SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

10-K

X Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 [Fee Required]

For the fiscal year ended December 31, 1996, or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 [No Fee Required]

For the transition period from_______________ to_____________

Commission File No. 1-9035

POPE RESOURCES, A DELAWARE LIMITED PARTNERSHIP
(Exact name of registrant as specified in its charter)

Delaware	91-1313292
(State of Organization)	(IRS Employer I.D. No.)

P.O. Box 1780, Poulsbo, WA 98370
(Address of principal executive offices Zip Code)

Registrant's telephone number, including area code: (360) 697-6626

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Depositary Receipts (Units)	Pacific Stock Exchange
Depositary Receipts (Units)	NASDAQ National Market System

Securities registered pursuant to Section 12(g) of the Act:
None

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, and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K. [X]

Approximate aggregate market value of the voting stock held by nonaffiliates of the registrant as of February 24, 1997 was $74,419,710.

DOCUMENTS INCORPORATED BY REFERENCE:

SEE ITEM 14

Exhibit Index at page 33.

PART I

Item 1. BUSINESS.

Pope Resources, A Delaware Limited Partnership (the "Partnership"), including its subsidiaries Ludlow Water Company and Gamble Village Water & Sewer Company were organized in December, 1985 as a result of a spin-off by Pope & Talbot, Inc. (P&T) of certain of its assets. The Partnership is a successor to Pope & Talbot Development, Inc. and other P&T affiliates. P&T acquired its first timberlands in the Puget Sound area in 1853. The Partnership also formed another subsidiary, Ludlow Bay Realty in 1993.

FINANCIAL INFORMATION ABOUT SEGMENTS.

The Partnership's operations are classified into two segments: (I) timberland resources, and (II) property development.

Segment financial information is presented in Note 9 to the Partnership's Financial Statements included with this report.

NARRATIVE DESCRIPTION OF BUSINESS.

The Partnership's largest segment, timberland resources, encompasses the growing and harvesting of timber and the leasing of lands for mineral development and for the siting of communications towers. The Partnership's other segment, property development, consists of residential development and income-producing properties. Residential development consists of the sale of single-family homes, finished lots and undeveloped acreage. Income-producing properties consists of various commercial operations. All of the Partnership's operations are conducted within a 50-mile radius of Seattle, Washington. The following is a detailed description of each industry segment.

Timberland Resources.

The Partnership's key asset is its tree farm of approximately 76,000 acres. Its principal operations consist of the growing of timber to its optimal harvest age, and the subsequent harvesting and marketing of timber and timber products to both domestic and Pacific Rim markets. The segment produced 66%, 73% and 63% of the Partnership's consolidated gross revenues in 1996, 1995 and 1994, respectively.

The dominant timber species on the tree farm is Douglas fir. Douglas fir is classified as a "softwood" species, though its strength, flexibility and other physical characteristics make it generally preferable to other softwoods and hardwoods for the production of construction grade lumber and plywood. As of December 31, 1996, the Partnership estimates the tree farm's total merchantable softwood inventory volume to be 470 million board feet. This compares to inventory volumes of 486 and 474 million board feet at December 31, 1995 and 1994, respectively. Due to Washington State forest practice regulations that provide for limited clear-cut size, riparian management zones, wildlife leave trees, wetlands requirements and other harvest restrictions, the Partnership estimates that between 7 and 10% of the aforementioned volume is not available for harvest. The merchantable timber volume is accounted for by the Partnership's standing timber inventory system, which involves periodic statistical sampling of the timber (cruising) with annual adjustments made for estimated growth and the depletion of areas harvested.

The Partnership views the tree farm as a core holding and is managing it accordingly. As such, the Partnership's annual harvest policy is to operate at harvest levels that are sustainable and consistent with growth. From year to year, the policy allows for flexibility in response to the external environment. For instance, when log markets are weak, annual harvest levels might be reduced whereas in strong log markets, the annual levels may be above the average. The Partnership's harvesting schedules are based on inventory data that include species, site index, classification of soils, volume, size and age of the timber. From this information, the Partnership develops its annual and long-term harvesting plans predicated on existing and anticipated economic conditions with the objective of maximizing the long-term returns.

Over the longer term, management anticipates that population and economic pressures will contribute to the development of increasing portions of the tree farm. To offset the resulting reductions in the timberland base, management is actively seeking acquisitions and trades that enhance tree farm ownership.

