FORM 10-Q/A

Quarterly report pursuant to sections 13 or 15(d) [amend]

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ANDERSONS INC

CIK:**821026**| IRS No.: **341562374** | State of Incorp.:**OH** | Fiscal Year End: **1231**
Type: **10-Q/A** | Act: **34** | File No.: **000-20557** | Film No.: **96620583**
SIC: **5150** Farm product raw materials

Business Address
1200 DUSSEL DRIVE
MAUMEE OH 43537
4198935050

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 1996

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

For the transition period from ______ to _____

Commission file number 000-20557

THE ANDERSONS, INC.
(Exact name of registrant as specified in its charter)

OHIO	34-1562374
(State of incorporation or organization)	(I.R.S. Employer Identification No.)
480 W. Dussel Drive, Maumee, Ohio	43537
(Address of principal executive offices)	(Zip Code)

(419) 893-5050
(Telephone Number)

(Former name, former address and former fiscal year, if changed since last report.)

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 __

The registrant had 8,430,286 Common Shares outstanding, no par value, at August 1, 1996.

THE ANDERSONS, INC.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

THE ANDERSONS, INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED) (IN THOUSANDS)

	June 30 1996	December 31 1995
CURRENT ASSETS		
Cash and cash equivalents	$ 4,177	$ 5,052
Accounts Receivable:		
Trade accounts - net	81,413	68,362
Margin deposits	7,196	20,753
	88,609	89,115
Inventories:		
Grain	96,458	186,989

Agricultural fertilizer and supplies	20,099	19,602
Merchandise	33,345	29,909
Lawn and corn cob products	13,550	21,729
Other	10,524	11,701
	173,976	269,930
Deferred income taxes	5,876	-
Prepaid expenses	2,268	4,314
TOTAL CURRENT ASSETS	274,906	368,411
OTHER ASSETS		
Investments in and advances to affiliates	804	670
Notes receivable (net) and other assets	4,958	4,575
TOTAL OTHER ASSETS	5,762	5,245
PROPERTY, PLANT AND EQUIPMENT		
Land	11,198	11,179
Land improvements and leasehold improvements	24,008	23,926
Buildings and storage facilities	78,676	78,210
Machinery and equipment	99,188	97,970
Construction in progress	1,763	972
	214,833	212,257
Less allowances for depreciation and amortization	133,603	130,395
NET PROPERTY, PLANT AND EQUIPMENT	81,230	81,862
	$ 361,898	$ 455,518

NOTE: The balance sheet at December 31, 1995 has been derived from the audited financial statements at that date.

See notes to consolidated financial statements.

THE ANDERSONS, INC.
CONSOLIDATED BALANCE SHEETS - (continued)
(UNAUDITED) (IN THOUSANDS)

	June 30 1996	December 31 1995
CURRENT LIABILITIES		
Notes payable	$ 110,892	$ 120,267
Accounts payable for grain	21,629	94,084
Other accounts payable	53,713	72,777
Accrued expenses	18,527	14,357
Current maturities of long-term debt	7,635	8,029
TOTAL CURRENT LIABILITIES	212,396	309,514
PENSION AND POSTRETIREMENT BENEFITS	3,025	2,929
LONG-TERM DEBT		
Note payable, 7.84%, payable quarterly ($75 thousand through 7/97, $398 thousand		

thereafter), due 2004	14,400	14,550
Note payable, variable rate (6.4648% at 6/30/96) payable $336 thousand quarterly beginning 10/97, due 2004	9,418	9,418
Notes payable relating to revolving credit facility, variable rate (6.1% at 6/30/96), due 1997	20,000	20,000
Other notes payable	1,110	1,101
Industrial development revenue bonds:		
6.5%, sinking fund paid annually, due 1999	3,700	3,700
Variable rate (5.5275% at 6/30/96), due in annual installments of $881 thousand through 2004	7,233	7,233
Variable rate (3.85% at 6/30/96), due 2025	3,100	3,100
Debenture bonds:		
9.2% to 10%, due 1996	2,949	5,868
6.5% to 8%, due 1997 to 1999	5,804	5,815
10% due 1997 and 1998	2,107	2,117
10% due 2000 and 2001	2,699	2,704
7.5% to 8.7%, due 2002 to 2004	5,684	5,689
Other bonds, 4% to 9.6%	505	873
	78,709	82,168
Less current maturities of long-term debt	7,635	8,029
TOTAL LONG-TERM DEBT	71,074	74,139

