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, 1996

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, 1996	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...(805) 248-6774

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, 1996, were 12,682,244.

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	
	1996	1995
Revenues:		
Livestock	$ 549	$ 328
Farming	24	122
Oil and Minerals	281	263
Commercial and Land Use	336	326
Interest Income	328	370

	1,518	1,409
Costs and expenses:		
Livestock	697	598
Farming	378	802
Oil and Minerals	43	11
Commercial and Land Use	480	446
Corporate Expenses	476	575
Interest Expense	50	79
	2,124	2,511
Operating Loss	(606)	(1,102)
Income Tax Benefit	(242)	(441)
Net Loss	$ (364)	$ (661)
Net Loss Per Share	$ (.03)	$ (.05)

See Notes to Consolidated Condensed Financial Statements.

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

	MARCH 31, 1996 (Unaudited)	DECEMBER 31, 1995*
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 78	$ 44
Marketable Securities	20,315	20,257
Accounts & Notes Receivable	1,036	4,487
Inventories:		
Cattle	3,391	2,672
Farming	1,042	--
Other	86	155
Prepaid Expenses and Other	1,414	1,063
Total Current Assets	27,362	28,678
PROPERTY AND EQUIPMENT-NET	15,273	15,073
OTHER ASSETS	1,534	1,452
TOTAL ASSETS	$ 44,169	$ 45,203
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade Accounts Payable	$ 848	$ 932
Other Accrued Liabilities	259	343
Other Current Liabilities	2,019	2,619
Total Current Liabilities	3,126	3,894
LONG-TERM DEBT	1,800	1,800
DEFERRED CREDITS	2,657	2,540
Total Liabilities	7,583	8,234
STOCKHOLDERS' EQUITY		
Common Stock	6,341	6,341
Additional Paid-In Capital	387	387
Retained Earnings	29,838	30,202
Marketable Securities - Unrealized Gains (Losses), Net	20	39
Total Stockholders' Equity	36,586	36,969
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 44,169	$ 45,203

See Notes to Consolidated Condensed Financial Statements.

* The Balance Sheet at December 31, 1995 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	
	1996	1995
OPERATING ACTIVITIES		
Net Loss	$ (364)	$ (661)
Items Not Effecting Cash:		
Depreciation and Amortization	269	238
Deferred Income Taxes	134	-0-
Gain on Sale of Investments	-0-	2
Changes in Current Assets and Liabilities:		
Receivables, Inventories and Other Assets, Net	1,408	(279)
Current Liabilities, Net	(689)	(1,337)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	758	(2,037)
INVESTING ACTIVITIES		
Maturities and Sales of Marketable Securities	3,987	3,124
Funds Invested in Marketable Securities	(4,081)	(518)
Property and Equipment Expenditures	(450)	(1,414)
Net Change in Breeding Herds	(104)	49
Other	3	7
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(645)	1,248
FINANCING ACTIVITIES		
Proceeds From Revolving Line Of Credit	3,700	3,055
Payments on Revolving Line of Credit	(3,779)	(1,855)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(79)	1,200
INCREASE IN CASH AND CASH EQUIVALENTS	34	411
Cash and Cash Equivalents at Beginning of Year	44	68
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 78	$ 479

See Notes to Consolidated Condensed Financial Statements.

TEJON RANCH CO. AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited)

March 31, 1996

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.

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 percentage of revenues are recognized during the fourth quarter.

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, 1995.

NOTE B - CALCULATIONS OF EARNINGS PER SHARE

Earnings per share are calculated using the weighted average number of common shares outstanding during the period. Common shares outstanding for the three month period ended March 31, 1996 and 1995 were 12,682,244. Registrant has a stock option plan providing for the granting of options to purchase a maximum of 230,000 shares of Registrant's Common Stock to employees, advisors and consultants of Registrant. Currently, options to purchase 79,000 shares are outstanding at prices equal to the fair market value at date of grant (59,000 shares at $20.00 per share, 20,000 shares at $15.00 per share). During the first quarter of 1996, an option to purchase 14,000 shares was cancelled. Stock options granted will be treated as common stock equivalents in accordance with the treasury method when such amounts would be dilutive. Fully diluted common shares outstanding for the three month period ended March 31, 1996 and 1995 were 12,683,094 and 12,682,763 respectively. On April 10, 1996 Registrant announced that Robert A. Stine would become its President and Chief Executive Officer, and effective May 1, 1996 an option to purchase 100,000 shares was granted to Mr. Stine at $17.875 per share, representing the fair market value of the shares on the date of grant.

