit facility, at the Company’s option, at either (1) London Interbank Offered Rate (“LIBOR”) plus a margin ranging from 0.875% to 1.875% based on the Company’s credit rating, 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 0.875% based on the Company’s credit rating. As of June 30, 2019, the Company had approximately $96.8 million of outstanding borrowings under the credit facility and the ability to borrow approximately $703.2 million under the facility. As of December 31, 2018, the Company had approximately $114.4 million of outstanding borrowings under the credit facility and the ability to borrow approximately $685.6 million under the facility.

1.002% Senior Term Loan

In December 2018, the Company entered into a term loan with the EIB, which provided the Company with the ability to borrow up to €250.0 million. The €250.0 million (or approximately $284.6 million as of June 30, 2019) of funding was received on January 25, 2019 with a maturity date of January 24, 2025. The Company is permitted to prepay the term loan before its maturity date. Interest is payable on the term loan at 1.002% per annum, payable semi-annually in arrears.

Senior Term Loans Due Between 2019 and 2028

In October 2016, the Company borrowed an aggregate amount of €375.0 million through a group of seven related term loan agreements, and in August 2018, the Company borrowed an additional aggregate amount of indebtedness of €338.0 million through a group of another seven related term loan agreements.

In aggregate, the Company has indebtedness of €713.0 million (or approximately $811.6 million as of June 30, 2019) through a group of fourteen related term loan agreements, as discussed above. The provisions of the term loan agreements are substantially identical, with the exception of interest rate terms and maturities. The Company is permitted to prepay the term loans before their maturity dates. For the term loans with a fixed interest rate, interest is payable in arrears on an annual basis, with interest rates ranging from 0.70% to 2.26% and a maturity date between October 2019 and August 2028. For the term loans with a floating interest rate, interest is payable in arrears on a semi-annual basis, with interest rates based on the EURIBOR plus a margin ranging from 0.70% to 1.25% and a maturity date between October 2019 and August 2025.

Of the group of seven related term loan agreements entered into in October 2016, an aggregate amount of €56.0 million (or approximately $63.7 million as of June 30, 2019) have maturity dates of October 2019.

Short-Term Borrowings

As of June 30, 2019 and December 31, 2018, the Company had short-term borrowings due within one year of approximately $238.7 million and $138.0 million, respectively.

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 June 30, 2019 and December 31, 2018, outstanding letters of credit totaled approximately $13.9 million and $14.1 million, respectively.

6. RECOVERABLE INDIRECT TAXES

The Company's Brazilian operations incur value added taxes ("VAT") on certain purchases of raw materials, components and services. These taxes are accumulated as tax credits and create assets that are reduced by the VAT collected from the Company's sales in the Brazilian market. The Company regularly assesses the recoverability of these tax credits, and establishes reserves when necessary against them, through analyses that include, amongst others, the history of realization, the transfer of tax credits to third parties as authorized by the government, anticipated changes in the supply chain and the future expectation of tax debits from the Company's ongoing operations. The Company believes that these tax credits, net of established reserves, are realizable. The Company had recorded approximately $170.0 million and $156.0 million, respectively, of VAT tax credits, net of reserves, as of June 30, 2019 and December 31, 2018.

7. INVENTORIES

Inventories at June 30, 2019 and December 31, 2018 were as follows (in millions):

	June 30, 2019	December 31, 2018
Finished goods	$ 925.2	$ 660.4
Repair and replacement parts	640.9	587.3
Work in process	311.4	217.5
Raw materials	547.3	443.5
Inventories, net	$ 2,424.8	$ 1,908.7

8. PRODUCT WARRANTY

The warranty reserve activity for the three and six months ended June 30, 2019 and 2018 consisted of the following (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Balance at beginning of period	$ 361.3	$ 325.8	$ 360.9	$ 316.0
Accruals for warranties issued during the period	48.0	50.2	99.1	108.7
Settlements made (in cash or in kind) during the period	(40.2)	(34.1)	(87.6)	(90.0)
Foreign currency translation	2.8	(17.1)	(0.5)	(9.9)
Balance at June 30	$ 371.9	$ 324.8	$ 371.9	$ 324.8

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 $315.2 million and $308.6 million of warranty reserves are included in "Accrued expenses" in the Company's Condensed Consolidated Balance Sheets as of June 30, 2019 and December 31, 2018, respectively. Approximately $56.7 million and $52.3 million of warranty reserves are included in "Other noncurrent liabilities" in the Company's Condensed Consolidated Balance Sheets as of June 30, 2019 and December 31, 2018, respectively.

The Company recognizes recoveries from its suppliers of the costs associated with warranties it provides when the collection is probable. When specifics of the recovery have been agreed upon with the Company's suppliers through confirmation of liability for the recovery, the Company records the recovery within "Accounts and notes receivable, net." Estimates of the amount of warranty claim recoveries to be received from the Company's suppliers based upon contractual supplier arrangements are recorded within "Other current assets."

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 subsidiaries and weighted average common shares outstanding for purposes of calculating basic and diluted net income per share for the three and six months ended June 30, 2019 and 2018 is as follows (in millions, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Basic net income per share:				
Net income attributable to AGCO Corporation and subsidiaries	$ 140.8	$ 91.4	$ 205.9	$ 115.7
Weighted average number of common shares outstanding	76.6	79.3	76.6	79.4
Basic net income per share attributable to AGCO Corporation and subsidiaries	$ 1.84	$ 1.15	$ 2.69	$ 1.46
Diluted net income per share:				
Net income attributable to AGCO Corporation and subsidiaries	$ 140.8	$ 91.4	$ 205.9	$ 115.7
Weighted average number of common shares outstanding	76.6	79.3	76.6	79.4
Dilutive SSARs, performance share awards and RSUs	0.6	0.9	0.7	0.9
Weighted average number of common shares and common share equivalents outstanding for purposes of computing diluted net income per share	77.2	80.2	77.3	80.3
Diluted net income per share attributable to AGCO Corporation and subsidiaries	$ 1.82	$ 1.14	$ 2.66	$ 1.44

SSARs to purchase approximately 0.4 million and 0.6 million shares of the Company's common stock for the three and six months ended June 30, 2019, respectively, and approximately 0.4 million shares of the Company's common stock for the three and six months ended June 30, 2018, 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 June 30, 2019 and December 31, 2018, the Company had approximately $176.8 million and $166.1 million, respectively, of unrecognized tax benefits, all of which would affect the Company's effective tax rate if recognized. At June 30, 2019 and December 31, 2018, the Company had approximately $57.6 million and $58.5 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 June 30, 2019 and December 31, 2018, the Company had accrued interest and penalties related to unrecognized tax benefits of approximately $30.5 million and $27.2 million, respectively. Generally, tax years 2013 through 2018 remain open to examination by taxing authorities in the United States and certain other foreign tax jurisdictions.

The Company maintains a valuation allowance to fully reserve against its net deferred tax assets in the United States and certain foreign jurisdictions. 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 all adjustments to the valuation allowances were appropriate. In making this assessment, all available evidence was considered including the current economic climate, as well as reasonable tax planning strategies. The Company believes it is more likely than not that the Company will realize its remaining net 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 approximately 140 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 British pound in relation to the Euro. 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. 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.

To protect the value of the Company's investment in foreign operations against adverse changes in foreign currency exchange rates, the Company from time to time, may hedge a portion of the Company's net investment in the foreign subsidiaries by using a cross currency swap. The component of the gains and losses on the Company's net investment in the designated foreign operations driven by changes in foreign exchange rates are economically offset by movements in the fair value of the cross currency swap contracts.

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 will 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 2019 and 2018, 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 $148.6 million and $127.0 million as of June 30, 2019 and December 31, 2018, respectively.

The following tables summarize 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 six months ended June 30, 2019 and 2018 (in millions):

		Recognized in Net Income		
Three Months Ended June 30,	**Gain (Loss) Recognized in Accumulated Other Comprehensive Loss**	**Classification of Gain (Loss)**	**Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income**	**Total Amount of the Line Item in the Condensed Consolidated Statements of Operations Containing Hedge Gains (Losses)**
2019				
Foreign currency contracts	$ 4.3	Cost of goods sold	$ (0.5)	$ 1,858.7
2018				
Foreign currency contracts	$ 0.2	Cost of goods sold	$ (0.8)	$ 1,981.3
Interest rate swap contract	(0.2)	Interest expense, net	(0.7)	21.2
Total	$ —		$ (1.5)	

		Recognized in Net Income		
Six Months Ended June 30,	**Gain (Loss) Recognized in Accumulated Other Comprehensive Loss**	**Classification of Gain (Loss)**	**Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income**	**Total Amount of the Line Item in the Condensed Consolidated Statements of Operations Containing Hedge Gains (Losses)**
2019				
Foreign currency contracts(1)	$ (0.4)	Cost of goods sold	$ (1.1)	$ 3,397.8
2018				
Foreign currency contracts	$ (1.2)	Cost of goods sold	$ (1.4)	$ 3,560.8
Interest rate swap contract	(0.9)	Interest expense, net	(1.3)	31.5
Total	$ (2.1)		$ (2.7)	

(1) The outstanding contracts as of June 30, 2019 range in maturity through December 2019.

The following table summarizes the activity in accumulated other comprehensive loss related to the derivatives held by the Company during the six months ended June 30, 2019 (in millions):

	Before-Tax Amount	**Income Tax**	**After-Tax Amount**
Accumulated derivative net gains as of December 31, 2018	$ 1.6	$ 0.2	$ 1.4
Net changes in fair value of derivatives	(0.4)	—	(0.4)
Net losses reclassified from accumulated other comprehensive loss into income	1.1	—	1.1
Accumulated derivative net gains as of June 30, 2019	$ 2.3	$ 0.2	$ 2.1

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 de-designated from a net investment hedge relationship, changes in the value of the foreign currency denominated debt are recorded in earnings through the maturity date.

In January 2018, the Company entered into a cross currency swap contract as a hedge of its net investment in foreign operations to offset foreign currency translation gains or losses on the net investment. The cross currency swap has an expiration date of January 19, 2021. At maturity of the cross currency swap contract, the Company will deliver the notional amount of approximately €245.7 million (or approximately $279.7 million as of June 30, 2019) and will receive $300.0 million from the counterparties. The Company will receive quarterly interest payments from the counterparties based on a fixed interest rate until maturity of the cross currency swap.

In January 2019, the Company designated €160.0 million of its multi-currency revolving credit facility with a maturity date of October 17, 2023 as a hedge of its net investment in foreign operations to offset foreign currency translation gains or losses on the net investment. During the three months ended June 30, 2019, the Company repaid the designated amount outstanding under its multi-currency revolving credit facility and the foreign currency denominated debt was de-designated as a net investment hedge.

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

	Notional Amount as of	
	June 30, 2019	**December 31, 2018**
Cross currency swap contract	$ 300.0	$ 300.0

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 six months ended June 30, 2019 and 2018 (in millions):

	(Loss) Gain Recognized in Accumulated Other Comprehensive Loss for the Three Months Ended		Gain Recognized in Accumulated Other Comprehensive Loss for the Six Months Ended	
	June 30, 2019	**June 30, 2018**	**June 30, 2019**	**June 30, 2018**
Cross currency swap contract	$ (2.1)	$ 16.2	$ 4.8	$ 11.6
Foreign currency denominated debt	0.3	21.2	2.0	10.9

Derivative Transactions Not Designated as Hedging Instruments

During 2019 and 2018, 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 June 30, 2019 and December 31, 2018, the Company had outstanding foreign currency contracts with a notional amount of approximately $2,644.9 million and $1,335.8 million, respectively.

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

		Loss Recognized in Net Income for the Three Months Ended		Gain Recognized in Net Income for the Six Months Ended	
	Classification of Gain	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Foreign currency contracts	Other expense, net	$ (3.1)	$ (3.8)	$ 5.7	$ 2.4

The table below sets forth the fair value of derivative instruments as of June 30, 2019 (in millions):

	Asset Derivatives as of June 30, 2019		Liability Derivatives as of June 30, 2019	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivative instruments designated as hedging instruments:				
Foreign currency contracts	Other current assets	$ 2.2	Other current liabilities	$ —
Cross currency swap contract	Other noncurrent assets	22.5	Other noncurrent liabilities	—
Derivative instruments not designated as hedging instruments:				
Foreign currency contracts	Other current assets	6.8	Other current liabilities	11.9
Total derivative instruments		$ 31.5		$ 11.9

The table below sets forth the fair value of derivative instruments as of December 31, 2018 (in millions):

	Asset Derivatives as of December 31, 2018		Liability Derivatives as of December 31, 2018	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivative instruments designated as hedging instruments:				
Foreign currency contracts	Other current assets	$ 1.9	Other current liabilities	$ 0.4
Cross currency swap contract	Other noncurrent assets	17.7	Other noncurrent liabilities	—
Derivative instruments not designated as hedging instruments:				
Foreign currency contracts	Other current assets	5.1	Other current liabilities	6.2
Total derivative instruments		$ 24.7		$ 6.6

12. CHANGES IN STOCKHOLDERS' EQUITY

The following tables set forth changes in stockholders' equity attributed to AGCO Corporation and its subsidiaries and to noncontrolling interests for the three and six months ended June 30, 2019 (in millions):

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Stockholders' Equity
Balance, March 31, 2019	$ 0.8	$ 9.7	$ 4,491.0	$ (1,545.8)	$ 63.3	$ 3,019.0
Stock compensation	—	12.3	—	—	—	12.3
Issuance of stock awards	—	(0.2)	(0.1)	—	—	(0.3)
SSARs exercised	—	(3.1)	—	—	—	(3.1)
Comprehensive income:						
Net income (loss)	—	—	140.8	—	(0.4)	140.4
Other comprehensive income, net of reclassification adjustments:						
Foreign currency translation adjustments	—	—	—	3.7	0.7	4.4
Defined benefit pension plans, net of tax	—	—	—	3.0	—	3.0
Deferred gains and losses on derivatives, net of tax	—	—	—	4.8	—	4.8
Payment of dividends to stockholders	—	—	(12.2)	—	—	(12.2)
Purchases and retirement of common stock	—	(11.6)	(28.4)	—	—	(40.0)
Investment by noncontrolling interests	—	—	—	—	0.4	0.4
Balance, June 30, 2019	$ 0.8	$ 7.1	$ 4,591.1	$ (1,534.3)	$ 64.0	$ 3,128.7