THE ANDERSONS
CONSOLIDATED BALANCE SHEETS - (continued)
(UNAUDITED) (IN THOUSANDS)

	June 30 1996	December 31 1995
DEFERRED INCOME TAXES	4,395	675
MINORITY INTEREST	878	1,001
SHAREHOLDERS' EQUITY:		
Common stock (25,000,000 shares authorized, stated value $.01 per share, 8,430,286 outstanding)	84	84
Additional paid-in capital	66,659	66,448
Retained earnings	3,349	699
Unrealized gain on available-for-sale securities (net of tax)	38	29
TOTAL SHAREHOLDERS' EQUITY	70,130	67,260
	$ 361,898	$ 455,518

NOTE: The balance sheet at December 31, 1995 has been derived from the audited financial statements at that date. Shareholders' equity at December 31, 1995 reflects the effects of the merger consummated on January 2, 1996 of The Andersons, a limited partnership, into The Andersons Management Corp., the corporate general partner.

See notes to consolidated financial statements.

THE ANDERSONS, INC.
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
(IN THOUSANDS EXCEPT PER SHARE DATA)

	Three Months Ended June 30 1996	Three Months Ended June 30 1995	Six Months Ended June 30 1996	Six Months Ended June 30 1995
Grain sales and revenues	$ 201,696	$ 132,413	$ 355,059	$ 237,187
Fertilizer, retail and other sales	142,729	129,137	245,481	231,063
Other income	804	1,087	1,402	1,714
	345,229	262,637	601,942	469,964
Cost of grain sales and revenues	195,468	127,342	335,531	221,115
Cost of fertilizer, retail and other sales	107,782	97,159	184,699	174,369
	303,250	224,501	520,230	395,484
GROSS PROFIT	41,979	38,136	81,712	74,480
Operating, administrative and general expenses	35,258	32,304	66,847	63,514
Interest expense	4,464	3,175	9,162	6,317
	39,722	35,479	76,009	69,831
INCOME BEFORE INCOME TAXES	2,257	2,657	5,703	4,649
Provision for income taxes (Note B)	877	61	3,054	114
NET INCOME	$ 1,380	2,596	$ 2,649	4,535
Pro forma income taxes (Note B)		981		1,722
Pro forma net income		$ 1,615		$ 2,813
Earnings per share (Note B)	$ 0.16	$ 0.19	$ 0.31	$ 0.33
Average shares outstanding	8,430	8,430	8,430	8,430

See notes to consolidated financial statements.

THE ANDERSONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED) (IN THOUSANDS)

	Six Months Ended June 30 1996	Six Months Ended June 30 1995
OPERATING ACTIVITIES		
Net income	$ 2,649	$ 4,535
Adjustments to reconcile net income to net cash provided by (used in) operating		

