FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

(X) QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2000

OR

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

for the transition period from ____________ to ______________

For Quarter Ended	Commission File Number
March 31, 2000	1-7183

TEJON RANCH CO.

(Exact name of Registrant as specified in its charter)

Delaware	77-0196136
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

P.O. Box 1000, Lebec, California	93243
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code...(661) 248-3000

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No____

Total Shares of Common Stock issued and outstanding on March 31, 2000, were 12,697,179.

TEJON RANCH CO.

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PART I FINANCIAL INFORMATION

TEJON RANCH CO. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31	
	2000	1999
Revenues:		
Livestock	$ 7,790	$ 9,407
Farming	170	276
Real Estate	1,046	2,343
Interest Income	158	151
	9,164	12,177
Costs and Expenses:		
Livestock	7,209	9,345
Farming	427	365
Real Estate	1,231	1,011
Corporate Expense	760	706
Interest Expense	458	155
	10,085	11,582
Operating Income (Loss)	(921)	595
Provision for Income Tax	(350)	226
Net Income (Loss)	$ (571)	$ 369
Net Income (Loss) Per Share, basic	$ (0.04)	$ 0.03
Net Income (Loss) Per Share, diluted	$ (0.04)	$ 0.03

See Notes to Consolidated Condensed Financial Statements.

TEJON RANCH CO. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(In Thousands)

	March 31, 2000	December 31, 1999*
ASSETS	(Unaudited)	
CURRENT ASSETS		
Cash and Cash Equivalents	$ 953	$ 423
Marketable Securities	10,342	9,942
Accounts & Notes Receivable	4,139	5,019
Inventories:		
Cattle	24,785	21,172
Farming	2,369	1,077
Other	417	559
Prepaid Expenses and Other	1,846	1,101
Total Current Assets	44,851	39,293
PROPERTY AND EQUIPMENT - NET	54,333	50,737
OTHER ASSETS	1,594	1,489
TOTAL ASSETS	100,778	91,519
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade Accounts Payable	$ 2,510	$ 3,315
Other Accrued Liabilities	153	97
Short-term Borrowings	22,624	19,486
Other Current Liabilities	89	117
Total Current Liabilities	25,376	23,015
LONG-TERM DEBT	27,797	20,606
DEFERRED INCOME TAXES	5,004	4,738
Total Liabilities	58,177	48,359
STOCKHOLDERS' EQUITY		
Common Stock	6,349	6,349
Additional Paid-In Capital	379	379
Retained Earnings	36,130	36,701
Accumulated Other Comprehensive Income	(257)	(269)
Total Stockholders' Equity	42,601	43,160
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 100,778	$ 91,519

See Notes to Consolidated Condensed Financial Statements.

* The Balance Sheet at December 31, 1999 has been derived from the audited financial statements at that date.

TEJON RANCH CO. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOW

(In Thousands)
(Unaudited)

	Three Months Ended March 31	
	2000	1999
OPERATING ACTIVITIES		
Net Income (Loss)	$ (571)	$ 369
Items Not Affecting Cash:		
Depreciation and Amortization	571	542
Deferred Income Taxes	259	(64)
Equity in loss from unconsolidated joint venture	1,050	--
Changes in Operating Assets and Liabilities:		
Receivables, Inventories and other Assets, Net	(5,544)	1,171
Current liabilities, Net	(777)	1,089
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(5,012)	3,107
INVESTING ACTIVITIES		
Cash in Escrow	---	4,200
Maturities and Sales of Marketable Securities	325	2,709
Funds Invested in Marketable Securities	(706)	(1,158)
Property and Equipment Expenditures	(4,167)	(12,063)
Change in Breeding Herds	(239)	(260)
Other	---	(21)
NET CASH USED IN INVESTING ACTIVITIES	(4,787)	(6,593)
FINANCING ACTIVITIES		
Proceeds From Revolving Line of Credit	11,628	5,698
Payments of Revolving Line of Credit	(6,866)	(7,502)
Borrowing of Long-term Debt	7,191	4,800
Payments of Long-term Debt	(1,624)	---
NET CASH PROVIDED BY FINANCING ACTIVITIES	10,329	2,996
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	530	(490)
Cash and Cash Equivalents at Beginning of Year	423	743
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 953	$ 253

See Notes to Consolidated Condensed Financial Statements.

CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total
Balance January 1, 1999	$6,346	$382	$(179)	$36,156	$42,705
Net Income	---	---	---	1,181	1,181
Defined Benefit Plan Funding Adjustments, Net of taxes of $133,000	---	---	216	---	216
Changes in Unrealized Losses on Available-For-Sale Securities, net of taxes of $205,000	---	---	(306)	---	(306)
Comprehensive Income	---	---	---	---	1,091
Exercise of Stock Options	3	(3)	---	---	---
Cash Dividends Paid - $.05 per share	---	---	---	(636)	(636)
Balance, December 31, 1999	$6,349	$379	$(269)	$36,701	$43,160
Net Loss				(571)	(571)
Changes in Unrealized Losses on Available-For-Sale Securities, net of taxes of $7,000			12		12
Comprehensive Income					(559)
Balance, March 31, 2000	$6,349	$379	$(257)	$36,130	$42,601

NOTES TO CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOW

(Unaudited)

March 31, 2000

NOTE A - BASIS OF PRESENTATION

The summarized information furnished by Registrant pursuant to the instructions to part I of Form 10-Q is unaudited and reflects all adjustments which are, in the opinion of Registrant's management, necessary for a fair statement of the results for the interim period. All such adjustments are of a normal recurring nature.

Certain amounts in the 1999 quarterly financial statements have been reclassified to conform to the current year presentation.

The results of the period reported herein are not indicative of the results to be expected for the full year due to the seasonal nature of Registrant's agricultural activities. Historically, the largest percentages of revenues are recognized during the third and fourth quarters.

For further information, refer to the Consolidated Financial Statements and footnotes thereto included in Registrant's Annual Report on Form 10-K for the year ended December 31, 1999.

NOTE B - NET INCOME PER SHARE

Basic net income per share is based upon the weighted average number of shares of common stock outstanding during the year, which at March 31, 2000 was 12,697,179 and at March 31, 1999 was 12,691,253. Diluted net income per share is based upon the weighted average number of shares of common stock outstanding, and the weighted average number of shares outstanding assuming the issuance of common stock for stock options using the treasury stock method (12,790,043 at March 31, 2000 and 12,712,655 at March 31, 1999). The weighted average of dilutive stock options were 92,864 in 2000 and 21,402 in 1999.

NOTE C - MARKETABLE SECURITIES

Statement of Financial Accounting Standard ("SFAS") No. 115, Accounting for Certain Investments in Debt and Equity Securities, requires that an enterprise classify all debt securities as either held-to-maturity, trading, or available-for-sale. Registrant has elected to classify its securities as available-for-sale and therefore is required to adjust securities to fair value at each reporting date.

The following is a summary of available-for-sale securities at December 31, 1999 and March 31, 2000:

	March 31, 2000		December 31, 1999	
	Cost	Estimated Fair Value	Cost	Estimated Fair Value
Marketable Securities:				
(in thousands)				
U.S. Treasury and agency notes	$ 5,289	$ 4,955	$ 5,191	$ 4,824
Corporate notes	5,484	5,387	5,201	5,118
	$ 10,773	$ 10,342	$ 10,392	$ 9,942

As of March 31, 2000, the fair value adjustment is a $19,000 unrealized gain. The fair value adjustment to stockholders' equity for the first quarter of 2000, net of a deferred tax of $7,000, is an unrealized gain of $12,000. The cumulative fair value adjustment in stockholder's equity, net of deferred taxes, is a $257,000 unrealized loss. Registrant's gross unrealized holding losses equal $431,000. On March 31, 2000, the average maturity of U.S. Treasury and agency securities was 2.8 years and corporate notes was two years. Currently, Registrant has no securities with a remaining term to maturity of greater than five years.

Market value equals quoted market price, if available. If a quoted market price is not available, market value is estimated using quoted market prices for similar securities. Registrant's investments in corporate notes are with companies with a credit rating of A or better.

