UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO 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 ______________

Commission file number 0-7647

HAWKINS CHEMICAL, INC.
(Exact name of registrant as specified in its charter)

MINNESOTA	41-0771293
(State or other jurisdiction of incorporation of organization)	(I.R.S. Employer Identification No.)

3100 East Hennepin Avenue, Minneapolis, Minnesota 55413
(Address of principal executive offices) Zip Code

(612)331-6910
Registrant's telephone number, including area code

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 13, 1996
Common Stock, par value $.05 per share	11,051,690

HAWKINS CHEMICAL, INC. AND SUBSIDIARIES

INDEX TO FORM 10-Q

PART I. FINANCIAL INFORMATION

Item I. Financial Statements

HAWKINS CHEMICAL, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS

ASSETS	March 31, 1996 (Unaudited)	October 1, 1995 (Derived from Audited financial statements)
Current assets:		
Cash and cash equivalents...........	$ 7,071,189	$ 9,906,107
Investments (fair value approximates cost).................	10,273,629	7,968,761
Accounts receivable-net.............	8,742,756	10,512,260
Note receivable.....................	169,730	208,943
Inventories.........................	5,824,884	8,663,959
Other current assets................	1,777,221	1,647,660
Total current assets............	33,859,409	38,907,690
Property, plant and equipment-net.....	11,476,581	11,438,895
Note receivable-non current...........	1,830,212	715,045
Other assets..........................	2,638,240	2,629,184
Total	$49,804,442	$53,690,814
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable...................	$ 5,253,080	$ 8,691,204
Current portion of long-term debt..	56,008	52,344
Other current liabilities..........	3,803,028	5,822,383
Total current liabilities......	9,112,116	14,565,931
Long term debt.......................	572,453	628,461
Deferred income taxes................	386,800	377,800
Shareholders' equity:		
Common stock, par value $.05 per share; issued and outstanding, 11,051,690 shares and 10,525,772 shares respectively.............	552,585	526,289
Additional paid-in capital......	38,679,630	34,235,623
Retained earnings...............	500,858	3,356,710
Total shareholders' equity...	39,733,073	38,118,622
Total.......................	$49,804,442	$53,690,814

See accompanying notes

HAWKINS CHEMICAL, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME

(Unaudited)

	Three Months Ended March 31 1996	1995	Six Months Ended March 31 1996	1995
Net sales	$18,439,067	$18,902,641	$35,862,051	$35,397,118
Costs and expenses:				
Cost of sales	14,585,730	14,928,367	28,245,041	27,785,095
Selling, general and administrative	2,083,759	1,953,278	4,045,670	3,831,077
Unusual and nonrecurring		750,000		750,000
Total costs and expenses	16,669,489	17,631,645	32,290,711	32,366,172
Income from operations	1,769,578	1,270,996	3,571,340	3,030,946
Other income (deductions):				
Interest income	231,995	241,373	490,495	433,588
Interest expense	(13,686)	(13,750)	(26,509)	(27,489)
Miscellaneous	41,817	1,176	70,890	23,764
Total other income (deductions)	260,126	228,799	534,876	429,863
Income from continuing operations before income taxes	2,029,704	1,499,795	4,106,216	3,460,809
Provision for income taxes from continuing operations	811,900	601,800	1,646,700	1,389,900
Income from continuing operations	1,217,804	897,995	2,459,516	2,070,909
Discontinued Operations:				
Income (loss) from operations of Tessman Seed, Inc. (less applicable income taxes of $0, ($8,600), $0,($46,500), respectively)		(12,972)		(69,905)
Loss on disposal of assets of Tessman Seed, Inc. (less applicable income taxes of $214,200)		(321,266)		(321,266)
Income (loss) from discontinued operations	0	(334,238)	0	(391,171)
Net income	$ 1,217,804	$ 563,757	$ 2,459,516	$ 1,679,738
Weighted average number of shares outstanding	11,051,690	11,051,690	11,051,690	11,051,690
Earnings per common share				
Continuing operations	$0.11	$0.08	$0.22	$0.19
Discontinued operations	0	(0.03)	0	(0.04)
Total	$0.11	$0.05	$0.22	$0.15

See accompanying notes

HAWKINS CHEMICAL, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

(Unaudited)

	SIX MONTHS ENDED MARCH 31 1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income...........................	$ 2,459,516	$ 1,679,738
Loss on disposal of assets of Tessman Seed, Inc.....................	0	321,266
Loss on discontinued operations of Tessman Seed, Inc.....	0	69,905
Unusual and nonrecurring charge.......	0	750,000
Depreciation and amortization.........	679,734	652,849
Deferred income taxes.................	14,000	(262,000)
Other.................................	(155,453)	(44,091)
Changes in certain current assets and liabilities..........................	(1,091,722)	(486,839)
Net cash provided by operating activities	1,906,075	2,680,828
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment............................	(1,779,211)	(1,358,945)
Purchase of investments..........................	(2,304,868)	(187,524)
Cash received on sale of land and building............................	108,188	0
Cash received on sale of assets and business of Tessman Seed, Inc.........	0	100,000
Net cash used in investing activities	(3,975,891)	(1,446,469)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash dividends paid..................	(736,804)	
Debt repayment.......................	(52,344)	(48,919)
Payments received on note receivable..	24,046	
Net cash used in financing activities	(765,102)	(48,919)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,834,918)	1,185,440
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9,906,107	6,895,341
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 7,071,189	$ 8,080,781
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest................	$ 53,562	$ 56,111
Cash paid for income taxes...........	$ 2,102,326	$ 1,404,000