activities:		
Depreciation and amortization	4,951	4,492
Minority interest in net loss of subsidiaries	(65)	(36)
Payments to minority interests	(74)	(143)
Provision for losses on receivables, investments and other assets	2,443	387
Gain on sale of property, plant and equipment	(196)	(341)
Deferred income taxes	(2,221)	-
Changes in operating assets and liabilities:		
Accounts receivable	(1,941)	1,458
Inventories	95,955	54,242
Prepaid expenses and other assets	1,855	385
Accounts payable for grain	(72,455)	(62,451)
Other accounts payable and accrued expenses	(14,898)	(20,020)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	16,003	(17,492)
INVESTING ACTIVITIES		
Purchases of property, plant, equipment	(4,533)	(5,877)
Proceeds from sale of property, plant and equipment	277	489
Business acquisition - net of cash	-	(1,426)
Purchases of investments	-	(74)
Payments received from affiliates	-	100
NET CASH USED IN INVESTING ACTIVITIES	(4,256)	(6,788)
FINANCING ACTIVITIES		
Net increase (decrease) in short-term borrowings	(9,375)	23,519
Proceeds from issuance of long-term debt	20,017	20,497
Payments of long-term debt	(23,200)	(20,893)
Payments to partners and other deductions from capital accounts	(64)	(4,429)
Capital invested by partners and shareholders	-	1,350
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(12,622)	20,044
DECREASE IN CASH AND CASH EQUIVALENTS	(875)	(4,236)
Cash and cash equivalents at beginning of year	5,052	6,923
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 4,177	$ 2,687

See notes to consolidated financial statements.

THE ANDERSONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(UNAUDITED) (IN THOUSANDS)

	Six Months Ended June 30	
	1996	1995
Noncash investing and financing activities:		

Exchange of fixed assets for investment in LLC	$ 513	
Exchange of employee bonds for common shares	$ 276	
Acquisition of business:		
Working capital - other than cash		$ 90
Property, plant and equipment (net)		4,095
Short and long-term debt assumed		(2,070)
Other long-term liabilities assumed		(689)
Net cash expended		$ 1,426

See notes to consolidated financial statements.

THE ANDERSONS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note A - In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results of operations for the periods indicated have been made.

The accompanying unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in The Andersons, Inc. annual report on Form 10-K for the year ended December 31, 1995.

Note B - Prior to 1996, the majority of the Company's operations were conducted as a partnership and the income from those operations was included in the individual tax returns of its partners. Since January 2, 1996, the date that The Andersons (the "Partnership") merged into its corporate general partner, income from operations is taxed at the corporate level. Prior year financial statements were restated to reflect the effects of the merger. The pro forma provision for income taxes at a corporate level and pro forma earnings per common share for 1995 are presented in the income statement for comparison.

In conjunction with the merger, the Company recorded the deferred tax assets and liabilities of the partnership that had not previously been recognized. The net excess of deferred tax liabilities over deferred tax assets ($812,000) was recorded in the first quarter and included as a component of the provision for income taxes.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Comparison of the three months ended June 30, 1996 with the three months ended June 30, 1995:

Sales and revenues for the three months ended June 30, 1996 totaled $345.2 million, an increase of $82.6 million or 31% from the 1995 second quarter sales and revenue of $262.6 million. The Agriculture Group contributed $73 million of the $82.6 million increase, with $69.3 million in increases in grain sales and revenue. While grain shipment volume remained constant, a significant increase in the average bushel price of approximately 55%, reflecting continued high market prices, caused the higher sales and revenues. Commodity market prices maintained their record levels in the second quarter on the expectation of low carryover stocks, heavy export demand and concerns about the current crop due to weather conditions. Since the end of the second quarter, commodity prices have fallen somewhat. Wholesale fertilizer contributed additional sales and revenues of $4.4 million, or 14%, on volume and price increases, while the retail agricultural business experienced decreases in sales of $0.7 million.

The Retail Group experienced a 7.7% increase in sales, with mixed results. The Toledo area and Lima stores posted increases while the Columbus stores continue to feel the impact of new competition in that market. The three Toledo area stores have benefited from the closure of some competitors and an extensive upgrade of one of the three Toledo area stores resulting in 16.3% higher sales in the second quarter of 1996 as compared to the second quarter of 1995. New competition is expected in Toledo market in late 1996. The Business Development Group contributed increased sales and revenue of $6.7 million with all major businesses showing increases. The lawn products business had the majority of the Group's increase with a 27% or $4.3 million increase in sales on higher volume and increased prices.