NOTE C - MARKETABLE SECURITIES

Registrant has elected to classify its securities as available-for-sale per Statement of Financial Accounting Standard No. 115, Accounting for Certain Investments in Debt and Equity Securities, and therefore is required to adjust the carrying value of securities to fair value at each reporting date.

Marketable securities consist of the following at:

	March 31 1996		December 31 1995	
	Cost	Estimated Fair Value	Cost	Estimated Fair Value
Marketable securities: (in thousands)				
U.S. Treasury and agency notes	$14,402	$14,420	$14,868	$14,869
Corporate notes	5,883	5,895	5,323	5,388
	$20,285	$20,315	$20,191	$20,257

As of March 31, 1996, the cumulative fair value adjustment is a $30,000 unrealized gain. The cumulative fair value adjustment to stockholders' equity, net of a deferred tax expense of $10,000, is an unrealized gain of $20,000. Registrant's gross unrealized holding gains equals $165,000, while gross unrealized holding losses equals $135,000. On March 31, 1996, the average maturity of U.S. Treasury and agency securities was 1.2 years and corporate notes was 1.7 years. Currently, Registrant has no securities with a weighted average life 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 hedge its exposure to price fluctuations on its purchased stocker cattle and cattle feed costs. The objective is to protect or create a future price for stocker cattle that will provide a profit once the cattle are sold and all costs are deducted and to protect Registrant against market declines. To help achieve this objective Registrant uses the cattle futures and cattle options markets. Registrant continually monitors any open futures and options contracts to determine the appropriate hedge based on market movement of the underlying asset, stocker cattle. The option 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 are scheduled to be sold. The risk associated with hedging is that hedging imposes a limit on the potential profits from the sale of cattle if cattle prices begin to increase dramatically. The costs of buying and selling options and futures contracts reduce profits. Any payments received and paid related to options contracts are deferred in prepaid and other current assets until contracts are closed or expire. There were no outstanding option contracts at March 31, 1996. Cattle futures contracts are carried off-balance sheet until the contracts are settled. Realized gains, losses, and costs associated with closed contracts equal to $225,000 of net gain is included in cattle inventory and will be recognized in cost of sales expense at the time the hedged stocker cattle are sold.

The following table identifies the futures contract amounts and option contract costs outstanding at March 31, 1996 (in thousands, except No. of Contracts):

Cattle Hedging Activity Commodity Future/Option Description	No. Contracts	Original Contract (Bought) Sold	Estimated Fair Value At Settlement (Buy) Sell	Estimated Gain (Loss) at Settlement
Corn futures bought 10,000 Bushels per contract	50	$ (163)	$ 169	$ 6

Cattle futures sold 50,000 lbs. per contract	120	3,473	(3,376)	97

Estimated fair value at settlement is based upon quoted market prices at March 31, 1996.

NOTE E - CONTINGENCIES

Registrant leases land to National Cement Company of California, Inc. ("National") for the purpose of manufacturing portland cement from limestone deposits found on the leased acreage. National, LaFarge Corporation (the parent company of the previous operator) and Registrant have been ordered to clean up and abate old industrial waste landfill sites and other contamination of land and groundwater on the leased premises. Under existing lease agreements, National and LaFarge are required to indemnify Registrant for costs and liabilities incurred in connection with the cleanup order. Due to the financial strength of National and LaFarge, Registrant believes that it is remote there will be a material effect on the Company.

NOTE F - PAYMENT OF DIVIDEND

On March 8, 1996, the Board of Directors voted to declare a cash dividend of two and one-half cents ($0.025) per share. The dividend will apply to stockholders of record as of the close of business on May 15, 1996 with payment to be made on June 17, 1996.

