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, 1999

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, 1999	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, 1999, were 12,691,253.

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	
	1999	1998
Revenues:		
Livestock	$ 9,200	$ 7,111
Farming	276	265
Resource Management	585	348
Real Estate	1,965	324
Interest Income	151	273
	12,177	8,321
Costs and Expenses:		
Livestock	9,036	7,334
Farming	365	390
Resource Management	355	336
Real Estate	965	777
Corporate Expense	706	543
Interest Expense	155	202
	11,582	9,582
Operating Income (Loss)	595	(1,261)
Provision for Income Tax	226	(480)
Net Income (Loss)	$369	$(781)
Net Income (Loss) Per Share, basic	$ 0.03	$ (0.06)
Net Income (Loss) Per Share, diluted	$ 0.03	$ (0.06)

See Notes to Consolidated Condensed Financial Statements.

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

	March 31, 1999 (Unaudited)	December 31, 1998*
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 253	$ 743
Cash in Escrow	---	4,200
Marketable Securities	11,706	13,294
Accounts & Notes Receivable	6,340	7,359
Inventories:		
Cattle	13,932	16,577
Farming	1,871	326
Other	413	513
Prepaid Expenses and Other	2,044	996
Total Current Assets	36,559	44,008
PROPERTY AND EQUIPMENT NET	39,074	27,553
OTHER ASSETS	1,734	1,453
TOTAL ASSETS	77,367	73,014
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade Accounts Payable	$ 4,396	$ 3,235
Other Accrued Liabilities	121	502
Short-term Borrowings	18,445	20,249
Other Current Liabilities	563	254
Total Current Liabilities	23,525	24,240
LONG-TERM DEBT	6,675	1,875
DEFERRED INCOME TAXES	4,115	4,194
Total Liabilities	34,315	30,309
STOCKHOLDERS' EQUITY		
Common Stock	6,346	6,346
Additional Paid-In Capital	382	382
Retained Earnings	36,525	36,156
Defined Benefit Plan Funding Adjustment, Net of Taxes	(216)	(216)
Unrealized Gain on Available for Sale Securities, Net of Taxes	15	37
Total Stockholders' Equity	43,052	42,705
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 77,367	$ 73,014

See Notes to Consolidated Condensed Financial Statements.

* The Balance Sheet at December 31, 1998 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	
	1999	1998
OPERATING ACTIVITIES		
Net Income (Loss)	$ 369	$ (781)
Items Not Affecting Cash:		
Depreciation and Amortization	542	470
Deferred Income Taxes	(64)	45
Changes in Operating Assets and Liabilities:		
Receivables, Inventories and other Assets, Net	1,171	(941)
Current liabilities, Net	1,089	(1,459)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	3,107	(2,666)
INVESTING ACTIVITIES		
Cash in Escrow	4,200	--
Maturities and Sales of Marketable Securities	2,709	1,316
Funds Invested in Marketable Securities	(1,158)	(271)
Property and Equipment Expenditures	(12,063)	(1,250)
Change in Breeding Herds	(260)	(26)
Other	(21)	(317)
NET CASH USED IN INVESTING ACTIVITIES	(6,593)	(548)
FINANCING ACTIVITIES		
Proceeds From Revolving Line of Credit	5,698	5,253
Payments of Revolving Line of Credit	(7,502)	(2,434)
Borrowing of Long-term Debt	4,800	---
NET CASH PROVIDED BY FINANCING ACTIVITIES	2,996	2,819
DECREASE IN CASH AND CASH EQUIVALENTS	(490)	(395)
Cash and Cash Equivalents at Beginning of Year	743	976
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 253	$ 581

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, 1998	$6,343	$385	$109	$33,651	$40,488
Net Income	---	---	---	3,139	3,139
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 $49,000	---	---	(72)	---	(72)
Comprehensive Income	---	---	---	---	2,851
Exercise of Stock Options	3	(3)	---	---	---
Cash Dividends Paid $.05 per share	---	---	---	(634)	(634)
Balance, December 31, 1998	$6,346	$382	$(179)	$36,156	$42,705
Net Income				369	369
Changes in Unrealized Losses on Available-For-Sale Securities, net of taxes of $15			(22)		(22)
Comprehensive Income					347
Balance, March 31, 1999	$6,346	$382	$(201)	$36,525	$43,052

March 31, 1999

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 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, 1998.

