UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 1997

OR

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

For the transition period from ______________ to _______________

Commission file number 0-19898

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

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

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

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.
Common stock par value $.01 per share: 62,520,030 shares outstanding as of June 30, 1997.

AGCO CORPORATION AND SUBSIDIARIES

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Part I. Financial Information
Item 1. Financial Statements

AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	June 30, 1997	December 31, 1996
ASSETS	(Unaudited)	
Current Assets:		
Cash and cash equivalents	$ 41,100	$ 41,707
Accounts and notes receivable, net of allowances	1,032,043	856,985
Receivables from unconsolidated subsidiary and affiliates	11,733	12,486
Inventories, net	645,209	473,844
Other current assets	74,209	81,440
Total current assets	1,804,294	1,466,462
Property, plant and equipment, net	319,199	292,437
Investments in unconsolidated subsidiary and affiliates	81,091	80,501
Other assets	76,213	71,488
Intangible assets, net	399,920	205,643
Total assets	$ 2,680,717	$ 2,116,531
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 381,478	$ 361,512
Payables to unconsolidated subsidiary and affiliates	19,813	14,567
Accrued expenses	376,149	316,958
Other current liabilities	27,059	22,951
Total current liabilities	804,499	715,988
Long-term debt	867,738	567,055
Postretirement health care benefits	24,748	24,445
Other noncurrent liabilities	44,043	34,378
Total liabilities	1,741,028	1,341,866
Stockholders' Equity:		
Common stock; $0.01 par value, 150,000,000 shares authorized, 62,520,030 and 57,260,151 shares issued and outstanding at June 30, 1997 and December 31, 1996, respectively	629	573
Additional paid-in capital	514,191	360,119
Retained earnings	484,698	411,422
Unearned compensation	(25,031)	(17,779)
Cumulative translation adjustment	(34,798)	20,330
Total stockholders' equity	939,689	774,665
Total liabilities and stockholders' equity	$ 2,680,717	$ 2,116,531

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended June 30,	
	1997	1996
Revenues:		
Net sales	$ 871,932	$ 584,681
Costs and Expenses:		
Cost of goods sold	696,162	468,887
Selling, general and administrative expenses	67,282	48,646
Engineering expenses	14,068	6,737
Interest expense, net	14,072	7,183
Other expense, net	4,378	1,225
Nonrecurring expenses	5,181	794
	801,143	533,472
Income before income taxes, equity in net earnings of unconsolidated subsidiary and affiliates	70,789	51,209
Provision for income taxes	25,175	18,150
Income before equity in net earnings of unconsolidated subsidiary and affiliates	45,614	33,059
Equity in net earnings of unconsolidated subsidiary and affiliates	3,133	4,449
Net Income	$ 48,747	$ 37,508
Net income per common share:		
Primary	$ 0.77	$ 0.69
Fully diluted	$ 0.77	$ 0.66
Weighted average number of common and common equivalent shares outstanding:		
Primary	62,905	54,222
Fully diluted	62,994	57,384
Dividends declared per common share	$ 0.01	$ 0.01

See accompanying notes to condensed consolidated financial statements.

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

	Six Months Ended June 30,	
	1997	1996
Revenues:		
Net sales	$ 1,576,261	$ 1,038,565
Costs and Expenses:		
Cost of goods sold	1,266,142	829,031
Selling, general and administrative expenses	129,180	94,892
Engineering expenses	27,321	13,716
Interest expense, net	27,219	13,147
Other expense, net	8,950	3,668
Nonrecurring expenses	7,806	6,717
	1,466,618	961,171
Income before income taxes, equity in net earnings of unconsolidated subsidiary and affiliates and extraordinary loss	109,643	77,394
Provision for income taxes	38,809	27,183
Income before equity in net earnings of unconsolidated subsidiary and affiliates and extraordinary loss	70,834	50,211
Equity in net earnings of unconsolidated subsidiary and affiliates	5,720	7,892
Income before extraordinary loss	76,554	58,103
Extraordinary loss, net of taxes	(2,080)	(3,503)
Net income	$ 74,474	$ 54,600
Net income per common share:		
Primary:		
Income before extraordinary loss	$ 1.25	$ 1.10
Extraordinary loss	(0.03)	(0.07)
Net income	$ 1.22	$ 1.03
Fully diluted:		
Income before extraordinary loss	$ 1.25	$ 1.02
Extraordinary loss	(0.03)	(0.06)
Net income	$ 1.22	$ 0.96
Weighted average number of common and common equivalent shares outstanding:		
Primary	60,961	52,757
Fully diluted	61,054	57,237
Dividends declared per common share	$ 0.02	$ 0.02

See accompanying notes to condensed consolidated financial statements.