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Stockholders' Equity
Balance, December 31, 2018	$ 0.8	$ 10.2	$ 4,477.3	$ (1,555.4)	$ 60.6	$ 2,993.5
Stock compensation	—	24.8	—	—	—	24.8
Issuance of stock awards	—	(13.2)	(9.7)	—	—	(22.9)
SSARs exercised	—	(3.1)	(0.3)	—	—	(3.4)
Comprehensive income:						
Net income	—	—	205.9	—	0.2	206.1
Other comprehensive income, net of reclassification adjustments:						
Foreign currency translation adjustments	—	—	—	14.4	2.2	16.6
Defined benefit pension plans, net of tax	—	—	—	6.0	—	6.0
Deferred gains and losses on derivatives, net of tax	—	—	—	0.7	—	0.7
Payment of dividends to stockholders	—	—	(23.7)	—	—	(23.7)
Purchases and retirement of common stock	—	(11.6)	(58.4)	—	—	(70.0)
Investment by noncontrolling interests	—	—	—	—	1.0	1.0
Balance, June 30, 2019	$ 0.8	$ 7.1	$ 4,591.1	$ (1,534.3)	$ 64.0	$ 3,128.7

The following tables set forth changes in stockholders' equity attributed to AGCO Corporation and its subsidiaries and to noncontrolling interests for the three and six months ended June 30, 2018 (in millions):

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Stockholders' Equity
Balance, March 31, 2018	$ 0.8	$ 135.3	$ 4,266.6	$ (1,349.8)	$ 66.5	$ 3,119.4
Stock compensation	—	13.3	—	—	—	13.3
Issuance of stock awards	—	—	—	—	—	—
SSARs exercised	—	—	—	—	—	—
Comprehensive income:						
Net income (loss)	—	—	91.4	—	(1.0)	90.4
Other comprehensive income, net of reclassification adjustments:						
Foreign currency translation adjustments	—	—	—	(188.2)	(2.2)	(190.4)
Defined benefit pension plans, net of tax	—	—	—	3.0	—	3.0
Deferred gains and losses on derivatives, net of tax	—	—	—	1.5	—	1.5
Payment of dividends to stockholders	—	—	(11.9)	—	—	(11.9)
Purchases and retirement of common stock	—	(27.2)	—	—	—	(27.2)
Adjustment related to the adoption of ASU 2014-09	—	—	—	—	—	—
Balance, June 30, 2018	$ 0.8	$ 121.4	$ 4,346.1	$ (1,533.5)	$ 63.3	$ 2,998.1

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Stockholders' Equity
Balance, December 31, 2017	$ 0.8	$ 136.6	$ 4,253.8	$ (1,361.6)	$ 65.7	$ 3,095.3
Stock compensation	—	22.5	—	—	—	22.5
Issuance of stock awards	—	(3.0)	—	—	—	(3.0)
SSARs exercised	—	(0.4)	—	—	—	(0.4)
Comprehensive income:						
Net income (loss)	—	—	115.7	—	(0.3)	115.4
Other comprehensive income, net of reclassification adjustments:						
Foreign currency translation adjustments	—	—	—	(178.6)	(2.1)	(180.7)
Defined benefit pension plans, net of tax	—	—	—	6.1	—	6.1
Deferred gains and losses on derivatives, net of tax	—	—	—	0.6	—	0.6
Payment of dividends to stockholders	—	—	(23.8)	—	—	(23.8)
Purchases and retirement of common stock	—	(34.3)	—	—	—	(34.3)
Adjustment related to the adoption of ASU 2014-09	—	—	0.4	—	—	0.4
Balance, June 30, 2018	$ 0.8	$ 121.4	$ 4,346.1	$ (1,533.5)	$ 63.3	$ 2,998.1

Total comprehensive income attributable to noncontrolling interests for the three and six months ended June 30, 2019 and 2018 was as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net (loss) income	$ (0.4)	$ (1.0)	$ 0.2	$ (0.3)
Other comprehensive income (loss):				
Foreign currency translation adjustments	0.7	(2.2)	2.2	(2.1)
Total comprehensive income (loss)	$ 0.3	$ (3.2)	$ 2.4	$ (2.4)

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 six months ended June 30, 2019 (in millions):

	Defined Benefit Pension Plans	Deferred Net Gains (Losses) on Derivatives	Cumulative Translation Adjustment	Total
Accumulated other comprehensive loss, December 31, 2018	$ (282.4)	$ 1.4	$ (1,274.4)	$ (1,555.4)
Other comprehensive (loss) income before reclassifications	—	(0.4)	14.4	14.0
Net losses reclassified from accumulated other comprehensive loss	6.0	1.1	—	7.1
Other comprehensive income, net of reclassification adjustments	6.0	0.7	14.4	21.1
Accumulated other comprehensive loss, June 30, 2019	$ (276.4)	$ 2.1	$ (1,260.0)	$ (1,534.3)

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 June 30, 2019 and 2018 (in millions):

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Loss: Three Months Ended June 30, 2019(1)	Three Months Ended June 30, 2018(1)	Affected Line Item within the Condensed Consolidated Statements of Operations
Derivatives:			
Net losses on foreign currency contracts	$ 0.5	$ 0.9	Cost of goods sold
Net losses on interest rate swap contract	—	0.7	Interest expense, net
Reclassification before tax	0.5	1.6	
	—	(0.1)	Income tax provision
Reclassification net of tax	$ 0.5	$ 1.5	
Defined benefit pension plans:			
Amortization of net actuarial losses	$ 3.0	$ 3.2	Other expense, net(2)
Amortization of prior service cost	0.5	0.3	Other expense, net(2)
Reclassification before tax	3.5	3.5	
	(0.5)	(0.5)	Income tax provision
Reclassification net of tax	$ 3.0	$ 3.0	
Net losses reclassified from accumulated other comprehensive loss	$ 3.5	$ 4.5	

(1) Losses included within the Condensed Consolidated Statements of Operations for the three months ended June 30, 2019 and 2018.
(2) These accumulated other comprehensive loss components are included in the computation of net periodic pension and postretirement benefit cost. See Note 14 for additional information on the Company’s defined benefit pension plans.

The following table sets forth reclassification adjustments out of accumulated other comprehensive loss by component attributed to AGCO Corporation and its subsidiaries for the six months ended June 30, 2019 and 2018 (in millions):

Details about Accumulated Other Comprehensive Loss Components	**Amount Reclassified from Accumulated Other Comprehensive Loss** — **Six Months Ended June 30, 2019(1)**	**Six Months Ended June 30, 2018(1)**	**Affected Line Item within the Condensed Consolidated Statements of Operations**
Derivatives:			
Net losses on foreign currency contracts	$ 1.1	$ 1.5	Cost of goods sold
Net losses on interest rate swap contract	—	1.3	Interest expense, net
Reclassification before tax	1.1	2.8	
	—	(0.1)	Income tax provision
Reclassification net of tax	$ 1.1	$ 2.7	
Defined benefit pension plans:			
Amortization of net actuarial losses	$ 6.1	$ 6.3	Other expense, net(2)
Amortization of prior service cost	0.9	0.7	Other expense, net(2)
Reclassification before tax	7.0	7.0	
	(1.0)	(0.9)	Income tax provision
Reclassification net of tax	$ 6.0	$ 6.1	
Net losses reclassified from accumulated other comprehensive loss	$ 7.1	$ 8.8	

(1) Losses included within the Condensed Consolidated Statements of Operations for the six months ended June 30, 2019 and 2018.
(2) These accumulated other comprehensive loss components are included in the computation of net periodic pension and postretirement benefit cost. See Note 14 for additional information on the Company's defined benefit pension plans.

Share Repurchase Program

During the six months ended June 30, 2019, the Company entered into accelerated share repurchase ("ASR") agreements with a financial institution to repurchase an aggregate of $70.0 million of shares of its common stock. The Company received approximately 912,624 shares during the six months ended June 30, 2019 related to the ASR agreements. The specific number of shares the Company ultimately repurchased was determined at the completion of the term of the ASR based on the daily volume-weighted average share price of the Company's common stock less an agreed upon discount. Upon settlement of the ASR, the Company was entitled to receive additional shares of common stock or, under certain circumstances, was required to remit a settlement amount. In July 2019, the Company received an additional 80,227 shares of common stock upon final settlement of an ASR. All shares received under the ASR agreement were retired upon receipt, and the excess of the purchase price over par value per share was recorded to a combination of "Additional paid-in capital" and "Retained earnings" within the Company's Condensed Consolidated Balance Sheets.

As of June 30, 2019, the remaining amount authorized to be repurchased was approximately $77.1 million, which expires in December 2019.

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 June 30, 2019 and December 31, 2018, the cash received from receivables sold under the U.S., Canadian, European and Brazilian accounts receivable sales agreements was approximately $1.5 billion and $1.4 billion, respectively.

Under the terms of the accounts receivable sales 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 accounts receivable sales agreements, calculated based upon LIBOR plus a margin on any non-interest bearing accounts receivable outstanding and sold under the accounts receivable sales agreements. These fees are 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 sales occur 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 sales agreements discussed above, reflected within “Other expense, net” in the Company’s Condensed Consolidated Statements of Operations, were approximately $11.0 million and $19.7 million, respectively, during the three and six months ended June 30, 2019. Losses on sales of receivables associated with the accounts receivable sales agreements discussed above, reflected within “Other expense, net” in the Company’s Condensed Consolidated Statements of Operations, were approximately $9.7 million and $17.5 million, respectively, during the three and six months ended June 30, 2018.

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 June 30, 2019 and December 31, 2018, these finance joint ventures had approximately $91.4 million and $82.5 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. PENSION AND POSTRETIREMENT BENEFIT PLANS

Net periodic pension and postretirement benefit cost for the Company’s defined pension and postretirement benefit plans for the three months ended June 30, 2019 and 2018 are set forth below (in millions):

	Three Months Ended June 30,	
Pension benefits	**2019**	**2018**
Service cost	$ 3.9	$ 4.8
Interest cost	5.3	5.1
Expected return on plan assets	(7.1)	(9.3)
Amortization of net actuarial losses	3.0	3.1
Amortization of prior service cost	0.4	0.3
Net periodic pension cost	$ 5.5	$ 4.0

Postretirement benefits	Three Months Ended June 30, 2019	2018
Service cost	$ —	$ 0.1
Interest cost	0.3	0.3
Amortization of net actuarial losses	—	0.1
Amortization of prior service cost	0.1	—
Net periodic postretirement benefit cost	$ 0.4	$ 0.5

Net periodic pension and postretirement benefit cost for the Company’s defined pension and postretirement benefit plans for the six months ended June 30, 2019 and 2018 are set forth below (in millions):

Pension benefits	Six Months Ended June 30, 2019	2018
Service cost	$ 7.8	$ 9.7
Interest cost	10.6	10.2
Expected return on plan assets	(14.3)	(18.7)
Amortization of net actuarial losses	6.1	6.2
Amortization of prior service cost	0.8	0.6
Net periodic pension cost	$ 11.0	$ 8.0

Postretirement benefits	Six Months Ended June 30, 2019	2018
Service cost	$ —	$ 0.1
Interest cost	0.7	0.7
Amortization of net actuarial losses	—	0.1
Amortization of prior service cost	0.1	0.1
Net periodic postretirement benefit cost	$ 0.8	$ 1.0

The components of net periodic pension and postretirement benefits cost, other than the service cost component, are included in “Other expense, net” in the Company’s Condensed Consolidated Statements of Operations.

The following table summarizes the activity in accumulated other comprehensive loss related to the Company’s defined pension and postretirement benefit plans during the six months ended June 30, 2019 (in millions):

	Before-Tax Amount	Income Tax	After-Tax Amount
Accumulated other comprehensive loss as of December 31, 2018	$ (379.8)	$ (97.4)	$ (282.4)
Amortization of net actuarial losses	6.1	0.9	5.2
Amortization of prior service cost	0.9	0.1	0.8
Accumulated other comprehensive loss as of June 30, 2019	$ (372.8)	$ (96.4)	$ (276.4)

During the six months ended June 30, 2019, approximately $16.5 million of contributions had been made to the Company’s defined pension benefit plans. The Company currently estimates its minimum contributions for 2019 to its defined pension benefit plans will aggregate approximately $30.5 million.

During the six months ended June 30, 2019, the Company made approximately $0.8 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 2019.

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, interest rate swap and cross currency 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 additional information on the Company’s derivative instruments and hedging activities.

Assets and liabilities measured at fair value on a recurring basis as of June 30, 2019 and December 31, 2018 are summarized below (in millions):

	As of June 30, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Derivative assets	$ —	$ 31.5	$ —	$ 31.5
Derivative liabilities	—	11.9	—	11.9

	As of December 31, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Derivative assets	$ —	$ 24.7	$ —	$ 24.7
Derivative liabilities	—	6.6	—	6.6

The carrying amounts of long-term debt under the Company’s 1.056% senior term loan due 2020, senior term loan due 2022, 1.002% senior term loan due 2025 and senior term loans due between 2019 and 2028 approximate fair value based on the borrowing rates currently available to the Company for loans with similar terms and average maturities. See Note 5 for additional information on the Company’s long-term debt.

