AGCO CORP /DE
Form S-4/A
March 20, 2001

1

As filed with the Securities and Exchange Commission on March 20, 2001
Registration No. 333-52304

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

AMENDMENT NO. 3
TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AGCO CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE	3523	
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Em

4205 RIVER GREEN PARKWAY
DULUTH, GA 30096
(770) 813-9200
(Address, Including Zip Code, and Telephone Number, Including Area Code of Registrant's Principal Executive Offices)

STEPHEN D. LUPTON
SENIOR VICE PRESIDENT AND GENERAL COUNSEL
4205 RIVER GREEN PARKWAY
DULUTH, GA 30096
(770) 813-920
(Address, Including Zip Code, and Telephone Number, Including Area Codes of Agent For Service)

With Copies to:

W. BRINKLEY DICKERSON, JR.	MICHAEL W. SCHLEY
TROUTMAN SANDERS LLP	LARKIN, HOFFMAN, DALY & LINDGREN, LTD.
600 PEACHTREE STREET NE, SUITE 5200	1500 WELLS FARGO PLAZA
ATLANTA, GEORGIA 30308	7900 XERXES AVENUE SOUTH
(404) 885-3000	BLOOMINGTON, MINNESOTA 55431
	(952) 835-3800

Approximate date of commencement of proposed sale to the public: As soon as possible after the effectiveness of this Registration Statement and the satisfaction or waiver of all other conditions to the merger (the "merger") of Agri Acquisition Corp., a wholly owned subsidiary of AGCO Corporation, and Ag-Chem Equipment Co., Inc. pursuant to the Agreement and Plan of Merger dated as of November 20, 2000, described in the proxy statement/prospectus.

If the securities being registered on this form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, please check the following box. / /

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / / _________

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / / _________

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

==

PROXY STATEMENT
FOR A
SPECIAL MEETING OF SHAREHOLDERS
AND
PROSPECTUS

MARCH 20, 2001

AG-CHEM LOGO

MERGER PROPOSED

To the Shareholders of Ag-Chem:

The board of directors of Ag-Chem has approved a merger agreement which provides for the acquisition of Ag-Chem by AGCO Corporation. We are seeking your vote on this important transaction. Accordingly, you are cordially invited to attend a special meeting of shareholders of Ag-Chem Equipment Co., Inc. to be held at Ag-Chem's corporate headquarters at 5720 Smetana Drive, Minnetonka, Minnesota, 55343 on Friday, April 13, 2001, at 1:00 p.m., local time. This document is the proxy statement of Ag-Chem for its special meeting and the prospectus of AGCO for the AGCO common stock to be issued in the merger.

If the merger is completed, Ag-Chem shareholders will receive a combination of AGCO common stock and cash for each share of Ag-Chem common stock that they own. This combination may vary in composition, but will always total in value $25.80 per share of Ag-Chem stock. The composition of cash and stock that will make up this $25.80 in value could vary in a range from 100% cash with 0% stock, to 50% cash with 50% stock. The exact combination will ultimately be determined based upon AGCO's share price, but in no event is AGCO obligated to issue more than 11,800,000 shares. If the AGCO share price is less than $8.38 and AGCO issues less than 11,800,000 shares in the merger, Ag-Chem shareholders will have the right to subscribe to purchase the difference between 11,800,000 shares and the number of shares actually issued.

Ag-Chem shareholders will, as a group, own approximately 15.8% of AGCO's common stock once the merger is completed, assuming an AGCO per share price of $11.00. AGCO stockholders will continue to own their existing shares after the merger. AGCO common stock is traded on the New York Stock Exchange under the symbol "AG." As of March 15, 2001, the closing price per share of AGCO common stock was $11.06. We cannot complete the merger unless Ag-Chem shareholders approve the merger agreement.

THE AG-CHEM BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" APPROVAL OF THE MERGER AGREEMENT.

I have signed an agreement with AGCO that I will vote a portion of my Ag-Chem shares in favor of the merger and, although I am not contractually bound to do so, I intend to vote all of my shares of Ag-Chem for the merger. If I do so, the merger will be approved regardless of how you or other shareholders vote.

Whether or not you plan to attend the special meeting, please take the time to vote on the proposal to approve the merger agreement by completing and mailing the enclosed proxy card to us.

Sincerely,

A. E. McQuinn
Chairman and Chief Executive Officer

3

NOTICE OF APPRAISAL RIGHTS

If the merger agreement is approved by the Ag-Chem shareholders at the Ag-Chem special meeting and the merger is completed, any Ag-Chem shareholder who files with Ag-Chem a written objection to the merger before the vote to approve the merger agreement and who states in that objection that he or she intends to demand payment for his or her shares if the merger is concluded, and does not vote those shares in favor of the approval of the merger agreement will be entitled to demand payment for his or her shares and an appraisal of the value of those shares, in accordance with the provisions of Sections 302A.473 and 302A.471 of the Minnesota Business Corporation Act, a copy of which is attached as Appendix C to the accompanying proxy statement/prospectus. Any signed proxy returned by a shareholder that does not indicate a vote will be voted in favor of the merger. See "Appraisal and Dissenters' Rights" in the proxy statement/prospectus for more information concerning appraisal rights of dissenting Ag-Chem shareholders.

PLEASE SEE "RISK FACTORS - FACTORS RELATING TO THE MERGER" BEGINNING ON PAGE _____ OF THIS DOCUMENT FOR A DESCRIPTION OF SPECIFIC RISKS ASSOCIATED WITH THE TRANSACTION.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES REGULATORS HAVE APPROVED THE TRANSACTION, THE COMMON STOCK TO BE ISSUED IN THE TRANSACTION, OR THE FAIRNESS OF THE TRANSACTION, OR DETERMINED IF THIS DOCUMENT IS ACCURATE OR ADEQUATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This proxy statement/prospectus is dated March 20, 2001, and is first being mailed to shareholders on or about March 28, 2001.

4

AG-CHEM EQUIPMENT CO., INC.

NOTICE OF SPECIAL MEETING OF AG-CHEM SHAREHOLDERS

APRIL 13, 2001

AT 1:00 P.M.

To Ag-Chem Shareholders:

Notice is hereby given that a special meeting of shareholders of Ag-Chem Equipment Co., Inc. will be held on April 13, 2001, at 1:00 p.m. local time at Ag-Chem's corporate headquarters at 5720 Smetana Drive, Minnetonka, Minnesota 55343, for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger dated as of November 20, 2000, among Ag-Chem Equipment Co. Inc., AGCO Corporation, and Agri Acquisition Corp.

2. To transact any other business that properly comes before the special meeting.

These items of business are described in the attached proxy statement/prospectus. Only holders of record of Ag-Chem common stock at the close of business on March 19, 2001, the record date, are entitled to vote at the Special Meeting of Ag-Chem shareholders. You may vote in person at the Ag-Chem special meeting even if you have returned a proxy.

By Order of the Board of Directors of
AG-CHEM EQUIPMENT CO., INC.

A.E. McQuinn
Chairman and Chief Executive Officer

Minnetonka, Minnesota
March 20, 2001

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN, DATE AND RETURN THE ACCOMPANYING PROXY IN THE ENCLOSED SELF-ADDRESSED STAMPED ENVELOPE.

Ag-Chem Equipment Co., Inc. Proxy Statement — AGCO Corporation Prospectus

5

TABLE OF CONTENTS

APPENDICES

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: WHAT WILL I RECEIVE IN EXCHANGE FOR MY SHARES OF AG-CHEM COMMON STOCK?

A: You will receive a combination of cash and AGCO common stock valued at $25.80 for each share of Ag-Chem common stock you own as of the closing of the merger. The exact mix of stock and cash will not be determined until just before the merger is completed. However, based upon an AGCO price per share of $11.00 (AGCO's closing price per share on March 15, 2001 was $11.06), you would receive 1.17 shares of AGCO common stock and $12.90 in cash. This amount will change if the stock price of AGCO changes before we complete the merger. For a more detailed explanation, please see page __.

Q: WHEN AND HOW CAN I LEARN THE FINAL FORM OF THE CONSIDERATION TO BE PAID?

A: As soon as the final amount of cash and AGCO common stock is known, AGCO and Ag-Chem will issue a press release. The final amount of cash and AGCO common stock will be computed on the day of the merger.

Q: WILL THE RECEIPT BY ME OF AGCO COMMON STOCK AND CASH IN THE TRANSACTION BE TAXABLE TO ME?

A: The exact tax consequences of the transaction will depend upon a number of factors, particularly the price of AGCO common stock at the time of the closing. For a typical individual Ag-Chem shareholder, if (1) the closing price of AGCO common stock is $8.38 per share or more, the receipt of AGCO common stock will not be taxable, and (2) the closing price is less than $8.38 per share, the receipt of AGCO common stock will be taxable. In either event, the receipt of cash will be taxable. Since the tax consequences will not be known until closing, if you are not willing to accept a fully taxable transaction, you should vote AGAINST the transaction. See "The Merger--Material Federal Income Tax Consequences."

Q: WHAT SHAREHOLDER APPROVALS ARE REQUIRED TO APPROVE THE MERGER?

A: A. E. McQuinn, Ag-Chem's Chairman and Chief Executive Officer, holds approximately 58% of the outstanding shares of Ag-Chem and he contractually has agreed to vote 19.9% of the total Ag-Chem shares outstanding in favor of the merger. In addition, Mr. McQuinn has indicated his intent to vote the rest of his shares for the merger.

If Mr. McQuinn votes all of his shares in favor of the merger, the merger will be approved, regardless of how you or any other shareholder may vote.

Q: DO I HAVE THE RIGHT TO DISSENT FROM THE MERGER?

A: Yes, the procedure for dissenting is set forth in the "Summary" starting on page ___.

Q: WHAT DO I NEED TO DO TO GET MY CASH AND SHARES OF AGCO COMMON STOCK?

A: Promptly following the merger, AGCO will send you a letter of transmittal and return envelope. The letter of transmittal will contain instructions for exchanging your shares. Do not send in your stock certificates until you are instructed to do so.

Q: WHEN DO THE COMPANIES EXPECT TO COMPLETE THE MERGER?

A: We hope to complete the merger on the same day as the shareholder meeting. However, we cannot assure you that we will complete the merger by then.

Q: WHAT DO I NEED TO DO NOW?

A: After carefully reading and considering the information contained in this proxy statement/prospectus, please respond by completing, signing and dating your proxy card and/or voting instructions and returning the same in the enclosed postage-paid envelope. Please vote as soon as possible.

Q: WHAT IF I DON'T VOTE?

A: If you are an Ag-Chem shareholder and you don't vote your shares or you abstain, or if your shares are held by a brokerage firm, bank or other nominee who abstains or does not vote them, your shares will have the effect of a vote against the merger. If you respond and do not indicate your voting preference, Ag-Chem will count your proxy as a vote in favor of the merger.

Q: CAN I CHANGE MY VOTE AFTER I HAVE DELIVERED MY PROXY OR VOTING INSTRUCTIONS?

A: Yes. You can change your vote at any time before your proxy is voted at the Ag-Chem special meeting. You can do this in one of three ways:

- You can revoke your proxy;
- You can submit a new proxy; or
- If you are a holder of record, you can attend the special meeting and vote in person.

If you choose either of the first two methods, you must submit your notice of revocation or your new proxy, as appropriate, to the secretary of Ag-Chem before the special meeting. If you hold your shares through an account at a brokerage firm or bank, you should contact your brokerage firm or bank to change your vote.

Q: WHOM SHOULD I CALL IF I HAVE QUESTIONS?