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

	Six Months Ended June 30, 1997	Six Months Ended June 30, 1996
Cash flows from operating activities:		
Net income	$ 74,474	$ 54,600
Adjustments to reconcile net income to net cash used for operating activities:		
Extraordinary loss, net of taxes	2,080	3,503
Depreciation and amortization	24,623	12,633
Equity in net earnings of unconsolidated subsidiary and affiliates, net of cash received	(5,720)	(7,892)
Deferred income tax provision	9,944	8,931
Amortization of intangibles	6,186	2,018
Amortization of unearned compensation	5,512	7,432
Changes in operating assets and liabilities, net of effects from purchase of businesses:		
Accounts and notes receivable, net	(115,825)	(39,997)
Inventories, net	(121,753)	(87,946)
Other current and noncurrent assets	(7,096)	(7,023)
Accounts payable	16,167	26,316
Accrued expenses	4,636	13,770
Other current and noncurrent liabilities	(9,010)	3,173
Total adjustments	(190,256)	(65,082)
Net cash used for operating activities	(115,782)	(10,482)
Cash flows from investing activities:		
Purchase of businesses, net of cash acquired	(284,199)	(6,417)
Purchase of property, plant and equipment	(20,059)	(15,471)
Net cash used for investing activities	(304,258)	(21,888)
Cash flows from financing activities:		
Proceeds from long-term debt, net	286,909	51,868
Payment of debt issuance costs	(3,503)	(10,590)
Proceeds from issuance of common stock	141,364	1,454
Dividends paid on common stock	(1,198)	(1,027)
Net cash provided by financing activities	423,572	41,705
Effect of exchange rate changes on cash and cash equivalents	(4,139)	(345)
(Decrease) increase in cash and cash equivalents	(607)	8,990
Cash and cash equivalents, beginning of period	41,707	20,023
Cash and cash equivalents, end of period	$ 41,100	$ 29,013

See accompanying notes to condensed consolidated financial statements.

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

1. BASIS OF PRESENTATION

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

Effective November 1, 1996, the Company sold a 51% interest in Agricredit Acceptance Company ("Agricredit"), the Company's retail finance subsidiary in North America. Accordingly, the Company's condensed consolidated financial statements as of June 30, 1997 and December 31, 1996 and for the three and six months ended June 30, 1997 and 1996 reflect Agricredit on the equity method of accounting for the periods presented.

2. ACQUISITIONS

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

3. CHARGES FOR NONRECURRING EXPENSES

The results of operations included a charge for nonrecurring expenses of $5.2 million, or $0.05 per common share on a fully diluted basis, for the three months ended June 30, 1997 and $7.8 million, or $0.08 per common share on a fully diluted basis, for the six months ended June 30, 1997. For the six months ended June 30,1997, this nonrecurring charge related to $5.1 million for the restructuring of the Company's European operations, acquired in the acquisition of Massey Ferguson (the "Massey Acquisition") in June 1994, and $2.7 million for the integration of the operations of Deutz Argentina S.A. ("Deutz Argentina") and Fendt, which were acquired in December 1996 and January 1997, respectively. The nonrecurring charge consisted primarily of employee related costs.

The results of operations for the three and six months ended June 30, 1996 included a charge for nonrecurring expenses of $0.8 million, or $0.01 per common share on a fully diluted basis, and $6.7 million, or $0.08 per common share on a fully diluted basis, respectively, related to further restructuring of the Company's European operations acquired in the Massey Acquisition in June 1994.