See accompanying notes

HAWKINS CHEMICAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

1. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions for Form 10-Q and, accordingly, do not include all information and footnotes required by generally accepted accounting principles for complete financial statements. These statements should be read in conjunction with the financial statements and footnotes included in the Company's Annual Report on Form 10-K for the year ended October 1, 1995, previously filed with the Commission. In the opinion of management, the accompanying unaudited consolidated condensed financial statements contain all adjustments necessary to present fairly the Company's financial position and the results of its operations and cash flows for the periods presented. All adjustments made to the interim financial statements were of normal recurring nature.

The accounting policies followed by the Company are set forth in Note 1 to the Company's financial statements in the 1995 Hawkins Chemical, Inc. Annual Report which is incorporated by reference to Form 10-K filed with the Commission on December 28, 1995.

2. The results of operations for the period ended March 31, 1996 are not necessarily indicative of the results that may be expected for the full year.

3. Effective January 1, 1996, the Company sold property which was previously rented to a former subsidiary for $1,208,000. At closing the Company received $108,000 and a contract for deed for $1,100,000. The contract for deed requires monthly payments of $9,201, including interest at 8% per annum, for eight years. On January 1, 2004, the remaining unpaid principal balance is due.

4. Inventories, principally valued by the LIFO method, are less than current cost by approximately $1,676,200 at March 31, 1996. Inventory consists principally of finished goods. Inventory quantities fluctuate during the year. No material amounts of interim liquidation of inventory quantities have occurred that are not expected to be replaced by year-end.

5. Earnings per common share are based upon the weighted average number of shares outstanding after giving retroactive effect to a 5% stock dividend declared February 7, 1996 to shareholders of record at the close of business on March 29, 1996. Cash dividends accrued of $845,065 are included in accounts payable at March 31, 1996.

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

RESULTS OF OPERATIONS

CONTINUING OPERATIONS

Net sales decreased $463,574 (2.5%) in the second quarter of this fiscal year as compared to the same quarter a year ago, and increased $464,933 (1.3%) in the first six months of fiscal 1996 as compared to the same period in fiscal 1995. The decrease in the quarter was primarily due to the extremely cold weather conditions during the quarter. Some of our customers either had limited operations or had to close down temporarily, thereby decreasing their volumes. Also contributing to the sales decrease was management's decision to discontinue sales to mass merchandisers by The Lynde Company subsidiary, as that business involved high volumes and high inventory levels with a low, decreasing profit margin. Although total sales dollars will decrease in the third and fourth quarters because of this change, management does not expect a material adverse impact on gross margin as a percentage of net sales. The decrease in sales was also due to a slight decrease in the selling price of a single, large-volume product. The increase in sales for the six-month period ended March 31, 1996 was due to volume increases in most of the Company's divisions and subsidiaries, which was partially offset by the above. Selling prices of the single, large-volume product are expected to decrease in the last six months of this fiscal year, but with the Mississippi River now open to accept barge shipments, management anticipates more competitive pricing, which is expected to enable the Company to maintain historical profit margins.

Gross margin, as a percentage of net sales, for the second quarter of this fiscal year was 20.9% compared to 21.0% for the same quarter one year ago, and 21.2% for the first six months of fiscal 1996 as compared to 21.5% for the first six months of fiscal 1995. The slight decreases are due to the decrease in selling prices partially offset by the reduction of lower margin sales to mass merchandisers previously mentioned. The Company has generally been able to and expects to continue to adjust its selling prices as the cost of materials and other expenses change, thereby maintaining relatively stable gross margins.

Selling, general and administrative expenses, as a percentage of net sales, for the second quarter of fiscal 1996 were 11.3% compared to 10.3% for the same quarter one year ago, and 11.3% for the first six months of fiscal 1996 as compared to 10.8% for the first six months of fiscal 1995. These increases were mainly due to increased employee compensation and benefits.

The unusual and nonrecurring charge in the second quarter and first six months of fiscal 1995 of $750,000 was recorded to cover estimated settlement costs to be incurred by the Company in connection with a lawsuit filed against the Company.

Interest income decreased $9,378 in the second quarter of fiscal 1996 as compared to the same quarter one year ago and increased $56,907 for the first six months of this fiscal year as compared to the same period one year ago. The second quarter decrease is due to increases in investments in income tax exempt securities which generally have a lower pre-tax return than other taxable investments, but have a higher after-tax return. The six month increase is due to an increase in the amount of cash available for investments and to a higher rate of return earned on cash equivalents and investments in the first quarter. Interest expense decreased slightly due mainly to the decline in long term debt.

