



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

Mail Stop 6010

December 19, 2007

VIA U.S. MAIL and FACSIMILE: (770) 813-6599

Mr. Andrew H. Beck  
Senior Vice President and Chief Financial Officer  
4205 River Green Parkway  
Duluth, GA 30096

**RE: AGCO Corporation**  
**Form 10-K for the fiscal year ended December 31, 2006**  
**Filed March 1, 2007**  
**File No. 001-12930**

Dear Mr. Beck:

We have reviewed your filing and have the following comments. We have limited our review to only your financial statements and related disclosures and do not intend to expand our review to other portions of your documents. Where indicated, we think you should revise future filings in response to these comments. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure. After reviewing this information, we may raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

Form 10-K for the Fiscal Year Ended December 31, 2006

Item 8. Financial Statements and Supplementary Data, page 51

Consolidated Statements of Operations, page 53

1. We note that your equity in earnings of affiliates was \$27.8 million in fiscal 2006. Please tell us your consideration of Rule 3-09 and show us your calculations.

Note 1. Operations and Summary of Significant Accounting Policies, page 57

Revenue Recognition, page 57

2. You disclose that you have provisions for incentive programs. Please tell us and disclose in future filings the nature of your significant incentive programs, how you calculate the related provision and where you classify the amounts in the balance sheet and statement of operations.
3. Further, you disclose that the provisions are revised in the event of subsequent modifications to the program to your customers. Please tell us about the significant types of revisions that occur and discuss your consideration of the fixed and determinable revenue recognition criteria of SAB Topic 13.A.

Adoption of SEC Staff Accounting Bulletin No. 108, page 59

4. Please tell us and in future filings disclose in more detail the nature of the errors. The current disclosure refers to an "excess contingency reserve" and does not explain the nature of that reserve. Also, please tell us and disclose in future filings when and how each error being corrected arose. Refer to Question 3 of SAB Topic 1.N.

Cash and Cash Equivalents, page 59

5. You disclose that you consider "all investments with an original maturity of three months or less to be cash equivalents." Please tell us how your policy considered paragraph 8 of SFAS 95 which requires that cash equivalents be highly liquid as well as short term and both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Accounts and Notes Receivable, page 59

6. You disclose that accounts and notes receivable are shown net of allowances for sales incentive discounts. Please explain the difference between this reserve and your accrual for volume discounts and sales incentives included in accrued expenses. Please tell us about your consideration of relevant guidance including EITF Issue 01-09 in determining the accounting for sale incentive discounts.

Inventories, page 60

7. You disclose that market is net realizable value for finished goods and repair and replacement parts and market is replacement cost for work-in-process, production parts and raw materials. Please tell us how you considered Statement 6 of Chapter 4 of ARB 43 which states that “*market* means current replacement cost (by purchase or by reproduction, as the case may be) except that (1) market should not exceed the net realizable value (i.e., estimated selling price in the ordinary course of business less reasonably predictable costs of completion and disposal); and (2) market should not be less than net realizable value reduced by an allowance for an approximately normal profit margin.”

Goodwill and Other Intangible Assets, page 61

8. Please tell us and disclose in future filings how you determine the amount of your goodwill impairment, if any, under the two-step method discussed in paragraphs 19 – 21 of SFAS 142. Further, please tell us and in future filings explain why the Sprayer operations declined in 2006, consistent with paragraph 47(a) of SFAS 142.

Pro forma Disclosure Under SFAS No. 123 for 2005 and 2004

9. You disclose that you valued grants using the Barrier option model. Please tell us in more detail about this valuation model and whether it is known by any other name.

Financial Instruments, page 69

10. We see that in 2006 you designated certain foreign currency contracts as cash flow hedges. Please tell us about your consideration of SFAS 133 Implementation Issue No. G20, particularly about your compliance with paragraphs 28, 30 and 63 of SFAS 133.

Note 4. Account Receivable Securitization, page 78

11. We see that you have two joint ventures that are 49% owned by the AGCO Corporation ("the Company"): AGCO Finance LLC and AGCO Finance Canada Ltd. Please tell us about your consideration of FIN 46R which led to your conclusion that these entities should not be consolidated. Specifically address solvency and other guarantees that the Company has made to Rabobank, the majority partner in the JV.

Note 7. Long-term Debt, page 83

12. You disclose that your convertible senior notes are convertible into cash and shares of common stock based upon the 'conversion value' of the notes. Please tell us and disclose in future filings how you determine the conversion value. Please also tell us about your analysis of the conversion feature under SFAS 133 and EITF 00-19 in determining that the feature should be classified as equity.

Item 9A. Controls and Procedures, page 107

13. We note your disclosure that your chief executive officer and chief financial officer concluded that your "disclosure controls and procedures were effective to ensure that information required to be disclosed by [you] in the reports that [you] file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms." The language that is currently included after the word "effective" in your disclosure appears to be superfluous, since the meaning of "disclosure controls and procedures" is established by Rule 13a-15(e) of the Exchange Act. Please remove the language in your future filings or revise the disclosure so that the language that appears after the word "effective" is substantially similar in all material respects to the language that appears in the entire two-sentence definition of "disclosure controls and procedures" set forth in Rule 13a-15(e).
14. We note your statement that 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." Please revise to state clearly, if true, that your disclosure controls and procedures are *designed to* provide reasonable assurance of achieving their objectives and that your principal executive officer and principal financial officer concluded that your disclosure controls and procedures are effective at that reasonable assurance level. In the alternative, remove the reference to the level of assurance of your disclosure controls and procedures. Please refer to Section II.F.4 of Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, SEC Release No. 33-8238, available on our website at [<http://www.sec.gov/rules/final/33-8238.htm>](http://www.sec.gov/rules/final/33-8238.htm).

As appropriate, please respond to these comments within 10 business days or tell us when you will provide us with a response. Please furnish a cover letter with your response that keys your responses to our comments and provides any requested information. Detailed cover letters greatly facilitate our review. Please understand that we may have additional comments after reviewing your responses to our comments.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes all information required under the Securities Exchange Act of 1934 and that they have provided all information investors require for an informed decision. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

In connection with responding to our comments, please provide, in writing, a statement from the company acknowledging that:

- the company is responsible for the adequacy and accuracy of the disclosure in the filing;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

In addition, please be advised that the Division of Enforcement has access to all information you provide to the staff of the Division of Corporation Finance in our review of your filing or in response to our comments on your filing.

You may contact Jong Hwang at (202) 551-3327 or me at (202) 551-3604 if you have questions. In this regard, please do not hesitate to contact Brian Cascio, Branch Chief at (202) 551-3676 with any other questions.

Sincerely,

Kaitlin Tillan  
Assistant Chief Accountant