4. LONG-TERM DEBT

Long-term debt consisted of the following at June 30, 1997 and December 31, 1996 (in thousands):

	June 30, 1997	December 31, 1996
Revolving credit facility	$601,440	$317,439
Senior subordinated notes	248,031	247,957
Other long-term debt.	18,267	1,659
	$867,738	$567,055

On January 14, 1997, the Company replaced its $650.0 million unsecured credit facility (the "March 1996 Credit Facility") with a new credit facility (the "January 1997 Credit Facility"), which allowed for borrowings of up to $1.2 billion. In March 1997, the lending commitment for the January 1997 Credit Facility was reduced by $141.2 million which represented the proceeds to the Company, net of underwriting discounts, from the Company's common stock offering (Note 5). Lending commitments under the January 1997 Credit Facility reduce from the current commitment of $1.1 billion as of June 30, 1997 to $1.0 billion on January 1, 1999. In addition, borrowings under the January 1997 Credit Facility may not exceed the sum of 90% of eligible accounts receivable and 60% of eligible inventory. As of June 30, 1997, approximately $601.4 million was outstanding under the January 1997 Credit Facility and available borrowings were approximately $452.9 million.

5. COMMON STOCK OFFERING

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

6. EXTRAORDINARY LOSS

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

7. NET INCOME PER COMMON SHARE

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

8. INVENTORIES

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

Inventory balances at June 30, 1997 and December 31, 1996 were as follows (in thousands):

	June 30, 1997	December 31, 1996
Finished goods	$271,096	$171,105
Repair and replacement parts	252,662	222,601
Work in process, production parts and raw materials.	205,088	134,734
Gross inventories.	728,846	528,440
Allowance for surplus and obsolete inventories	(83,637)	(54,596)
Inventories, net	$645,209	$473,844

9. ACCOUNTING CHANGE

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

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

GENERAL

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

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

RESULTS OF OPERATIONS

NET INCOME

The Company recorded net income for the second quarter of 1997 of $48.7 million compared to $37.5 million for the second quarter of 1996. Net income per common share on a fully diluted basis was $0.77 and $0.66 for the second quarter of 1997 and 1996, respectively. Net income for the first six months of 1997 was $74.5 million compared to $54.6 million for the same period in the prior year. Net income per common share on a fully diluted basis was $1.22 and $0.96 for the first six months of 1997 and 1996, respectively. Net income for the three and six months ended June 30, 1997 included nonrecurring expenses of $5.2 million, or $0.05 per share on a fully diluted basis, and $7.8 million, or $0.08 per share on a fully diluted basis, respectively, related to the restructuring of the Company's European operations, acquired in the Massey Acquisition in June 1994, and the integration of the Deutz Argentina and Fendt operations, acquired in December 1996 and January 1997, respectively (see "Charges for Nonrecurring Expenses"). In addition, net income for the first six months of 1997 included an extraordinary after-tax charge of $2.1 million, or $0.03 per share on a fully diluted basis, for the write-off of unamortized debt costs related to the refinancing of the Company's March 1996 Credit Facility (see "Liquidity and

Capital Resources"). Net income for the three and six months ended June 30, 1996 included nonrecurring expenses of $0.8 million, or $0.01 per share on a fully diluted basis, and $6.7 million, or $0.08 per share on a fully diluted basis, respectively, related to the restructuring of the Company's European operations (see "Charges for Nonrecurring Expenses"). In addition, net income for the first six months of 1996 included an extraordinary after-tax charge of $3.5 million, or $0.06 per share on a fully diluted basis, for the write-off of unamortized debt costs related to the refinancing of the June 1994 Credit Facility (see Note 6 of the Notes to the Condensed Consolidated Financial Statements). The Company's improved results in 1997 primarily reflected the positive impact of the Fendt Acquisition completed in January 1997.