16. SEGMENT REPORTING

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 generally 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 six months ended June 30, 2019 and 2018 and assets as of June 30, 2019 and December 31, 2018 based on the Company’s reportable segments were as follows (in millions):

Three Months Ended June 30,	**North America**	**South America**	**Europe/Middle East**	**Asia/Pacific/Africa**	**Consolidated**
2019					
Net sales	$ 618.9	$ 185.8	$ 1,457.2	$ 160.7	$ 2,422.6
Income (loss) from operations	51.4	(7.1)	208.8	7.0	260.1
Depreciation	16.1	8.2	26.4	3.4	54.1
Capital expenditures	11.6	5.0	35.4	2.0	54.0
2018					
Net sales	$ 600.5	$ 219.6	$ 1,545.2	$ 172.3	$ 2,537.6
Income (loss) from operations	37.6	(16.7)	208.5	4.6	234.0
Depreciation	16.8	7.3	28.4	3.4	55.9
Capital expenditures	10.1	7.3	24.3	2.0	43.7

Six Months Ended June 30,	**North America**	**South America**	**Europe/ Middle East**	**Asia/ Pacific/Africa**	**Consolidated**
2019					
Net sales	$ 1,115.1	$ 341.9	$ 2,667.8	$ 293.6	$ 4,418.4
Income (loss) from operations	82.0	(15.6)	336.5	10.4	413.3
Depreciation	31.7	16.7	52.4	6.3	107.1
Capital expenditures	29.9	17.1	64.9	3.0	114.9
2018					
Net sales	$ 1,103.4	$ 401.7	$ 2,708.9	$ 331.1	$ 4,545.1
Income (loss) from operations	64.4	(33.3)	307.5	9.3	347.9
Depreciation	34.0	15.3	58.4	7.4	115.1
Capital expenditures	22.2	14.2	49.4	4.0	89.8
Assets					
As of June 30, 2019	$ 1,244.6	$ 873.4	$ 2,392.4	$ 519.9	$ 5,030.3
As of December 31, 2018	1,032.1	736.1	1,905.8	501.1	4,175.1

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 June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Segment income from operations	$ 260.1	$ 234.0	$ 413.3	$ 347.9
Corporate expenses	(32.9)	(32.5)	(64.7)	(65.9)
Stock compensation expense	(12.2)	(12.5)	(24.2)	(20.9)
Restructuring expenses	—	(2.7)	(1.7)	(8.6)
Amortization of intangibles	(15.4)	(18.2)	(30.7)	(33.9)
Consolidated income from operations	$ 199.6	$ 168.1	$ 292.0	$ 218.6

	June 30, 2019	December 31, 2018
Segment assets	$ 5,030.3	$ 4,175.1
Cash and cash equivalents	279.9	326.1
Investments in affiliates	404.7	400.0
Deferred tax assets, other current and noncurrent assets	664.6	656.6
Intangible assets, net	541.6	573.1
Goodwill	1,494.0	1,495.5
Consolidated total assets	$ 8,415.1	$ 7,626.4

17. COMMITMENTS AND CONTINGENCIES

Off-Balance Sheet Arrangements

Guarantees

The Company maintains a remarketing agreement with its U.S. finance joint venture, AGCO Finance LLC, whereby the Company is obligated to repurchase up to $6.0 million of repossessed equipment each 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 June 30, 2019, the Company had outstanding guarantees of indebtedness owed to third parties of approximately $40.4 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 2024. 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. The Company believes the credit risk associated with these guarantees is not material to its financial position or results of operations.

In addition, at June 30, 2019, the Company had accrued approximately $16.4 million of outstanding guarantees of minimum residual values that may be owed to its finance joint ventures in the United States and Canada due upon expiration of certain eligible operating leases between the finance joint ventures and end users.

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

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 June 30, 2019, not including interest and penalties, was approximately 131.5 million Brazilian reais (or approximately $34.3 million). The amount ultimately in dispute will be significantly 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. REVENUE

Revenue is recognized when the Company satisfies the performance obligation by transferring control over goods or services to a dealer, distributor or other customer. The amount of revenue recognized is measured as the consideration the Company expects to receive in exchange for those goods or services pursuant to a contract with the customer. A contract exists once the Company receives and accepts a purchase order under a dealer sales agreement, or once the Company enters into a contract with an end user. The Company does not recognize revenue in cases where collectability is not probable, and defers the recognition until collection is probable or payment is received.

The Company generates revenue from the manufacture and distribution of agricultural equipment and replacement parts. Sales of equipment and replacement parts, which represents a majority of the Company's net sales, are recorded by the Company at the point in time when title and control have been transferred to an independent dealer, distributor or other customer. Title generally passes to the dealer or distributor upon shipment or specified delivery, and the risk of loss upon damage, theft or destruction of the equipment is the responsibility of the dealer, distributor or designated third-party carrier. The Company believes control passes and the performance obligation is satisfied at the point of the stated shipping or delivery term with respect to such sales.

The amount of consideration the Company receives and the revenue recognized varies with certain sales incentives the Company offers to dealers and distributors. Estimates for sales incentives are made at the time of sale for existing incentive programs using the expected value method. These estimates are revised in the event of subsequent modification to the incentive program. All incentive programs are recorded and presented as a reduction of revenue, due to the fact that the Company does not receive a distinct good or service in exchange for the consideration provided.

Dealers or distributors may not return equipment or replacement parts while its contract with the Company is in force, except for under established promotional and annual replacement parts return programs. At the time of sale, the Company estimates the amount of returns based on the terms of promotional and annual return programs and anticipated returns in the future. The Company estimates replacement parts returns based on historical experience and recognizes an asset within "Other current assets" and "Other assets," which represents the Company's right to recover the parts it expects to be returned. When the refund for the returned replacement part is settled with the dealer or distributor, the asset is then transferred to inventory. The Company also recognizes a refund liability in "Accrued expenses" and "Other noncurrent liabilities" for the refund the Company expects to pay for returned parts. If actual replacement parts return differ from those estimated, the difference in the replacement asset and refunded liability is recognized in "Cost of goods sold" and "Net sales," respectively.

Sales and other related taxes are excluded from the transaction price. Shipping and handling costs associated with freight are accounted for as fulfillment costs and are expensed at the time revenue is recognized in “Cost of goods sold” and “Selling, general and administrative expenses” in the Company’s Condensed Consolidated Statements of Operations.

The Company applied the practical expedient in ASU 2014-09 to not adjust the amount of revenue to be recognized under a contract with a dealer, distributor or other customer for the time value of money when the difference between the receipt of payment and the recognition of revenue is less than one year.

Although substantially all revenue is recognized at a point in time, a relatively insignificant amount of installation revenue associated with the sale of grain storage and protein production systems is recognized on an “over time” basis as discussed below. The Company also recognizes revenue “over time” with respect to extended warranty or maintenance contracts and certain technology services. Generally, all of the contracts with customers that relate to “over time” revenue recognition have contract durations of less than 12 months.

Grain Storage and Protein Production Systems Installation Revenue. In certain countries, the Company sells grain storage and protein production systems where the Company is responsible for construction and installation, and the sale is contingent upon customer acceptance. Under these conditions, the revenues are recognized over the term of the contract when the Company can objectively determine control has been transferred to the customer in accordance with agreed-upon specifications in the contract. For these contracts, the Company may be entitled to receive an advance payment, which is recognized as a contract liability for the amount in excess of the revenue recognized. The Company uses the input method using costs incurred to date relative to total estimated costs at completion to measure the progress toward satisfaction of the performance obligation. Revenues are recorded proportionally as costs are incurred. Costs include labor, material and overhead. The estimation of the progress toward completion is subject to various assumptions. As part of the estimation process, the Company reviews the length of time to complete the performance obligation, the cost of materials and labor productivity. If a significant change in one of the assumptions occurs, then the Company will recognize an adjustment under the cumulative catch-up method and the impact of the adjustment on the revenue recorded to date is recognized in the period the adjustment is identified.

Extended Warranty Contracts. The Company sells separately priced extended warranty contracts, which extends coverage beyond the base warranty period. Revenue is recognized for the extended warranty contract on a straight-line basis, which the Company believes approximates the costs expected to be incurred in satisfying the obligations, over the extended warranty period. The extended warranty period ranges from one to five years. Payment is received at the inception of the extended warranty contract, which is recognized as a contract liability for the amount in excess of the revenue recognized. The revenue associated with the sale of extended warranty contracts is insignificant.

Technology Services Revenue. The Company sells a combination of technology products and services. When the bundled package of technology products and services is sold, the portion of the consideration received related to the services component is recognized over time as the Company satisfies the future performance obligation. Revenue is recognized for the hardware component when control is transferred to the dealer or distributor. The revenue associated with the sale of technology services is insignificant.

Contract Liabilities

Contract liabilities relate to the following: (1) unrecognized revenues where advance payment of consideration precedes the Company’s performance with respect to extended warranty contracts and where the performance obligation is satisfied over time, (2) unrecognized revenues where advance payment of consideration precedes the Company’s performance with respect to certain grain storage and protein production systems and where the performance obligation is satisfied over time and (3) unrecognized revenues where advance payment of consideration precedes the Company’s performance with respect to technology services and where the performance obligation is satisfied over time.

Significant changes in the balance of contract liabilities for the three and six months ended as of June 30, 2019 and 2018 were as follows (in millions):

	Three Months Ended June 30,	
	2019	2018
Balance at beginning of period	$ 84.5	$ 96.9
Advance consideration received	38.3	23.4
Revenue recognized during the period for extended warranty contracts, maintenance services and technology services	(7.9)	(6.3)
Revenue recognized during the period related to installation of grain storage and protein production systems	(27.2)	(34.7)
Foreign currency translation	0.3	(1.5)
Balance at June 30	$ 88.0	$ 77.8

	Six Months Ended June 30,	
	2019	2018
Balance at beginning of period	$ 76.8	$ 82.6
Advance consideration received	63.7	57.9
Revenue recognized during the period for extended warranty contracts, maintenance services and technology services	(14.0)	(12.7)
Revenue recognized during the period related to installation of grain storage and protein production systems	(38.6)	(49.6)
Foreign currency translation	0.1	(0.4)
Balance at June 30	$ 88.0	$ 77.8

The contract liabilities are classified as either “Other current liabilities” and “Other noncurrent liabilities” or “Accrued expenses” in the Company’s Condensed Consolidated Balance Sheets.

Remaining Performance Obligations

The estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of June 30, 2019 are $18.3 million for the remainder of 2019, $28.1 million in 2020, $18.2 million in 2021, $9.5 million in 2022 and $4.8 million thereafter, and relate primarily to extended warranty contracts. The Company applied the practical expedient in ASU 2014-09 and has not disclosed information about remaining performance obligations that have original expected durations of 12 months or less.

Disaggregated Revenue

Net sales for the three months ended June 30, 2019 disaggregated by primary geographical markets and major products consisted of the following (in millions):

	North America[1]	South America[1]	Europe/Middle East	Asia/Pacific/Africa	Consolidated[1]
Primary geographical markets:					
United States	$ 500.2	$ —	$ —	$ —	$ 500.2
Canada	91.9	—	—	—	91.9
South America	—	182.1	—	—	182.1
Germany	—	—	390.6	—	390.6
France	—	—	267.5	—	267.5
United Kingdom and Ireland	—	—	135.9	—	135.9
Finland and Scandinavia	—	—	199.0	—	199.0
Other Europe	—	—	443.3	—	443.3
Middle East and Algeria	—	—	20.9	—	20.9
Africa	—	—	—	29.7	29.7
Asia	—	—	—	77.6	77.6
Australia and New Zealand	—	—	—	53.4	53.4
Mexico, Central America and Caribbean	26.9	3.6	—	—	30.5
	$ 618.9	$ 185.8	$ 1,457.2	$ 160.7	$ 2,422.6
Major products:					
Tractors	$ 187.4	$ 106.3	$ 994.1	$ 62.0	$ 1,349.8
Replacement parts	98.7	21.4	246.4	17.2	383.7
Grain storage and protein production systems	166.4	17.7	61.6	61.2	306.9
Combines, application equipment and other machinery	166.5	40.4	155.1	20.3	382.3
	$ 618.9	$ 185.8	$ 1,457.2	$ 160.7	$ 2,422.6

(1) Rounding may impact the summation of amounts.

Net sales for the three months ended June 30, 2018 disaggregated by primary geographical markets and major products consisted of the following (in millions):

	North America	South America	Europe/Middle East[(1)]	Asia/Pacific/Africa[(1)]	Consolidated
Primary geographical markets:					
United States	$ 468.4	$ —	$ —	$ —	$ 468.4
Canada	101.3	—	—	—	101.3
South America	—	213.7	—	—	213.7
Germany	—	—	389.7	—	389.7
France	—	—	250.2	—	250.2
United Kingdom and Ireland	—	—	172.8	—	172.8
Finland and Scandinavia	—	—	231.7	—	231.7
Other Europe	—	—	466.3	—	466.3
Middle East and Algeria	—	—	34.5	—	34.5
Africa	—	—	—	22.0	22.0
Asia	—	—	—	87.0	87.0
Australia and New Zealand	—	—	—	63.3	63.3
Mexico, Central America and Caribbean	30.8	5.9	—	—	36.7
	$ 600.5	$ 219.6	$ 1,545.2	$ 172.3	$ 2,537.6
Major products:					
Tractors	$ 173.7	$ 148.2	$ 1,049.5	$ 75.9	$ 1,447.3
Replacement parts	97.7	21.9	252.7	15.9	388.2
Grain storage and protein production systems	171.5	12.2	58.4	59.9	302.0
Combines, application equipment and other machinery	157.6	37.3	184.5	20.7	400.1
	$ 600.5	$ 219.6	$ 1,545.2	$ 172.3	$ 2,537.6

(1) Rounding may impact the summation of amounts.

Net sales for the six months ended June 30, 2019 disaggregated by primary geographical markets and major products consisted of the following (in millions):

	North America(1)	South America	Europe/Middle East	Asia/Pacific/Africa(1)	Consolidated(1)
Primary geographical markets:					
United States	$ 912.8	$ —	$ —	$ —	$ 912.8
Canada	153.1	—	—	—	153.1
South America	—	335.0	—	—	335.0
Germany	—	—	660.9	—	660.9
France	—	—	505.6	—	505.6
United Kingdom and Ireland	—	—	290.2	—	290.2
Finland and Scandinavia	—	—	368.6	—	368.6
Other Europe	—	—	807.5	—	807.5
Middle East and Algeria	—	—	35.0	—	35.0
Africa	—	—	—	50.0	50.0
Asia	—	—	—	136.8	136.8
Australia and New Zealand	—	—	—	106.8	106.8
Mexico, Central America and Caribbean	49.3	6.9	—	—	56.2
	$ 1,115.1	$ 341.9	$ 2,667.8	$ 293.6	$ 4,418.4
Major products:					
Tractors	$ 327.6	$ 190.6	$ 1,823.8	$ 127.0	$ 2,469.0
Replacement parts	160.2	43.3	448.3	33.9	685.7
Grain storage and protein production systems	270.2	37.4	104.1	98.3	510.0
Combines, application equipment and other machinery	357.2	70.6	291.6	34.3	753.7
	$ 1,115.1	$ 341.9	$ 2,667.8	$ 293.6	$ 4,418.4

(1) Rounding may impact the summation of amounts.