NOTE D - COMMODITY CONTRACTS USED TO HEDGE PRICE FLUCTUATIONS

Registrant uses commodity derivatives to manage its exposure to price fluctuations on its purchased stocker cattle and its cattle feed costs. The objective is to protect or create a future price for stocker cattle that will protect a profit or minimize a loss once the cattle are sold and all costs are deducted and protect Registrant against a disastrous cattle market decline or feed cost increase. To help achieve this objective Registrant used both the futures commodity markets and options commodity markets. A futures contract is an obligation to make or take delivery at a specific future time of a specifically defined, standardized unit of a commodity at a price determined when the contract is executed. Options are contracts that give their owners the right, but not the obligation, to buy or sell a specified item at a set price on or before a specified date.

Registrant continually monitors any open futures and options contracts to determine the appropriate risk exposure based on market movement of the underlying asset. The options and futures contracts used typically expire on a quarterly or semi-annual basis and are structured to expire close to or during the month the stocker cattle and feed are scheduled to be sold or purchased. The risk associated with hedging for Registrant is that hedging limits or caps the potential profits if cattle or feed prices begin to increase dramatically or can add additional costs if cattle or grain prices fall dramatically.

Realized gains, losses, and costs associated with both open and closed contracts are recognized in costs of sales expense. At March 31, 2000 there were $128,000 of gains associated with futures and option contracts included in cost of sales.

The following table identifies the cattle futures contract amounts outstanding at March 31, 2000 (in thousands, except number of contracts):

Cattle Future / Option Description	No. Contracts	Original Contract/Cost (Bought) Sold	Estimated Fair Value (Bought) Sold
Corn futures bought, 50,000 lbs. per contract	250	$ (2,983)	$ 3,073
Corn options sold, 40,000 lbs. per contract	50	$ 8	(8)
Corn options bought, 40,000 lbs. per contract	100	$ (21)	$ 20
Cattle futures bought, 40,000 lbs. per contract	210	(5,917)	5,855
Cattle options sold, 40,000 lbs. per contract	110	22	(21)
Cattle options bought, 40,000 lbs. per contract	110	(29)	22

The March31, 2000 futures contracts and options expire between April 2000 and December 2000. Estimated fair value at settlement is based upon quoted market prices at March 31, 2000.

NOTE E - CONTINGENCIES

At March 3, 2000, Registrant was guaranteeing the repayment of $13.8 million of debt of the Petro Travel Plaza L.L.C. Total debt at Petro Travel Plaza L.L.C. is $13.0 million and is related to the construction of the travel plaza. Registrant does not expect the guarantee to ever be used due to the cash flow provided by the operations of the Petro Travel Plaza, L.L.C.

Registrant leases land to National Cement Company of California, Inc. (National) for the purpose of manufacturing portland cement from limestone deposits on the leased acreage. National, Lafarge Corporation (the parent company of the previous operator) and Registrant have been ordered to cleanup or abate an old industrial waste landfill site, a storage area for drums containing lubricants and solvents, an underground storage tank for waste oil and solvents, an underground plume of hydrocarbons, diesel fuel which leaked from a pipeline, and the cement kiln dust piles on the leased premises. Lafarge has undertaken the investigation and remediation of landfills and has completed the removal of contaminated soils above the groundwater level from the landfills. Lafarge has also completed a substantial amount of the site investigation with respect to chlorinated hydrocarbons. The plume of chlorinated hydrocarbons covers an extensive area and has migrated off of the leased premises in one direction where it has been found to be leaking into a local creek. Lafarge is undertaking additional investigation work as directed by the Regional Water Board and is developing a feasibility study evaluating different remediation options. The order for the kiln dust piles now requires only site stabilization measures of the sort previously undertaken by National and does not call for transporting the large piles offsite. Under the orders, Registrant is secondarily liable and will be called upon to perform work only if National and Lafarge fail to do so, although the relative priority of Lafarge and

Registrant is being reconsidered by the Board in May 2000. Under the lease agreements with National and Lafarge, each of the companies is required to indemnify Registrant for its designated portion of any costs and liabilities incurred in connection with the cleanup order. Due to the financial strength of National and Lafarge, Registrant believes that a material effect on the company is remote at this time.

For further discussion refer to Registrant's 1999 Form 10-K, Part I, Item 3, - "Legal Proceedings". There have been no significant changes since the filing of the 1999 Form 10-K.