RETAIL SALES

In the United States and Canada, industry unit retail sales of tractors and hay and forage equipment for the first six months of 1997 increased approximately 9% and 12%, respectively, over the same period in 1996, while industry unit retail sales of combines decreased approximately 1% compared to the prior year. The Company believes general market conditions continue to be positive due to favorable economic conditions relating to high net cash farm incomes, stable commodity prices, strong export demand and direct government payments under the U.S. farm bill. Company unit retail sales of tractors in the United States and Canada experienced a slight increase for the first six months of 1997 compared to 1996. The Company's retail sales were negatively impacted in 1997 by a change in the timing of the year-end for the Massey Ferguson annual volume bonus program from January to December. Company unit retail sales of combines increased significantly for the first six months of 1997 compared to the prior year primarily due to strong contract harvester sales, increased dealer development activities and the continued success of the Company's enhanced product offerings. Company unit retail sales of hay and forage equipment exceeded the industry increase over the prior year by taking advantage of improvements in the cattle and dairy markets.

In Western Europe, industry unit retail sales of tractors decreased approximately 2% for the first six months of 1997 compared to the same period in the prior year primarily due to decreases in the U.K. and France, partially a result of farm consolidation, and the relatively strong retail sales of tractors during the same period in 1996. Company unit retail sales of tractors in Western Europe decreased approximately 1%, including Fendt unit sales in both periods. Company unit retail sales increases in Spain, Scandinavia and Germany were offset by declines in most other Western European markets. Industry unit retail sales of tractors in South America increased approximately 23% over the prior year. This increase was primarily in Brazil due to increasingly favorable economic conditions and the low sales volumes experienced in the first half of 1996 during the suspension of Brazilian Central Bank loan programs. Company retail unit sales of tractors in South America increased at slightly below industry levels due to competitor discounting which the Company chose not to match. In other international markets, Company retail unit sales of tractors increased approximately 3%, consistent with the industry.

REVENUES

Net sales for the second quarter of 1997 were $871.9 million, representing an increase of 49.1% over net sales of $584.7 million for the same period in 1996. Net sales for the first six months of 1997 were $1,576.3 million, representing an increase of 51.8% over net sales of $1,038.6 million for the same period in 1996. The increase in net sales for both periods was primarily the result of the Company's recent acquisitions; however, net sales were negatively impacted by the translation effect of the strengthening dollar against most European currencies. The currency effect resulted in lower net sales of approximately $35.0 million and $55.0 million for the three and six months ended June 30, 1997, respectively, compared to the same periods in the prior year. In Western Europe, net sales increased $195.8 million, or 79.1%, and $335.3 million, or 72.4%, for the three and six months ended June 30, 1997, respectively, compared to the same periods in 1996 primarily resulting from the Fendt Acquisition, which was acquired effective January 1, 1997. Net sales in South America increased $78.4 million and $150.4 million for the three and six months ended June 30, 1997, respectively, primarily related to the impact of acquired operations in Brazil and Argentina, which were acquired in June 1996 and December 1996, respectively. In the remaining international markets, net sales increased $23.2 million, or 25.1%, and $45.2 million, or 28.1%, over the three and six months ended June 30, 1996, respectively, primarily related to increased sales in Eastern Europe, the Middle East and Africa. The Company experienced a decrease in net sales in its North American operations of $10.2 million, or 4.3%, for the second quarter of 1997 compared to the same period in the prior year primarily due to the timing of shipments of Massey Ferguson combines and certain European sourced tractors compared to the same period in 1996. For the first six months of 1997, net sales in North America increased $6.8 million, or 1.7%, compared to the same period in 1996 primarily related to strong sales of Gleaner combines, implements and replacement parts offset by planned decreases in certain product lines to reduce the level of dealer inventories.

COSTS AND EXPENSES

Cost of goods sold for the second quarter of 1997 was $696.2 million (79.8% of net sales) compared to $468.9 million (80.2% of net sales) for the same period in 1996. For the first six months of 1997, cost of goods sold was $1,266.1 million (80.3% of net sales) compared to $829.0 million (79.8% of net sales) for the same period in 1996. Gross profit, defined as net sales less cost of goods sold, was $175.8 million (20.2% of net sales) for the second quarter of 1997 compared to $115.8 million (19.8% of net sales) for the same period in the prior year. Gross profit for the first six months of 1997 was $310.1 million (19.7% of net sales) compared to $209.5 million (20.2% of net sales) for the same period in 1996. For both periods, gross margins were unfavorably impacted by the following: (1) lower margins related to the South American operations primarily resulting from low production volumes in Brazil and (2) the negative effect of foreign exchange related to the Company's products sourced from the U.K. resulting from the strength of the British pound. These items were offset in the second quarter of 1997 by the following: (1) higher margins related to the newly acquired Fendt operations and (2) a higher mix of high margin North American replacement parts sales.