Net sales for the six months ended June 30, 2018 disaggregated by primary geographical markets and major products consisted of the following (in millions):

	North America	South America	Europe/Middle East[1]	Asia/Pacific/Africa[1]	Consolidated
Primary geographical markets:					
United States	$ 867.5	$ —	$ —	$ —	$ 867.5
Canada	174.9	—	—	—	174.9
South America	—	394.2	—	—	394.2
Germany	—	—	677.6	—	677.6
France	—	—	446.8	—	446.8
United Kingdom and Ireland	—	—	313.1	—	313.1
Finland and Scandinavia	—	—	408.8	—	408.8
Other Europe	—	—	801.1	—	801.1
Middle East and Algeria	—	—	61.5	—	61.5
Africa	—	—	—	44.2	44.2
Asia	—	—	—	161.6	161.6
Australia and New Zealand	—	—	—	125.3	125.3
Mexico, Central America and Caribbean	61.0	7.5	—	—	68.5
	$ 1,103.4	$ 401.7	$ 2,708.9	$ 331.1	$ 4,545.1
Major products:					
Tractors	$ 328.3	$ 255.0	$ 1,827.9	$ 149.4	$ 2,560.6
Replacement parts	158.5	43.6	463.2	35.6	700.9
Grain storage and protein production systems	281.9	29.4	92.8	104.1	508.2
Combines, application equipment and other machinery	334.7	73.7	324.9	42.1	775.4
	$ 1,103.4	$ 401.7	$ 2,708.9	$ 331.1	$ 4,545.1

(1) Rounding may impact the summation of amounts.

19. LEASES

The Company leases certain land, buildings, machinery, equipment, vehicles and office and computer equipment under finance and operating leases. As previously discussed in Note 1, the Company adopted ASU 2016-02 effective January 1, 2019. Under the new standard, lessees are required to record an asset (ROU asset or finance lease asset) and a lease liability. The new standard continues to allow for two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases result in the recognition of a single lease expense on a straight-line basis over the lease term, similar to the treatment for operating leases under previous U.S. GAAP. Finance leases result in an accelerated expense also similar to previous U.S. GAAP. ASU 2016-02 also contains amended guidance regarding the identification of embedded leases in service and supply contracts, as well as the identification of lease and nonlease components of an arrangement. ROU assets represent the Company's right to use an underlying asset for the lease term while lease liabilities represent the Company's obligation to make lease payments for the lease term. All leases greater than 12 months result in the recognition of an ROU asset and liability at the lease commencement date based on the present value of the lease payments over the lease term. The present value of the lease payments is calculated using the applicable weighted-average discount rate. The weighted-average discount rate is based on the discount rate implicit in the lease, or if the implicit rate is not readily determinable from the lease, then the Company estimates an applicable incremental borrowing rate. The incremental borrowing rate is estimated using the currency denomination of the lease, the contractual lease term and the Company's applicable borrowing rate.

The Company does not recognize a ROU asset or lease liability with respect to operating leases with an initial term of 12 months or less and recognizes expense on such leases on a straight-line basis over the lease term. The Company accounts for lease components separately from nonlease components other than for real estate and office equipment. The Company evaluated its supplier agreements for the existence of leases and determined these leases comprised an insignificant portion of its supplier agreements. As such, these leases were not material to the Company's Condensed Consolidated Balance Sheets. The Company has certain leases that include one or more options to renew, with renewal terms that can extend the lease term from one to ten years. The exercise of the lease renewal options is at the Company's discretion and are included in the determination of the ROU asset and lease liability when the option is reasonably certain of being exercised. The depreciable life of ROU assets and leasehold improvements are limited by the expected lease term. The Company has certain lease agreements that include variable rental payments that are adjusted periodically for inflation based on the index rate as defined by the applicable government authority. Generally, the Company's lease agreements do not contain any residual value guarantees or restrictive covenants.

Total lease assets and liabilities at June 30, 2019 were as follows (in millions):

Lease Assets	**Classification**		**As of June 30, 2019**
Operating ROU assets	Right-of-use lease assets	$	203.3
Finance lease assets	Property, plant and equipment, net[(1)]		16.1
Total leased assets		$	219.4

Lease Liabilities	**Classification**		**As of June 30, 2019**
Current:			
Operating	Accrued expenses	$	42.5
Finance	Other current liabilities		3.9
Noncurrent:			
Operating	Operating lease liabilities		163.3
Finance	Other noncurrent liabilities		9.6
Total leased liabilities		$	219.3

(1) Finance lease assets are recorded net of accumulated depreciation of $17.2 million as of June 30, 2019.

Total lease cost for the three and six months ended June 30, 2019 is set forth below (in millions):

	Classification	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019
Operating lease cost	Selling, general and administrative expenses	$ 13.7	$ 28.0
Variable lease cost	Selling, general and administrative expenses	—	0.1
Short-term lease cost	Selling, general and administrative expenses	2.2	4.4
Finance lease cost:			
Amortization of leased assets	Depreciation expense(1)	1.2	2.5
Interest on leased liabilities	Interest expense, net	0.3	0.4
Total lease cost		$ 17.4	$ 35.4

(1) Depreciation expense was included in both cost of sales and selling, general and administrative expenses.

The total lease expense under noncancelable operating leases was approximately $72.1 million for the year ended December 31, 2018.

The aggregate future minimum lease payments under noncancelable operating and finance leases with remaining terms greater than one year as of June 30, 2019 and December 31, 2018 were as follows (in millions):

	June 30, 2019		December 31, 2018	
	Operating Leases(1)(2)	Finance Leases	Operating Leases(5)	Finance Leases(5)
2019	$ 25.1	$ 2.8	$ 46.7	$ 4.9
2020	45.2	3.5	39.5	3.5
2021	38.0	2.1	32.6	2.8
2022	29.9	1.0	26.0	0.9
2023	22.7	0.7	21.7	0.7
Thereafter	81.9	4.3	85.5	3.7
Total lease payments	242.8	14.4	252.0	16.5
Less: imputed interest(3)(4)	(37.0)	(0.9)	—	(1.0)
Present value of leased liabilities	$ 205.8	$ 13.5	$ 252.0	$ 15.5

(1) Operating lease payments include $11.1 million related to options to extend leases that are reasonably certain of being exercised.
(2) This amount excludes lease payments for the six months ended June 30, 2019.
(3) Calculated using the implicit interest rate for each lease.
(4) Imputed interest for operating leases as of December 31, 2018 is not applicable as the Company adopted ASC 842 on January 1, 2019.
(5) As determined under ASC 840, “Leases.”

For leases related to real estate and office equipment, the minimum lease payments exclude payments for nonlease components.

The following table summarizes the weighted-average remaining lease term and weighted-average discount rate:

	As of June 30, 2019
Weighted-average remaining lease term:	
Operating leases	8.0 years
Finance leases	9.0 years
Weighted-average discount rate:	
Operating leases	3.4%
Finance leases	2.7%

The following table summarizes the supplemental cash flow information for the six months June 30, 2019 (in millions):

	Six Months Ended June 30, 2019	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	28.0
Operating cash flows from finance leases		2.5
Financing cash flows from finance leases		0.4
Leased assets obtained in exchange for lease obligations:		
Operating leases	$	22.2
Finance leases		0.7

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, among other things, 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 largely 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 June 30, 2019, we generated net income of $140.8 million, or $1.82 per share, compared to $91.4 million, or $1.14 per share, for the same period in 2018. For the first six month of 2019, we generated net income of $205.9 million, or $2.66 per share, compared to $115.7 million, or $1.44 per share, for the same period in 2018.

Net sales during the three and six months ended June 30, 2019 were $2,422.6 million and $4,418.4 million, which were approximately 4.5% and 2.8% lower than the same periods in 2018. These decreases were primarily the result of the negative impact of currency translation.

Income from operations for the three months ended June 30, 2019 was $199.6 million compared to $168.1 million for the same period in 2018. Income from operations for the six months ended June 30, 2019 was $292.0 million compared to $218.6 million for the same period in 2018. The increase in income from operations for the three and six months was primarily the result of improved margins in all geographical regions resulting primarily from the benefits of price increases, higher production levels, cost control initiatives and the timing of engineering expenditures as compared to prior year periods.

Regionally, income from operations in our Europe/Middle East ("EME") region increased for the three and six months ended June 30, 2019 compared to the same periods in 2018. These increases were primarily due to improved pricing, increased production, the timing of engineering expenses, and cost control initiatives. In our North American region, income from operations increased for the three and six months ended June 30, 2019 compared to the same periods in 2018. The benefits of increased net sales, improved net pricing and a favorable sales mix contributed to the increase. In our South America region, operating losses in the three and six months ended June 30, 2019 were lower compared to the same periods in 2018. These losses reflect lower levels of industry demand and company production, as well as the impact associated with localizing newer product technology into our Brazilian factories. In our Asia/Pacific/Africa ("APA") region, income from operations increased for the three and six months ended June 30, 2019 compared to the same periods in 2018 primarily due to cost control initiatives.

Industry Market Conditions

Farm economics remain challenged across many of the major crop-producing regions, and international trade tensions continue to weigh on farmer sentiment. Global equipment demand for 2019 is expected to be flat compared to 2018. In North America, modest growth in small tractors as well as hay and forage equipment is expected to be offset by lower sales of large row crop equipment, while relatively flat demand is projected across Western Europe and South America.

In North America, industry unit retail sales of utility and high horsepower tractors for the first six months of 2019 decreased approximately 3% compared to the same period in 2018. Industry unit retail sales of combines for the first six months of 2019 decreased approximately 2% compared to the first six months of 2018. Concerns over delayed crop development due to wet planting conditions and lower harvest forecasts negatively impacted North American industry retail sales in the first six months of 2019, compared to the same period in 2018.

In Western Europe, industry unit retail sales of tractors for the first six months of 2019 increased approximately 4% compared to the same period in 2018. Industry unit retail sales of combines for the first six months of 2019 decreased approximately 17% compared to the first six months of 2018. During the first six months of 2019, sales improved across the markets of France, Germany and Spain, partially offset by declined sales in the United Kingdom and Italy compared to the same period in 2018.

In South America, industry unit retail sales of tractors for the first six months of 2019 decreased approximately 11% compared to the same period in 2018. Industry unit retail sales of combines for the first six months of 2019 increased approximately 11% compared to the first six months of 2018. The benefits of improved grain production in Brazil and Argentina were offset by interruptions in the government subsidized finance program in Brazil and weak macro-economic conditions in Argentina.

STATEMENTS OF OPERATIONS

Net sales for the three months ended June 30, 2019 were $2,422.6 million compared to $2,537.6 million for the same period in 2018. Net sales for the six months ended June 30, 2019 were $4,418.4 million compared to $4,545.1 million for the same period in 2018. The following tables set forth, for the three and six months ended June 30, 2019, the impacts to net sales of currency translation by geographical segment (in millions, except percentages):

	Three Months Ended June 30,		Change		Change Due to Currency Translation	
	2019	2018	$	%	$	%
North America	$ 618.9	$ 600.5	$ 18.4	3.1 %	$ (3.4)	(0.6)%
South America	185.8	219.6	(33.8)	(15.4)%	(12.6)	(5.7)%
Europe/Middle East	1,457.2	1,545.2	(88.0)	(5.7)%	(91.0)	(5.9)%
Asia/Pacific/Africa	160.7	172.3	(11.6)	(6.7)%	(10.2)	(5.9)%
	$ 2,422.6	$ 2,537.6	$ (115.0)	(4.5)%	$ (117.2)	(4.6)%

	Six Months Ended June 30,		Change		Change Due to Currency Translation	
	2019	2018	$	%	$	%
North America	$1,115.1	$1,103.4	$ 11.7	1.1 %	$ (7.2)	(0.7)%
South America	341.9	401.7	(59.8)	(14.9)%	(33.8)	(8.4)%
Europe/Middle East	2,667.8	2,708.9	(41.1)	(1.5)%	(197.3)	(7.3)%
Asia/Pacific/Africa	293.6	331.1	(37.5)	(11.3)%	(20.8)	(6.3)%
	$ 4,418.4	$ 4,545.1	$ (126.7)	(2.8)%	$ (259.1)	(5.7)%

Regionally, net sales in North America increased during the three and six months ended June 30, 2019 compared to the same periods in 2018. The increase primarily was as a result of net sales growth of high horsepower and compact tractors, partially offset by lower net sales of grain and protein production equipment as well as the negative impact of foreign currency translation. In the EME region, net sales were lower during the three and six months ended June 30, 2019 compared to the same periods in 2018. The decrease was primarily due to the unfavorable impact of foreign currency translation, partially offset by net sales growth in France and Germany. Net sales in South America decreased during the three and six months ended June 30, 2019 compared to the same periods in 2018, primarily due to sales declines in Brazil and Argentina, as well as the negative impact of foreign currency translation. In the APA region, net sales decreased during the three and six months ended June 30, 2019 compared to the same periods in 2018, primarily driven by sales declines in Australia and Asia, as well as the negative impact of foreign currency translation.

We estimate worldwide average price increases were approximately 1.8% and 2.1% during the three and six months ended June 30, 2019, respectively, compared to the same prior year periods. Consolidated net sales of tractors and combines, which comprised approximately 59.0% and 58.8%, respectively, of our net sales for the three and six months ended June 30, 2019, decreased approximately 6.4% and 4.0%, respectively, compared to the same periods in 2018. Unit sales of tractors and combines decreased approximately 10.4% and 7.1%, respectively, for the three and six months ended June 30, 2019 compared to the same periods in 2018. 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 tables set 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 June 30,			
	2019		2018	
	$	% of Net Sales(1)	$	% of Net Sales
Gross profit	$ 563.9	23.3%	$ 556.3	21.9%
Selling, general and administrative expenses	260.7	10.8%	271.8	10.7%
Engineering expenses	87.5	3.6%	93.0	3.7%
Restructuring expenses	—	—%	2.7	0.1%
Amortization of intangibles	15.4	0.6%	18.2	0.7%
Bad debt expense	0.7	—%	2.5	0.1%
Income from operations	$ 199.6	8.2%	$ 168.1	6.6%

	Six Months Ended June 30,			
	2019		2018	
	$	% of Net Sales(1)	$	% of Net Sales(1)
Gross profit	$ 1,020.6	23.1%	$ 984.3	21.7%
Selling, general and administrative expenses	522.9	11.8%	536.4	11.8%
Engineering expenses	172.0	3.9%	183.9	4.0%
Restructuring expenses	1.7	—%	8.6	0.2%
Amortization of intangibles	30.7	0.7%	33.9	0.7%
Bad debt expense	1.3	—%	2.9	0.1%
Income from operations	$ 292.0	6.6%	$ 218.6	4.8%

(1) Rounding may impact the summation of amounts.