The Partnership markets its timber in one of two ways. Generally speaking, management engages independent logging contractors to harvest the standing timber and manufacture it into logs which management then sells on the open market. One of the principal markets served is the Pacific Rim. Logs going to this destination are generally sold to brokers who in turn sell direct to offshore destinations. Japan is by far the largest consumer of this segment, though Korea and China are significant from time to time. The balance of the logs produced are sold domestically to local sawmills and pulp and paper operations.

The second method in which timber is sold is through "stumpage" sales, where standing timber is sold "on the stump" to purchasers that in turn manage the harvesting and marketing of the wood. These operations are governed by provisions of the sales contract, and are closely monitored by management to ensure compliance with all regulatory and logging requirements. Stumpage sales are generally used in unique situations where returns can be improved through the involvement of outside parties.

There are many competitors of the Partnership, most of whom are comparable in size or larger. The principal areas of competition in the timber business are pricing and the ability to satisfy volume demands for various types and grades of timber to the competing market. Management believes that its location, type and grade of timber will enable it to effectively compete in its markets. However, the Partnership's products are subject to increasing competition from a variety of non-wood and engineered wood products as well as competition from foreign sources.

The Partnership's timber operations require forest management which primarily consists of reforestation, thinning of the timber to achieve optimal spacing after stands are established, and fertilization. During 1996, the Partnership planted 658,000 seedlings on 1,440 acres. This compares to 1995 and 1994 in which the Partnership planted 518,000 and 540,000 seedlings on 1,350 and 1,200 acres, respectively. Management's policy is to stay current on its reforestation program, returning all timberlands to productive status as soon as economically feasible following harvest.

Risk of loss from fire, while possible on any timberland, is minimized on Partnership lands for several reasons. First, the Partnership maintains a well developed road system that allows access and quick response capability to any fire that may occur. Next, management maintains a fire plan and program that provides for increased monitoring activities and requires all operators to maintain adequate fire suppression equipment during fire season. All of management's activities are supplemented by the State of Washington's Department of Natural resources, who are ultimately responsible for all fire suppression activities in the State. Finally, in the unlikely event of a fire, the Partnership's Douglas fir stands are less susceptible than other species to economic loss from fire. Salvage operations can recover a substantial portion of the green timber value from this species.

In the operation and management of the tree farm, the Partnership is subject to federal, state and local laws which govern land use. Management's objective is to be in compliance with such laws and regulations at all times. They anticipate that increasingly strict requirements relating to the environment, natural resources, forestry operations, health and safety matters, as well as increasing social concern over environmental issues may result in additional restrictions on the timber operations of the Partnership. This will in turn result in increased costs, additional capital expenditures and reduced operating flexibility. Although the Partnership does not consider current laws and regulations to be materially burdensome, there can be no assurance that future legislative, governmental or judicial decisions will not adversely affect the Partnership operations.

The tree farming activities are a year-round operation of the Partnership and presently employ seven full-time salaried employees, none of which is a member of a labor union.

Property Development.

Property development consists of residential development and income-producing properties. Residential development consists of the sale of single-family homes, finished lots and undeveloped acreage. Income-producing properties consists of providing water and sewer services to properties in the Port Ludlow, Washington area; a marina, golf course, commercial shopping center and RV park operated by the Partnership; certain parcels leased to Pope & Talbot, Inc.; a restaurant/lounge and related facilities leased to and operated by Village Resorts, Inc. The golf, marina, resort and RV park business is seasonal, with the peak season beginning in May and running through September of each year. The Partnership holds a 50% interest in a joint venture which completed construction of a 36-room inn in 1994.

This segment produced 35%, 27%, and 37% of the Partnership's consolidated gross revenues in 1996, 1995 and 1994, respectively.

The principal activity of residential development consists of building residential dwellings and developing lots in Port Ludlow. This division's key asset is approximately 2,000 acres of land located in Western Washington, of which the focus for development is Port Ludlow. Port Ludlow is an active adult community on approximately 1,000 acres.

Outside of Port Ludlow the Partnership has developed a 100 lot project in Port Orchard (Grandridge). The Partnership is also in the planning and entitlements stages for developments in Bremerton, Gig Harbor and Kingston, all of which are located in the western Puget Sound region of Washington State. Kingston is a residential development comprising 750 acres and consisting of 765 units. Kingston awaits entitlements and expansion of the local sewage treatment facility. The Gig Harbor parcel is part of a larger land area with multiple owners and has been annexed into the city of Gig Harbor, Washington. Bremerton will likely be developed primarily as a residential/light-industrial site.