Selling, general and administrative expenses for the second quarter of 1997 were $67.3 million (7.7% of net sales) compared to $48.6 million (8.3% of net sales) for the same period in 1996. For the first six months of 1997, selling, general and administrative expenses were $129.2 million (8.2% of net sales) compared to $94.9 million (9.1% of net sales) for the same period in 1996. For both periods, the decrease in selling, general and administrative expenses as a percentage of net sales compared to the prior year was primarily due to cost reduction initiatives in the Company's European operations, lower operating expense ratios related to newly acquired operations and a decrease in the amortization of stock-based compensation expense of $0.9 million and $2.7 million for the three and six months ended June 30, 1997, respectively, compared to the same periods in the prior year.

Engineering expenses were $14.1 million (1.6% of net sales) for the second quarter of 1997 compared to $6.7 million (1.2% of net sales) for the same period in 1996. Engineering expenses for the first six months of 1997 were $27.3 million (1.7% of net sales) compared to $13.7 million (1.3% of net sales) for the same period in 1996. For both periods, the increase in engineering expenses as a percentage of net sales compared to the prior year primarily related to engineering expenses in the newly acquired Fendt operations.

Interest expense, net was $14.1 million for the second quarter of 1997 compared to $7.2 million for the same period in the prior year. Interest expense, net for the first six months of 1997 was $27.2 million compared to $13.1 million for the same period in 1996. The Company had higher interest expense, net during both periods of 1997 compared to 1996 resulting from additional borrowings related to the acquisitions of the agricultural and industrial equipment business of Iochpe-Maxion S.A. (the "Maxion Agricultural Equipment Business"), Deutz Argentina and Fendt.

Other expense, net was $4.4 million for the second quarter of 1997 compared to $1.2 million for the same period in 1996. For the first six months of 1997, other expense, net was $9.0 million compared to $3.7 million for the same period in the prior year. For both periods, the increase in other expense, net compared to the prior year was primarily due to increased amortization of intangibles related to the acquisitions of the Maxion Agricultural Equipment Business, Deutz Argentina and Fendt.

Nonrecurring expenses were $5.2 million and $7.8 million for the three and six months ended June 30, 1997, respectively. For the three and six months ended June 30, 1996, nonrecurring expenses were $0.8 million and $6.7 million, respectively. The nonrecurring charge recorded in 1997 related to the further restructuring of the Company's European operations, acquired in the Massey Acquisition in June 1994, and the integration of the Deutz Argentina and Fendt operations, acquired in December 1996 and January 1997, respectively. The nonrecurring charge recorded in 1996 primarily related to costs associated with the restructuring of the Company's European operations. See "Charges for Nonrecurring Expenses" for further discussion.

The Company recorded an income tax provision of $25.2 million and $18.2 million for the second quarter of 1997 and 1996, respectively. For the first six months of 1997 and 1996, the Company recorded an income tax provision of $38.8 million and $27.2 million, respectively. For both periods, the Company's income tax provision approximated statutory rates, although actual income tax payments remained at rates below statutory rates resulting from the utilization of net operating loss carryforwards acquired in the Massey Acquisition.

Equity in net earnings of unconsolidated affiliates was $3.1 million and $4.4 million for the second quarter of 1997 and 1996, respectively. Equity in net earnings of unconsolidated affiliates was $5.7 million and $7.9 million for the first six months of 1997 and 1996, respectively. The decrease in 1997 compared to the prior year for both periods relates to a decrease in net income recognized related to Agricredit. As a result of the Company selling a 51% joint venture interest in Agricredit in November 1996, the Company recognized only 49% of the net income of the North American retail finance company during the three and six months ended June 30, 1997 compared to 100% for the same period in 1996.