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, 1999 was 12,691,253 and at March 31, 1998 was 12,685,994. 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 (12,712,655 at March 31, 1999 and 12,758,599 at March 31, 1998). The weighted average of dilutive stock options were 21,402 in 1999 and 72,605 in 1998.

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. The 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, 1998 and March 31, 1999:

	March 31, 1999		December 31, 1998	
	Cost	Estimated Fair Value	Cost	Estimated Fair Value
Marketable Securities: (in thousands)				
U.S. Treasury and agency notes	$ 6,050	$ 6,099	$ 6,905	$ 6,961
Corporate notes	5,634	5,607	6,328	6,333
	$11,684	$11,706	$13,233	$13,294

As of March 31, 1999, the fair value adjustment is a $22,000 unrealized gain. The cumulative fair value adjustment to stockholders' equity, net of a deferred tax of $9,000, is an unrealized gain of $13,000. Registrant's gross unrealized holding gains equal $143,000, while gross unrealized holding losses equal $121,000. On March 31, 1999, the average maturity of U.S. Treasury and agency securities was one year and corporate notes was 1.6 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 MANAGE RISK

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 the Registrant against a disastrous cattle market decline or feed cost increase. To help achieve this objective the 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 the 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, 1999 there were $26,000 of losses associated with futures and option contracts included in cost of sales expense.

The following table identifies the cattle futures contract amounts outstanding at March 31, 1999 (in thousands, except number of contracts):

Cattle Future / Option Description	No. Contracts	Original Contract (Bought) Sold	Estimated Fair Value (Bought) Sold
Cattle futures bought, 40,000 lbs. per contract	15	$(398)	$388
Cattle futures bought, 50,000 lbs. per contract	40	(1,513)	1,503
Cattle options sold, 40,000 lbs. per contract	30	10	0

Estimated fair value at settlement is based upon quoted market prices at March 31, 1999.

NOTE E - CONTINGENCIES

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 and abate an old industrial waste landfill site 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. Lafarge is undertaking additional investigation work as directed by the Regional Water Board and is developing a feasibility study evaluating different remediation options. The cleanup 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 off-site. Under both orders, Registrant is secondarily liable and will be called upon to perform work only if National and Lafarge fail to do so. Under the lease agreements with national and Lafarge, both companies are required to indemnify Registrant for 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 1998 Form 10-K, Part I, Item 3, - "Legal Proceedings". There have been no significant changes since the filing of the 1998 Form 10-K.

NOTE F - NEW ACCOUNTING PRONOUNCEMENTS

Effective October 1, 1998 Registrant adopted the provisions of Statement of Financial Accounting Standards No. 133 "Accounting for Derivative Instruments and Hedging Activities (SFAS 133)". SFAS 133 standardizes accounting for all derivative contracts and requires that all derivative contracts be reported in the consolidated balance sheet at fair value. Derivatives meeting certain specific requirements can be designated as hedges and the special accounting of SFAS 133 applied. Unrealized gains and losses on derivatives not designated as hedges are reported in the statement of income.

NOTE G - PAYMENT OF DIVIDEND

On March 23, 1999, 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 14, 1999, with payment to be made on June 18, 1999.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

Results on Operations

This Management's Discussion and Analysis of Financial Condition and Results of Operations includes forward-looking statements that are subject to many uncertainties that could cause the actual results to differ materially from that in the forward-looking statements. The forward-looking statements include comments on future cattle prices and demand, crop yields and demands, the effect of pending environmental proceedings, the source and adequacy of Registrant's future cash resources and financial market and commodity material risks. These forward-looking statements are subject to factors beyond the control of Registrant (such as weather and market forces) the outcome of pending administrative proceedings and the fulfillment of mitigation obligations of third parties with regards to environmental matters and the availability of financing. No assurance can be given that any such forward-looking statements will turn out to be accurate.

Total revenues, including interest income for the first quarter of 1999 were $12,177,000 compared to $8,321,000 for the first quarter of 1998. The growth in revenues during the first quarter of 1999 is primarily attributable to increases in livestock division revenues of $2,089,000 and real estate division revenues of $1,641,000. The increase in real estate revenues when compared to 1998 is due to the sale of a fiber optic communications easement for $1,750,000. When compared to the same period of 1998, livestock division revenues grew due to increases in livestock sales of $2,333,000, which were partially offset by reduced feedlot sales due to lower occupancy totals during the first quarter of 1999. Livestock sales grew due to an increase in the number of cattle being sold during the first quarter of 1999 when compared to the first quarter of 1998. The increase in cattle sold during the first quarter of 1998 is the result of Registrant delaying the sale of cattle in 1998 due to low prices and selling the cattle in 1999.