Gross profit as a percentage of net sales increased for both the three and six months ended June 30, 2019 compared to the same periods in 2018. The improvement for both the three and six months ended June 30, 2019 was due to benefits from pricing and higher production levels, as well as material cost and direct labor productivity initiatives. Production hours increased in Europe, while production hours decreased in both North American and South America. Overall, production hours increased slightly on a global basis during both the three and six months ended June 30, 2019 compared to the same periods in 2018. We recorded approximately $0.5 million and $1.0 million of stock compensation expense within cost of goods sold during the three and six months ended June 30, 2019, respectively, compared to approximately $1.1 million and $1.9 million for the comparable periods in 2018. See below and refer to Note 3 to our Condensed Consolidated Financial Statements for additional information on stock compensation expense.

Selling, general and administrative expenses (“SG&A expenses”) and engineering expenses, as a percentage of net sales, were relatively flat for the three and six months ended June 30, 2019 compared to the same periods in 2018. We recorded approximately $12.2 million and $24.2 million of stock compensation expense within SG&A expenses during the three and six months ended June 30, 2019, respectively, compared to $12.5 million and $20.9 million during the same periods in 2018. Refer to Note 3 to our Condensed Consolidated Financial Statements for additional information.

The restructuring expenses of approximately $1.7 million recorded during the six months ended June 30, 2019 primarily related to severance and related costs associated with the rationalization of certain manufacturing operations and administrative offices located in Europe, Africa, South America and the United States. Refer to Note 2 to our Condensed Consolidated Financial Statements for additional information.

Interest expense, net was approximately $6.0 million and $9.5 million for the three and six months ended June 30, 2019, respectively, compared to approximately $21.2 million and $31.5 million for the comparable periods in 2018. The decline in interest expense, net was primarily as a result of debt refinancings completed during 2018 that included the replacement of higher interest-bearing debt with lower interest-bearing debt. In addition, during the three months ended June 30, 2018, we recorded approximately $15.7 million of a loss on the extinguishment of a portion of our $5^{7/8}$% senior notes, partially offset by approximately $3.0 million of accelerated amortization of a deferred gain related to a terminated interest rate swap instrument associated with the senior notes. Refer to Note 7 to our Consolidated Financial Statements as of December 31, 2018 for additional information.

Other expense, net was approximately $11.6 million and $26.2 million for the three and six months ended June 30, 2019, respectively, compared to approximately $27.2 million and $38.7 million for the comparable periods in 2018. 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 $11.0 million and $19.7 million for the three and six months ended June 30, 2019, respectively, compared to approximately $9.7 million and $17.5 million for the comparable periods in 2018. Other expense, net for the three and six months ended June 30, 2018 included higher foreign exchange losses, primarily associated with the significant devaluation of the Argentina peso. Refer to Note 1 to our Consolidated Financial Statements as of December 31, 2018 for additional information.

We recorded an income tax provision of approximately $53.2 million and $72.6 million for the three and six months ended June 30, 2019, respectively, compared to approximately $38.5 million and $49.9 million for the comparable periods in 2018. 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 six months ended June 30, 2019 includes the impact of a valuation allowance against our U.S. net deferred tax assets and, accordingly, having no tax benefit against our U.S. losses.

Equity in net earnings of affiliates, which is primarily comprised of income from our finance joint ventures, was approximately $11.6 million and $22.4 million for the three and six months ended June 30, 2019, respectively, compared to approximately $9.2 million and $16.9 million for the comparable periods in 2018. The increase for the three and six months ended June 30, 2019 as compared to the same periods in 2018 was primarily due to higher net earnings from our finance joint ventures. Refer to "Finance Joint Ventures" below 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 June 30, 2019, our capital investment in the finance joint ventures, which is included in "Investment in affiliates" on our Condensed Consolidated Balance Sheets, was approximately $362.6 million compared to $358.7 million as of December 31, 2018. The total finance portfolio in our finance joint ventures was approximately $9.3 billion and $8.8 billion as of June 30, 2019 and December 31, 2018, respectively. The total finance portfolio as of June 30, 2019 included approximately $7.5 billion of retail receivables and $1.8 billion of wholesale receivables from AGCO dealers. The total finance portfolio as of December 31, 2018 included approximately $7.2 billion of retail receivables and $1.6 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 six months ended June 30, 2019, 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 $22.3 million compared to $16.9 million for the same period in 2018.

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 agreements. 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):

	June 30, 2019
1.056% Senior term loan due 2020	$ 227.7
Senior term loan due 2022	170.7
Credit facility, expires 2023	96.8
1.002% Senior term loan due 2025	284.6
Senior term loans due between 2019 and 2028	811.6
Other long-term debt	17.3

Interest under our credit facility is calculated based upon LIBOR. In the event that LIBOR is no longer published, interest will be calculated based upon a base rate. The credit facility also provides for an expedited amendment process once a replacement for LIBOR is established.

In December 2018, we entered into a term loan agreement with the European Investment Bank ("EIB"), which provided us with the ability to borrow up to €250.0 million. The €250.0 million (or approximately $284.6 million as of June 30, 2019) of funding was received on January 25, 2019 with a maturity date of January 24, 2025. We are permitted to prepay the term loan before its maturity date. Interest is payable on the term loan at 1.002% per annum, payable semi-annually in arrears. We have another term loan with the EIB in the amount of €200.0 million (or approximately $227.7 million as of June 30, 2019) that was entered into in December 2014 and has a maturity date of January 15, 2020.

In October 2016, we borrowed an aggregate amount of €375.0 million through a group of seven related term loan agreements. These agreements have maturities ranging from October 2019 to October 2026. Of these term loans, an aggregate amount of €56.0 million (or approximately $63.7 million) as of June 30, 2019 have maturity dates of October 2019.

We are in compliance with the financial covenants contained in these facilities and 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 5 to the Condensed Consolidated Financial Statements for additional 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 sales occur, 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 June 30, 2019 and December 31, 2018, the cash received from receivables sold under the U.S., Canadian, European and Brazilian accounts receivable sales agreements was approximately $1.5 billion and $1.4 billion, respectively.

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 June 30, 2019 and December 31, 2018, these finance joint ventures had approximately $91.4 million and $82.5 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.

Our debt to capitalization ratio, which is total indebtedness divided by the sum of total indebtedness and stockholders' equity, was 35.5% and 32.8% at June 30, 2019 and December 31, 2018, respectively.

Cash Flows

Cash flows used in operating activities were approximately $212.9 million for the first six months of 2019 compared to approximately $188.6 million for the same period in 2018. Our seasonal requirements for working capital resulted in negative cash flow from operations in both the six months ended June 30, 2019 and 2018. 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 $932.7 million in working capital at June 30, 2019 as compared to $770.7 million at December 31, 2018 and $1,143.4 million at June 30, 2018. Accounts receivable and inventories, combined, at June 30, 2019 were $646.5 million and $256.5 million higher than at December 31, 2018 and June 30, 2018, respectively. Inventories increased as of June 30, 2019 compared to June 30, 2018 as a result of higher production and increased inventory required to transition production to products meeting new emissions standards in Europe and Brazil. Working capital as of June 30, 2019 was also impacted by the classification of our 1.056% senior term loan as current, given its maturity date of January 15, 2020.

Capital expenditures for the first six months of 2019 were $114.9 million compared to $89.8 million for the same period in 2018. We anticipate that capital expenditures for the full year of 2019 will be approximately $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.

Share Repurchase Program

During the six months ended June 30, 2019, we entered into accelerated share repurchase (“ASR”) agreements with a financial institution to repurchase an aggregate of $70.0 million of shares of our common stock. We received approximately 912,624 shares during the six months ended June 30, 2019 related to the ASR agreements. The specific number of shares we ultimately repurchased was determined at the completion of the term of the ASR based on the daily volume-weighted average share price of our common stock less an agreed upon discount. Upon settlement of the ASR, we were entitled to receive additional shares of common stock or, under certain circumstances, were required to remit a settlement amount. In July 2019, we received an additional 80,227 shares of common stock upon final settlement of an ASR. All shares received under the ASR were retired upon receipt, and the excess of the purchase price over par value per share was recorded to a combination of “Additional paid-in capital” and “Retained earnings” within our Condensed Consolidated Balance Sheets.

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 June 30, 2019, we had outstanding guarantees of indebtedness owed to third parties of approximately $40.4 million, primarily related to dealer and end-user financing of equipment. In addition, we secured approximately $16.4 million of outstanding guarantees of minimum residual values that may be issued to our finance joint ventures in the United States and Canada due upon expiration of certain eligible operating leases between the finance joint ventures and end users. 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 June 30, 2019, we had outstanding designated and non-designated foreign currency contracts with a gross notional amount of approximately $2,793.5 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

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

Global industry demand for farm equipment is projected to remain relatively flat in 2019 compared to 2018. Our net sales are also expected to be flat in 2019 compared to 2018, reflecting positive pricing and modest sales growth offset by unfavorable foreign currency translation impacts. Gross and operating margins are expected to improve from 2018 levels, reflecting the positive impact of pricing and cost reduction initiatives. Accordingly, net income is expected to improve in 2019 compared to 2018.

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 discounts and sales incentive allowances, goodwill, other intangible and long-lived assets, deferred income taxes and uncertain income tax positions and pension and other postretirement benefit obligations. 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, 2018.

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;
- uncertainty regarding changes in the international tariff regimes and their impact on the cost of the products that we sell;
- recent suspension of agricultural products into China and the impact to global agricultural equipment demand, if any;
- 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, see “Risk Factors” in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2018.

We have joint ventures in the Netherlands and Russia with an entity that currently is operating under a time-limited general license from the U.S. Department of the Treasury authorizing the maintenance or wind down of operations and existing contracts. In the event that the license expires without further relief being granted or without other authorization from the U.S. Department of the Treasury, we may no longer be able to continue the joint ventures’ commercial operations and we would be required to assess the fair value of certain assets related to the joint ventures for potential impairment.

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, 2018. As of the second quarter of 2019, 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 June 30, 2019, 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 June 30, 2019 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

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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 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The table below sets forth information with respect to purchases of our common stock made by or on behalf of us during the three months ended June 30, 2019:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1)	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)(1)
April 1, 2019 through April 30, 2019	—	$ —	—	$ 117.1
May 1, 2019 through May 31, 2019(2)(3)	532,697	$ 67.69	532,697	$ 77.1
June 1, 2019 through June 30, 2019	—	$ —	—	$ 77.1
Total	532,697	$ 67.69	532,697	$ 77.1

(1) The remaining authorized amount to be repurchased is $77.1 million, which expires in December 2019.

(2) In February 2019, we entered into an accelerated share repurchase (“ASR”) agreement with a third-party financial institution to repurchase $30.0 million of our common stock. The ASR agreement resulted in the initial delivery of 379,927 shares of our common stock, representing approximately 80% of the shares expected to be repurchased in connection with the transaction. In May 2019, the remaining 59,394 shares under the ASR agreement were delivered. As reflected in the table above, the average price paid per share for the ASR agreement was the volume-weighted average stock price of our common stock over the term of the ASR agreement. Refer to Noe 12 to our Condensed Consolidated Financial Statements for further discussion of this matter.

(3) In May 2019, we entered into an ASR agreement with a third-party financial institution to repurchase $40.0 million of our common stock. The ASR agreement resulted in the initial delivery of 473,303 shares of our common stock, representing approximately 80% of the shares expected to be repurchased in connection with the transaction. In July 2019, the remaining 80,227 shares under the ASR agreement were delivered. The average price paid per share related to the ASR agreement reflected in the table above was derived using the fair market value of the shares on the date the initial 473,303 shares were delivered. The amount that may yet be purchased under our share repurchase programs, as presented in the above table, was reduced by the entire $40.0 million payment related to the ASR agreement. Refer to Note 12 to our Condensed Consolidated Financial Statements for a further discussion of this matter.

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ITEM 6. EXHIBITS

(The Company is not filing, under Item 4, instruments defining the rights of holders of long-term debt where the debt does not exceed 10% of the Company's total assets. The Company agrees to furnish copies of those instruments to the Commission upon request.)

Exhibit Number	Description of Exhibit	The filings referenced for incorporation by reference are AGCO Corporation
3.1	Amended and Restated By-laws	April 26, 2019, Form 8-K, Exhibit 3.1
10.1	Amended and Restated Letter Agreement, dated April 24, 2019, between AGCO Corporation and Tractors and Farm Equipment Limited	March 31, 2019, Form 10-Q, Exhibit 10.1
10.2	Amended and Restated Executive Nonqualified Pension Plan	Filed herewith
10.3	Amended and Restated Management Incentive Program	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	The following unaudited financial information from this Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, are formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Cash Flows and (v) Notes to Condensed Consolidated Financial Statements.	Filed herewith
104	Cover Page Interactive Data File - the cover page from this Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 is formatted in Inline XBRL	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: August 9, 2019

/s/ Andrew H. Beck

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

/s/ Lara T. Long

Lara T. Long
Vice President, Chief Accounting Officer
(Principal Accounting Officer)

AGCO CORPORATION

AMENDED AND RESTATED
EXECUTIVE NONQUALIFIED PENSION PLAN

(As amended through June 10, 2019)

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AGCO CORPORATION
AMENDED AND RESTATED
EXECUTIVE NONQUALIFIED PENSION PLAN

Effective as of June 10, 2019, AGCO Corporation, a corporation duly organized and existing under the laws of the State of Delaware (the “Company”), hereby amends and restates the AGCO Corporation Amended and Restated Executive Nonqualified Pension Plan (the “Plan”) as set forth below, provided that a Participant whose Accrued Benefit was in pay status prior to July 31, 2015, shall continue to be paid in accordance with the form and extent of payment as determined under the terms of the Plan at the time payments began.