LIQUIDITY AND CAPITAL RESOURCES

The Company's financing requirements are subject to variations due to seasonal changes in inventory and dealer receivable levels. Internally generated funds are supplemented when necessary from external sources, primarily the Company's revolving credit facility. In January 1997, the Company replaced the $650.0 million March 1996 Credit Facility with the new $1.2 billion January 1997 Credit Facility (see Note 4 of the Notes to the Condensed Consolidated Financial Statements). The January 1997 Credit Facility is the Company's primary source of financing and provides increased borrowing capacity over the March 1996 Credit Facility. In March 1997, the lending commitment for the January 1997 Credit Facility was reduced by $141.2 million which represented the proceeds to the Company, net of underwriting discounts, from the Company's common stock offering (see Note 5 of the Notes to the Condensed Consolidated Financial Statements). Lending commitments under the January 1997 Credit Facility reduce from the current commitment of $1.1 billion as of June 30, 1997 to $1.0 billion on January 1, 1999. In addition, borrowings under the January 1997 Credit Facility may not exceed the sum of 90% of eligible accounts receivable and 60% of eligible inventory. As receivables and inventories fluctuate, borrowings under the January 1997 Credit Facility fluctuate as well. As of June 30, 1997, approximately $601.4 million was outstanding under the January 1997 Credit Facility and available borrowings were approximately $452.9 million.

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

The Company's working capital requirements are seasonal, with investments in working capital typically building in the first half of the year and then reducing in the second half of the year. As of June 30, 1997, the Company had $999.8 million of working capital, an increase of $249.3 million

over working capital of $750.5 million as of December 31, 1996. The increase in working capital was primarily due to working capital acquired in the Fendt Acquisition and normal seasonal requirements, particularly in receivables and inventories.

Cash flow used for operating activities was $115.8 million and $10.5 million for the first six months of 1997 and 1996, respectively. The increase in cash flow used for operating activities in 1997 compared to the prior year was primarily due to increases in receivables and inventories. The increases in inventory compared to the prior year were primarily the result of the recent introduction of new tractors sourced from the U.K. and the timing of combine shipments in Europe. For the first six months of 1996, cash flow from operations was favorably impacted by the collection of unusually high levels of international accounts receivable at December 31, 1995 which were collected in 1996.

Capital expenditures for the first six months of 1997 were $20.1 million compared to $15.5 million for the same period in 1996. The Company anticipates that additional capital expenditures for the remainder of 1997 will range from approximately $50.0 million to $60.0 million and will primarily be used to support the development and enhancement of new and existing products.

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

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

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

CHARGES FOR NONRECURRING EXPENSES

The Company recorded $5.1 million of nonrecurring expenses during the first six months of 1997 related to the further restructuring of the Company's European operations, acquired in June 1994 as a result of the Massey Acquisition. These costs primarily related to the centralization of certain administrative functions (see Note 3 of the Notes to the Condensed Consolidated Financial Statements). Savings from the further restructuring of the Company's European operations are expected to result primarily in reduced general and administrative expenses.

The Company recorded $2.7 million of nonrecurring expenses during the first six months of 1997 related to the integration of the Company's Deutz Argentina and Fendt operations, acquired in December 1996 and January 1997, respectively. These costs primarily related to the rationalization of manufacturing and administrative functions in the Company's South American operations and Fendt operations in Europe (see Note 3 of the Notes to the Condensed Consolidated Financial Statements). Savings from the integration of the South American and Fendt operations are expected to result primarily in reduced cost of goods sold and selling, general and administrative expenses.

The Company expects to record total nonrecurring expenses of approximately $15.0 million in 1997 and early 1998 related to the Company's restructuring and integration plans. While the Company believes that cost savings from its restructuring and integration plans can be attained, there can be no assurance that all objectives will be achieved.

In the first six months of 1996, the Company recorded nonrecurring expenses of $6.7 million related to the restructuring of the Company's European operations. These costs primarily related to the centralization and rationalization of the Company's European operations' administrative, sales, and marketing functions.

FORWARD LOOKING STATEMENTS

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

PART II. OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company's annual meeting of stockholders was held on April 23, 1997. The following matters were voted upon and the results of the voting were as follows:

(1) To elect two directors to serve as Class II directors until the annual meeting in 2000 or until their successors have been duly elected and qualified. The nominees, Messrs. Claycamp and Johnston were elected to the Company's board of directors. There were 46,122,380 votes for and 277,228 votes withheld for each nominee.