A: If you have questions about the merger or how to submit your proxy, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card or voting instructions, you should contact:

Investor Relations Department
Ag-Chem Equipment Co., Inc.
5720 Smetana Drive
Minnetonka, Minnesota 55343
(952) 933-9006

Q: WHAT DIVIDENDS WILL I RECEIVE FROM MY AGCO STOCK IN THE FUTURE?

A: AGCO historically has paid a regular dividend of $.01 per share per quarter. However, there can be no assurance that this dividend practice will be continued.

SUMMARY

Summarized below is selected basic information regarding the proposed acquisition of Ag-Chem by AGCO. Because it is just a summary, it does not contain all of the information regarding the merger. To understand the merger more fully, and for a more complete description of the legal terms of the merger, you should read carefully this entire document. The page references included parenthetically will direct you to more complete descriptions of the topics presented in this summary. The agreement and plan of merger is included as Appendix A to this document. It is the legal document that governs the merger, and you are encouraged to read it.

THE COMPANIES (SEE PAGE ___)

AGCO CORPORATION
4205 RIVER GREEN PARKWAY
DULUTH, GEORGIA 30096

- AGCO manufactures and distributes agricultural equipment and related replacement parts throughout the world.

- AGCO sells a full range of agricultural equipment, including tractors, combines, hay tools, sprayers, forage equipment and implements.

- AGCO's products are widely recognized in the agricultural equipment industry and are marketed under the following brand names: AGCO(R) Allis, Massey Ferguson(R), Hesston(R), White, GLEANER(R), New Idea(R), AGCOSTAR(R), Tye(R), Farmhand(R), Glencoe(R), Fendt, Spra-Coupe(R) and Willmar(R).

- AGCO distributes its products through a combination of approximately 8,200 independent dealers and distributors, associates and licensees.

- In addition, AGCO provides retail financing in North America, the United Kingdom, France, Germany, Spain and Brazil through its finance joint ventures with Cooperateive Centrale Raiffeisen-Boerenleenbank B.A.

- AGCO had approximately $2.3 billion in assets as of December 31, 1999, and in 1999 had revenues of $2.4 billion and had a net loss of $11.5 million.

AG-CHEM EQUIPMENT CO., INC.
5720 SMETANA DRIVE
MINNETONKA, MINNESOTA 55343

- Ag-Chem manufactures and distributes off-road equipment primarily for use in fertilizing agricultural crops, the application of crop protection chemicals to crops and, to a lesser extent, industrial waste treatment applications and other industrial uses.

- Ag-Chem generates a majority of its consolidated revenues from the sale of self-propelled, three- and four-wheeled vehicles and related equipment for use in the application of liquid and dry fertilizers and crop protection chemicals.

- Ag-Chem manufactures equipment for use both prior to planting crops ("pre-emergence") and after crops emerge from the ground ("post-emergence").

- Ag-Chem sells a majority of its products directly to the end-users of the equipment, which include fertilizer dealers, farm cooperatives, large growers, municipalities, waste disposal contractors and mining and construction companies.

- Ag-Chem had approximately $156 million in assets as of September 30, 2000, and in fiscal 2000 had revenues of approximately $299 million and had a net loss of $1.4 million.

THE MERGER (SEE PAGE ___)

The merger agreement provides that AGCO will acquire Ag-Chem and all of the outstanding Ag-Chem common stock in exchange for a combination of cash and shares of AGCO common stock. The value of this combination will be $25.80 per share of Ag-Chem common stock.

The composition of the combination of AGCO common stock and cash that you will receive will depend upon the closing price of AGCO common stock on the trading day immediately prior to the merger. In addition, the transaction has been designed to provide the most favorable tax results possible for Ag-Chem shareholders depending upon the amount of AGCO common stock issued. As a result, at some AGCO market prices, the merger is a "forward merger" for corporate law purposes--and generally the receipt of the stock portion of the purchase price will be tax free--and at others it is a "reverse merger" that is fully taxable. These concepts are discussed more fully under "The Merger--Material Federal Income Tax Consequences" beginning on page ___.

The following table shows the relative amounts of cash and stock, and in general, the taxability of the receipt of the stock, depending upon the market price of AGCO common stock:

If the AGCO Common Stock Price is:	Ag-Chem Shareholders will Receive:	Structure of Transaction:	Is Tax
$10.48 or greater	AGCO common stock with a market value of $12.90 (1.2317 shares or fewer); $12.90 in cash.	"Forward merger" (Ag-Chem merges into subsidiary of AGCO).	
$8.38 to $10.47	AGCO common stock with a market value of between $10.32 and $12.90 (1.2317 shares); remainder in cash (between $12.90 and $15.48).	"Forward merger."	
$6.10 to $8.37	AGCO common stock with a market value of between 0 and $10.31, as elected by AGCO in its discretion; remainder in cash (between $15.49 and $25.80).	"Reverse merger" (subsidiary of AGCO merges into Ag-Chem).	
$6.09 or below	Same as for $6.10 to $8.37 except AGCO may elect to ------ obtain stockholder approval and issue AGCO common stock	"Reverse merger" unless AGCO makes election in which event "forward merger."	

with a market value of
$10.32 and $15.48 in cash.

The price ranges listed above are subject to increase if Ag-Chem shareholders exercise any dissenters' rights and for cash paid in lieu of fractional AGCO shares. See "The Merger--What You Will Receive; The Merger Consideration."

In the event that the AGCO common stock price is $6.09 per share or less, AGCO may terminate the merger agreement or may seek to obtain approval of its stockholders for issuing additional shares of common stock. In light of AGCO's recent share price (as of March 15, 2001 the closing price was $11.06 per share), its general price stability and its 52-week low of $9.43, AGCO believes that the likelihood that AGCO's share price will fall to $6.09 is remote. Accordingly, AGCO's board has not discussed what factors it would consider in determining whether to seek stockholder approval if its stock price falls to $6.09 or less. If AGCO elects to seek stockholder approval, which would substantially delay the closing, Ag-Chem is entitled to terminate the merger agreement. See "Material Provisions of the Merger Agreement and Related Agreements--Termination of the Merger Agreement."

Because the value of the shares of AGCO common stock for purposes of determining whether the merger will be a forward or reverse merger will not be determined until the time of the merger, you will not know at the time of the Ag-Chem special meeting whether the forward merger structure or the reverse merger structure will be used. If AGCO shares continue to trade above $8.38, we expect the closing to occur on the same day. If the price of AGCO's shares falls below $6.10, the merger may be terminated by either AGCO or Ag-Chem or, at AGCO's discretion, closing may be delayed, but no later than June 30, 2001.

With respect to each share of AGCO common stock that is issued, you also will receive one preferred share purchase right under AGCO's shareholder rights plan. In addition, to the extent that less than 11,800,000 shares are issued in a reverse merger, Ag-Chem shareholders will have the right to subscribe to purchase the shortfall. The subscription rights

2

10

may be exercised within thirty days from completion of the merger by indicating the maximum number of shares that you want to subscribe to, if any, on the transmittal letter that is sent to you following the merger. The subscription price for the shares will be $8.38 per share or a per share price equal to 105% of the average closing price of AGCO common stock on the ten-day period prior to the merger (whichever is less). In the event that the rights are oversubscribed, they will be allocated on a pro-rata basis among Ag-Chem shareholders. See "Comparison of Shareholder Rights--Shareholder Rights Plans" and "The Merger--What You Will Receive; The Merger Consideration--AGCO Subscription Right."

The merger agreement is attached hereto as Appendix A. You should read the merger agreement, as it is the legal document that governs the merger.

3

11

VOTING AGREEMENT (SEE PAGE ___)

When AGCO and Ag-Chem entered into the merger agreement, AGCO required A. E. McQuinn, the founder, Chairman and Chief Executive Officer of Ag-Chem, acting in his individual capacity as a shareholder, to enter into a voting agreement, under which A. E. McQuinn and a trust controlled by Mr. McQuinn, among other things:

- agreed to vote shares beneficially held by him representing 19.9% of the total outstanding Ag-Chem common stock in favor of adoption of the merger agreement, and although he is not obligated to vote the remaining shares of Ag-Chem held by him in favor of adoption, he has indicated he intends to do so (if he does so, the merger agreement will be approved regardless of how you or other Ag-Chem shareholders vote);

- agreed to acquire up to an aggregate of 7,000,000 shares of AGCO common stock, in connection with the AGCO subscription right made available to Ag-Chem shareholders if the merger is a reverse merger; and

- if Ag-Chem terminates the merger agreement with AGCO and completes a merger or other transaction with another party within one year, agreed to pay AGCO an amount equal to the difference between $25.80 and any higher price received for Ag-Chem shares in the transaction, multiplied by 1,906,396 of the outstanding Ag-Chem shares.

The voting agreement terminates on the earlier of the effective date of the merger or the termination of the merger agreement in accordance with its terms. No party to the voting agreement can terminate the voting agreement unless the merger is first completed or the merger agreement is terminated according to its terms. The voting agreement is attached hereto as Appendix B.

LISTING OF AGCO COMMON STOCK (SEE PAGE ___)

The shares of AGCO common stock issued in connection with the merger will be listed on the New York Stock Exchange under the ticker symbol "AG."

MATERIAL FEDERAL INCOME TAX CONSEQUENCES (SEE PAGE ___)

The tax consequences resulting from the acquisition will differ depending on whether the forward merger structure or the reverse merger structure is used. Since the structure of the merger will depend on the closing price of AGCO common stock on the trading day immediately prior to the effective date of the merger, you will not know at the time of the Ag-Chem special meeting which structure will be used.

In order to view how the AGCO stock price will influence whether the forward or reverse structure will be used see the table on page ___.

IF THE MERGER IS A FORWARD MERGER:

The merger is intended to be a forward merger and therefore partially tax-free to Ag-Chem shareholders. In that case, generally:

- An Ag-Chem shareholder will not recognize loss, but will recognize gain to the extent of the lesser of (1) the fair market value of AGCO common stock plus the amount of cash received, less such shareholder's tax basis in the Ag-Chem stock surrendered, or (2) the amount of cash received. Ag-Chem shareholders will be taxed on cash received in lieu of fractional shares and cash received pursuant to the exercise of appraisal rights.

- The tax basis of AGCO common stock received by an Ag-Chem shareholder in the merger will be the same as the tax basis of the Ag-Chem common stock exchanged for the AGCO common stock, decreased by the amount of cash received in the exchange for such Ag-Chem common stock and increased by the amount of gain recognized by the Ag-Chem shareholder upon such exchange.

- The holding period of the AGCO common stock received in the merger generally will include the holding period of the Ag-Chem common stock exchanged for the AGCO common stock assuming the Ag-Chem stock is held as a capital asset at the effective time of the merger.

IF THE MERGER IS A REVERSE MERGER:

In the event the merger is a reverse merger, the merger will be treated as a sale of Ag-Chem stock, fully taxable to Ag-Chem shareholders. In that case, generally:

- An Ag-Chem shareholder will recognize gain or loss equal to the difference between the sum of the fair market value of the AGCO stock and the amount of cash received in the merger (including cash received for fractional shares and pursuant to the exercise of

dissenters' rights), and the tax basis in the shares of Ag-Chem common stock surrendered in the exchange.

- The tax basis of AGCO common stock received by Ag-Chem shareholders in the merger will be equal to the fair market value of the AGCO common stock at the time of the merger.

- The holding period of such stock will begin at the time such stock is received.

OWNERSHIP OF AGCO FOLLOWING THE MERGER (SEE PAGE ___)

Assuming an AGCO price per share of $11.00 (the closing price per share on March 15, 2001 was $11.06), Ag-Chem shareholders will own approximately 15.8% of AGCO's outstanding shares of common stock following the merger. Also assuming an AGCO price per share of $11.00, A.E. McQuinn will own approximately 9.2% of AGCO's common stock following the merger.