The Partnership's land sales activities are closely associated with the management of its timber properties. After logging its timberlands, the Partnership has the option of reforesting the land, developing it for sale as improved property, or selling it in developed or undeveloped acreage tracts. Management continually evaluates timber properties in terms of their best economic use (i.e., whether to continue growing timber or reclassifying the properties for sale or development). As the Partnership reclassifies timber properties for sale or development, the Partnership may replace such timber properties with land purchases in more remote areas. Although the Partnership believes it has adequate land inventory for future development, additional properties will be purchased as they become available.

The Partnership competes for property sales with other timber companies which are as large or larger than the Partnership and have substantial acreage for sale and development. Management believes location, price and terms of sale enable the Partnership to compete effectively in these markets.

The property development segment's backlog of sales was approximately $1,089,000 as of December 31, 1996, all of which are expected to be closed in 1997. This compares to sales backlogs of $2,184,000 and $1,623,000 as of December 31, 1995 and 1994, respectively.

Property development presently employs 26 full-time salaried employees and has in the past employed up to an additional 45 seasonal employees. No employee is a member of a labor union.

Nonclassified assets and operations are composed of the Partnership's administrative office.

The total number of employees not otherwise classified under a segment is 10, all of which are full-time salaried employees. No employee is a member of a labor union.

Item 2. PROPERTIES.

See the discussion of each segment under "Item 1. Business."

Item 3. LEGAL PROCEEDINGS.

None.

Item 4. SUBMISSION OF MATTER TO A VOTE OF SECURITY HOLDERS .

No matters were submitted to a vote of the Partnership's unitholders during the quarter ended December 31, 1996

PART II

Item 5. MARKET FOR PARTNERSHIP'S UNITS AND RELATED SECURITY HOLDER MATTERS.

The units are traded on both the Pacific Stock Exchange, Inc. and NASDAQ National Market System. The Partnership's units trade under the ticker symbols "PRP" (Pacific Stock Exchange) and "POPEZ" (NASDAQ). The following table sets forth the 1996-1995 quarterly range of high and low prices for the Partnership's units:

	1996		1995	
	High	Low	High	Low
First Quarter	$117	$101	$ 87	$76-1/4
Second Quarter	115	105	93	80
Third Quarter	115	102	98	84-1/2
Fourth Quarter	107	79	104	91-1/2

The number of registered holders of record of the Partnership's units as of January 31, 1997 was 496.

Cash distributions of $2.35 and $1.75 per unit were paid on July 29th and December 30th to unitholders of record on July 2nd and December 8th, 1996, respectively. The aggregate distribution totaled $3,706,000. In 1995 a cash distribution of $5.30 per unit was paid December 29, 1995 totaling $4,790,000. All cash distributions are at the discretion of the Partnership's managing general partner, Pope MGP, Inc. The practice of the Partnership has been to make cash distributions only for the purpose of defraying the federal and state tax liability of unitholders on their flow-through share of Partnership net income and as approved from time to time by the managing general partner.

Item 6. SELECTED FINANCIAL DATA.

The financial information set forth below for each of the years ending December 31, 1992 through 1996 is derived from the Partnership's audited financial statements. This information should be read in conjunction with the financial statements and related notes included with this report and previously filed with the Securities and Exchange Commission.

	(Thousands, except per unit data)				
	1996	1995	1994	1993	1992
TOTAL REVENUES	$33,013	$36,162	$30,085	$34,331	$25,473
INCOME FROM OPERATIONS	$ 9,818	$14,799	$10,572	$16,576	$ 5,960
NET INCOME	$ 8,334	$13,090	$ 8,893	$14,825	$ 5,058
NET INCOME PER PARTNERSHIP UNIT	$ 9.22	$ 14.48	$ 9.65	$ 15.01	$ 4.30
TOTAL ASSETS	$54,599	$54,147	$52,759	$48,101	$51,236
LONG-TERM DEBT	$14,403	$17,717	$25,451	$24,348	$21,720
PARTNERS' CAPITAL	$37,616	$32,988	$24,824	$20,875	$27,548
CASH DISTRIBUTION PER UNIT	$ 4.10	$ 5.30	$ 3.60	$ 6.00	$ .69

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

This discussion should be read in conjunction with the Partnership's consolidated financial statements included with this report.