Operating activities during the first quarter of 1999 resulted in net income of $369,000, or $0.03 per share diluted, compared to a net loss of $781,000, or $0.06 per share diluted, for the same period of 1998. The increase in earnings when compared to 1998 is primarily attributable to the increase in revenues as described above. The increase in revenues was partially offset by increased costs of sales on cattle sold and to higher real estate division and general and administrative costs. Cost of sales on cattle increased approximately $1,000,000 when compared to 1998 due to the sale of additional cattle as described above.

Cattle prices during 1999 strengthened when compared to 1998 due to lower supplies of cattle in feedlots during the first quarter of 1999. The rally in cattle prices may not continue as cattle feeders have placed additional cattle on feed in response to the improved market. However, prices are still below what they may have been due to the continuing impact of the Asian economic crisis on the beef market. Of the United States' trading partners, Asia is the largest importer of U.S. beef, so any reduction in purchasing power within that region can hold down prices within the beef market. It is a little early in the crop year for Registrant to make production estimates for its grapes and nuts, however, California statewide estimates for almonds and grapes are estimating crop yields that may be greater than 1998 crop. If crop yields are higher in 1999 than 1998 crop prices may decline.

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 $11,959,000 at March 31, 1999, compared to $16,643,000 on March 31, 1998 a decrease of 28%. Working capital as of March 31, 1999 was $13,034,000 compared to $19,768,000 on December 31, 1998. The decrease in working capital during the first quarter of 1999 is due primarily to capital expenditures and the purchase of revenue producing properties in Phoenix, Arizona. On February 26, 1999 Registrant completed the purchase of three industrial and commercial buildings in Phoenix Arizona having aggregate rentable square feet of 101,482. The Phoenix property is a cluster of three buildings in a master planned industrial park located near Sky Harbor International Airport and adjacent to the Interstate 10 Freeway. The buildings were built in 1996 and are 100% leased to three tenants under triple net leases expiring in 2002 to 2005. Annualized rentals under the leases currently aggregate $845,000. The leases provide for built in rental escalations which approximate current inflation factors based on the CPI index. The buildings were acquired to complete a tax deferred exchange of real property in which $4,500,000 in proceeds from the sale of land in December 1998 were used together with $4,800,000 borrowed from First Union Bank, with the loan secured by the property acquired. The use of short-term credit has grown when compared to 1998 due to the funding of the inventories attributed to the growth of Registrant's core business lines and to the short-term financing of real estate infrastructure costs associated with Registrant's development of an industrial complex in the Southern San Joaquin Valley.

Registrant has a revolving line of credit of $13,600,000 that as of March 31, 1999 had a balance outstanding of $13,600,000 at an interest rate of 7.75%. Registrant also has a short-term line of credit outstanding of $3,783,000 from an investment banking firm at an interest rate of 5.35%. Registrant also maintains a short-term line of credit for its feedlot operations for $4,000,000. The outstanding balance at March 31, 1999 was $812,000 with the interest rate approximating the bank's prime lending rate of 7.75%. The outstanding line of credit balances will change throughout the year based on the timing of proceeds from cattle and crop sales. The revolving lines of credit are used as a short-term cash management tool.

The accurate forecasting of cash flows by Registrant is made difficult due to the fact that commodity markets set the prices for the majority of Registrant's products and the fact that the cost of water changes significantly from year-to-year as a result of changes in its availability.

Registrant is currently evaluating the possibility of new farming developments, continued expansion of the cattle herd, and additional commercial development along the Interstate 5 corridor. These potential new projects would be funded from current cash resources, from additional borrowings, and possibly funds provided by joint venture partners involved in particular projects.

Registrant has traditionally funded its growth and capital additions from internally generated funds and from its excess borrowing capacity. Management believes that the combination of net earnings, short-term investments and borrowing capacity will be sufficient for its near term operations.

Impact of Year 2000

Many older computer hardware, software and imbedded micro controllers are designed to read and store dates using only the last two digits of the year. As a result they cannot correctly interpret dates beyond the year 1999. If not corrected, this problem could cause processing errors or computer system failures that materially adversely affect Registrant.