Gross profit for the three months ended June 30, 1996 totaled $42 million, an increase of $3.8 million or 10% from the 1995 second quarter gross profit of $38.1 million. The Agriculture Group contributed $1.5 million of the increase. The increase in grain sales and revenues, attributable to the unusually high prices, did not result in income growth since the cost of sales rose as well. Gross profit on sales in the Retail Group was up $0.8 million or 5.5%. All major businesses in the Business Development Group showed favorable results with the lawn business posting a 29% or $1.1 million increase, the railcar business gross profit up 36% or $0.4 million and the industrial products business up 8.5% or $0.2 million. In total, the Business Development Group had a gross profit increase of $1.8 million or 19%.

Operating, administrative and general expenses for the three months ended June 30, 1996 totaled $32.9 million, a slight increase from the 1995 second quarter expense of $32.3 million.

The provision for bad debts increase $2.1 million from the $0.3 million in the second quarter of 1995 to $2.4 million for the second quarter of 1996. During the second quarter, grain commodity prices escalated rapidly. July corn futures, for example, increased over 30% in the quarter. These unusual price levels were caused by several factors including increased export demand in 1995 1996 and the presence of the US Government acreage set-aside program in 1995, a year in which yields were below average. Those factors were compounded by poor weather conditions in the 1996 spring planting season causing the rapid run-up in prices.

The combination of high cash prices and lower than average yields in 1995 and the expectation of lower than average yields in 1996 in certain of the Company's markets, have caused the Company to examine closely its grain producers' ability to perform on their grain contracts. The Company has taken steps to minimize its exposure to credit losses in accordance with accepted grain trade practices, including, among other things, limiting a producer's percentage of production that can be contracted for both current and future crop years. As of August 26, 1996, 86% of all forward purchase contracts were for delivery in the 1996 harvest period. In addition to reserving for probable losses, the Company is working with each grain producer to ensure contract delivery and subsequent payment of accounts receivable. However, the Company does anticipate some amounts will be written off after completion of the current 1996 harvest. The Company's estimate of these probable losses has been recorded as a provision for bad debts in the second quarter of 1996.

Interest expense for the three months ended June 30, 1996 totaled $4.5 million, an increase of $1.3 million or 40% from the 1995 second quarter expense of $3.2 million. Increased inventory values in the grain business, because of the high market prices, required additional short-term borrowings for the quarter. Short-term borrowing at the end of the second quarter of 1996 was $111 million as compared to short-term borrowings of $75 million at June 30, 1995.

Income before income taxes for the three months ended June 30, 1996 totaled $2.3 million, a decrease of $0.4 million or 15% from the 1995 second quarter income of $2.7 million. Net income decreased from $1.6 million in the three months ended June 30, 1995 to $1.4 million for the same period in 1996.

Comparison of the six months ended June 30, 1996 with the six months ended June 30, 1995:

Sales and revenues for the six months ended June 30, 1996 totaled $601.9 million, an increase of $132 million or 28% from the 1995 first half sales and revenue of $469.9 million. The Agriculture Group contributed $119 million of the $132 million increase, with $117.9 million increase in grain sales and revenues. While grain shipment volume increased only slightly from the first half of 1995, a significant increase in the average bushel price of approximately 49%, reflecting continued high market prices, caused the higher sales and revenue. Wholesale fertilizer contributed additional sales and revenues of $2.5 million, or 4%, on volume and price increases, while the retail agricultural business experienced decreases in sales of $1.4 million.

The Retail Group experienced a 4.2% increase in sales, with mixed results. The Toledo area and Lima stores posted increases while the Columbus stores continue to feel the impact of new competition in that market. The three Toledo area stores have benefited from the closure of some competitors and an extensive upgrade to one of the three Toledo area stores resulting in 10.6% higher sales in the first half of 1996 when compared to the same period in 1995. New competition is expected in the Toledo market in late 1996. The

Business Development Group contributed increased sales and revenue of $10.2 million with all major businesses showing increases. The lawn products business had the majority of the Group's increase with a 19% or $6.8 million increase in sales on higher volume and increased prices.