Results of Operations

Timberland Resources

The Partnership harvested the following timber:

Year	Total		Softwood Sawlogs		Hardwood Sawlogs		Pulp Logs		Stumpage	
	MMBF	$/MBF	MMBF	$/MBF	MMBF	$/MBF	MMBF	$/MBF	MMBF	$/MBF
1996	31.6	664	23.4	808	1.3	477	6.9	209	-	-
1995	38.0	682	26.2	848	.8	490	10.2	329	.8	551
1994	29.7	626	20.6	783	.7	444	7.8	269	.6	585

The decrease in the average log prices per MBF from 1995 to 1996 is primarily attributable to lower export and pulp prices. The aforementioned average prices of logs sold reflect variations in stands of timber harvested and are, therefore, not necessarily indicative of the prices of logs to be sold in the future.

The Partnership sells its logs into two major markets, namely the export and domestic markets. Indirect sales to the export market totaled 12.3, 13.1, and 9.5 million board feet of softwood logs for 1996, 1995 and 1994, respectively.

The export demand for logs is directly affected by the demand from Asian countries. As nearly all of the Partnership's export logs are sold to Japan, the strength of the Japanese economy and the relative strength of the United States dollar directly affect the demand for export logs. The export market remained strong in 1996 with prices still at relatively high historical levels. Management anticipates a moderate decline in export prices in the first quarter or 1997, continuing through the third quarter. A modest upturn at the end of 1997 is anticipated.

The Partnership's domestic demand for logs is directly affected by the level of construction activity on the west coast of the United States. Changes in general economic and demographic factors have historically caused fluctuations in housing starts. This in turn affects demand for lumber and commodity wood prices which drives the demand for logs. For 1997 management anticipates the domestic market to be similar to 1996. Management is concerned about the declining number of sawmills in its region. As the number of sawmills declines management must find additional outlets for its domestic timber. Management does not believe the decline in domestic sawmills will materially impact its 1997 operations but is nonetheless exploring additional outlets for its domestic timber.

Property Development

Property development consists of residential development and income-producing properties. Residential development consists of the sale of single-family homes, finished lots and undeveloped acreage. Income-producing properties consists of providing water and sewer services to properties in the Port Ludlow area; a marina, golf course, commercial center and RV park operated by the Partnership; certain Port Gamble parcels leased to individuals; and a restaurant/lounge and related facilities leased to and operated by Village Resorts, Inc. Revenues from property development totaled $11,444,000, $9,763,000, and $11,002,000 for 1996, 1995, and 1994, respectively.

Revenue from residential development totaled $6,405,000, $5,726,000, and $7,126,000 for 1996, 1995 and 1994, respectively. The Partnership's largest development is in Port Ludlow, Washington. During 1996 the Partnership's development at Port Ludlow generated revenues of $4,946,000 on 8 finished lot sales, and 17 home sales. This compares to 1995 sales at Port Ludlow of $4,163,000 on 26 lot sales and 14 home sales and one bulk sale of 27 lots with preliminary lot approval. In 1994, Port Ludlow generated revenues of $4,850,000 on 30 lot sales and 14 home sales. Excluding the one bulk sale in 1995, lot and home sales were similar for each of the three years. This was attributable to similar mixes of inventory combined with similar real estate markets.

At December 31, 1996 the Partnership had in total 210 developed lots and 14 homes under various stages of completion. This compares to the prior year's 234 developed lots and 23 homes under various stages of completion. This inventory consists of a wide variety of subdivisions, encompassing a broad spectrum of prices.

Revenues from commercial properties and activities totaled $4,530,000, $4,070,000, and $4,299,000 for 1996, 1995 and 1994, respectively. In 1996, the lease of certain Port Gamble parcels to Pope and Talbot, Inc. expired, and the Partnership began leasing property to individuals. The other operations were generally consistent for each of the three years and management expects future revenues to be stable.

General

Cost of revenues for the Partnership can fluctuate widely due to the various methods for selling timber and the basis of the land the Partnership sells. Cost of timber sales fluctuates depending primarily on the quantity logged, distance from the logging site to the mill or port, and terrain. Cost of revenues for property development fluctuates due to basis of land sold, cost of homes sold, and operating expenses of income-producing properties.