EXECUTIVE OFFICERS AND DIRECTORS OF AGCO AND THE SURVIVING CORPORATION AFTER THE MERGER (SEE PAGE ___)

The executive officers and directors of AGCO will not change as a result of the merger, except that AGCO has agreed to use its reasonable best efforts to appoint A. E. McQuinn to its board of directors if Mr. McQuinn acquires 7,000,000 shares of AGCO common stock in connection with the merger and/or any subscription right offered by AGCO to Ag-Chem shareholders. AGCO has indicated its willingness to appoint Mr. McQuinn to its board of directors even if the number of AGCO shares held by him is less than 7,000,000. The directors and executive officers of the surviving corporation in the merger, whether it is Ag-Chem or Agri Acquisition Corp., will be determined by AGCO.

AG-CHEM'S REASONS FOR THE MERGER

In reaching the decision to approve the merger, the special committee of the Ag-Chem board of directors (and the Ag-Chem board of directors, in reaching the decision to ratify the special committee's approval) consulted with Goldsmith Agio Helms, its financial advisor and with Ag-Chem senior management, and considered a number of factors, described more thoroughly elsewhere in this proxy statement/prospectus, including the following:

- the fixed price per share to be paid by AGCO is higher than recent market prices for Ag-Chem common stock;

- the probability that the merger will likely be partially tax free;
- the fairness opinion of Goldsmith Agio Helms;
- likely cost savings;
- likely increased purchasing power;
- likely increased marketing capabilities;
- better ability to finance sales;
- better parts and service distribution;
- better ability to finance development of site-specific agriculture; and
- the larger market capitalization of AGCO.

The Ag-Chem special committee and the Ag-Chem board of directors have each unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and fair to and in the best interests of Ag-Chem and its shareholders and both the special committee and the board of directors recommend that Ag-Chem shareholders vote to approve and adopt the merger agreement and the transactions contemplated by the merger agreement, including the merger, at the Ag-Chem special meeting.

OPINION OF AG-CHEM'S FINANCIAL ADVISOR (SEE PAGE ____)

Goldsmith Agio Helms delivered an opinion to Ag-Chem's special committee and board of directors that, as of the date thereof and subject to the qualifications described in its opinion, the consideration to be received by the Ag-Chem shareholders in the merger is fair, from a financial point of view, to the Ag-Chem shareholders. The amount of consideration to be received was determined through negotiations between Ag-Chem and AGCO and not pursuant to recommendations of Goldsmith Agio Helms.

The complete opinion of Goldsmith Agio Helms is attached as Appendix D. We urge you to read it in its entirety.

RISK FACTORS MERITING SPECIAL ATTENTION (SEE PAGE __)

Before you decide to vote for adoption of the merger agreement, you should consider the following risk factors, which are more fully described (as well as others set forth) in the "Risk Factors" section of this proxy statement/prospectus:

- You will receive a number of shares of AGCO common stock in an amount to be determined based

upon the closing price of the AGCO common stock on the trading day immediately prior to the effective date of the merger;

- You will not know whether the issuance of AGCO common stock in the merger will be a taxable event to you at the time you vote at the Ag-Chem special meeting;

- The fairness opinion of Goldsmith Agio Helms did not take into consideration potentially significant tax consequences;

- The management of Ag-Chem will receive benefits in the merger which you will not receive;

- The merger is very likely to be approved because of a voting agreement with A. E. McQuinn; and

- The expected benefits of the merger may not be realized.

INTERESTS OF PARTICULAR PERSONS IN THE MERGER (SEE PAGE ___)

When considering the recommendation of the board of directors of Ag-Chem, you should be aware that some directors, officers and employees of Ag-Chem have interests in the transaction that are different from, or in addition to, your interests as shareholders, specifically the right to severance benefits, the right to cash payments under Ag-Chem's phantom stock plan, cash bonus payments and, in the case of A.E. McQuinn, the right to be appointed to AGCO's board of directors.

ACCOUNTING TREATMENT OF THE MERGER (SEE PAGE ___)

The merger will be treated as a purchase for accounting and financial reporting purposes, which means that AGCO will include Ag-Chem's operating results in its financial statements only from the consummation of the merger.

TERMINATION OF THE MERGER AGREEMENT (SEE PAGE ___)

AGCO and Ag-Chem may agree by mutual consent at any time prior to the merger to terminate the merger agreement, even if the Ag-Chem shareholders have adopted the merger agreement. The merger agreement may also be terminated if it is not approved by Ag-Chem's shareholders. Also, the merger agreement may be terminated under other circumstances described elsewhere in this proxy statement/prospectus.

TERMINATION FEE (SEE PAGE ___)

If the merger agreement is to be terminated, under the circumstances described more thoroughly elsewhere in this proxy statement/prospectus, Ag-Chem may be obligated to pay AGCO $10,000,000 in order to terminate the merger agreement.

AG-CHEM'S RECOMMENDATION TO ITS SHAREHOLDERS (SEE PAGE ____)

The special committee of the board of directors has unanimously voted to approve the merger and all related transactions. The full board unanimously ratified this approval and both urge Ag-Chem shareholders to vote "FOR" the merger.

THE SPECIAL MEETING OF AG-CHEM SHAREHOLDERS (SEE PAGE ____)

Record Date. The special meeting of Ag-Chem shareholders will be held 1:00 p.m. local time, at Ag-Chem's corporate headquarters at 5720 Smetana Drive, Minnetonka, Minnesota, 55343 on April 13, 2001.

Vote Required. At the special meeting, Ag-Chem shareholders will be asked to vote to adopt the merger agreement with AGCO. Adoption of the merger agreement requires the favorable vote of a majority of the outstanding shares of Ag-Chem common stock. It is not expected that the vote of AGCO shareholders will be required to approve the merger.

Voting Procedure. You can vote at the special meeting if you owned Ag-Chem common stock as of the close of business on March 19, 2001. As of that date, directors and executive officers of Ag-Chem owned approximately 61% of the outstanding shares of Ag-Chem common stock and have indicated that they will vote in favor of the merger agreement and the merger. If you do not vote your shares of Ag-Chem common stock and do not give instructions to your broker as to how to vote, the effect will be the same as a vote against the merger agreement and the merger.

DIVIDENDS (SEE PAGE ___)

AGCO historically has paid a regular dividend of $.01 per share per quarter. However, there can be no assurance that this dividend practice will be continued.

APPRAISAL AND DISSENTERS' RIGHTS (SEE PAGE ___)

Shareholders of Ag-Chem who follow the procedural requirements of Minnesota law will be entitled to receive cash in the amount of the fair value of

their shares instead of the cash and shares of AGCO common stock to be issued pursuant to the merger agreement. The fair value of shares of Ag-Chem common stock would be determined pursuant to Minnesota law.

Any Ag-Chem shareholder who wishes to exercise dissenters' rights must not vote in favor of the merger agreement and must comply with all of the procedural requirements provided by Minnesota law. A copy of the dissenters' rights statute, sections 302A.473 and 302A.471, is attached as Appendix C to this document. We encourage you to read the statute carefully and to consult with your legal counsel if you desire to exercise your dissenters' rights.

FINANCING THE MERGER (SEE PAGE ___)

AGCO anticipates that the cash consideration to be paid in the merger will be funded through its revolving credit facility.

DIFFERENCES IN THE RIGHTS OF SHAREHOLDERS (SEE PAGE ___)

The rights of AGCO stockholders are governed by Delaware corporate law, AGCO's certificate of incorporation and AGCO's bylaws. The rights of Ag-Chem's shareholders are governed by Minnesota corporate law, Ag-Chem's articles of incorporation and Ag-Chem's bylaws. While the corporate laws of Delaware and Minnesota are similar, significant differences exist between these corporate laws and the governing documents of each company. These differences include voting rights, rights of shareholders in a change of control situation such as a merger, liquidation preferences and amendments to the articles and bylaws.

AGCO has a stockholder rights plan. AGCO adopted its stockholder rights plan for the purpose of deterring coercive takeover tactics and otherwise to encourage third parties interested in acquiring AGCO to negotiate with the AGCO Board. Ag-Chem has not adopted a shareholder rights plan.

COMPARATIVE MARKET PRICES (SEE PAGES ___)

Ag-Chem's common stock trades on the Nasdaq National Market System ("Nasdaq") under the ticker symbol "AGCH." AGCO's common stock trades on the New York Stock Exchange ("NYSE") under the ticker symbol "AG." The following table sets forth, for the periods indicated, the high and low sales prices for Ag-Chem's and AGCO's common stock for each quarter within the last two fiscal years, as reported on the Nasdaq and the NYSE respectively.

	At or for the Year Ended September 30, 1999	At or for the Year Ended September 30, 2000	For the Y September (current 2001)

	High	Low	High	Low	High
	----	---	----	---	----
AG-CHEM					
First Quarter	13	9-1/2	14-1/2	9-1/4	24
Second Quarter	15-5/8	10	10-5/8	8-5/16	25-5/8
Third Quarter	12-3/16	9-3/4	8-3/4	5-1/4	--
Fourth Quarter	10-3/4	8-1/2	12-3/4	6-3/4	--

	At or for the Year Ended December 31, 1999		At or for the Year Ended December 31, 2000		For the Year En December 31, 20 (current throug 2001)
	High	Low	High	Low	High
	----	---	----	---	----
AGCO					
First Quarter	8 9/16	6 1/16	13-7/8	10-1/16	12-7/16
Second Quarter	12 15/16	6 5/16	14-3/8	10-9/16	
Third Quarter	13 1/2	8 11/16	13-1/16	10	--
Fourth Quarter	14 1/8	9 15/16	11-13/16	9-11/16	--

On November 17, 2000, the last full trading day prior to the public announcement of the merger, the last reported sale price of AGCO common stock was $10.1875 per share and of Ag-Chem common stock was $11.50 per share. On March 15, 2001, the last reported sale price of AGCO common stock was $11.06 per share and of Ag-Chem common stock was $25.25 per share.

AGCO CORPORATION
SELECTED HISTORICAL FINANCIAL DATA

The following selected historical financial data of AGCO Corporation as of and for each of the years ended December 31, 1995 through 1999 set forth below have been derived from AGCO's audited consolidated financial statements. The financial data as of September 30, 2000 and 1999, and for the nine-month periods then ended, have been derived from AGCO's unaudited condensed consolidated financial statements which include, in management's opinion, all adjustments, consisting of normal recurring adjustments, necessary to present fairly the results of operations and financial position of AGCO for the periods and dates presented. This data should be read in conjunction with the respective audited and unaudited consolidated financial statements of AGCO, including the notes to those financial statements and AGCO's "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in its Form 10-K, as amended by Form 10-K/A (Amendment No. 1), for the year ended December 31, 1999, and Form 10-Q, as amended by Form 10-Q/A (Amendment No. 1), for the quarter ended September 30, 2000, incorporated in this proxy statement/prospectus by reference and enclosed with this document. All amounts are in millions, except for per share data.