During early 1997 Registrant initiated a review of all its financial and accounting systems and implemented a conversion plan involving the acquisition of new hardware and software that read and store dates in four digits. This conversion was completed in 1997 at a cost of approximately $200,000, of which approximately $90,000 was for the purchase of new software and consulting services relating to the conversion. These expenditures were capitalized and are being depreciated over a three year useful life. The funds were provided by operations, including use of Registrant's short-term line of credit. Registrant has conducted limited testing of the new system and believes that it will function effectively when the dates beyond the year 1999 are processed.

While Registrant believes that its financial and accounting systems are its principal exposure to the Year 2000 problem, Registrant intends to undertake a review of the balance of its operations to determine the extent to which other computer programs and imbedded micro controllers are utilized. Registrant will then undertake to modify or replace any such programs or devices in advance of the end of 1999.

Registrant has communicated with and is communicating with all significant suppliers, customers, financial institutions, utilities, and other third parties upon which it is dependent to determine the extent to which Registrant's business operations are vulnerable the failure of those parties to correct their own Year 2000 problems. Although all responses received to date have been satisfactory, Registrant has not completed this phase of its Year 2000 readiness program. Registrant does not intend to independently test or verify which third parties correct their Year 2000 problems.

Registrant also intends to develop contingency plans to handle its most likely worst case scenarios with respect to the Year 2000 problem. Registrant intends to complete its determination of worst case scenarios after it has received and analyzed responses to substantially all of the inquiries made of third parties. The contingency plans are expected to include methods of dealing with third parties that are not dependent upon computer or micro controller technology. The Registrant estimates that it will complete its inquiry of third parties and development of contingency plans well in advance of the end of 1999.

Registrant believes that substantially all of the costs of completing its efforts to be Year 2000 ready will consist of the compensation expense allocable to employees who work on the project. Registrant does not separately track these costs related to the year 2000 project but does not expect them to be material.

All statements in this Report regarding the Year 2000 problem involve forward-looking information as to which there is a great uncertainty. The actual results of the Registrant's program to deal with the Year 2000 problem could differ materially from what Registrant plans and anticipates because of the lack of experience of registrant and others with problems of this kind, the extent to which computer and other systems of business and other entities are inter-related and the lack of control over, and access to information of third parties upon whom Registrant's business is dependent. The failure of the Registrant to correctly analyze and anticipate Year 2000 problems in its own operations or those of third parties or the failure or inability to develop effective contingency plans could have a material adverse effect on the Registrant's business.

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 the company 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 is exposed to financial market risks, including 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, principle cash flows and related weighted-average interest rates by expected maturity dates as of March 31, 1999 and December 1998.

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

	1999	2000	2001	2002	2003	There -after	Total	Fair Value 12/31/99
Assets:								
Marketable Securities	4,102	3,092	2,690	1,521	279	---	11,684	11,706
Average Interest Rate	6.92%	5.93%	5.81%	6.40%	5.68%		6.29%	
Liabilities:								
Short-term Debt	18,445	---	---	---	---	---	18,445	18,445
Average Interest Rate	7.19%	---	---	---	---	---	7.19%	
Long-term Debt	388	490	490	490	1,365	3,452	6,675	6,675
Average Interest Rate	7.88%	7.88%	7.88%	7.88%	7.88%	7.88%	7.88%	

Interest Rate Sensitivity Financial Market Risks
Principal Amount by Expected Maturity
At December 31, 1998
(Dollars in thousands)

	1999	2000	2001	2002	2003	There -after	Total	Fair Value 12/31/98
Assets:								
Marketable Securities	5,885	2,939	2,662	1,747	---	---	13,233	13,294
Average Interest Rate	6.92%	5.93%	5.81%	6.40%			6.41%	
Liabilities:								
Short-term Debt	19,999	---	---	---	---	---	19,999	19,999
Average Interest Rate	7.38%	---	---	---	---	---	7.38%	
Long-term Debt	250	250	250	250	1,125	---	2,125	2,125
Average Interest Rate	8.57%	8.57%	8.57%	8.57%	8.57%	---	8.57%	

In comparison to the prior year Registrant's risks 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 the company 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. Losses on future contracts and options as of March 31, 1999 were $26,000 as compared to gains on future contracts and options as of December 31, 1998 of $485,000. The loss thus far in 1999 is due to an increase in cattle prices.

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, 1999 approximately 75% of the cattle held in inventory or 20,506 head of cattle were not protected by futures and options for price movement. This compares to 18,257 head of cattle at March 31, 1998. The 1999 number of head of cattle equates to approximately 20.5 million pounds of beef. For each $.10 per pound changed in price, Registrant has a potential exposure of $2,050,000 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 $.68 per pound and the current market price is $.66 per pound.