The increase in general and administrative costs in 1996 as compared to 1995 and 1994, primarily related to $593,000 of expenses related to upgrading internal systems and processes to remain competitive. In addition, this investment established the platform for moving successfully into business growth opportunities.

Interest expense has continued to decline from 1994 through 1996 due to reductions in debt levels plus lower interest rates.

In 1996 interest income declined from amounts earned in 1995 and 1994. This was attributable to a continuing decline in the contracts receivable balance outstanding.

Liquidity and Capital Resources

Management has budgeted spending $6.4 million on its real estate development in 1997. In addition, management has budgeted spending an additional $1.1 million in capital expenditures for other operations in 1997. Funds generated internally through operations and externally through financing will provide the required resources for the Partnership's real estate development and capital expenditures. Management considers its capital resources to be adequate for its real estate development plans, both in the near future and on a long-term basis. At December 31, 1996, the Partnership had available an unused $20 million loan commitment from a bank.

Management has considerable discretion to increase or decrease the level of timber cut and thus drive net income and cash flow up or down assuming, of course, timber prices are stable. Management's current plan is to harvest 23 million board feet of softwood timber in 1997. This harvest level is consistent with our sustainable management approach. Since harvest plans are based on demand, price and cash needs, actual harvesting may vary subject to management's on-going review.

Cash provided by operating activities generated $12,330,000 in 1996, and was primarily used for debt repayments of $3,289,000, two unitholder distributions totaling $3,706,000 and capital and land expenditures of $2,156,000. In 1995, cash provided by operating activities generated $17,040,000, and was primarily used for debt repayments of $7,663,000, capital expenditures of $3,424,000, and unitholder distributions totaling $4,790,000. In 1994, cash provided by operating activities generated $7,416,000, and was primarily used for capital expenditures of $4,017,000, and unitholder distributions of $3,260,000. Land and timber acquisitions are expected to continue to be the most significant capital expenditures in 1997.

Cash distributions of $2.35 and $1.75 per unit, respectively, were paid on July 29th and December 30th to unitholders of record on July 2nd and December 8th, 1996. The aggregate distribution totaled $3,706,000. In 1995 a cash distribution of $5.30 per unit was paid December 29, 1995 totaling $4,790,000. The practice of the Partnership has been to make annual cash distributions only for the purpose of defraying the federal and state tax liability of unitholders on their flow-through share of Partnership net income and as approved from time to time by the managing general partner. In 1996, the Partnership shifted to a semi-annual payment pattern and expects to make quarterly distributions in 1997.

Proxy Statement

Pope Resources is circulating a Proxy Statement to Limited Partners of record relating to a meeting of the Partners to be held on Friday, March 14, 1997, in Seattle, Washington. The partners will be asked to consider and vote upon the approval and adoption of certain amendments to the Limited Partnership Agreement. The proposed amendments would (1) permit Pope Resources to engage in a new business enterprise involving the location, acquisition, management and/or development of land, and related resources, primarily for the account of individuals and/or entities who are not otherwise Affiliates of Pope Resources ("Investor Portfolio Management Business"); and (2) authorize an incremental allocation of net-income derived from the Investor Portfolio Management Business between Pope Resources and the Managing General Partner. Further details relating to the Investor Portfolio Management Business are set forth in the Proxy Statement.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

POPE RESOURCES

A DELAWARE LIMITED PARTNERSHIP

YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

POPE RESOURCES, A DELAWARE LIMITED PARTNERSHIP

YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

CONTENTS

Independent Auditors' Report

To the Board of Directors and Unitholders
Pope Resources, A Delaware Limited Partnership
Poulsbo, Washington

We have audited the accompanying consolidated balance sheets of Pope Resources, A Delaware Limited Partnership and subsidiaries as of December 31, 1996 and 1995, and the related consolidated statements of income and cash flows for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Pope Resources, A Delaware Limited Partnership and subsidiaries as of December 31, 1996 and 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles.