Gross profit for the six months ended June 30, 1996 totaled $81.7 million, an increase of $7.2 million or 9.7% from the 1995 first half gross profit of $74.5 million. The Agriculture Group contributed $4.1 million of the increase. The increase in grain sales and revenues, attributable to the unusually high prices, did not result in income growth since the cost of sales rose as well. Gross profit on sales in the Retail Group was up $0.5 million or 2.1%. All major businesses in the Business Development Group showed favorable results with the lawn business posting a 25% or $2.4 million increase, the railcar business gross profit up 18% or $0.4 million and the industrial products business up slightly. In total, the Business Development Group had a gross profit increase of $3 million or 15%.

Operating, administrative and general expenses for the six months ended June 30, 1996 totaled $64.1 million, an slight increase from the 1995 expense of $63 million.

The provision for bad debts increased $2.2 million from $0.5 million in 1995 to $2.7 million for the six months ended June 30, 1996. During the second quarter of 1996, grain commodity prices escalated rapidly. July corn futures, for example, increased over 30% in the quarter. These unusual price levels were caused by several factors including increased export demand in 1995 and 1996 and the presence of the US Government acreage set-aside program in 1995, a year in which yields were below average. Those factors were compounded by poor weather conditions in the 1996 spring planting season causing the rapid run-up in prices.

The combination of high cash prices and lower than average yields in 1995 and the expectation of lower than average yields in 1996 in certain of the Company's markets, have caused the Company to examine closely its grain producers' ability to perform on their grain contracts. The Company has taken steps to minimize its exposure to credit losses in accordance with accepted grain trade practices, including, among other things, limiting a producer's percentage of production that can be contracted for both current and future crop years. As of August 26, 1996, 86% of all forward contracts were for delivery in the 1996 harvest period. In addition to reserving for probable losses, the Company is working with each grain producer to ensure contract delivery and subsequent payment of accounts receivable. However, the Company does anticipate some amounts will be written off after completion of the current 1996 harvest. The Company's estimate of these probable losses has been recorded as a provision for bad debts in 1996.

Interest expense for the six months ended June 30, 1996 totaled $9.2 million, an increase of $2.9 million or 45% from the 1995 expense for the same period of $6.3 million. Increased inventory values in the grain business, because of the high market prices, required additional short-term borrowings for the quarter.

Income before income taxes for the six months ended June 30, 1996 totaled $5.7 million, an increase of $1.1 million or 23% from the 1995 first half income of $4.6 million. Net income decreased from $2.8 million in the six months ended June 30, 1995 to $2.6 million for the same period in 1996. Income tax expense for the first quarter of 1996 included a charge of $0.8 million to establish deferred taxes on the conversion from a partnership to a corporation.

Liquidity and Capital Resources

The Company's operations provided cash of $16 million in the first half of 1996 as compared to using $17 million in cash in the first half of 1995. The significant change in cash provided by operations is due to the liquidation of a portion of the Company's grain inventories at a faster pace than that of prior years. High grain prices have emphasized the market's willingness to pay for grain rather than pay companies to hold grain for future sales. The Company has significant short-term lines of credit available to finance working capital, primarily inventories and accounts receivable. Lines of credit available at August 1, 1996 were $385 million, of which $111 million was used at June 30, 1996. Typically, the Company's highest borrowing occurs in the spring due to seasonal inventory requirements in several of the Company's businesses, credit sales in the lawn products and agricultural fertilizer and supply business and a customary reduction in grain payables due to customer cash needs and market strategies.

The final payments to former partners electing not to participate in the merger were made in the first quarter of 1996. No cash dividends have been declared or are anticipated at this time. The Company will be required to pay income taxes at the corporate level beginning with 1996 income from operations. As the majority of the income was previously earned in a partnership, corporate taxes prior to 1996 were minimal and as such, the Company must only make tax deposits at that level for 1996.