NOTE F - INVESTMENT IN UNCONSOLIDATED JOINT VENTURES

Registrant is as a member in a limited liability company, Petro Travel Plaza, LLC, in which it has an ownership interest of 60%. Registrant accounts for its investment in Petro Travel Plaza using the equity method of accounting. Petro Travel Plaza owns and operates a travel plaza/commercial highway operation in the Tejon Industrial Complex. Registrant's investment deficit in its unconsolidated joint venture is $1,050,000 at March 31, 2000, which is included in other assets in the accompanying consolidated balance sheets. The net loss in earnings of its unconsolidated joint venture is $161,000, which is included in Real Estate operations in the accompanying consolidated statements of income for the quarter ended March 31, 2000.

Condensed financial information of Registrant's unconsolidated joint venture as of and for the year ended March 31, 2000 is as follows (in thousands):

Condensed Combined Income Statement Information

Net Sales	$7,405
Net Loss	(268)
Partner's Share of net loss	(107)
Equity in loss of unconsolidated joint venture	$ (161)

Condensed Combined Balance Sheet Information

Current Assets	$ 1,727
Property and equipment, net	17,041
Long-term Debt	(13,000)
Other Liabilities	(1,010)
Net Assets	$ 4,758

NOTE G - PAYMENT OF DIVIDEND

On May 2, 2000, the Board of Directors voted to eliminate Registrant's annual dividend of $0.05 per share. The dividend was eliminated in order to reinvest all internally generated cash flow to support Registrant's growth.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

Throughout "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Quantitative and Qualitative Disclosures About Market Risk," and the narratives on the preceding pages of this report, Registrant has made forward-looking statements regarding future developments in the cattle industry, in Registrant's strategic alliances and the almond industry, future yields, and prices, future development of Registrant's property, future revenue and income of Registrant's jointly-owned travel plaza, potential losses to Registrant as a result of pending environmental proceedings and market value risks associated with investment and risk management activities and with respect to inventory, accounts receivable and Registrant's own outstanding indebtedness. These forward-looking statements are subject to factors beyond the control of Registrant (such as weather, market and economic forces) and, with respect to Registrant's future development of its land, the availability of financing and the ability to obtain various governmental entitlements. No assurance can be given that the actual future results will not differ materially from those in the forward-looking statements.

Results on Operations

Total revenues, including interest income for the first quarter of 2000 were $9,164,000 compared to $12,177,000 for the first quarter of 1999. The decline in revenues during the first quarter of 2000 is primarily attributable to decreases in livestock division revenues of $1,617,000 and real estate division revenues of $1,297,000. The decrease in real estate revenues when compared to 1999 is primarily due to the sale of a fiber optic communications easement for $1,750,000 that occurred in the first quarter of 1999. The decrease in real estate revenues was partially offset by payments received from Enron in the first quarter of 2000 totaling $300,000 related to an option to lease which did not become effective until the second quarter of 1999. Additionally, there was an increase in leasing income of $236,000 derived from the three industrial and commercial buildings purchased during the second quarter of 1999. When compared to the same period in 1999, livestock division revenues declined due to decreases in livestock sales of $2,094,000, which were partially offset by improved feedlot sales due to higher occupancy totals during the first quarter of 2000. Livestock sales decreased due to 1,200 fewer head of cattle being sold during the first quarter of 2000 when compared to the same period of 1999. This decrease was primarily related to the timing of the sale of cattle in 2000.

Operating activities during the first quarter of 2000 resulted in a net loss of $571,000, or $0.04 per share diluted, compared to a net income of $369,000, or $0.03 per share diluted, for the same period of 1999. The decrease in earnings when compared to 1999 is primarily attributable to the decrease in revenues described above. In addition to decreases in revenues, there were higher real estate division costs and interest expense in the first quarter of 2000 when compared to the same period of 1999. Partially offsetting these unfavorable variances was an increase in profit margins on cattle sold of approximately $500,000 due to improved cattle prices and lower costs of sales. The increase in real estate costs was primarily related to higher staffing costs that are directly related to the increased real estate development activities of Registrant. Depreciation expense increased due to increased development activities and the purchase of the industrial and commercial buildings discussed above.