DELOITTE & TOUCHE LLP

Seattle, Washington
January 31, 1997

POPE RESOURCES, A DELAWARE LIMITED PARTNERSHIP

CONSOLIDATED BALANCE SHEETS - DECEMBER 31, 1996 AND 1995
(Thousands)

ASSETS

Current assets:	1996	1995
Cash and cash equivalents	$ 3,741	$ 987
Accounts receivable	517	1,047
Work in progress	10,522	11,375
Contracts and construction loans receivable 1,251	739	
Prepaid expenses and other	317	164
Total current assets	16,348	14,312
Properties and equipment, at cost:		
Land and land improvements	15,047	15,146
Roads and timber, net of accumulated depletion of $7,528 and $7,031	11,030	11,922
Buildings and equipment, net of accumulated depreciation of $10,961 and $10,051	9,600	9,040
	35,677	36,108
Other assets:		
Contracts receivable, net of current portion, including related party receivable of $261 in 1996	1,561	2,640
Unallocated amenities and project costs	936	996
Other	77	91
	2,574	3,727
	$54,599	$54,147

LIABILITIES AND PARTNERS' CAPITAL

Current liabilities:	1996	1995
Accounts payable	$ 692	$ 1,029
Accrued liabilities	586	521
Current portion of long-term debt	325	300
Deposits	110	165
Total current liabilities	1,713	2,015
Deficit in investment in joint venture	316	363
Long-term debt, net of current portion	14,403	17,717
Other long-term liabilities	275	275
Deferred profit on contracts receivable	276	789
Commitments and contingencies (Note 7 and 8)		
Partners' capital:		
General Partners' capital	506	460
Limited Partners' capital	37,110	32,528
Total Partners' capital	37,616	32,988
	$54,599	$54,147

See notes to consolidated financial statements.

POPE RESOURCES, A DELAWARE LIMITED PARTNERSHIP

CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994
(Thousands, except per unit data)

	1996	1995	1994
Revenues including related party sales of 15% in 1994	$ 33,013	$ 36,162	$ 30,085
Cost of revenues	(14,269	(13,437)	(12,947)
Selling, general and administrative expenses	(8,926)	(7,926)	(6,566)
Income from operations	9,818	14,799	10,572
Other income (expense):			
Interest expense	(1,388)	(1,712)	(1,870)
Interest income	282	386	431
Equity in losses of joint venture	(378)	(383)	(240)
	(1,484)	(1,709)	(1,679)
Net income	$ 8,334	$ 13,090	$ 8,893
Net income:			
Allocable to general partners	$ 83	$ 131	$ 89
Allocable to limited partners	8,251	12,959	8,804
	$ 8,334	$ 13,090	$ 8,893
Net income per partnership unit	$ 9.22	$ 14.48	$ 9.65

See notes to consolidated financial statements.

POPE RESOURCES, A DELAWARE LIMITED PARTNERSHIP

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994
(Thousands)

	1996	1995	1994
Cash flows from operating activities			
Cash received from customers	$ 33,523	$ 37,422	$ 30,012
Cash paid to suppliers and employees	(20,078)	(19,061)	(21,241)
Interest received	302	399	494
Interest paid, net of amounts capitalized	(1,417)	(1,720)	(1,849)
Net cash provided by operating activities	12,330	17,040	7,416
Cash flows from investing activities:			
Capital expenditures	(2,156)	(3,424)	(4,017)
Joint venture investment	(425)	(140)	(120)
Net cash used in investing activities	(2,581)	(3,564)	(4,137)
Cash flows from financing activities:			
Cash distributions to unitholders	(3,706)	(4,790)	(3,260)
Repayments of long-term debt	(3,289)	(7,663)	(678)
Purchase of partnership units	(136)	(1,684)	
Proceeds from issuance of long-term debt			1,879
Net cash used in financing activities	(6,995)	(12,589)	(3,743)
Net increase (decrease) in cash and cash equivalents	2,754	887	(344)
Cash and cash equivalents:			
Beginning of year	987	100	444
End of year	3,741	987	100
Reconciliation of net income to net cash provided by operating activities:			
Net income	$ 8,334	$ 13,090	$ 8,893
Adjustments to reconcile net income to net cash provided by operating activities:			
Cost of land and timber sold	1,192	133	1,182
Land resale expenditures	(106)	(461)	(1,238)
Depreciation and depletion	1,458	1,559	1,334
Deferred profit	(511)	27	410
Increase (decrease) in cash from changes in operating accounts:			
Loss on equity in joint venture	378	383	240
Accounts receivable	530	125	(357)
Work in progress	912	575	(3,046)
Contracts receivable	566	1,067	944
Accounts payable and accrued liabilities	(272)	261	(15)
Deposits	(56)	54	(1,009)
Other, net	(95)	227	78
Net cash provided by operating activities	$ 12,330	$ 17,040	$ 7,416

See notes to consolidated financial statements.