YEAR ENDED DECEMBER 3

	1999	1998	1997	
OPERATING RESULTS				
Net sales	$ 2,413.3	$2,941.4	$3,224.4	$2
Gross profit	356.4	537.3	666.8	
Income from operations	42.9	157.3	307.0	
Net income (loss)	(11.5)	60.6	168.7	
Net income (loss) per common share-diluted	$ (0.20)	$ 0.99	$ 2.71	$
Weighted average shares outstanding-diluted	58.7	61.2	62.1	
Dividends declared per common share	$ 0.04	$ 0.04	$ 0.04	$

	NINE MONTHS ENDED SEPTEMBER 30,	
	2000	1999
Net sales	$1,677.0	1,815.6
Gross profit	271.3	287.2
Income from operations	38.6	72.0
Net income (loss)	(4.2)	15.8
Net income (loss) per common share-diluted	$ (0.07)	$ 0.27
Weighted average shares outstanding-diluted	59.1	59.6
Dividends declared per common share	$ 0.03	$ 0.03

	AS OF DECEMBER 31,		
	1999	1998	1997
BALANCE SHEET DATA			
Working capital	$ 733.9	$ 1,029.9	$ 884.3
Total assets	2,273.2	2,750.4	2,620.9
Long-term debt	691.7	924.2	727.4
Stockholders' equity	829.1	982.1	991.6
Book value per share	13.92	16.50	15.75

	AS OF SEPTEMBER 30,	
	2000	1999
Working capital	$ 584.2	$ 938.6
Total assets	2,056.3	2,470.7
Long-term debt	582.3	850.7
Stockholders' equity	774.8	868.5

Book value per share	13.00	14.59

The selected historical financial data for AGCO reflects the following items which you should consider in making period to period comparisons:

- Amounts presented for Income from operations, Net income (loss) and Net income (loss) per common share-diluted include restructuring and other infrequent expenses of $24.5 million, $40.0 million, $18.2 million, $22.3 million and $6.0 million for the years ended December 31, 1999, 1998, 1997, 1996 and 1995, respectively, and $19.5 for the nine months ended September 30, 2000. The effect of these expenses reduced net income per common share on a diluted basis by $0.26, $0.41, $0.19, $0.25 and $0.07 for the years ended December 31, 1999, 1998, 1997, 1996 and 1995, respectively, and $0.05 for the nine months ended September 30, 2000. For additional information regarding these changes, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Restructuring and Other Infrequent Expenses" contained in AGCO's Form 10-K, as amended by Form 10-K/A (Amendment No. 1), for the year ended December 31, 1999, and its Form 10-Q, as amended by Form 10-Q/A (Amendment No. 1), for the quarter ended September 30, 2000.

- Amounts for the years ended December 31, 1996 and 1997 under Net income (loss) per common share-diluted and Weighted average shares outstanding-diluted include extraordinary losses for the write-off of unamortized debt costs related to the refinancing of AGCO's revolving credit facility, net of taxes, of $2.1 million, or $0.03 per share, in 1997 and $3.5 million, or $0.06 per share, in 1996.

- AGCO sold a 51% joint venture interest in its retail finance subsidiary, Agricredit-North America, effective November 1, 1996. Accordingly, Agricredit-North America is reflected on the equity basis of accounting for the year ended December 31, 1996, and all subsequent periods. The table includes the consolidated results of Agricredit-North America for the year ended December 31, 1995. If the Company's 100% interest in Agricredit-North America were reflected on the equity basis of accounting for the year ended December 31, 1995, total revenues would be $2,068.4 million, total assets would be $1,628.6 million, and long-term debt would be $415.9 million. Gross profit and income from operations for 1995 are for the equipment operations only and exclude the results of Agricredit-North America.

- Net income per common share - diluted, Weighted average shares outstanding - diluted and Dividends declared per common share have been restated for all periods to reflect all stock splits.

- The amount under Long-term debt as of December 31, 1995, includes $37.6 million of AGCO's 6.5% Convertible Subordinated Debentures, which was subsequently converted into common stock during 1996.

- Book value per share represents Stockholders' equity divided by common shares outstanding as of the end of the period.

AG-CHEM EQUIPMENT CO., INC.
SELECTED HISTORICAL FINANCIAL DATA

The following selected historical financial data of Ag-Chem as of and for each of the fiscal years ended September 30, 1996 through 2000 set forth below have been derived from Ag-Chem's audited consolidated financial statements. The financial data as of December 31, 2000 and for the three-month periods ended December 31, 2000 and 1999, have been derived from Ag-Chem's unaudited consolidated financial statements which include, in management's opinion, all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the results of operations and financial position of Ag-Chem for the periods and dates presented. This data should be read in conjunction with the respective audited and unaudited consolidated financial statements of Ag-Chem, including the notes to those financial statements and Ag-Chem's "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in its Form 10-K, as amended by Form 10-K/A (Amendment No. 1), for the year ended September 30, 2000, and Form 10-Q for the quarter ended December 31, 2000, incorporated in this proxy statement/prospectus by reference. All amounts are in millions, except for per share data. Book value per share represents shareholders' equity divided by common shares outstanding as of the end of the period.

	YEAR ENDED SEPTEMBER 30,				
	2000	1999	1998	1997	199
OPERATING RESULTS					
Net sales	$ 298.8	$ 292.7	$ 322.1	$ 318.2	$ 28
Gross profit	66.4	78.0	87.2	85.6	7
Income (loss) from operations	(0.1)	7.7	13.2	16.6	1
Net income (loss)	$ (01.4)	$ 3.4	$ 6.8	$ 7.6	$
Net income (loss) per common share	(0.15)	0.35	0.71	0.78	1
Weighted average shares outstanding	9.6	9.6	9.7	9.7	
Dividends declared per common share	$ 0	$ 0	$ 0	$ 0	$

	THREE MONTHS ENDED DECEMBER 31,	
	2000	1999
Net sales	$ 57.0	$ 58.7
Gross profit	12.1	14.1
(Loss) from operations	(6.9)	(2.1)
Net (loss)	(4.2)	(2.0)
Net (loss) per common share	(0.44)	(0.21)
Weighted average shares outstanding	9.6	9.6
Dividends declared per common share	$ 0	$ 0

	AS OF SEPTEMBER 30,				
	2000	1999	1998	1997	199
BALANCE SHEET DATA					
Working capital	$ 52.8	$ 66.3	$ 76.2	$ 53.5	$ 4
Total assets	155.7	189.9	188.2	188.0	18
Long-term debt, net of current installments	23.9	44.3	59.9	45.4	4
Shareholders' equity	71.7	73.2	70.4	63.9	5
Book value per share	7.48	7.63	7.30	6.61	5

	AS OF DECEMBER 31,
	2000
Working capital	$ 50.4
Total assets	129.1
Long-term debt, net of current installments	23.9
Shareholders' equity	67.5
Book value per share	7.04

SELECTED UNAUDITED PRO FORMA COMBINED FINANCIAL DATA

The following selected unaudited pro forma combined financial data is based on the historical financial statements of AGCO and Ag-Chem, adjusted to give effect to the merger of Ag-Chem with AGCO's wholly-owned subsidiary. The pro forma combined financial data is derived from the unaudited pro forma combined financial information included elsewhere in this prospectus. This pro forma combined financial data should be read in conjunction with the notes to the unaudited pro forma financial information. The pro forma combined financial data was prepared to illustrate the estimated effects of the acquisition of Ag-Chem, including acquisition-related debt and equity transactions and certain assumptions. The pro forma results of operations data for the year ended December 31, 1999 and the nine months ended September 30, 2000 give effect to the acquisition of Ag-Chem as if the acquisition had occurred as of January 1, 1999. The pro forma balance sheet data give effect to the acquisition of Ag-Chem as if the acquisition had occurred as of September 30, 2000. The pro forma combined financial data does not purport to represent AGCO's results of operations or financial position for any future period or as of any date. All amounts are in millions, except for per share data.

	PRO FORMA COMBINED	
	NINE MONTHS ENDED SEPTEMBER 30,	YEAR ENDED DECEMBER 31,

	2000	1999
OPERATING RESULTS		
Net sales	$ 1,917.1	$ 2,711.2
Gross profit	323.6	433.0
Income from operations	37.5	44.9
Net loss	(12.0)	(21.0)
Net loss per common share-diluted	$ (0.17)	$ (0.30)
Weighted average shares outstanding-diluted	70.9	70.5
Dividends declared per common share	$ 0.03	$ 0.04

	PRO FORMA COMBINED
	AS OF SEPTEMBER 30, 2000
BALANCE SHEET DATA	
Working capital	$ 663.4
Total assets	2,423.2
Long-term debt	763.8
Shareholders' equity	892.1
Book value per share	12.50

RISK FACTORS

IN DECIDING WHETHER TO APPROVE THE MERGER, YOU SHOULD CONSIDER THE FOLLOWING RISKS RELATED TO THE MERGER AND TO YOUR INVESTMENT IN AGCO FOLLOWING THE MERGER. YOU SHOULD CONSIDER CAREFULLY THESE RISKS ALONG WITH THE OTHER INFORMATION IN THIS DOCUMENT AND THE DOCUMENTS TO WHICH WE HAVE REFERRED YOU.

FACTORS RELATING TO THE MERGER

WHETHER YOU WILL RECEIVE SHARES OF AGCO COMMON STOCK AS PART OF THE MERGER CONSIDERATION IS BASED ON THE MARKET PRICE OF AGCO COMMON STOCK. IN ADDITION, IF THE MERGER IS STRUCTURED AS A REVERSE MERGER, THE RATIO OF SHARES OF AGCO COMMON STOCK AND CASH THAT YOU WILL RECEIVE WILL BE DETERMINED SOLELY BY AGCO.

If the closing price of AGCO's common stock on the trading day immediately preceding the effective date of the merger is equal to or greater than $8.38 per share, the merger will be a forward merger and you will receive as part of the merger consideration AGCO common stock. If, however, the closing price does not exceed $8.38 per share, the merger will be a reverse merger. In the event of a reverse merger, AGCO in its sole discretion may determine the number of shares of AGCO common stock, if any, not to exceed 11,800,000, to be issued as part of the merger consideration.

We cannot predict market prices for AGCO common stock. Consequently, we cannot predict whether and the extent to which you will receive shares of AGCO common stock as part of the merger consideration. We encourage you to obtain current market quotations of the AGCO common stock which is listed on the New York Stock Exchange under the symbol "AG."

THE ISSUANCE OF AGCO COMMON STOCK TO YOU AS PART OF THE MERGER CONSIDERATION MAY NOT BE TAX-FREE AND MAY REQUIRE YOU TO PAY SIGNIFICANT TAXES.

You will not know whether, for U.S. federal income tax purposes, any issuance of AGCO common stock in the merger will be a taxable event to you at the time you vote at the Ag-Chem special meeting. The receipt of the cash portion of the merger consideration will be taxable to you in any case. The opinion of Ag-Chem's financial advisor, discussed below, upon which the Ag-Chem special committee and board of directors relied in making their decisions to approve and ratify the merger agreement, did not consider the tax consequences of the merger, including tax consequences to any holder of Ag-Chem common stock.

AGCO and Ag-Chem intend, if possible, for the merger to be a forward merger and to qualify as a partially tax-free merger. If the merger so qualifies, then any holders of Ag-Chem common stock who receive AGCO common stock will not recognize a gain or loss for U.S. federal income tax purposes as a result of the merger, except for gain to the extent of cash received as part of the merger consideration, including cash received in lieu of fractional shares or because of the exercise of appraisal or dissenters' rights.

There can be no assurance that the conditions will occur that are necessary for the merger to be partially tax-free. One condition that must be met in order for the merger to be partially tax-free is continuity of interest. For a discussion of the continuity of interest requirement and whether the merger will meet this requirement, see the discussion under the heading "The Merger--Material Federal Income Tax Consequences."

If the merger is not tax-free in part or if the merger is structured as a reverse merger, then any issuance of AGCO common stock to Ag-Chem shareholders will be a taxable event for Ag-Chem shareholders. If the merger is taxable to you, you will be taxed on the gain, if any, equal to the fair market value of the shares of AGCO common stock plus the cash you receive, less your basis in your shares of Ag-Chem common stock. For the following two examples, assume that an Ag-Chem shareholder owns 100 shares of Ag-Chem common stock at the time of the merger, entitling that shareholder to $2,580 in total merger consideration, and that the Ag-Chem shareholder's tax basis in his or her Ag-Chem shares is $10.00 per share, or $1,000 in the aggregate. Both of these examples reflect the cash that the Ag-Chem shareholder would receive in lieu of fractional shares.