Registrant believes that overall for 2000, cattle prices should improve due to the increases in demand for product and to increased export demand because of the improving economies in Asia. Although cattle sales are lower for the first quarter of 2000 when compared to 1999, net margins on 2000 cattle sales increased approximately 22% over 1999. The higher margin is the result of selling cattle raised on Registrant's property, which have lower costs than purchased cattle. It is early in the year for Registrant to make accurate production estimates for its grapes and nuts, however, California statewide estimates are for almonds to have lower production than the prior year due to storms and cold weather during the bloom period. This potential reduction in the almond crop could improve prices for the 2000 almond crop. It is also being estimated that grape production will be equal to or greater than 1999. This level of production could put additional pricing pressure on grapes during 2000.

Registrant continues to be involved in various environmental proceedings related to leased acreage. For a further discussion, refer to Note E - Contingencies.

Prices received by Registrant for many of its products are dependent upon prevailing market conditions and commodity prices. Therefore, Registrant is unable to accurately predict revenue, just as it cannot pass on any cost increases caused by general inflation, except to the extent reflected in market conditions and commodity prices. The operations of the Registrant are seasonal and results of operations cannot be predicted based on quarterly results.

Liquidity and Capital Resources

Registrant's cash, cash equivalents and short-term investments totaled approximately $11,295,000 at March 31, 2000, compared to $10,365,000 at December 31, 1999, an increase of 9%. Working capital as of March 31, 2000 was $19,475,000 compared to $16,278,000 on December 31, 1999. The increase in working capital during the first quarter of 2000 is due primarily to the growth of cattle and farming inventories that were partially funded by an increase in the use of short-term debt financing.

Registrant has a revolving line of credit of $25,000,000 that as of March 31, 2000 had a balance outstanding of $17,004,000 bearing interest at the rate of 8.50%, which floats with changes in the lending bank's prime interest rate. At Registrant's option, the interest rate on this line of credit can be fixed at 1.50% over a selected LIBOR rate or float at .50% less than the bank's prime lending rate. Registrant's feedlot also has a short-term revolving line of credit for the feedlot with a local bank for $6,800,000 with an outstanding balance at March 31, 2000 of $4,598,000 with an interest rate approximating the bank's prime lending rate of 8.00%, which floats with changes in the lending bank's prime interest rate. The revolving lines of credit are used as a short-term cash management tool and for the financing of customer cattle and feed receivables at the feedlot, respectively. The use of short-term credit has grown due to increases in inventories because of the growth of the Registrant's core business lines and to the funding of infrastructure construction costs on a short-term basis until longer term sources of debt are used. Registrant's use of long-term debt funding sources also increased due to financing land improvements and infrastructure with term financing as opposed to using short-term lines of credit. This allows for better matching of assets to the liabilities funding those assets.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of loss that may impact the financial position, results of operations, or cash flows of Registrant due to adverse changes in financial or commodity market prices or rates. Registrant is exposed to market risk in the areas of interest rates and commodity prices.

Financial Market Risks

Registrant's exposure to financial market risks, includes changes to interest rates and credit risk related to marketable securities, interest rate related to its own outstanding indebtedness and trade receivables.

The primary objective of Registrant's investment activities is to preserve principal while at the same time maximizing yields while prudently managing risk. To achieve this objective and limit interest rate exposure, Registrant limits its investments to securities with a maturity of less than five years to limit interest rate exposure and with an investment grade of A or better from Moody's or Standard and Poors to minimize risk. In addition, market value changes due to interest rate changes are reduced because a large portion of the portfolio has interest rates that float and are reset on a quarterly basis. See Note C, Marketable Securities.

Registrant is exposed to interest rate exposure on its short-term working capital line of credit and the long-term debt currently outstanding. The short-term line of credit interest rate is tied to the lending bank's prime interest rate, and changes when that rate changes. The long-term debt has a fixed interest rate, and the fair value of the long-term debt will change based on interest rate movements in the market. Registrant typically does not attempt to reduce or eliminate its exposure on this debt through the use of any financial instrument derivatives. Registrant manages its interest rate exposure through negotiation of terms.

Registrant's credit and market risk related to its inventories and receivables ultimately depends on the value of the cattle, almonds, grapes, pistachios, and walnuts at the time of payment or sale. Based on historical experience with current customers and periodic credit evaluations of its customers' financial condition, Registrant believes its credit risk is minimal. Market risk is discussed below in commodity price exposure.