Total capital expenditures for 1996 are expected to approximate $13 million, including $2.5 million for renovations to the Maumee and Toledo General Stores and $1 million for plant upgrades and improvements. Funding for these expenditures is expected to come from cash generated from operations and additional long-term debt. Capital expenditures can be, and in the past have been, curtailed if cash generated from operations is less than expected.

Certain of the Company's long-term debt is secured by first mortgages on various facilities. In addition, some of the long-term borrowings include provisions that impose minimum levels of working capital and equity, limitations on additional debt and require the Company to be substantially hedged in its grain transactions. The Company's liquidity is enhanced by the fact that grain inventories are readily marketable and the Maumee and Toledo, Ohio elevators serve as delivery points for Chicago Board of Trade contracts. In the opinion of management, the Company's liquidity is adequate to meet short-term and long-term needs.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company, like others in the agricultural industry, utilizes different types of contracts with producers (including contracts commonly referred to as "Hedged To-Arrive" or "HTA" contracts) to purchase grain. Some producers have recently defaulted or threatened default on certain of these contracts, arguing that their contracts are unenforceable. The Company believes that this is due, in large part, to unprecedented high grain prices. The Company currently is engaged in litigation with several defaulting producers, including one purported class action filed on May 16, 1996 in the United States District Court for the Northern District of Illinois, Eastern Division, Case no. 96C2936, Harter, et. al., v. Iowa Grain Company and The Andersons Investment Services, Corp., d.b.a. The Andersons, Inc., wherein enforceability of the delivery obligation under certain grain contracts has been raised as an issue. The Harter lawsuit seeks declaratory and injunctive relief and compensatory, exemplary and punitive damages of an unspecified amount. The Company believes its grain contracts are enforceable obligations and intends to enforce them. Although no assurance can be given that the current litigation and proceedings will not result in liability or loss, the Company believes that it has valid claims and defenses in the lawsuits and proceedings in which it is involved. Based upon the advice of counsel, management also believes that it has valid defenses to the purported "class action" nature of the Harter lawsuit and intends to defend vigorously against the certification of the class.

The Commodities Futures Trading Commission (the "CFTC"), has served subpoenas duces tecum for the Company to produce certain records and testify in the matter of "Certain Transactions and Practices Among Grain Elevators, et. al., Involving Futures Contracts."

In light of the Company's current and prior use of Hedged To-Arrive contracts, related industry-wide litigation, and current conditions of the industry as a whole, there can be no assurance that other litigation will not be brought, that a class will not be certified or that other CFTC proceedings will not be instituted. There currently is no reasonable basis to predict the amount of future liability or loss, if any, that may arise from such litigation or CFTC proceedings.

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

The annual meeting of the shareholders of The Andersons, Inc. was held on May 16, 1996 to elect nine directors and to ratify the appointment of the Company's independent public accountants. Results of the voting follows:

Director	For	Against	Withheld	Not Voted
Thomas H. Anderson	7,718,911	0	15,757	695,618
Richard P. Anderson	7,728,358	0	6,310	695,618
Donald E. Anderson	7,723,260	0	11,408	695,618

Michael J. Anderson	7,728,358	0	6,310	695,618
Richard M. Anderson	7,728,358	0	6,310	695,618
John F. Barrett	7,728,358	0	6,310	695,618
Paul M. Kraus	7,728,358	0	6,310	695,618
Donald M. Mennel	7,718,911	0	15,757	695,618
David L. Nichols	7,728,358	0	6,631	695,618
Independent Accountant	7,685,778	340	48,550	695,618

Item 6. Exhibits and Reports on Form 8-K

(b) Reports on Form 8-K. There were no reports on Form 8-K for the three months ended June 30, 1996.

SIGNATURES

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

THE ANDERSONS, INC.
(Registrant)

Date: August 26, 1996 By /s/Richard P. Anderson
Richard P. Anderson
President and Chief Executive Officer

Date: August 26, 1996 By /s/Richard R. George
Richard R. George
Corporate Controller (Principal Accounting Officer)

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