(2) To approve an amendment to the Company's amended and restated Long-Term Incentive Plan to increase the number of common stock authorized for issuance from 3,750,000 shares to 4,750,000 shares. The votes of the stockholders on this plan were as follows: 41,846,909 in favor, 4,479,067 opposed and 73,632 abstained. To approve the Company's amended Nonemployee Director Stock Incentive Plan. The votes of the stockholders on this plan were as follows: 43,880,953 in favor, 2,435,137 opposed and 83,518 abstained.

(3) To approve an amendment to the Company's 1991 Stock Option Plan. The votes of the stockholders on this plan were as follows: 32,402,181 in favor, 13,905,277 opposed and 92,150 abstained.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

11.0 - Statement re: Computation of Per Share Earnings.

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

(b) Reports on Form 8-K

None

SIGNATURES

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

AGCO CORPORATION
Registrant

Date: August 14, 1997

Chris E. Perkins

Chris E. Perkins
Vice President and Chief Financial Officer

EXHIBIT INDEX

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

Exhibit 11

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

PRIMARY EARNINGS PER SHARE	Three Months Ended June 30, 1997	Three Months Ended June 30, 1996
Weighted average number of common shares outstanding	62,538	53,738
Shares issued upon assumed exercise of outstanding stock options	367	484
Weighted average number of common and common equivalent shares outstanding	62,905	54,222
Income before extraordinary loss	$ 48,747	$ 37,508
Extraordinary loss	-	-
Net income	$ 48,747	$ 37,508
Net income per common share:		
Income before extraordinary loss	$ 0.77	$ 0.69
Extraordinary loss	-	-
Net income	$ 0.77	$ 0.69
FULLY DILUTED EARNINGS PER SHARE		
Weighted average number of common shares outstanding	62,538	53,738
Shares issued upon assumed conversion of the convertible subordinated debentures	-	3,161
Shares issued upon assumed exercise of outstanding stock options (2)	456	485
Weighted average number of common and common equivalent shares outstanding	62,994	57,384
Income before extraordinary loss	$ 48,747	$ 37,508
Extraordinary loss	-	-
Net income	48,747	37,508
Interest expense on convertible subordinated debentures, net of applicable income taxes	-	156
Net income available for common stockholders	$ 48,747	$ 37,664
Net income per common share:		
Income before extraordinary loss	$ 0.77	$ 0.66
Extraordinary loss	-	-
Net income	$ 0.77	$ 0.66

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

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

Exhibit 11

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

Six Months Ended

PRIMARY EARNINGS PER SHARE	June 30, 1997	June 30, 1996
Weighted average number of common shares outstanding	60,582	52,248
Shares issued upon assumed exercise of outstanding stock options	379	509
Weighted average number of common and common equivalent shares outstanding	60,961	52,757
Income before extraordinary loss	$ 76,554	$ 58,103
Extraordinary loss	(2,080)	(3,503)
Net income	$ 74,474	$ 54,600
Net income per common share:		
Income before extraordinary loss	$ 1.25	$ 1.10
Extraordinary loss	(0.03)	(0.07)
Net income	$ 1.22	$ 1.03
FULLY DILUTED EARNINGS PER SHARE		
Weighted average number of common shares outstanding	60,582	52,248
Shares issued upon assumed conversion of the convertible subordinated debentures	-	4,470
Shares issued upon assumed exercise of outstanding stock options (2)	472	519
Weighted average number of common and common equivalent shares outstanding	61,054	57,237
Income before extraordinary loss	$ 76,554	$ 58,103
Extraordinary loss	(2,080)	(3,503)
Net income	74,474	54,600
Interest expense on convertible subordinated debentures, net of applicable income taxes	-	529
Net income available for common stockholders	$ 74,474	$ 55,129
Net income per common share:		
Income before extraordinary loss	$ 1.25	$ 1.02
Extraordinary loss	(0.03)	(0.06)
Net income	$ 1.22	$ 0.96

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

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

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6-MOS
DEC-31-1997
JAN-01-1997
JUN-30-1997
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74,474
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1.22