DISCONTINUED OPERATIONS

In March 1995, the Company adopted a formal plan to discontinue operations of Tessman Seed, which sold a wide range of horticulture and pest control products. Effective March 1, 1995, the Company sold the inventory, equipment and operations of Tessman. As a result of the purchase transaction, the Company recorded a loss on the disposal in the second quarter of fiscal 1995 of $321,266, net of taxes totaling $214,200, to write-down Tessman's assets to the amount realized.

Revenues for Tessman for the quarter and six months ended March 31, 1995 were $507,000 and $931,000, respectively. The loss for Tessman for the quarter and six-month period ended March 31, 1995 was less than $.01 per share.

LIQUIDITY AND CAPITAL RESOURCES

For the six-month period ended March 31, 1996, cash flows from operations were $1,906,075. This amount was lower than cash provided by operations during the same period one year ago, due mainly to the changes in certain current assets and liability accounts discussed below. During the six-month period ended March 31, 1996, the Company invested $1,779,211 in property and equipment additions and added $2,304,868 to investments.

Accounts receivable, inventories and accounts payable decreased during the first six months of fiscal 1996 due primarily to management's decision to discontinue sales to mass merchandisers by The Lynde Company subsidiary, as discussed previously. Other current liabilities decreased as a result of the payment of benefit plan accruals that existed at fiscal year end. The Company did not issue any securities during the six-month period ended March 31, 1996.

In January 1996, the Company sold property which was previously rented to a former subsidiary for $1,208,000. At closing the Company received $108,000 and a contract for deed for $1,100,000. The contract for deed requires monthly payments of $9,201, including interest at 8% per annum, for eight years. On January 1, 2004, the remaining unpaid principal balance is due.

Since 1985, the Company has been paying an annual cash dividend each year. In the fourth quarter of fiscal 1995 this was changed to a semi-annual cash dividend policy. The first half of the 1996 dividend was paid in October 1995 and the second half was paid in April 1996.

The cash flows from operations, coupled with the Company's strong cash position, puts the Company in a position to fund both short and long-term working capital and capital investment needs with internally generated funds. Management does not, therefore, anticipate the need to engage in significant financing activities in either the short or long-term. If the need to obtain additional capital does arise, however, management is confident that the Company's total debt to capital ratio puts it in a position to issue either debt or equity securities on favorable terms.

Although management continually reviews opportunities to enhance the value of the Company through strategic acquisitions, other capital investments and strategic divestitures, no material commitments for such investments or divestitures currently exist. Until appropriate investment opportunities are identified, the Company will continue to invest excess cash in conservative investments. Cash equivalents consist of short-term certificates of deposit and investments consist of relatively low-risk investment and annuity contracts with highly rated, stable insurance companies, and marketable securities consisting of investment grade municipal securities, all of which are carried at cost which approximates fair value. All cash equivalents are highly liquid and are available upon demand. There are some penalties associated with the early liquidation of the Company's investment and annuity contracts.

Other than as discussed above, management is not aware of any matters that have materially affected the first six months of fiscal 1996, but are not expected to materially affect future periods, nor is management aware of other matters not affecting this period that are expected to materially affect future periods.

PART II. OTHER INFORMATION

Item 4. Submission of matter to a vote of Security Holders.

a. The annual meeting of the shareholders of the Company was held on February 7, 1996.

c. The following is a tabulation of the results of votes cast on the matters noted upon at the annual meeting of the shareholders:

Approval to enlarge the Board of Directors to eleven seats:

For	Against	Abstain	Broker Non-Votes
8,278,619	381,460	99,295	0

Election of Directors:

	For	Against	Withheld	Abstain	Broker Non-Votes
Howard J. Hawkins	8,638,505	0	120,869	0	0
Dean L. Hahn	8,638,868	0	120,506	0	0
Carl J. Ahlgren	8,584,225	0	175,149	0	0
Howard M. Hawkins	8,360,417	0	398,957	0	0
Norman P. Anderson	8,584,225	0	175,149	0	0
Donald L. Shipp	8,537,086	0	222,288	0	0
John S. McKeon	8,638,758	0	120,616	0	0
John R. Hawkins	8,365,032	0	394,342	0	0
S. Albert Diez Hanser	7,330,252	0	1,429,122	0	0
Duane Jergenson	8,357,121	0	402,253	0	0

Approval of Deloitte & Touche LLP as Independent Auditors:

For	Against	Abstain	Broker Non-Votes
8,246,257	433,869	79,148	0

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits.
The following exhibits are included with this Quarterly Report on Form 10-Q (or incorporated by reference) as required by Item 601 of Regulation S-K.

Exhibit No.	Description	Page No.
27	Financial Data Schedule	11

(b) Reports on Form 8-K.

No reports on Form 8-K have been filed during the fiscal quarter ended March 31, 1996.

SIGNATURE

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.

HAWKINS CHEMICAL, INC.

BY

Howard M. Hawkins, Treasurer
(Chief Financial and Accounting Officer)

Dated: May 13, 1996

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SEP-29-1996
OCT-02-1995
MAR-31-1996
7,071,189
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