The following table provides information about Registrant's financial instruments that are sensitive to changes in interest rates. The tables presents Registrant's debt obligations, principal cash flows and related weighted-average interest rates by expected maturity dates as of March 31, 2000 and December 31, 1999.

Interest Rate Sensitivity Financial Market Risks
Principal Amount by Expected Maturity
At March 31, 2000
(Dollars in thousands)

	2000	2001	2002	2003	2004	There -after	Total	Fair Value 3/31/00
Assets:								
Marketable Securities	3,032	2,463	1,786	2,830	660	---	10,771	10,342
Weighted Average Interest Rate	6.31%	5.66%	6.00%	5.97%	6.83%		6.06%	
Liabilities:								
Short-term Debt	21,602	---	---	---	---	---	21,602	21,602
Weighted Average Interest Rate	8.43%	---	---	---	---	---	8.43%	
Long-term Debt	1,022	1,793	1,797	2,675	9,803	11,729	28,819	28,819
Weighted Average Interest Rate	8.26%	8.26%	8.26%	8.26%	8.21%	7.91%	8.16%	

Interest Rate Sensitivity Financial Market Risks
Principal Amount by Expected Maturity
At December 31, 1999
(Dollars in thousands)

	2000	2001	2002	2003	2004	There- after	Total	Value 12/31/99
Assets:								
Marketable Securities	$ 3,303	$2,477	$1,915	$2,351	$ 346	---	$10,392	$ 9,942
Weighted Average Interest Rate	6.31%	5.66%	6.49%	6.13%	6.70%		6.16%	
Liabilities								
Short-term Debt	$18,447	---	---	---	---	---	$18,447	$ 18,447
Weighted Average Interest Rate	8.00%	---	---	---	---	---	8.00%	
Long-term Debt	$ 1,039	$1,793	$1,797	$2,675	$9,803	$ 4,538	$21,645	$ 21,645
Weighted Average Interest Rate	7.96%	7.96%	7.96%	7.96%	7.91%	7.61%	7.86%	

In comparison to the prior year Registrant's risk in regards to fluctuations in interest rates has increased overall due to the growth in the use of short-term lines of credit that fluctuate with the bank's prime lending rate.

Commodity Price Exposure

Registrant has exposure to adverse price fluctuations associated with certain inventories, gross margins, accounts receivables and certain anticipated transactions in its Livestock and Farming Divisions. Commodities such as corn and cattle are purchased and sold at market prices that are subject to volatility. In order to manage the risk of market price fluctuations, Registrant enters into various exchange-traded futures and option contracts. Registrant closely monitors and manages it exposure to market price risk on a daily basis in accordance with formal policies established for this activity. These policies limit the duration to maturity of contracts entered into as well as the level of exposure to be hedged.

Registrant's goal in managing its cattle and feed costs is to protect or create a range of selling prices and feed prices that allow Registrant to recognize a profit or minimize a loss on the sale of cattle once all costs are deducted. See Note D, Commodity Contracts Used to Manage Risk. Gains on future contracts and options as of March 31, 2000 were $128,000 as compared to losses on future contracts and options as of December 31, 1999 of $256,000. The gain thus far in 2000 is due to favorable pricing trends related to feed costs.

Inventories consist primarily of cattle for sale, and price fluctuations are managed with futures and options contracts. See table below for contracts outstanding at quarter-end. Registrant is at risk with respect to changes in market prices with respect to cattle held for sale that are not protected by futures and options contracts. At March 31, 2000 approximately 50% of the cattle held in inventory or 26,657 head of cattle were not protected by futures and options for price movement. This compares to 20,506 head of cattle at March 31, 1999. The 2000 number of head of cattle equates to approximately 29.3 million pounds of beef. For each $.01 per pound change in price, Registrant has a potential exposure of $293,000 in future value. Although the prices at which the cattle will ultimately be sold is unknown, over the last three years the market price has ranged from $.50 per pound to $.72 per pound and the current market price is $.71 per pound.