Example 1. Assume that the market value of AGCO common stock at the time of the merger is $12.00 per share. In the merger, in exchange for his or her Ag-Chem stock, the Ag-Chem shareholder would receive 107 shares of AGCO common stock valued at $12.00, an aggregate value of $1,284, and $1,296 in cash. Since the forward

merger structure is used (because of share price), the shareholder would recognize taxable gain in the amount of $1,296, the amount of cash received. The remaining $284 gain would be deferred.

Example 2. Assume that the market value of AGCO common stock at the time of the merger is $8.00 per share and that AGCO elects to use the maximum amount of stock possible to pay the merger consideration. The Ag-Chem shareholder would receive 128 shares of AGCO common stock, having a value of $1,024, and $1,556 in cash. The taxable gain would be $1580, all of which currently would be recognized and none deferred.

The completion of the merger as a partially tax-free forward merger, is conditioned on, among other things, the receipt by Ag-Chem of an opinion from

KPMG LLP, independent certified public accountants to Ag-Chem and the receipt by AGCO of an opinion from Troutman Sanders LLP, counsel for AGCO, that the merger will qualify as a partially tax-free merger. An opinion represents the opinion-giver's best judgment and is not binding on the Internal Revenue Service. There can be no assurance that following the merger the Internal Revenue Service will not challenge the qualification of the merger as partially tax-free.

See "The Merger - Material Federal Income Tax Consequences" on page ___.

AGCO MAY ENCOUNTER DIFFICULTIES IN INTEGRATING AG-CHEM AS A WHOLLY-OWNED SUBSIDIARY AND MAY NOT FULLY ACHIEVE, OR ACHIEVE WITHIN THE ANTICIPATED TIME FRAME, EXPECTED STRATEGIC OBJECTIVES, COST SAVINGS AND OTHER EXPECTED BENEFITS OF THE MERGER.

The merger will convert Ag-Chem, which previously operated independently, into a wholly-owned subsidiary of AGCO. AGCO expects to realize strategic and other benefits as a result of the transaction, including, among other things,

- expansion of AGCO's product line;
- access to Ag-Chem's advanced crop management technology;
- cost savings;
- operating efficiencies;
- cross-selling opportunities; and
- revenue enhancements.

However, it is impossible to predict with certainty whether, or to what extent, these benefits will be realized or whether AGCO will be able to integrate Ag-Chem in a timely and effective manner. In addition:

- the costs of integrating Ag-Chem may be higher than AGCO expects;

- integration of Ag-Chem as a wholly-owned subsidiary of AGCO will require significant attention from management. This diversion of management attention and any other difficulties associated with this integration could have a material adverse effect on the revenues, the levels of expenses and the operating results of AGCO after the transaction and cause the value of AGCO's common stock to decline; and

- there are overlaps or redundancies in AGCO and Ag-Chem products that may result in AGCO offering competing products. For example, AGCO and Ag-Chem both manufacture a 1,000 gallon sprayer. At this time, AGCO intends to pursue a multi-brand marketing strategy for overlapping Ag-Chem products and does not intend to discontinue production of any competing products. Although AGCO has been successful with similar multi-brand marketing strategies in the past and expects that this multi-brand strategy will positively impact AGCO's results of operations, AGCO may not be successful in achieving these expectations.

The cash payments to be paid to Ag-Chem shareholders (with or without any adjustment due to a possible low price of AGCO common stock), either alone or in connection with other factors, might place AGCO at risk of not being in compliance with restrictions pursuant to its debt covenants and therefore negatively impact its ability to complete the merger.

Because the amount of cash to be paid by AGCO to Ag-Chem shareholders is uncertain and is dependent, in part, upon the market price of AGCO's common stock prior to closing, and because of the limitation on the number

of shares which AGCO can issue without being required to seek shareholder approval, the amount of cash to be paid to Ag-Chem shareholders might be higher than contemplated. The amount of cash required to complete the merger may place AGCO out of compliance with its debt covenants and, therefore, AGCO may not be able to raise sufficient cash to pay the cash portion of the merger price. If this were to occur, there could be no assurance that AGCO would be able to complete the merger.

DIRECTORS, OFFICERS AND EMPLOYEES OF AG-CHEM WILL HAVE INTERESTS THAT ARE DIFFERENT FROM OR IN ADDITION TO YOUR INTERESTS AS A SHAREHOLDER, INCLUDING SEVERANCE BENEFITS AND BONUS PAYMENTS.

When considering the recommendation of the board of directors of Ag-Chem, you should be aware that some directors, officers and employees of Ag-Chem have interests in the transaction that are different from, or in addition to, your interests as a shareholder, specifically the right to severance benefits, the right to bonus payments and payments under Ag-Chem's phantom stock plan and, in the case of Mr. McQuinn, the right to be appointed to AGCO's board of directors.

- Severance benefits. Some directors, officers and employees of Ag-Chem are entitled to severance benefits pursuant to the merger agreement. If those individuals are terminated without cause or quit for good reason within one year following the effective time of the merger, they will be entitled to cash severance benefits equal to one or two times their annual base salary. A. E. McQuinn is not entitled to any severance benefits. If terminated, Mary M. Jetland, Steve M. Koep, Donald D. Pottinger and John C. Retherford will receive severance payments of $195,743, $264,481, $466,000, and $122,450, respectively. Eight other persons would be entitled to severance payments ranging from $114,400 to $170,000. The amount of benefit received by these people has been limited by so-called "golden parachute" provisions of the tax laws which impose a higher tax on such payments and deny AGCO a deduction for a portion of payments.

- Bonus payments. Some directors, officers, and employees of Ag-Chem have been or are being paid bonuses. If the merger is terminated for any reason, no bonuses that have not already been paid will be given. These bonuses reflect Ag-Chem's desire to compensate persons for either 1) prior service to Ag-Chem or 2) efforts related to the merger. Ag-Chem has paid or will pay an aggregate of $1.6 million to employees for their past services to Ag-Chem. Of this amount, $50,000 was paid to Steve M. Koep and $100,000 was paid to other who are not executive officers. For their efforts related to negotiating the merger, John Retherford has received $1,000,000 and Mary Jetland has received $400,000. No bonus for past services will be paid to any person receiving a bonus related to the merger and A.E. McQuinn will not receive any bonus whatsoever. The fact that Ag-Chem intends to make the bonus payments led to a reduction of the total consideration per Ag-Chem share from $26.00 to $25.80.

- Phantom stock plan payments. A number of Ag-Chem officers, directors and employees are in possession of "phantom shares" of Ag-Chem stock pursuant to the Ag-Chem Equipment Co., Inc. 1998 Key Employee Phantom Stock Bonus Plan. Prior to or upon closing of the merger, Ag-Chem will terminate the Phantom Stock Bonus Plan and make cash payments to its employees aggregating $1,188,495 of which $55,440 has been or will be paid to each of Mary M. Jetland, Donald D. Pottinger, and John C. Retherford, and $41,580 has been or will be paid to Steve M. Koep. No payments have been or will be paid to A.E. McQuinn under this plan.

- Right to be appointed to AGCO's board of directors. If the merger is consummated and A. E. McQuinn has acquired at least 7,000,000 shares of AGCO common stock, AGCO has agreed to use its reasonable best efforts to increase the size of its board of directors and appoint Mr. McQuinn as a member. AGCO has indicated its willingness to appoint Mr. McQuinn to its board of directors even if the number of AGCO shares held by him is less than 7,000,000. See "The Merger--Interests of Ag-Chem Directors, Executive Officers and Shareholders" on page __.

FACTORS RELATING TO AGCO AFTER THE TRANSACTION

A. E. MCQUINN WILL BECOME A SUBSTANTIAL STOCKHOLDER OF AGCO AND MAY NOT ACT CONSISTENTLY WITH THE INTERESTS OF THE OTHER AGCO STOCKHOLDERS.

Following the merger, A. E. McQuinn will be AGCO's largest single stockholder. If the merger is structured as a forward merger, as currently contemplated, Mr. McQuinn would own approximately 6,515,903 shares, or 9.2%, of AGCO's common stock based on a trading price of $11.00 (the AGCO closing price per share was $11.06 on March 15, 2001). If the merger is structured as a reverse merger and Mr. McQuinn exercises all of his subscription rights, he will own approximately 7,000,000 shares of AGCO's common stock. While Mr. McQuinn's ownership interest will result in him being a significant AGCO stockholder, his AGCO ownership interest will represent a reduction from his position, which he has held for over thirty years, as a holder of approximately 58% of Ag-Chem's outstanding common stock. There can be no assurance that Mr. McQuinn's interests will be aligned with the interests of other AGCO stockholders. Mr. McQuinn will be less able to sell any or all of his AGCO stock due to market and, possibly, securities law restrictions on transfer due to the number of shares of AGCO stock he will own, and, possibly, based upon his status as a director of AGCO. See "Stock Ownership of AGCO" on page __.

AGCO'S COSTS OF COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS MAY NEGATIVELY IMPACT AGCO'S RESULTS OF OPERATIONS.

AGCO's operations and products are subject to increasingly stringent environmental laws and regulations in the countries in which AGCO operates. Such regulations govern, among other things, emissions into the air, discharges into water, the use, handling and disposal of hazardous substances, waste disposal and the remediation of soil and groundwater contamination. To AGCO's knowledge, it is currently complying in all material respects with applicable environmental laws and regulations, however if AGCO were to fall out of compliance with any such regulations, its results of operations may be negatively effected.

AGCO'S LABOR FORCE IS HEAVILY UNIONIZED AND AGCO'S CONTRACTUAL AND LEGAL OBLIGATIONS UNDER COLLECTIVE BARGAINING AGREEMENTS AND LABOR LAWS MAY IMPAIR AGCO'S ABILITY TO ACHIEVE COST SAVINGS.

Over 40% of AGCO's employees, principally at its manufacturing facilities, are represented by collective bargaining agreements with expiration dates ranging from 2000 to 2002. These collective bargaining agreements could impair AGCO's flexibility in streamlining existing manufacturing facilities and in restructuring its combined businesses. The acquisition of Ag-Chem also may provide the labor unions representing employees at some of AGCO's facilities with opportunities to expand into currently non-union facilities.

AGCO'S FINANCIAL RESULTS ARE HEAVILY DEPENDENT UPON THE AGRICULTURAL INDUSTRY AND FACTORS THAT ADVERSELY EFFECT THE AGRICULTURAL INDUSTRY GENERALLY WILL ADVERSELY EFFECT AGCO'S RESULTS OF OPERATIONS.

AGCO's success is heavily dependent upon the vitality of the agricultural industry. Historically, the agricultural industry, including the agricultural equipment business, has been cyclical and subject to a variety of economic, governmental and weather conditions. Sales of agricultural equipment generally are related to the health of the agricultural industry, which is affected by farm income, farm land values, farm cash receipts and farm profits, all of which reflect levels of commodity prices, acreage planted, crop yields, demand, government policies and government subsidies. Sales are also influenced by economic conditions, interest rate and exchange rate levels and the availability of financing. Weather conditions can also affect farmers' buying decisions. During previous economic downturns in the farm sector, the agricultural equipment business experienced a general decline in sales and profitability, and AGCO expects its business to remain subject to similar market fluctuation in the future.