With respect to accounts receivables, 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 1999. Of the accounts receivables outstanding at March 31, 1999, $1,127,000 is at risk to changing prices of almonds and $122,000 is at risk to changing prices of pistachios. The comparable amounts of accounts receivables at December 31, 1998 were $1,236,000 and $122,000, respectively. The price estimated for recording accounts receivables at March 31, 1999 was $1.85 per pound for almonds. For every $.25 change in the price of almonds Registrant's receivable for almonds increases or decreases by $350,000. 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 $1.54 to $2.26. With respect to pistachios, the price estimated for recording the receivable was $1.17 per pound, each $.15 change in the price increases or decreased the receivable by $120,000 and the range of final prices over the last three years has been $.92 to $1.17.

The following tables identify the future contract amounts and options contract costs outstanding at March 31, 1999 and December 1998.

March 31, 1999 Commodity Future / Option Description	No. Contracts	Original Contract/Cost (Bought) Sold	Estimated Fair Value (Bought) Sold
Cattle futures bought, 40,000 lbs. per contract	15	$ (398)	$ 388
Cattle futures bought, 50,000 lbs. per contract	40	$(1,513)	$1,503
Cattle options sold, 40,000 lbs. per contract	30	$ 10	$ 0

December 31, 1998 Commodity Future / Option Description	No. Contracts	Original Contract/Cost (Bought) Sold	Estimated Fair Value (Bought) Sold
Cattle futures bought 50,000 lbs. per contract	20	$(710,000)	$694,000
Cattle options bought, 40,000 lbs. per contract	130	$ (72,000)	$ 89,000
Cattle options sold 40,000 lbs. per contract	130	$ 42,000	$ (6,000)

The March 31, 1999 futures contracts and options expire between August 1999 and October 1999. Estimated fair value at settlement is based upon quoted market prices at March 31, 1999.

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.

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

Effective April 30, 1999 Registrant entered into an option with Enron Capital & Trade Resources Corp., a wholly-owned subsidiary of Enron Corporation, and an affiliated company (collectively "Enron") to lease to Enron up to 35 acres of undeveloped land at the southern end of the San Joaquin Valley for the construction and operation of a power plant having a capacity anticipated to be between 750 and 1,000 megawatts of electricity. The project would be powered by natural gas turbines and would be subject to environmental requirements. The transaction is subject to a number of contingencies, and Enron has the right to terminate the arrangement unilaterally at any time before the lease becomes effective.

The amounts payable to Registrant under the arrangement are subject to a number of contingencies, but scheduled payments would aggregate $1,450,000 in 1999 if the arrangement is not terminated by Enron. Thereafter, $100,000 would be payable monthly until rental under the lease commences or the payments reach an agreed maximum amount, although such payments could be significantly higher and could be paid earlier under certain circumstances. If Enron exercises its right to terminate the arrangement, Registrant would be entitled to retain the payments made to the date of termination, but Enron would have no obligation to make any further payments. Payments under the lease, which include both rent and compensation for significant easement rights over other Registrant land, would be $2,600,000 per year (subject to certain adjustments which could be material), would commence when the plant becomes operational or earlier under certain circumstances and would be subject to escalation based upon changes in a designated consumer price index. Registrant would also be entitled to receive additional rent after commercial operation of the plant, based upon production output at the plant and energy prices. The term of the lease would be 25 years from the date the plant becomes operational (or earlier under certain circumstances), and Enron would have three five-year options to extend the term.

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, 1999	

(b) Reports on Form 8-K

On March 12, 1999, Registrant filed a Current Report on Form 8-K (Item 2), announcing the purchase of commercial industrial buildings in Phoenix, Arizona.

On May 11, 1999, Registrant filed a Current Report on Form 8-K/A (Item 2), amending the Current Report on Form 8-K filed on March 12, 1999 which reported the acquisition of buildings. This filing includes the Statement of Revenue and Certain Expenses for the properties purchased and pro forma financial statements and related notes.

* 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 14, 1999	BY /s/ Allen E. Lyda
DATE	Allen E. Lyda Vice President, Finance & Treasurer

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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.

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3-MOS
DEC-31-1999
JAN-01-1999
MAR-31-1999
253
11,706
6,340
0
16,216
36,559
57,295
(18,221)
77,367
23,525
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6,346
0
0
36,706
77,367
12,177
12,177
10,721
10,721
706
0
155
595
226
369
0
0
0
369
.03
.03