With respect to accounts receivable, the amount at risk relates to almonds and pistachios. These receivables are recorded at estimates of the prices that ultimately will be received for the crops. The final price will not be known until the third or fourth quarter of 2000. Of the accounts receivable outstanding at March 31, 2000, only $890,000 is at risk to changing prices. Of the amount at risk to changing prices, $452,000 is attributable to almonds, $142,000 to pistachios, $208,000 to walnuts, and $88,000 to grapes. The comparable amounts of accounts receivable at December 31, 1999 were $661,000 attributable to almonds, $430,000 to pistachios, $285,000 to walnuts, and $424,000 to grapes. The price estimated for recording accounts receivable at March 31, 2000 was $.89 per pound for almonds. For every $.01 change in the price of almonds Registrant's receivable for almonds increases or decreases by $24,000. Although the final price of almonds (and therefore the extent of the risk) is not presently known, over the last three years the final prices have ranged from $1.32 to $2.26. With respect to pistachios, the price estimated for recording the receivable was $1.35 per pound, each $.01 change in the price increases or decreased the receivable by $6,000 and the range of final prices over the last three years has been $.92 to $1.17.

The price estimated for recording accounts receivable for walnuts was $.45 per pound. For every $.01 change in the price of walnuts, Registrant's receivable increases or decreases by $16,000. The final price for walnuts has averaged from $.45 to $.60 over the last three years. The prices used to estimate accounts receivable related to grapes is based on the variety of wine grape and the market for that grape. At year-end the average price used for recording the accounts receivable was $292.00 per ton. For every $1.00 change in the price, Registrant's receivables related to grapes can increase or decrease approximately $14,000. The average price for grapes has averaged between $250.00 per ton to $375.00 per ton over the last three years.

The following tables identify the future contract amounts and options contract costs outstanding at March 31, 2000 and December 1999.

Cattle Future / Option Description	No. Contracts	Original Contract/Cost (Bought) Sold	Estimated Fair Value (Bought) Sold
Corn futures bought, 50,000 lbs. per contract	250	$(2,983)	$3,073
Corn options sold, 40,000 lbs. per contract	50	$ 8	(8)
Corn options bought, 40,000 lbs. per contract	100	$ (21)	$ 20
Cattle futures bought, 40,000 lbs. per contract	210	(5,917)	5,855
Cattle options sold, 40,000 lbs. per contract	110	22	(21)
Cattle options bought, 40,000 lbs. per contract	110	(29)	22

December 31, 1999 Commodity Future / Option Description	No. Contracts	Original Contract/Cost (Bought) Sold	Estimated Fair Value (Bought) Sold
Cattle futures sold 40,000 lbs. per contract	142	$ 3,897	$(3,985)
Cattle futures bought 50,000 lbs. per contract	280	$(3,035)	$ 2,960
Cattle options bought, 40,000 lbs. per contract	50	$ (20)	$ 8
Cattle options sold 40,000 lbs. per contract	50	$ 20	$ (18)

The March 31, 2000 futures contracts and options expire between April 2000 and December 2000. Estimated fair value at settlement is based upon quoted market prices at March 31, 2000.

Item 8. Financial Statements and Supplementary Data

The response to this Item is submitted in a separate section of this report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Not applicable.

Item 2. Changes in Securities

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits -

3.1	Restated Certificate of Incorporation	*
3.2	Bylaws	**
27.1	Financial Data Schedule (Edgar), March 31, 2000	

(b) Reports - on Form 8-K

None.

* This document, filed with the Securities Exchange Commission in Washington, D.C. (file number 1-7183) under Item 14 to Registrant's Annual report on Form 10-K for year ended December 31, 1987, is incorporated herein by reference.

** This document, filed with the Securities Exchange Commission in Washington, D.C. (file number 1-7183) under Item 14 to Registrant's Annual report on Form 10-K for year ended December 31, 1994, is incorporated herein by reference.

SIGNATURES

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

TEJON RANCH CO.

(Registrant)

May 12, 2000	BY /s/ Allen E. Lyda
DATE	Allen E. Lyda Vice President, Chief Financial Officer

This schedule contains summary financial information extracted from the balance sheet, income statement, and footnotes and is qualified in its entirety by reference to such financial statements.

3-MOS
DEC-31-2000
JAN-1-1999
MAR-31-2000
953
10,342
4,139
0
27,571
44,851
73,949
(19,616)
100,778
25,376
0
6,349
0
0
36,252
100,778
9,164
9,164
8,867
8,867
760
0
458
(921)
(350)
571
0
0
0
571
(.04)
(.04)