MANAGEMENT'S ANALYSIS OF QUARTERLY INCOME STATEMENTS

Results of Operations

Total revenues, including interest income, for the first quarter of 1996 were $1,518,000 compared to $1,409,000 for the first quarter of 1995. The increase in revenues during 1996 is attributable to increases in livestock revenues and commercial and land use revenues that were partially offset by reduced farming revenues. Livestock revenues increased due to the sale of 731 head of cattle during 1996 compared to 398 head of cattle in 1995 and to higher average weights on the cattle sold thus far in 1996. The cattle sold during the first quarter of 1996 were ranch raised calves that normally would have been sold during 1995 but, due to low prices and weights, the sales were postponed to 1996. Commercial and land use revenues have increased due to growth in the percentage rentals Registrant receives. With respect to commercial and land use revenues, the increase is due to higher traffic volumes at highway interchanges which favorably impacts percentage rents. Farming revenues have declined due to reduced farm management fees as a result of the completion of the sale of Farmland by Laval Farms Partners, a limited partnership whose farming operations were managed by Registrant.

Operating activities during the first quarter of 1995 resulted in a net loss of $364,000, or $.03 per share, compared to a net loss of $661,000, or $.05 per share, for the same period of 1995. The decrease in the net loss when compared to 1995 is due to improved revenues as described above, and a reduction in farming and general and administrative expenses. These favorable variances were partially offset by an increase in commercial and land planning expenses. The decrease in farming expenses when compared to the same period of 1995 was due to the $400,000 ($240,000, or $.02 per share, after tax) charge to earnings in 1995 due to almond trees being destroyed in a winter storm. For further information related to the destroyed almond trees please refer to Registrant's 1995 Form 10-K. General and administrative expenses have declined due to a reduction in staffing costs related to the timing of hiring a new chief executive officer. Commercial and land use costs have increased due to higher water storage costs and higher maintenance costs at the commercial interchanges along Interstate 5.

Registrant continues to be concerned that cattle prices will stay at the current low levels or even decrease further due to high cattle inventories within the industry, high grain prices, and the potential in the near term for negative publicity related to the mad cow scare in England. Registrant does not expect an improved cattle market until after 1996.

Based on industry estimates it appears that the California almond crop will not be as large as originally believed due to bad weather during the pollination cycle. Based on lower almond production figures the price per pound for almonds could again be over $2.00 as it was in 1995. Registrant's crops, however, appear to be doing very well, especially the almonds and grapes. It appears that Registrant's pistachio crop may be below expectations due to a lack of winter chilling hours. Although Registrant and others find it necessary from time to time to make business decisions based on projections of future yields and prices, such projections are subject to many uncertainties, by necessity are made on the basis of only limited information and are subject to factors beyond the control of Registrant, such as weather and market forces. No assurance can be given any such projections will turn out to be accurate.

Registrant is involved in various environmental proceedings related to leased acreage. For a further discussion refer to Registrant's 1995 Form 10-K, Part I, Item 3, - "Legal Proceedings". There have been no changes since the filing of the 1995 Form 10-K.

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

Cash and marketable securities on March 31, 1996 were $20.4 million compared to $20.3 million on December 31, 1995. Working capital on March 31, 1996 was $24.2 million compared to $24.8 million on December 31, 1995. The decrease in working capital at March 31, 1996 as compared to December 31, 1995 is primarily due to property and equipment expenditures.

Cash provided from operations and cash and short-term investments on hand are expected to be sufficient to satisfy all anticipated working capital and capital expenditure needs in the near term.

Impact of Accounting Change

None

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

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits - None
(b) Reports - None

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)

____
Date

BY_________________________
Allen E. Lyda
Vice President, Finance
& Treasurer

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-31-1996
MAR-31-1996
78
20,315
1,036
0
4,519
27,362
29,087
(13,814)
44,169
3,126
0
6,341
0
0
30,628
44,169
1,518
1,518
1,598
1,598
476
0
50
(606)
(242)
(364)
0
0
0
(364)
(.03)
(.03)