BACKGROUND AND PURPOSE

A. **General Purpose**. The primary purpose of the Plan is to provide additional retirement income to a select group of management personnel of the Company and its affiliates that adopt the Plan as participating companies.

B. **Type of Plan**. The Plan is intended to constitute a non-qualified deferred compensation plan that complies with the provisions of Code Section 409A and an unfunded, nonqualified deferred compensation plan that benefits certain designated employees who are within a select group of management or highly compensated employees within the meaning of Sections 201(2), 301(a)(3) and 401(a)(2) of ERISA.

STATEMENT OF AGREEMENT

To establish the Plan with the purposes and goals as hereinabove described, the Company hereby sets forth the terms and provisions as follows:

ARTICLE I
DEFINITIONS

For purposes of the Plan, the following terms, when used with an initial capital letter, shall have the meaning set forth below unless a different meaning plainly is required by the context.

1.1 **Accrual Factor** shall mean, with respect to a Participant, the annual factor used to determine the Participant’s Accrued Benefit, which is equal to:

(i) three percent (3%) for each Participant who is employed as a Senior Vice President or greater position with the Company in such year, and

(ii) two and twenty-five one-hundredths of a percent (2.25%) for each Participant who is employed as a Vice President or equivalent position with the Company in such year.

1.2 **Accrued Benefit** shall mean, with respect to a Participant and as of any date it is determined, an annual amount, payable in twelve (12) equal monthly payments for fifteen (15) years certain, which is equal to (i) the Participant's Final Earnings, multiplied by (ii) the Participant's Years of Credited Service, multiplied by (iii) the Participant's Accrual Factor, and reduced by (iv) the Participant's Social Security Benefit and Savings Plan Benefit; provided, however, that the maximum Accrued Benefit attainable hereunder shall not be greater than:

(i) In the case of a Participant who is employed as a Senior Vice President or greater position with the Company or any Affiliate immediately prior to his termination of employment with the Company or any Affiliate, sixty percent (60%) of the Participant's Final Earnings, subject to reduction by the Participant's Social Security Benefit and Savings Plan Benefit, and

(ii) In the case of a Participant who is employed as a Vice President of the Company or any Affiliate or equivalent position immediately prior to his termination of employment with the Company or any Affiliate, forty-five percent (45%) of the Participant's Final Earnings, subject to reduction by the Participant's Social Security Benefit and Savings Plan Benefit.

1.3 **Actuarial Equivalent** shall mean an amount of equivalent value calculated by the Administrative Committee in a manner consistent with Code Section 417(e)(3). Notwithstanding the foregoing, equivalent value for purposes of section 3.5 shall be determined in all cases consistent with the requirements of Code Section 409A.

1.4 **Administrative Committee** shall mean the Compensation Committee of the Board or such other committee as may be appointed by the Board, which shall act on behalf of the Company to administer the Plan. From time to time, the Board may appoint other members of such committee in addition to, or in lieu of, the individuals holding said titles.

1.5 **Affiliate** shall mean any corporation or other entity that is required to be aggregated with the Company under Code Sections 414(b) or (c) except that, in determining if a Participant has had a Separation from Service, the language "at least 50%" shall be substituted for "at least 80%" each place it appears in Code Sections 414(b) or (c).

1.6 **Annuity Commencement Date** shall mean the fifteenth (15^{th}) anniversary of the Benefit Commencement Date.

1.7 **Base Salary** shall mean, with respect to a Participant for a calendar year, the Participant's regular base salary amount paid to him during such calendar year, plus any amounts of base salary that the Participant may have elected to defer under the terms of any Code Section 401(k), 125, 132(f)(4) or similar plan or any nonqualified deferred compensation plan maintained by the Company or an Affiliate, but excluding bonuses, incentive compensation, equity-based compensation, expense reimbursements, the value of any fringe benefits and other such amounts.

1.8 Benefit Commencement Date shall mean, with respect to a Participant's Accrued Benefit, the first day of the month coinciding with or immediately following the earliest of (a) the Participant's death while employed by the Company or any of its Affiliates and (b) the later of the Participant's Separation from Service or attainment of Normal Retirement Age.

1.9 Board shall mean the Board of Directors of the Company.

1.10 Change in Control shall mean any one of the following (determined in accordance with Code Section 409A):

(a) 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, constitutes 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) 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) 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.

1.11 Code shall mean the Internal Revenue Code of 1986, as amended.

1.12 Company shall mean AGCO Corporation, a Delaware corporation, with its principal place of business in Duluth, Georgia.

1.13 **Death Benefit** shall mean the amount payable to a deceased Participant's Designated Beneficiary, as determined pursuant to the terms of Section 3.4.

1.14 **Designated Beneficiary** shall mean the person or persons identified by the Participant as eligible to receive benefits under the Plan in the event of Participant's death on a form acceptable to the Administrative Committee. In the event no such written designation is made by a Participant or if such beneficiary shall not be living or in existence at the time for commencement of payment under the Plan, the Participant shall be deemed to have designated his estate as such beneficiary.

1.15 **Effective Date** shall mean 1, 2015, the date as of which this amended and restated Plan shall be effective.

1.16 **Eligible Employee** shall mean any individual who, as determined by the Board in its sole discretion, is a member of a select group of highly compensated or management employees of the Company or an Affiliate.

1.17 **Employment Commencement Date** shall mean, with respect to a Participant, the most recent date on which such Participant first performs services for the Company or an Affiliate.

1.18 **ERISA** shall mean the Employee Retirement Income Security Act of 1974, as amended.

1.19 **Final Earnings** shall mean, for a Participant, the average of the sum of his Base Salary plus annual incentive payments under the Management Compensation Plan actually received during the applicable full calendar year for the three full calendar years during which such sum was the highest from among the ten full calendar years ending most recently on or before the date of the Participant's Separation from Service with the Company and all Affiliates, or on or before the date of Participant's death while employed with the Company or an Affiliate or on or before the date he is removed from active participation in the Plan pursuant to Section 2.2 hereof, as applicable.

1.20 **Interest** shall mean the prime rate of interest published in The Wall Street Journal as of the last business day of the month compounded monthly.

1.21 **Normal Retirement Age** shall mean age sixty-five (65).

1.22 **Participant** shall mean any individual who has been admitted to participation in the Plan pursuant to the provisions of Article II.

1.23 **Plan** shall mean the AGCO Corporation Amended and Restated Executive Nonqualified Pension Plan, as contained herein and all amendments hereto.

1.24 **Plan Year** shall mean the twelve (12)-consecutive-month period ending on December 31 of each year.

1.25 **Retirement Annuity** shall mean the payments provided for in Section 3.5.

1.26 **Savings Plan Benefit** shall mean the annual amount determined by calculating the Actuarial Equivalent of a Participant’s accrued benefit attributable to employer matching contributions subsequent to April 1, 2000 (the original effective date of the Plan) under the AGCO Corporation 401(k) Savings Plan, calculated as if (i) the Participant had made the maximum elective deferrals permitted under the AGCO Corporation 401(k) Savings Plan (determined without regard to any required refund of elective deferrals required under Code Section 401(k)(3)) during each year in which the Participant was eligible to participate, (ii) such notional amount shall be deemed to have increased at the rate of six percent (6%) per annum, compounded at the end of each calendar year, from the date of deemed contribution through Normal Retirement Age, and (iii) such benefit was payable in the form of a single life annuity for the Participant’s lifetime. The Participant’s Savings Plan Benefit shall also include the Actuarial Equivalent of (a) all amounts attributable to employer contributions and earnings thereon credited to the Participant’s account under any nonqualified deferred compensation plan maintained by the Company or an Affiliate, other than this Plan, and (b) any benefits attributable to contributions made by the Company or any Affiliate under any retirement plan established under the laws of any foreign country (excluding any foreign retirement plan described in Section 1.26). In the event that the Separation from Service occurred prior to reaching Participant's Normal Retirement Age, the Participant's accrued benefit under (a) and (b) shall be deemed to have increased at the rate of six percent (6%) per annum, compounded as of the end of each calendar year, from the date of Separation of Service through the Normal Retirement Age.

1.27 **Separation from Service** shall mean the date as of which a Participant dies, retires, or otherwise terminates employment with the Company and its Affiliates. A Separation from Service occurs where the facts and circumstances indicate that the Company or Affiliate and the Participant reasonably anticipate that no further services will be performed after a certain date or that the level of bona fide services the Participant would perform after such date (whether as an employee or as an independent contractor) would permanently decrease to less than fifty percent (50%) of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding thirty-six (36)-month period (or the full period of service to the Company and its Affiliates if the Participant has been providing services to the Company or its Affiliates less than thirty-six (36) months). Whether a Separation from Service has occurred will be determined based on the facts and circumstances and in accordance with the guidance under Code Section 409A. The Participant will not be deemed to have incurred a Separation from Service while the Participant is on military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six months, or if longer, so long as the Participant retains a right to reemployment with the Company and its Affiliates under an applicable statute or by contract. For purposes hereof, a leave of absence constitutes a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Company or an Affiliate. If the period of leave exceeds six months and the Participant does not retain a right to reemployment under an applicable statute or by contract, a Separation from Service is deemed to occur on the first date immediately following such six-month period.

1.28 **Social Security Benefit** shall mean, for a Participant, the maximum annual primary U.S. Social Security retirement benefit amount that, under the law as in effect as of the Participant's Benefit Commencement Date, could be payable to him (regardless of his actual U.S. Social Security compensation amounts) at such date.

1.29 **Trust or Trust Agreement** shall mean the separate agreement or agreements between the Company and the Trustee governing the creation of the Trust Fund, and all amendments thereto.

1.30 **Trustee** shall mean the party or parties so designated from time to time pursuant to the terms of the Trust Agreement.

1.31 **Trust Fund** shall mean the total amount of cash and other property held by the Trustee (or any nominee thereof) at any time under the Trust Agreement.

1.32 **Years of Credited Service** shall mean, with respect to a Participant, the number of twelve (12)-month periods during which such Participant is continuously employed by the Company or an Affiliate, commencing on the later of (A) June 20, 1990 or (B) the Participant's Employment Commencement Date. Years of Credited Service shall be counted in whole and partial years with any partial year being equal to a fraction, the numerator of which is the number of full months of employment completed in the partial year, and the denominator of which is twelve (12).

1.33 **AGCO Finance LLC** shall mean the Delaware limited liability company of this name, in which the Company has a 49% ownership interest (the "**Ownership Interest**").

ARTICLE II
ELIGIBILITY

2.1 **Selection of Participants**.

The Participants shall be the individuals listed on Schedule A hereto and those persons who are receiving benefits under the Plan as of July 31, 2015. There shall be no additional Participants.

2.2 **Removal from Active Participation**.

The Board may at any time remove a Participant from active participation in the Plan, such that he shall not be credited with additional years of Credited Service and his Accrued Benefit shall not continue to increase.

ARTICLE III
BENEFITS

3.1 Benefit Amount.

(a) **Vesting**. A Participant will be fully vested in his or her Accrued Benefit when the Participant has attained age fifty (50) with at least ten (10) Years of Credited Service, five (5) years of which the Participant has been an active Participant in the Plan. Except as provided in Section 3.3 or Section 3.5 below, upon a Participant's Separation from Service for any reason before Participant has attained age fifty (50) with at least ten (10) years of Credited Service, five (5) years of which the Participant has been a Participant in the Plan, neither the Participant nor his Designated Beneficiary shall be entitled to any benefit or payment under the Plan.

(b) **Normal Retirement Benefit**. If a Participant experiences a Separation from Service before the Participant's death and is otherwise vested in his Accrued Benefit as set forth in Section 3.1(a), the Participant shall be entitled to receive his Accrued Benefit. Such benefit shall be paid in accordance with Section 3.2 below.

(c) **Death Benefit**. If a Participant dies while employed by the Company or any Affiliate and is otherwise vested in his Accrued Benefit as set forth in Section 3.1(a), the Participant's Designated Beneficiary, as applicable, shall be entitled to receive his Accrued Benefit in an amount equal to the Actuarial Equivalent of his Accrued Benefit determined as of the date of his death, adjusted to reflect commencement of the Accrued Benefit prior to his Normal Retirement Age, if applicable. Such benefit shall be paid in accordance with Section 3.2.

(d) **Reemployment**. If a Participant who separates from service and commences receipt of his Accrued Benefit is subsequently reemployed by the Company, such Participant shall receive no additional credit for service under the Plan and the Participant's Accrued Benefit shall continue to be paid pursuant to the terms of the Plan.

3.2 Payment of Accrued Benefit.

(a) **Commencement and Timing**. Except as otherwise provided in Section 3.3 below, a Participant's Accrued Benefit determined under Section 3.1(b) shall commence as of the later of (i) the beginning of the seventh (7^{th}) month following the Participant's Separation from Service or (ii) the Benefit Commencement Date. Notwithstanding anything in the Plan to the contrary, during the period between the Participant's Benefit Commencement Date and the date on which payments begin under this Section 3.2, the payments to which the Participant would have been entitled during such period if payments had begun on the Benefit Commencement Date shall be accumulated and paid to the Participant with Interest in a lump sum as of the beginning of the seventh (7^{th}) month after the Participant's Separation from Service. Remaining monthly payments, if any, due under the terms of the Plan shall be paid in the normal course after the beginning of the seventh (7^{th}) month after the Participant's Separation from Service. A Participant's Accrued Benefit determined under Section 3.1(b) shall commence as set forth above notwithstanding the Participant's death following the Participant's Separation from Service. A Participant's Accrued Benefit determined under Section 3.1(c) shall commence on the Participant's Benefit

Commencement Date if such Benefit Commencement Date occurs by reason of the Participant’s death while employed by the Company or an Affiliate.

(b) **Form of Payment of Accrued Benefit**.

Except as otherwise provided herein or in Section 3.3 below, a Participant’s Accrued Benefit determined under Section 3.1(b) or (c) shall be an annual amount, payable in twelve (12) equal monthly payments, for fifteen (15) years certain.