THE AGRICULTURAL EQUIPMENT INDUSTRY IS HIGHLY SEASONAL AND SEASONAL FLUCTUATIONS MAY ADVERSELY EFFECT AGCO'S QUARTERLY RESULTS OF OPERATIONS AND, IN TURN, THE PRICE OF AGCO'S COMMON STOCK.

The agricultural equipment business is highly seasonal, with farmers traditionally purchasing agricultural equipment in the Spring and Fall in conjunction with the major planting and harvesting seasons. AGCO's net sales and income from operations have historically been the lowest in the first quarter and have increased in subsequent quarters as dealers increase inventory in anticipation of increased retail sales in the third and fourth quarters.

AGCO FACES INTENSE COMPETITION AND ITS RESULTS OF OPERATIONS MAY BE ADVERSELY EFFECTED BY COMPETITIVE PRESSURES.

The agricultural equipment business is highly competitive, particularly in North America, Europe and Latin America. AGCO competes with several large national and international companies which, like AGCO, offer a full line of agricultural equipment, as well as with numerous short-line and specialty manufacturers and suppliers of farm equipment products. Some of AGCO's competitors, including Deere & Co. and CNH Global, are substantially larger than AGCO and have greater financial and other resources at their disposal. In addition, in some markets, smaller regional competitors with significant market share in a single country or group of countries also compete with AGCO. There can be no assurance that these competitors will not substantially increase the resources devoted to the development and marketing, including discounting, of products competitive with those of AGCO.

Competitive pressures in the agricultural equipment business may affect the market prices of new and used equipment which, in turn, may adversely affect AGCO's sales margins and results of operations.

AGCO'S OPERATIONS MAY BE ADVERSELY AFFECTED BY DOMESTIC AND FOREIGN GOVERNMENTAL

REGULATION OF AGRICULTURAL PRODUCTS.

Domestic and foreign political developments and government regulations and policies directly affect the agricultural industry in the United States and abroad and indirectly affect the agricultural equipment business in which AGCO operates. The application or modification of existing laws, regulations or policies or the adoption of new laws, regulations, trade agreements or policies adversely affecting the agricultural industry could have an adverse effect on AGCO's business.

AGCO HAS SIGNIFICANT INTERNATIONAL OPERATIONS AND, AS A RESULT, IT IS EXPOSED TO RISKS RELATED TO LAWS OF OTHER COUNTRIES, TAXES, ECONOMIC CONDITIONS, FLUCTUATIONS IN CURRENCY RATES, LABOR SUPPLY AND RELATIONS, POLITICAL CONDITIONS AND POLICIES OF FOREIGN GOVERNMENTS. THESE RISKS MAY DELAY OR REDUCE AGCO'S REALIZATION OF VALUE FROM ITS INTERNATIONAL OPERATIONS.

AGCO derived $1.9 billion, or 80%, of its revenues for the year ended December 31, 1999, from sales in foreign countries. The primary foreign countries in which AGCO does business are Germany, France, Brazil, The United Kingdom and Ireland. Additionally, AGCO has significant manufacturing operations in Germany, The United Kingdom, France, Denmark and Brazil. The production costs, profit margins and competitive position of AGCO are affected by the strength of the currencies in countries where it manufactures or purchases goods relative to the strength of the currencies in countries where its products are sold. In addition, AGCO's results of operations and financial position may be adversely affected by fluctuations in foreign currencies and by translations of the financial statements of AGCO's foreign subsidiaries from local currencies into U.S. dollars. AGCO's international operations are also subject to various risks that are not present in domestic operations, including restrictions on dividends and restrictions on the repatriation of funds.

Additionally, trends abroad such as farm consolidations may affect the agricultural equipment market. Foreign developing markets may present special risks, such as unavailability of financing, inflation, slow economic growth, changes in currency relationships or price controls.

SALES OF SIGNIFICANT AMOUNTS OF AGCO SHARES BY AG-CHEM SHAREHOLDERS FOLLOWING THE MERGER MAY ADVERSELY EFFECT THE MARKET PRICE OF AGCO COMMON STOCK.

Some Ag-Chem shareholders may, shortly after completion of the merger, liquidate the AGCO shares received by them in the merger, which liquidation may have a negative impact on the market price for AGCO common stock. If a significant number of Ag-Chem shareholders do liquidate the AGCO shares received by them in the merger, such liquidation would likely have a negative effect upon the market price for AGCO stock.

CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus contains numerous forward-looking statements about the financial condition, results of operations, cash flows, dividends, financing plans, business strategies, operating efficiencies or capital and other expenditures, competitive positions, growth opportunities for existing products, plans and objectives of management, markets for stock of AGCO and other matters. The words "estimate," "project," "intend," "expect," "believe," "forecast" and similar expressions are intended to identify these forward-looking statements, but some of these statements use other phrasing. In addition, any statement in this proxy statement/prospectus that is not a historical fact is a "forward-looking statement." Except as required by law, AGCO and Ag-Chem expressly disclaim any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events. Such forward-looking statements, wherever they occur in this proxy statement/prospectus, are necessarily estimates reflecting the best judgment of the senior management of AGCO and/or Ag-Chem and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. In addition to the specific factors described in the section entitled "Risk Factors," important factors that could cause actual results to differ materially from those suggested by the forward-looking statements are described in the proxy statement/prospectus that are incorporated by reference into this proxy statement/prospectus.

In addition, there can be no assurance that:

- all of the factors affecting AGCO and Ag-Chem's businesses have been correctly identified and assessed;
- the publicly-available and other information, upon which the analysis contained in this document is based, is complete or correct;
- the analysis contained in this document is correct; or
- the strategies, which are based in part on this analysis, will be successful.

AG-CHEM SPECIAL MEETING

Ag-Chem is furnishing this proxy statement/prospectus in connection with the solicitation of proxies by the Ag-Chem board of directors relating to the merger agreement and the transactions contemplated by the merger agreement. Ag-Chem is first sending this proxy statement/prospectus to shareholders of Ag-Chem on or about March 29, 2001. You should read this proxy statement/prospectus carefully before voting your shares.

DATE, TIME AND PLACE

The special meeting for Ag-Chem is scheduled to be held as follows:

April 13, 2001 1:00 p.m., local time 5720 Smetana Drive, Minnetonka, Minnesota 55343

MATTERS TO BE CONSIDERED AT THE SPECIAL MEETING

At the meeting, we will ask Ag-Chem shareholders to consider and vote upon adoption of the merger agreement. Ag-Chem shareholders also will vote upon any other business that may properly come before the Ag-Chem special meeting or any adjournment or postponement of that meeting.

RECORD DATE FOR THE SPECIAL MEETING; STOCK ENTITLED TO VOTE; QUORUM

The Ag-Chem board of directors has fixed the close of business on March 19, 2001, as the record date for determining the Ag-Chem shareholders entitled to notice of and to vote at the Ag-Chem special meeting. On March 19, 2001, there were 9,579,868 shares of Ag-Chem common stock outstanding held by approximately 295 holders of record.

APPRAISAL AND DISSENTERS' RIGHTS

Shareholders of Ag-Chem who follow the procedural requirements of Minnesota law will be entitled to receive cash in the amount of the fair value of their shares instead of the shares of AGCO common stock and the cash to be issued and paid pursuant to the merger. The fair value of shares of Ag-Chem common stock would be determined pursuant to Minnesota law.

Any Ag-Chem shareholder who wishes to exercise dissenters' rights must not vote in favor of the merger agreement and must comply with all of the procedural requirements imposed by Minnesota law. A copy of the dissenters' rights statute, Sections 302A.473 and 302A.471, is attached as Appendix C to this document. We encourage you to read the statute carefully and to consult with legal counsel if you desire to exercise your dissenters' rights.

COST OF SOLICITATION

Ag-Chem will pay the expenses incurred in connection with the printing and mailing of this proxy statement/prospectus. Ag-Chem also will request banks, brokers and other intermediaries holding shares of Ag-Chem common stock beneficially owned by others to send this proxy statement/prospectus to, and obtain proxies from, the beneficial owners and will reimburse the holders for their reasonable expenses in so doing. Solicitation of proxies by mail may be supplemented by telephone, telegram and other electronic means, advertisements and personal solicitation by the directors, officers or employees of Ag-Chem. No additional compensation will be paid to directors, officers or employees for such solicitation.

Ag-Chem shareholders should not send in their stock certificates with their proxy cards and/or voting instructions. For information regarding what to do with Ag-Chem share certificates, Ag-Chem shareholders should review "Material Provisions of the Merger Agreement--Exchange of Stock Certificates" on page ____.

INFORMATION ABOUT OUR COMPANIES

AGCO

AGCO is a manufacturer and distributor of agricultural equipment and related replacement parts throughout the world. AGCO sells a full range of agricultural equipment, including tractors, combines, hay tools, sprayers, forage equipment and implements. AGCO's products are widely recognized in the agricultural equipment industry and are marketed under the following brand names: AGCO(R) Allis, Massey Ferguson(R), Hesston(R), White, GLEANER(R), New Idea(R), AGCOSTAR(R), Tye(R), Farmhand(R), Glencoe(R), Fendt, Spra-Coupe(R) and Willmar(R). AGCO distributes its products through a combination of approximately 8,200 independent dealers and distributors, associates and licensees. In addition, AGCO provides retail financing in North America, the United Kingdom, France, Germany, Spain and Brazil through its finance joint ventures with Cooperateive Centrale Raiffeisen-Boerenleenbank B.A. AGCO was organized in June 1990 by an investment group formed by management to acquire the successor to the agricultural equipment business of Allis-Chalmers, a company which began manufacturing and distributing agricultural equipment in the early 1900's. Since its formation in June 1990, AGCO has grown substantially through a series of 17 acquisitions for consideration aggregating approximately $1.4 billion. These acquisitions have allowed AGCO to broaden its product line, expand its dealer network and establish strong market positions in several new markets throughout North America, South America, Western Europe and the rest of the world. AGCO has achieved significant cost savings and efficiencies from its acquisitions by eliminating duplicate administrative, sales and marketing functions, rationalizing its dealer network, increasing manufacturing capacity utilization and engineering common product platforms for certain products. In addition, AGCO is focusing its efforts on long-term growth and profit improvement initiatives including developing new and innovative products, expanding and strengthening its distribution network, reducing product costs, maintaining a flexible horizontal production strategy, and utilizing efficient asset management.

AG-CHEM

Ag-Chem manufactures and distributes off-road equipment primarily for use in fertilizing agricultural crops, the application of crop protection chemicals to crops, and, to a lesser extent, industrial waste treatment applications and other industrial uses. Ag-Chem was incorporated in Minnesota in 1963.

Ag-Chem's mission is to position itself as a leading, state-of-the-art manufacturer of agricultural application equipment, with an emphasis on "Site-Specific Agriculture" through its SOILTEQ products, specifically SOILECTION(R) and other high-tech hardware and software product offerings. Ag-Chem's site-specific technology uses computers, satellites and digitized maps to enable application equipment to selectively apply fertilizers and other chemicals to specified locations in a single pass. With this process, inputs are placed only in areas where they can be used by the crop, and excess application is minimized. The effects of such a process are optimal economic performance and potentially positive environmental benefits.

In order to achieve this goal, Ag-Chem has implemented a business strategy that is focused on customer service and training. In addition to its 17 parts and service centers, Ag-Chem provides customers with service by offering an organization of field service repair personnel who are stationed at various locations throughout the country. Because Ag-Chem believes customer training in site-specific technology is of paramount importance, Ag-Chem operates a Technology & Education Center in Jackson, Minnesota to meet the specialized training needs of its customers. Unlike most of its competitors which sell through distributors, Ag-Chem sells a majority of its products directly to end-users of the equipment, which include fertilizer dealers, farm cooperatives, large growers, municipalities, waste disposal contractors and mining and construction companies. This distribution strategy enables Ag-Chem to maintain close ties with its customers.