3.3 Change in Control.

In the event of a Change in Control of the Company, every Participant shall become fully vested in the total amount of his Accrued Benefit and Retirement Annuity determined as of the date the Change in Control occurs so long as the Participant is employed by the Company or any Affiliate at the time of the Change in Control. If within twenty-four (24) months after a Change in Control a Participant has a Separation from Service or dies while employed by the Company or any Affiliate, he shall be entitled to a lump-sum payment on the first day of the seventh (7^{th}) month following the date the Participant has a Separation from Service or, in case of death, on the Benefit Commencement Date, equal to (i) the Actuarial Equivalent of the sum of Participant’s Accrued Benefit and Participant’s Retirement Annuity, determined as of the date of his Separation from Service or death, adjusted to reflect the lump sum form of payment and commencement of the Participant’s benefit prior to his Normal Retirement Age and Annuity Commencement Date, if applicable, plus (ii) Interest on such amount accrued from the date of the Benefit Commencement Date until the date payment is to be made, if later than the Benefit Commencement Date. If the Participant has a Separation from Service or dies while employed by the Company or any Affiliate more than twenty-four (24) months after the Change in Control, the Participant shall be entitled to receive his Accrued Benefit in accordance with Section 3.2 above and his Retirement Annuity in accordance with Section 3.5 below. Notwithstanding anything in the Plan to the contrary, if a Participant is receiving his Accrued Benefit or his Retirement Annuity as of the date a Change in Control occurs, the remaining portion of his Accrued Benefit and Retirement Annuity shall be distributed immediately in a lump sum payment adjusted to reflect the conversion of the stream of payments to the Actuarial Equivalent of a lump sum form of payment.

3.4 Death Benefit.

In the event a Participant is entitled to an Accrued Benefit under this Plan and dies before he has received the entirety of his Accrued Benefit under Section 3.2 or 3.3, then the undistributed payments of the Participant’s Accrued Benefit as of the date of the Participant’s death shall be paid to the Participant’s Designated Beneficiary in the form the Participant would have received.

3.5 Retirement Annuity.

Provided that (i) the Participant does not die or have a Separation from Service prior to his Normal Retirement Age, and (ii) at or prior to his Separation from Service or death while employed by the Company or any Affiliate, Participant has fully vested in his Accrued Benefit pursuant to Section 3.1(a), commencing on his Annuity Commencement Date, the Company shall pay (x) the Participant a single life annuity, or the Participant and his spouse in the form of a 50%, 75% or 100% joint and survivor annuity, as the Participant may elect prior to the Benefit Commencement Date, or (y) in the event of Participant's death while employed by the Company or any Affiliate, in the event Participant has elected a form of joint and survivor annuity, the Participant's spouse the survivor portion of the annuity elected by the Participant. The Participant's single life annuity shall consist of monthly payments equal in amount to the monthly amount that the Participant was or is entitled to receive pursuant to Section 3.2, such payments continuing until, and including, the month containing Participant's date of death. Any form of joint and survivor annuity shall be the Actuarial Equivalent of the Participant's single life annuity. By written notice to the Company prior to the Benefit Commencement Date, in lieu of receiving the single life annuity provided for in the preceding sentence, Participant alternatively may elect to receive a 50%, 75% or 100% joint and survivor annuity based upon the lives of the Participant and the Participant's spouse (at the Annuity Commencement Date) that is the Actuarial Equivalent of the Participant's single life annuity. In the event that Participant provides more than one notice pursuant to this section, the notice last submitted prior to the Benefit Commencement Date shall control.

3.6 Special Rule.

With respect to any Eligible Employee who becomes an employee of AGCO Finance LLC, conditional upon the Company maintaining the Ownership Interest until the Eligible Employee reaches Normal Retirement Age, (a) to the extent such Eligible Employee becomes North America Chief Executive Officer or Global Chief Executive Officer or equivalent (as determined by the Administrative Committee) of AGCO Finance LLC, Section 3.5(i) shall be satisfied provided that the Eligible Employee does not have the equivalent of a Separation of Service from AGCO Finance LLC prior to Normal Retirement Age, and (b) in addition, to the extent such Eligible Employee becomes Global Chief Executive Officer or equivalent (as determined by the Administrative Committee) of AGCO Finance LLC, the "monthly amount" referenced in the second sentence of Section 3.5 instead shall be equal to the monthly amount that the Eligible Employee would have received under Section 3.2 had (i) the 3% Accrual Factor contained in Section 1.1(i) applied to all of the years the Eligible Employee was employed by the Company, (ii) the 60% factor contained in Section 1.2(i) applied, immediately prior to the Eligible Employee's Separation of Service from the Company, to the Eligible Employee's Final Earnings.

ARTICLE IV
CLAIMS

4.1 Claims Procedure. Claims for benefits under the Plan may be filed with the Administrative Committee. Written or electronic notice of the disposition of a claim shall be furnished to the claimant within ninety (90) days after the claim is filed. If additional time (up to ninety (90) days) is required by the Administrative Committee to process the claim, written notice shall be provided to the claimant within the initial ninety (90)-day period. In such event, written notice of the extension shall be furnished to the claimant within the initial thirty (30)-day extension period. Any extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Administrative Committee expects to render a determination.

In the event the claim is denied in whole or in part, the notice shall set forth in language calculated to be understood by the claimant:

(i) the specific reason or reasons for the denial,

(ii) specific reference to pertinent Plan provisions on which the denial is based,

(iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary, and

(iv) a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the claimant's right, if any, to bring a civil action under section 502(a) of the ERISA, following an adverse benefit determination on review.

4.2 **Claims Review Procedure**. Any Participant or beneficiary or beneficiaries who has been denied a benefit by a decision of the Administrative Committee pursuant to Section 4.1 shall be entitled to request the Administrative Committee, to give further consideration to his or her claim by filing a written application for review with the Administrative Committee no later than sixty (60) days after receipt of the written notification provided for in Section 4.1. The claimant may submit written comments, documents, records, and other information relating to the claim for benefits which will all be taken into account during the review of the claim, whether or not such information was submitted or considered in the initial benefit determination. The claimant shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits.

Upon receiving such written application for review, the Administrative Committee may schedule a hearing for purposes of reviewing the claimant's claim, which hearing shall take place not more than thirty (30) days from the date on which the Administrative Committee received such written application for review. All claimants requesting a review of the decision denying their claim for benefits may employ counsel for purposes of the hearing.

Written or electronic notice of the disposition of a claim shall be furnished to the claimant within sixty (60) days after the application for review is filed. If additional time (up to sixty (60) days) is required by the Administrative Committee to process the claim, written notice shall be provided to the claimant within the initial sixty (60)-day period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Administrative Committee expects to render a determination.

In the case of an adverse determination, the decision on review shall include specific reasons for the decision, in a manner calculated to be understood by the claimant, and specific references to the pertinent Plan provisions on which the decision is based. The decision on review shall also include:

(i) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits, and

(ii) a statement describing any voluntary appeal procedures offered by the Plan, and a statement of the claimant's right, if any, to bring an action under Section 502(a) of ERISA.

Any suit or other cause of action relating to a claim for benefits under the Plan must be brought within ninety (90) days of the adverse determination on review or such suit or cause of action shall be forever barred.

ARTICLE V
SOURCE OF FUNDS TRUST

5.1 Source of Funds.

Except as provided in this Section and Section 5.2, the Company shall provide the benefits described in the Plan from the general assets of the Company. In any event, the Company ultimately shall have the obligation to pay all benefits due to Participants and Designated Beneficiaries under the Plan. The Company's obligation to pay benefits under the Plan constitutes a mere promise of the Company to pay such benefits, and a Participant or Designated Beneficiary shall be and remain no more than an unsecured, general creditor of the Company. As described in this Article, the Company may establish a Trust and pay over funds from time to time to such Trust. To the extent that funds in such Trust allocable to the benefits payable under the Plan are sufficient, the Trust assets shall be used to pay benefits under the Plan. If such Trust assets are not sufficient to pay all benefits due under the Plan, then the Company shall have the obligation, and the Participant or Designated Beneficiary, who is due such benefits, shall look to the Company to provide such benefits. The Administrative Committee shall allocate the total liability to pay benefits under the Plan among the Participating Companies in such manner and amount as the Administrative Committee in its sole discretion deems appropriate to reflect the benefits accrued by each Participating Company's employees.

5.2 Trust.

The Company may transfer all or any portion of the funds necessary to fund benefits accrued hereunder to the Trustee to be held and administered by the Trustee pursuant to the terms of the Trust Agreement, except during any "restricted period" as defined in Code Section 409A(b)(3)(B) with respect to a single-employer defined benefit plan of the Company or any Affiliate. To the extent provided in the Trust Agreement, each transfer into the Trust Fund shall be irrevocable as long as the Company has any liability or obligations under the Plan to pay benefits, such that the Trust property is in no way subject to use by the Company; provided, it is the intent of the Company that the assets held by the Trust are and shall remain at all times subject to the claims of the general creditors of the Company. No Participant or Designated Beneficiary shall have any interest in the assets held by the Trust or in the general assets of the Company other than as a general, unsecured creditor. Accordingly, the Company shall not grant a security interest in the assets held by the Trust in favor of the Participants, Designated Beneficiaries or any creditor. The Trust Fund and all assets thereunder, if any, shall at all times be held in the United States. Additionally, in no event shall any such assets become restricted to the provision of benefits under the Plan in connection with (a) a change in the financial health of the Company, regardless of whether such assets are available to satisfy the claims of general creditors of the Company or (b) during any "restricted period" as defined in Code Section 409A(b)(3)(B) with respect to a single-employer defined benefit plan of the Company or any Affiliate.

ARTICLE VI
ADMINISTRATIVE COMMITTEE

6.1 Action.

Action of the Administrative Committee may be taken with or without a meeting of committee members; provided, action shall be taken only upon the vote or other affirmative expression of a majority of the committee members qualified to vote with respect to such action. If a member of the Administrative Committee is a Participant, he shall not participate in any decision which solely affects his own benefit under the Plan. For purposes of administering the Plan, the Administrative Committee shall choose a secretary who shall keep minutes of the Administrative Committee's proceedings and all records and documents pertaining to the administration of the Plan. The secretary may execute any certificate or any other written direction on behalf of the Administrative Committee.

6.2 Rights and Duties.

The Administrative Committee shall administer the Plan and shall have all powers necessary to accomplish that purpose, including (but not limited to) the following:

(a) To construe, interpret and administer the Plan;

(b) To make determinations required by the Plan, and to maintain records regarding Participants and Designated Beneficiaries' benefits hereunder;

(c) To compute and certify to the Company the amount and kinds of benefits payable to Participants and Designated Beneficiaries and to determine the time and manner in which such benefits are to be paid;

(d) To authorize all disbursements by the Company pursuant to the Plan;

(e) To maintain all the necessary records of the administration of the Plan;

(f) To make and publish such rules for the regulation of the Plan as are not inconsistent with the terms hereof

(g) To delegate to other individuals or entities from time to time the performance of any of its duties or responsibilities hereunder;

(h) To hire agents, accountants, actuaries, consultants and legal counsel to assist in operating and administering the Plan.

The Administrative Committee shall have the exclusive right to construe and to interpret the Plan, to decide all questions of eligibility for benefits and to determine the amount of such benefits, and its decisions on such matters are final and conclusive on all parties.

6.3 Compensation, Indemnity and Liability.

The Administrative Committee and its members shall serve as such without bond and without compensation for services hereunder. All expenses of the Administrative Committee shall be paid by the Company. No member of the Administrative Committee shall be liable for any act or omission of any other member neither of the Administrative Committee, nor for any act or omission on his own part, excepting his own willful misconduct. The Company shall indemnify and hold harmless the Administrative Committee and each member thereof against any and all expenses and liabilities, including reasonable legal fees and expenses, arising out of his membership on the Administrative Committee, excepting only expenses and liabilities arising out of his own willful misconduct.

6.4 Taxes.

A Participant's or Designated Beneficiary's Accrued Benefit and Retirement Annuity hereunder shall be reduced by (1) the amount necessary to pay the tax due under the Federal Insurance Contributions Act with respect to the Accrued Benefit and Retirement Annuity determined upon the Benefit Commencement Date (or such other date as is applicable under Treasury Regulation Section 31.3121(v)(2)-1) and (2) the amount estimated to pay the Federal and State income tax withholding liability due. Additionally, the Company and any other payer may withhold from any amounts payable under the Plan any federal, state , local or other taxes as are required to be withheld by law.

ARTICLE VII
AMENDMENT AND TERMINATION

7.1 Amendments.

The Board shall have the right to amend the Plan in whole or in part at any time and from time to time. An amendment to the Plan may modify its terms in any respect whatsoever (including freezing future benefit accruals); provided, no amendment may decrease the level of a Participant's benefit accrued prior to the amendment or adversely affect a Participant's or Designated Beneficiary's rights to benefits that already have accrued. The terms of the Plan as amended as of the Effective Date are intended to comply with this Section 7.1.

7.2 Termination of Plan.

The Board shall have the right to terminate the Plan at any time for any reason. If the Plan is terminated, each Participant's benefit under the Plan will be frozen and will be paid under the conditions, at the time and in the form, specified under the terms of the Plan unless earlier payment of such benefits is permitted by Code Section 409A, in which case the Board in its discretion may provide for such earlier payment of Participant's Accrued Benefits and Retirement Annuity, adjusted to reflect commencement of the Accrued Benefit prior to Normal Retirement Age and the payment of the Retirement Annuity prior to the Annuity Commencement Date and, if applicable, any lump sum form of payment. Termination of the Plan shall be binding on all Participants, their spouses and Designated Beneficiaries.

ARTICLE VIII
MISCELLANEOUS

8.1 Taxation.

It is the intention of the Company that the benefits payable hereunder shall not be deductible by the Company or taxable for federal income tax purposes to Participants and Designated Beneficiaries until such benefits are paid by the Company, or by the Trust, as the case may be, to such Participants and Designated Beneficiaries. When such benefits are so paid, it is the intention of the Company that they shall be deductible by the Company under Code Section 162.

8.2 No Employment Contract.

Nothing herein contained is intended to be nor shall be construed as constituting a contract arrangement between the Company and any Participant to the effect that the Participant will be employed by the Company for any specific period of time.

8.3 Headings.

The headings of the various articles and sections in the Plan are solely for convenience and shall not be relied upon in construing any provisions hereof. Any reference to a section shall refer to a section of the Plan unless specified otherwise.