THE MERGER

GENERAL

Ag-Chem is furnishing this proxy statement/prospectus to its shareholders in connection with the solicitation of proxies by the Ag-Chem board of directors for use at the Ag-Chem special meeting. At the special meeting, which will be held on April 12, 2001, Ag-Chem shareholders will be asked to adopt the merger agreement.

The merger agreement provides that AGCO will acquire all of the outstanding Ag-Chem common stock in exchange for a combination of cash and AGCO common stock.

A copy of the merger agreement is attached as Appendix A to this document. You should read the merger agreement, as it is the legal document that governs the merger.

BACKGROUND OF THE MERGER

Ag-Chem, prior to May 30, 2000, began exploring the possibility of a merger with, sale to, or other arrangement with one or more other participants in the agricultural equipment market. Ag-Chem undertook this exploration based in part on its belief that aspects of its business, particularly its technology business, might grow more quickly if owned by, licensed to, or partnered with others who had greater financial resources, a full equipment line and broader domestic and international distribution than Ag-Chem. Initially, Ag-Chem had extensive discussions with a potential candidate, including the possibility of that first candidate acquiring some or all of Ag-Chem's operations and/or merging with Ag-Chem. Discussions with the first candidate continued, from time to time, until the merger agreement with AGCO was signed, and, on a number of occasions, the first candidate made oral indications of interest which included possible per share valuations. However, none of these indications of interest ever met or exceeded the ultimately-agreed-upon price with AGCO.

As discussions with the first candidate proceeded, Ag-Chem engaged Goldsmith Agio Helms to act as Ag-Chem's financial advisor. In addition to assisting Ag-Chem in negotiations with the first candidate (and, later, with AGCO), Goldsmith Agio Helms assisted Ag-Chem in preliminary assessment of various financial alternatives available to Ag-Chem ranging from a possible merger with the first candidate, the possible sale of all or a portion of Ag-Chem's operations, a possible spin-off of SOILTEQ, the possibility of entering into joint venture arrangements, and others. Although Ag-Chem had, from time to time, considered the spin-off of SOILTEQ, because of the tax and other complications regarding the spin-off, as well as the ultimate focus of both the first candidate and AGCO on acquisition of the entire company, Ag-Chem felt that a spin off of SOILTEQ operations was not a viable alternative.

In addition to AGCO and the first candidate, Ag-Chem considered third and fourth candidates to acquire Ag-Chem. Ag-Chem believed that the third candidate was not likely to have the financial capability for such an acquisition. Although Goldsmith Agio Helms approached the fourth candidate, obtained a confidentiality agreement and furnished information to it, the fourth candidate was not interested in discussing a transaction with Ag-Chem. Ag-Chem did not solicit or receive bids from other potential acquirors. Ag-Chem, based upon its knowledge of participants in the agricultural equipment market, determined that AGCO and the first candidate were the only two potential acquirors who were likely to be willing to enter into an agreement with Ag-Chem on terms acceptable to Ag-Chem. In addition to determining that there were only a limited number of potential candidates, Ag-Chem determined that broader solicitation of potential candidates for an acquisition transaction would likely be damaging to Ag-Chem, particularly to employee morale and its ability to retain key employees and to its ability to continue to market its products to customers if the fact that it was seeking acquisition candidates were to become known beyond a limited group of candidates.

In late May 2000, Robert J. Ratliff, Executive Chairman of the board of directors of AGCO, contacted A.E. McQuinn, Chairman of the Board and Chief Executive Officer of Ag-Chem and expressed an interest in learning more about Ag-Chem's business. On May 30, 2000, Ag-Chem made a presentation regarding Ag-Chem, generally, and regarding SOILTEQ, at its executive offices in Minnetonka, Minnesota, to Mr. Ratliff, John M. Shumejda, AGCO's President and Chief Executive Officer, and Norman L. Boyd, AGCO's Vice President for Corporate Development. This presentation was made by Mr. McQuinn, Mary M. Jetland, Ag-Chem's Senior Vice President for SOILTEQ, and John C. Retherford, Ag-Chem's Senior Vice President and Chief Financial Officer, and another employee of Ag-Chem and was attended by a representative of Goldsmith Agio Helms. This presentation consisted of general information regarding Ag-Chem and, more particularly, regarding SOILTEQ, a portion of Ag-Chem's business based on computers, satellites and digitized maps, which is designed to allow the farmer or other applicator to selectively apply fertilizers and other chemicals in a single pass. Ag-Chem's presentation included specific discussion of SOILTEQ because Ag-Chem has viewed its mission, for several years, as positioning itself as a leading, state-of-the-art manufacturer of agricultural application equipment with an emphasis on "site-specific agriculture" including SOILTEQ. The presentation regarding SOILTEQ was similar to presentations made by Ag-Chem to potential customers, vendors, potential licensees, and potential joint venturers in site-specific agriculture ventures.

At the same meeting, AGCO made a presentation about its history, growth strategy, business philosophy, prior acquisitions, operations, locations, and financial statement information drawn from and available in AGCO's publicly-available Securities and Exchange Commission filings. In addition, AGCO provided information regarding its domestic and international market position and a breakdown of sales by product line. No projections were included in either Ag-Chem's or AGCO's presentation.

The next day, Messrs. Ratliff, Boyd and Shumejda of AGCO, accompanied by Mr. McQuinn and Ms. Jetland and the representative of Goldsmith Agio Helms, toured Ag-Chem's Jackson, Minnesota plant. No merger negotiations resulted directly from the May meetings although each of Ag-Chem and AGCO was aware that the other had some interest in a possible transaction or arrangement.

In late July, after Ag-Chem had explored the possible sale of Ag-Chem to, or merger of Ag-Chem with, the first candidate and determined it unlikely that the first candidate would be willing to pay an acceptable price or enter into an acceptable merger agreement, Goldsmith Agio Helms, at Ag-Chem's request, obtained from AGCO a confidentiality agreement and delivered to AGCO a confidential memorandum about Ag-Chem. This confidential memorandum contained information about Ag-Chem's history, management, ownership, products and operations, as well as historical and projected financial results of Ag-Chem in the aggregate and by subsidiary, division and selected products. In addition, the memorandum contained Ag-Chem's perception of the market for agricultural equipment, factors which Ag-Chem believed potential acquirers should consider in assessing Ag-Chem's valuation, and opportunities which Ag-Chem had identified for possible cost savings and revenue enhancements in a possible business combination.

Between delivery of that memorandum and late August, Goldsmith Agio Helms had informal discussions by telephone with a representative of AGCO about the information provided about Ag-Chem and about AGCO's potential valuation of Ag-Chem.

On August 30, 2000 Messrs. Ratliff and Boyd of AGCO, together with Stephen D. Lupton, AGCO's Senior Vice President and General Counsel, met with Messrs. McQuinn and Retherford and Ms. Jetland and representatives of Goldsmith Agio Helms at Goldsmith Agio Helms's offices in Minneapolis. Ag-Chem presented information about itself which was more detailed than had been presented at the late-May meeting and much of which was not publicly available. The presentation included summary information on Ag-Chem's operations as well as historical financial information as to Ag-Chem in the aggregate and as to each of Ag-Chem's subsidiaries and divisions. It also included detailed projections regarding possible sales increases and cost-savings, both as a result of Ag-Chem's ongoing cost reduction programs and as a result of a possible business combination with AGCO. The presentation also included Ag-Chem's views regarding the site-specific agriculture industry in general and the potential market position of SOILTEQ.

Among the benefits discussed at the August 30th meeting were the potential benefits that might result from a business combination between AGCO and Ag-Chem such as the following:

- AGCO's greater purchasing volume;

- the unused capacity in Ag-Chem's Jackson, Minnesota plant;

- the possible reduction of administrative costs;

- the potential use of AGCO's parts distribution system;

- the availability of AGCO's credit company to allow purchasers to finance purchases of equipment;

- the potential for Ag-Chem's products to be sold directly to farmers (Ag-Chem has historically marketed to fertilizer dealers, farm cooperatives and large growers); and

- the potential for Ag-Chem's products to be sold internationally.

Although there was some discussion about a range of possible valuations for Ag-Chem, and the nature of consideration which might be given for Ag-Chem's common stock, there were no negotiations or agreements on price or any terms, however, AGCO and Ag-Chem did agree to continue discussions.

Over the next month, a number of informal discussions, primarily by telephone, some through Goldsmith Agio Helms, took place, focusing on a number of topics, including the price that AGCO might be willing to pay for Ag-Chem, which portions of Ag-Chem's business might be included in an acquisition and the nature of consideration that might be given by AGCO.

On September 25, 2000, another meeting took place at the offices of Goldsmith Agio Helms in Minneapolis. Messrs. McQuinn and Retherford, Ms. Jetland and DeWalt Willard, a director of Ag-Chem, participated on behalf of Ag-Chem and Messrs. Ratliff, Boyd, and Lupton participated on behalf of AGCO. Representatives of Goldsmith Agio Helms also participated in these discussions. AGCO made a presentation about, among other things, AGCO's financial condition, debt levels, operating results, and general business outlook. Although AGCO displayed some projections of its future operations, these projections did not contain details about the assumptions upon which they were based. AGCO did not, at that time, give Ag-Chem or Goldsmith Agio Helms a copy of the presentation or projections. AGCO's presentation also included possible structures for an acquisition of Ag-Chem, possible benefits that might result from such an acquisition, possible strategies for integration of Ag-Chem's business into AGCO and a limited analysis of pro-forma projected financial information related to the cost savings which might be achieved. AGCO also indicated a willingness to pursue negotiations regarding a transaction at a price and on terms that were, at that time, more attractive to Ag-Chem and its shareholders than any other indication of interest Ag-Chem had received. Although no agreement was reached regarding price or terms, AGCO and Ag-Chem authorized representatives of AGCO and AGCO's law firm to conduct "due diligence" inquiries on AGCO's behalf.

During negotiations, AGCO indicated that it was valuing Ag-Chem without attributing any value to SOILTEQ and that, as a result, it would not object to Ag-Chem shareholders retaining or otherwise selling SOILTEQ if such retention would not result in any cost, liability or contingent liability to AGCO.

Discussions at that time about possible alternative structures, including a possible spin-off or retention by Ag-Chem shareholders of SOILTEQ, were preliminary in nature and focused on concepts. These concepts were subject to further research and analysis regarding tax and other structure-related issues. No satisfactory resolution of such issues was ever reached. As a result, no agreement, formal or otherwise, was reached regarding any such alternative structure. As negotiations with the first candidate and AGCO proceeded, both the first candidate and AGCO indicated that they were interested in acquiring all of Ag-Chem's business.

During the first week of October, representatives of AGCO visited Ag-Chem's law firm to conduct inquiries and review information about Ag-Chem, its business, and other matters. After a couple of days, Ag-Chem discontinued furnishing due diligence information to AGCO because Ag-Chem had received a revised indication of interest from the first candidate at a price per Ag-Chem share of $25, a price that was higher than Ag-Chem believed AGCO would be willing to pay. No other significant terms were resolved at that time. During the ensuing two and one half weeks, the first candidate and Ag-Chem continued to negotiate significant terms. Two of the most significant unresolved terms, which were never resolved, were the timing of the valuation of the first candidate's shares for purposes of determining the number of the first candidate's shares to be delivered to Ag-Chem shareholders and the portion of total consideration to consist of cash as opposed to shares of the first candidate. These issues, as well as others, were never agreed upon. Although the first candidate reduced this indication of interest shortly before an agreement on price was reached with AGCO, Ag-Chem believes that negotiations with the first candidate would have continued had an agreement with AGCO not been reached. Because the nature of such transaction had not been resolved, Ag-Chem had not determined what the tax consequences of a transaction with such potential acquirer might have been.