8.4 Gender and Number.

Use of any gender in the Plan will be deemed to include all genders when appropriate, and use of the singular number will be deemed to include the plural when appropriate, and vice versa in each instance.

8.5 Assignment of Benefits.

The right of a Participant or any other person to receive payments under the Plan shall not be assigned, transferred, pledged or encumbered, except by will or by the laws of descent and distribution and then only to the extent permitted under the terms of the Plan.

8.6 Legally Incompetent.

The Administrative Committee, in its sole discretion, may direct that payment be made to an incompetent or disabled person, whether because of minority or mental or physical disability, to the guardian of such person or to the person having custody of such person, without further liability on the part of the Administrative Committee, the Company or any Affiliate for the amount of such payment to the person on whose account such payment is made.

8.7 Governing Law.

The Plan shall be construed, administered and governed in all respects in accordance with applicable federal law and, to the extent not preempted by federal law, in accordance with the laws of the State of Georgia. If any provisions of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

8.8 Omnibus 409A Provision.

Notwithstanding any other provision of this Plan, it is intended that any payment provided pursuant to or in connection with this Plan shall be provided and paid in a manner, and at such time, and in such form, as complies with the applicable requirements of Code Section 409A to avoid the unfavorable tax consequences provided therein for non-compliance. Notwithstanding any other provision of this Plan, the Board is authorized to amend this Plan and/or to delay the payment of any monies as may be determined by it to be necessary or appropriate to comply, or to evidence or further evidence required compliance, with Code Section 409A.

IN WITNESS WHEREOF, the Company has caused the Plan to be executed by its duly authorized officer as of the day and year first above written.

AGCO CORPORATION

By: /s/ Roger Batkin
Title: Senior Vice President, General Counsel

Schedule A

Andy Beck
Kelvin Bennett
Dennis Branch
Kent Butler
Robert Ciecko
Mike Clem
Gary Collar
Robert Crain
Joseph DiPietro
William Fitzgibbons
Sam Freesmeyer
David Furr
Eric Hansotia
Dennis Heinecke
Chris Howell
Bill Hurley
Andy Jones
Bill Kaltenberg
Hans Lehmann
Lara Long
Alistair Mclelland
Reiner Pagel
Bruce Plagman
Martin Richenhagen
Matt Rushing
Lucinda Smith
Josip Tomasevic
Hans Bernd Veltmaat
Tom Welke
Steve White
David Williams
Brian Zydel

Exhibit 10.3

AGCO CORPORATION

AMENDED AND RESTATED
MANAGEMENT INCENTIVE PLAN

As amended through July 25, 2019

I. PURPOSE; EFFECTIVE DATE; PLAN YEAR

1.1 Purpose. Consistent with AGCO's compensation philosophy, the purpose of this Management Incentive Plan ("Plan") is to facilitate alignment of management with corporate objectives and shareholder interests, in order to achieve outstanding performance and to meet specific AGCO Corporation ("Corporation") financial goals. It is the intention of the Corporation to establish an incentive compensation plan where payments are competitive, tied to performance and offer shareholder protection, and assist with the attraction and retention of key management staff.

1.2 Effective Date. The Plan, as amended, will be deemed effective as of January 1, 2019.

1.3 Plan Year. The "Plan Year" shall be the 12-month period ending December 31 of each year.

II. ADMINISTRATION OF THE PLAN

Subject to the provisions of the Plan, unless determined otherwise by the Corporation's Board of Directors, the Compensation Committee of the Board of Directors ("Committee") shall have the sole authority and discretion:

- To construe and interpret the Plan;
- To establish, amend, change, add to, alter and/or and rescind rules, regulations and guidelines for administration of the Plan;
- To make all designations and determinations specified in the Plan;
- Except as noted herein, to determine the amount of awards and payments to be made under the Plan and the status and rights of any Participant to payments under the Plan; and
- To decide all questions concerning the Plan and to make all other determinations and to take all other steps necessary or advisable for the administration of the Plan.

III. PLAN FUNDING

The Plan will be funded annually as a part of the Corporation's annual budgeting process.

IV. ELIGIBILITY

Participation is limited to key full-time personnel of the Corporation and its subsidiaries who have the ability to materially impact the financial success of the Corporation and have an acceptable performance review or rating. Management will select the participants each year with the approval of the Senior Vice President, Human Resources. Notwithstanding the foregoing, the Committee must approve all awards to elected officers of the Corporation. As a guideline, eligible jobs should fall in Bands 5 and above. The Plan replaces any other type of bonus or non-qualified profit sharing program that a participant may have participated in previously.

V. AWARD OPPORTUNITY

Target incentive awards will be a percentage of a participant's salary for the Plan Year. The Committee may change the target award levels from time-to-time as it deems advisable. Initial target award levels (as of 2019) are:

- CEO: 140%
- CFO, COO: 100%
- GM, Europe/Middle East 100%
- Other GMs: 90%
- Other SVPs: 80%
- Other Participants: Not more than 40%

VI. PERFORMANCE CRITERIA AND GOALS

6.1 Performance Criteria. Awards under the Plan may be based upon corporate, regional/functional or personal goals. Generally, three to seven performance measures will be used to measure performance, and will differ depending on participant's position with the Corporation. The initial performance measures (as of 2019) are:

Global/Corporate	Regional Participants
• Corporate: - Operating margin as a percentage of net sales - Free Cash Flow	• Corporate: - Operating margin as a percentage of net sales - Free Cash Flow • Regional: - Regional equivalents of Corporate goals

6.2 Performance Measures. Unless the Committee specifies otherwise, performance measures for executive officers shall consist of one or more of the following, which may be applied on a company-wide, geographic or operating unit basis:

- earnings per share and/or growth in earnings per share in relation to target objectives;

- operating or free cash flow and/or growth in operating or free cash flow in relation to target objectives;
- cash available in relation to target objectives;
- operating income and/or growth in operating income in relation to target objectives;
- margin and/or growth in margins (gross, operating or otherwise) in relation to target objectives;
- net income and/or growth in net income in relation to target objectives;
- revenue and/or growth in revenue in relation to target objectives;
- total stockholder return (measured as the total of the appreciation of and dividends declared on the common stock) in relation to target objectives;
- return on invested capital in relation to target objectives;
- productivity and/or improvement in productivity;
- achievement of milestones on special projects;
- return on stockholder equity in relation to target objectives;
- return on assets in relation to target objectives;
- return on common book equity in relation to target objectives; and
- customer satisfaction and/or improvement in customer satisfaction.

Specific definitions initially (as of 2019) shall be:

- EPS: Diluted and adjusted to exclude restructuring and certain other infrequent items.

- Free Cash Flow: Cash flow from operations less capital expenditures. Excludes cash flow from financing such as increases in accounts receivables securitizations.

- Customer Satisfaction: Overall customer satisfaction index that measures after-sales service, sales experience and product quality.

- Functional/Regional: Must be approved by the appropriate Senior Vice President, CEO or CFO.

6.3 Weighting of Measures. The weighting will differ depending on a participant's position with the Corporation. The initial weighting (as of 2019) will be:

Global/Corporate	Regional Participants
• *Corporate Performance* - Operating Margin as a percentage of sales: 70% - Free Cash Flow: 30%	• Corporate Performance: 50% - Operating Margin as a percentage of sales: 70% - Free Cash Flow: 30% • *Regional Performance*: 50% - Regional equivalent of Corporate goals

6.4 Performance Goals. The Committee shall approve annual written objective performance goals reflecting corporate performance not later than ninety (90) days after the commencement of the Plan Year to which the goals relate. Such performance goals must be uncertain of achievement at the time that they are established and determinable by a third party with knowledge of the relevant facts.

VII. PLAN TRIGGER; PAYMENT OF AWARDS; ADJUSTMENTS; DISCRETIONARY AWARDS

7.1 Plan Trigger. Incentive awards will not be paid for any category of performance measurement unless the Corporation achieves the minimally acceptable specified plan trigger, which may be specified as a percentage of budget. Notwithstanding the foregoing, the Committee may waive one or more triggers.

7.2 Payment of Awards. If a plan trigger is achieved, achievement of performance measures, based on year-end results and other measurements, are determined for each incentive category or measure with a total earned performance award being the sum of these measures (i.e., corporate and functional/regional). Payments shall be made not later than March 15th of the year following the Plan Year for participants that are U.S. taxpayers and not later than March 31st of the year following the Plan Year for non-U.S. taxpayers. The achievement of the plan triggers and payouts must be approved in advance by the Committee. The target incentive award is determined by a percentage of the actual gross base salary earned by the employee during the relevant plan year (exclusive of bonus or other W-2 adjustments for moving expense, perquisites or other fringe benefits). The range of awards will vary based on performance from 0% to 200% of target bonus levels. The initial range (as of 2019) shall be:

Performance Level as a % of Goal	Payout Level as a % of Target Bonus				
	CEO	CFO/COO	SVP EME	GMs	OTHER
Minimum: 80%	70%	50%	50%	45%	40%
Target: 100%	140%	100%	100%	90%	80%
Maximum: 140%	280%	200%	200%	180%	160%

Notwithstanding the foregoing, in no event may a participant receive more than $4,000,000 in a plan year.

Other payment considerations include:

- If a participant is transferred into another position that is also eligible for the Plan, the participant's award will be pro-rated based on the number of months during a Plan Year in each position.

- If a participant is promoted to a higher level position during a Plan Year, the participant’s award will be based on the number of months worked in each position and the base pay and target award for each position.

- If a participant is hired during a Plan Year, the participant’s award will be based on the number of complete months/pay period the participant was employed during the year.

- If a participant terminates employment prior to the end of a Plan Year due to death, approved retirement or disability, the participant (or the participant’s designated beneficiary) will receive a pro-rata share, based on gross base salary to the date of termination and actual performance, when awards are paid to all other participants.

- If a participant terminates his or her employment before the completion of the last day of the Plan Year, for reasons other than death, approved retirement or disability, then the participant will forfeit any award.

- If a participant is terminated without cause before the completion of the last day of the Plan Year, for reasons other than death, approved retirement or disability, then the participant will receive a pro-rata share based on gross base salary to the date of termination and actual performance, when awards are paid to other participants.

- If a participant is terminated without cause or terminates his or her employment after the end of the Plan Year but before the award is paid, the participant will receive (based on performance) a complete award when paid to all other recipients.

- If a participant is terminated for cause at any time before the award is paid, the participant will forfeit payment of the award.

7.3 Adjustments. The Committee has the authority to make adjustments to the plan’s performance measures in the event of certain circumstances or uncontrollable events, which include, but are not limited to:

- Significant one-time unexpected restructuring expenses
- Significant unplanned costs associated with a merger or acquisition
- Significant unplanned net income adjustments for debt refinancing
- Significant unplanned or unexpected taxes and/or legal charges associated with changes in legislation
- Changes in generally accepted accounting principles (GAAP) or the impact of any extraordinary items as determined under GAAP

7.4 Discretionary Awards. As appropriate, the Committee may make special awards for participants (at the time of grant in lieu of performance-based awards or at any time in addition to any other awards). Notwithstanding the foregoing, discretionary awards are separate and distinct awards and shall not be contingent upon the failure to pay any other performance-based award.

7.5 Change in Control. In the event of a change in control, the following payments shall be made. Promptly following the date of a change in control (but in all events within thirty (30) days thereafter), each participant will be paid a pro rata portion of his or her bonus, based on actual performance as of such date extrapolated for a full Plan year. Such extrapolation shall be based upon results through the month most recently complete prior to the change in control. The

pro rata portion shall be determined using a fraction where the numerator is the number of days from the beginning of the Plan year until and including the date of the change in control and the denominator is 365.

If within two years following a change in control a participant who is identified in writing by the Committee as being expressly subject to this paragraph is terminated without cause, the participant will receive (i) a pro-rata share of his or her bonus, based on gross base salary to the date of termination and actual performance as of the date of termination extrapolated for a full Plan year and (ii) an amount equal to the average of the awards actually earned by the participant during the prior two completed Plan years and the current year’s bonus extrapolated actual performance. Any such extrapolation shall be based upon results through the month most recently complete prior to the termination. Such payments shall be made promptly after the termination (but in all events within thirty (30) days thereafter). The pro rata calculation shall be made in the same manner as described in the immediately preceding paragraph, except that the numerator shall be determined until and including the date of termination.

To the extent that a payment is due to a participant under any other section of this plan with respect to a year that includes the portion of the year covered by this section, the Company shall be entitled to receive a credit against such subsequent payment for payments made pursuant to this section.

For the purposes of this plan, the term “change in control” shall mean 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 280G of the Code, including each of the following: (i) 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 (unless 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); (ii) change in the effective control of the Company is presumed (which presumption may be rebutted by the Committee) to occur on the date that either: 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 such Company; (iii) a majority of members of the Company’s 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 Company’s Board prior to the date of the appointment or election of such new directors; or (iv) 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 forty percent (40%) or more 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: a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock; an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly by the Company; 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 an entity, at least fifty percent (50%) of the total value or voting power 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 of voting power of all of the outstanding stock of the Company.

VIII. MISCELLANEOUS PROVISIONS

8.1 Successors. All obligations of the Corporation under the Plan with respect to awards granted hereunder shall be binding on any successor to the Corporation, whether the existence of such successor is the result of a direct or indirect purchase of all or substantially all of the business and/or assets of the Corporation, or a merger, consolidation, or otherwise.

8.2 No Lien. This Plan does not give a Participant any interest, lien, or claim against any specific asset of the Corporation. Participants and beneficiaries shall have only the rights of a general unsecured creditor of the Corporation.

8.3 Termination and Amendment. The Plan may be terminated or amended by the Committee at any time, provided, however, that a termination or amendment shall not materially negatively impact awards that are outstanding as of the time of termination or amendment except as required by law.

8.4 No Employment Rights. No participant has any right to be retained in the employ of the Corporation or any subsidiary by virtue of participation in the Plan.

8.5 Governing Law. The Plan and awards hereunder shall be governed by and construed according to the laws of the State of Georgia.

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: August 9, 2019

/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: August 9, 2019

/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 June 30, 2019, 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
August 9, 2019

/s/ Andrew H. Beck

Andrew H. Beck
Senior Vice President and Chief Financial Officer
August 9, 2019

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.