While these discussions with the first candidate were ongoing, Mr. Ratliff of AGCO recontacted A. E. McQuinn. Mr. Ratliff indicated that AGCO had continued studying the information provided by Ag-Chem and had

concluded that there was a higher likelihood of achieving benefits than AGCO had initially contemplated and that, as a result, AGCO would likely be willing to significantly increase the valuation at which it would be willing to move forward with negotiations. Mr. Ratliff requested a meeting to discuss valuation.

On October 19, 2000, Mr. McQuinn, Ms. Jetland and representatives of Goldsmith Agio Helms, on behalf of Ag-Chem, and Messrs. Ratliff, Shumejda and Boyd, on behalf of AGCO, met at Ag-Chem's offices to discuss price and terms. During this meeting, there was a general agreement on a price of $26.00 per Ag-Chem share although the nature of the consideration to be given and several other material terms, including a potential reduction in price related to Ag-Chem's anticipated payment of bonuses to some of its employees, were yet to be resolved. Ultimately, the price per Ag-Chem share was reduced to $25.80 to allow Ag-Chem to pay bonuses aggregating $1.4 million to Mr. Retherford and Ms. Jetland related to their efforts negotiating the merger and another $1.6 million related to past services to some of its still unidentified employees prior to closing of the merger.

After the October 19 meeting, the first candidate contacted Goldsmith Agio Helms. Goldsmith Agio Helms, without disclosing the price generally agreed upon by Ag-Chem and AGCO, encouraged the first candidate to increase its valuation of Ag-Chem. The first candidate indicated no willingness to proceed with discussions at a higher price. After the October 19 meeting, AGCO and Ag-Chem authorized their law firms to begin preparing drafts of the agreements related to a proposed transaction and, as a result, a first draft of a merger agreement was distributed to Ag-Chem directors late in the week of November 6th.

During the negotiations, Mr. McQuinn indicated that in the event that the aggregate purchase price included less than 11,800,000 shares of AGCO common stock as a result of AGCO's share price being below $8.38 and its election to substitute cash for the stock portion of the merger consideration, he wanted Ag-Chem shareholders to have the ability to subscribe to the difference between the number of shares issued and 11,800,000 shares. In response, AGCO agreed to grant the subscription rights described under "The Merger--What You Will Receive; The Merger Consideration-AGCO Subscription Right."

The Ag-Chem board met on Monday, November 13, 2000. At this meeting, Goldsmith Agio Helms made a presentation regarding the history of negotiations and pending issues in the negotiations and presented its oral opinion that, as of the date thereof and subject to the assumptions, procedures and limitations set forth therein, the proposed merger consideration to be received pursuant to the merger agreement by the holders of Ag-Chem common stock is fair to the Ag-Chem shareholders from a financial point of view. The board then appointed a special committee of the board of directors comprised of G. Waddy Garrett, Al Giese, and DeWalt Willard, whom the board determined to be all of the disinterested directors as contemplated by the Minnesota Business Corporation Act, Section 302A.673. The special committee was given the authority to approve and authorize Ag-Chem's entering into a merger with AGCO or such other party as it deemed appropriate, pursuant to such terms and conditions as the special committee deemed to be in the best interest of Ag-Chem.

On November 13, 2000, the special committee also engaged and met with independent legal counsel to advise it regarding the negotiations with AGCO and regarding its responsibilities and met with Goldsmith Agio Helms, to discuss the proposed merger agreement.

Negotiations between Ag-Chem and AGCO continued, both in person in Minneapolis and by telephone, and the Ag-Chem special committee continued to meet, throughout the week of November 13th. Multiple drafts of the proposed merger agreement were exchanged but there was not final agreement on price and material terms until November 17th. On that day, the Ag-Chem special committee met and approved and adopted the merger agreement, subject to the receipt of an updated fairness opinion from Goldsmith Agio Helms. Goldsmith Agio Helms delivered an oral opinion to the entire board the next day, which was subsequently confirmed in writing, and the Ag-Chem board ratified the approval on that day. Ag-Chem and AGCO executed the merger agreement on Sunday, November 19th, effective as of Monday, November 20th. Ag-Chem and AGCO each issued press releases before the markets opened on Monday, November 20th announcing the merger agreement.

AG-CHEM'S REASONS FOR THE MERGER

Ag-Chem's special committee and board of directors have each unanimously determined that the merger is advisable and in the best interests of Ag-Chem and its shareholders and have approved and adopted the merger, the

merger agreement and the transactions contemplated thereby. In reaching the determination that the merger is advisable and in the best interests of Ag-Chem and its shareholders, the Ag-Chem special committee and board considered a number of factors, which included (but did not consist exclusively of) the following:

- The merger should increase the ability of Ag-Chem, as a subsidiary of AGCO, to further commercialize its site-specific applications. Ag-Chem has attempted to position itself as the state-of-the-art manufacturer of agricultural application equipment, with an emphasis on site-specific agriculture through its SOILTEQ products, specifically SOILECTION(R)and other high-tech hardware and software product offerings. Although the SOILTEQ aspect of Ag-Chem's business has grown more slowly than Ag-Chem had hoped, Ag-Chem continues to believe in the future of this product line. Over the past few years, other companies, some with greater financial, marketing, and other resources than Ag-Chem, have entered the marketplace for site-specific agriculture. Ag-Chem has become particularly concerned that Deere & Co. and CNH Global have begun to market site-specific agricultural equipment. Both Deere & Co. and CNH Global have greater access to capital, broader name recognition and larger distribution networks than Ag-Chem, each of which has placed Ag-Chem at a competitive disadvantage. AGCO has indicated that it intends to continue to pursue Ag-Chem's site-specific agriculture strategy and that it views the segments of the agricultural equipment industry served by Ag-Chem as major growth segments of the industry. Joining with AGCO will give Ag-Chem the opportunity to more broadly market its site-specific agricultural products and services to a wider range of customers.

- Ag-Chem should benefit from increased production efficiencies. Ag-Chem and AGCO both produce products for various aspects of the agriculture industry. Many of such products use similar technologies, both in their design and in their production. The combination of Ag-Chem's and AGCO's design and production functions should increase Ag-Chem's ability to efficiently produce its products. AGCO's ability to realize these efficiencies is uncertain and will depend upon many factors which AGCO and Ag-Chem will be unable to determine until after the merger is completed. Further, the ability of AGCO to benefit may be limited by redundancies in AGCO's and Ag-Chem's operations. For example, both AGCO and Ag-Chem operate parts and service operations. While Ag-Chem and AGCO believe that AGCO's service operations will likely increase the ability to service customers on a more timely basis, the ultimate determination whether to terminate all or some of Ag-Chem's parts and service operations will be made by AGCO in the future. If AGCO determines to terminate Ag-Chem's parts and service operations, AGCO will incur a cost related to such termination. Secondly, AGCO and Ag-Chem have not yet assessed the ability to continue to market both AGCO's and Ag-Chem's post-emergence application equipment. Although the customers to whom each are currently marketed differ from the other, both AGCO's and Ag-Chem's equipment have similar capabilities and, ultimately, AGCO may determine to limit or eliminate one or the other of such systems from its product line and/or may choose to merge such product lines. Again, AGCO will not make such determination until after the merger has been completed.

- AGCO's international distribution network should provide increased opportunity for marketing of Ag-Chem's products. While Ag-Chem has traditionally marketed its products in the United States, more recently, it has expanded its marketing efforts in Europe. European sales accounted for less than 10% of Ag-Chem's sales in the fiscal year ended September 30, 2000. Ag-Chem derives little sales revenue from the sale of its products in South America. AGCO has a well-established distribution network in Europe and South America, which should provide new outlets for sales of Ag-Chem's products.

- AGCO's domestic distribution network should provide an increased ability to compete by marketing Ag-Chem's products to customers to whom Ag-Chem has not traditionally made significant sales. Ag-Chem's and AGCO's products have traditionally been marketed to differing segments of the agriculture industry. The merger should provide an opportunity to increase sales of Ag-Chem's products because AGCO has access to, and history with, customers in a portion of the agriculture industry (large farmers) not traditionally served by Ag-Chem.

- AGCO's ability to finance sales of Ag-Chem's equipment, through AGCO Finance, should both enhance the ability to market Ag-Chem's products and to obtain a higher return on sales of such products. Traditionally, Ag-Chem has provided financing to its customers related to purchases of Ag-

Chem's products through financing arrangements with third-party lenders such as banks. Although such financing has been an essential element of Ag-Chem's ability to market its products, it has not been a significant source of revenues for Ag-Chem. AGCO, through its AGCO Finance subsidiary, obtains financing from the sale of debt securities, provides such financing and administers such financing arrangements. AGCO's ability to provide such financing services to purchasers of Ag-Chem's equipment should provide more revenue after the merger is completed.

- Use of AGCO's network to distribute parts and service after the merger is likely to result in lower costs than Ag-Chem's current parts and service operation. AGCO's parts and service network is more effective and economical than Ag-Chem's because AGCO has a broader network of equipment dealers servicing its equipment and AGCO's parts distribution network is more centrally based. These efficiencies should allow Ag-Chem, after the merger, to improve the contribution of its parts and service network to the profitability of the combined companies.

- The combined purchasing power of Ag-Chem and AGCO should help lower the cost of production of Ag-Chem's products. AGCO is a much larger company than Ag-Chem and, as such, is often able to purchase parts, supplies and services at more competitive prices and rates than Ag-Chem. Access to such purchasing power should increase the operating margins of Ag-Chem's products.

- AGCO's financial resources are better able to fund the research and development for Ag-Chem's site-specific products and other operating expenses. Although Ag-Chem, from the beginning of its October 1, 1999 fiscal year, through September 30, 2000, has operated with a cumulative positive cash flow from operations of $46.8 million, a significant portion of such cash flow has been related to Ag-Chem's reduction in receivables and inventory. Ag-Chem's focus on, and investment in, site-specific agriculture has reduced cash flow available to fund operations and such lower receivables and inventory levels have hindered Ag-Chem's ability to obtain new financing to fund expansion and growth. Ag-Chem believes its ability to obtain financing has been negatively affected by the market for companies engaged in the agriculture industry. Ag-Chem believes AGCO's access to capital markets should enhance the ability to fund research and development for site-specific products and other operating expenses.

- Ag-Chem's shareholders will receive shares of AGCO, a more broadly-focused participant in the market for agricultural equipment and will no longer hold shares of a company (Ag-Chem) focused on equipment used to apply fertilizer and crop protection chemicals. Although AGCO shares represent a more diversified investment, Ag-Chem shareholders will no longer hold shares of a company so highly focused on site-specific agriculture. Further, Ag-Chem shareholders have no assurance that AGCO will remain committed to, and not abandon, development and marketing of site-specific agriculture.

- Some Ag-Chem shareholders may, shortly after completion of the merger, liquidate the AGCO shares to be received by them in the merger, which liquidation may have a negative impact on the market price for AGCO common stock. The Ag-Chem board recognized that it could not predict the number of Ag-Chem shareholders who, upon receiving consideration partially in freely-tradable AGCO common stock, might choose to promptly liquidate their holdings of AGCO common stock. If a significant number of such shareholders do liquidate the AGCO shares received by them in the merger, such liquidation would likely have a negative effect upon the market price for AGCO stock.

- Ag-Chem has unused manufacturing capacity in its Jackson, Minnesota, plant which could be used by AGCO in the event AGCO requires additional