POPE RESOURCES, A DELAWARE LIMITED PARTNERSHIP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

1. Summary of significant accounting policies:

General:

Pope Resources, A Delaware Limited Partnership (the "Partnership"), is a publicly-traded limited partnership engaged principally in tree farming operations and property development in Western Washington. Tree farming operations include the sale of logs, and the selling of standing timber under cutting contracts or other arrangements. Property development includes the sale of single-family homes, finished lots and undeveloped acreage, and various commercial operations.

Principles of consolidation:

The consolidated financial statements include the accounts of the Partnership and its wholly-owned subsidiaries, Ludlow Water Company, Ludlow Bay Realty and Gamble Village Water and Sewer Company. Significant intercompany balances and transactions have been eliminated in consolidation.

Use of estimates in financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Work in progress:

Work in progress consists of land and direct development costs, including capitalized interest, of residential lots and dwellings which are completed or are expected to be substantially completed and available for sale in the upcoming year and are recorded at the lower of cost or net realizable value.

Contracts receivable:

The Partnership sells land parcels under contracts requiring a minimum cash down payment of twenty percent and having financing terms of up to eight years at interest rates of ten percent. The Partnership reduces credit risk on contracts through collateral on the underlying land and down payment requirements.

Principal payments on contracts receivable for the next five years are due as follows:

	(Thousands)
1997	$267
1998	182
1999	211
2000	161
2001	452

Unallocated amenities and project costs:

Unallocated amenities and project costs represent indirect development costs for long-term real estate development projects. These costs are expensed based on anticipated project sales of residential dwellings and lots over the life of the project.

POPE RESOURCES, A DELAWARE LIMITED PARTNERSHIP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

1. Summary of significant accounting policies (continued):

Properties and equipment:

Depreciation is provided using straight-line methods over the estimated useful lives of the assets which range from 5 to 39 years. Depletion of logging roads and costs of fee timber harvested are provided at rates based on unrecovered costs and estimated recoverable volume of softwood timber.

The carrying value of properties is reviewed periodically for impairment. If the asset carrying amount is not recoverable, the asset is considered to be impaired and the value is adjusted to estimated fair value.

Revenue recognition:

Revenue on timber sales is recorded when title and risk of loss passes to the buyer. Revenue on real estate sales is recorded on the date the sale closes. The Partnership uses the installment method of accounting for real estate sales transactions until 25% of the contract sales value has been collected, at which time the full accrual method of accounting is used.

Income per partnership unit:

Income per partnership unit is computed using the weighted average number of units outstanding during each year (903,894 units in 1996, 903,913 units in 1995, 921,097 units in 1994). There were 903,894 units outstanding at December 31, 1996 and 1995.

Statement of cash flows:

For purposes of the statement of cash flows, the Partnership considers all highly-liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents. Non- cash investing activities include a transfer of $287,000 to work in progress during 1995 and a transfer of $123,000 from work in progress to land in 1994.

Reclassifications:

Certain reclassifications have been made to the prior years' financial statements to conform with the current year's presentation.

POPE RESOURCES, A DELAWARE LIMITED PARTNERSHIP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

2. Income taxes:

The Partnership is not subject to income taxes. Instead, each partner is taxed on their share of the Partnership's taxable income, whether or not distributed.

The following schedule reconciles net income reported for financial statement purposes to consolidated taxable income:

	(Thousands) 1996	1995	1994
Net income per financial statements	$ 8,334	$ 13,090	$ 8,893
Difference in reporting depreciation	(37)	(104)	(308)
Cost basis of land, timber and homes sold	175	269	161
Difference in reporting depletion	(27)	(130)	(182)
Deferred profit from differences in the use of the installment method	326	315	381
Other, net	4	292	115
Consolidated taxable income	$ 8,775	$ 13,732	$ 9,060

3. Long-term debt:

Long-term debt at December 31 consisted of:

	(Thousands) 1996	1995
Note payable to a bank with interest at variable rates	$	$ 3,000
Mortgage note payable to an insurance company with interest at 9.65%, collateralized by timberlands, with a minimum monthly payment of $136,000, maturing May 2022	14,212	14,463
Local improvement district assessments, with interest ranging from 6.5% to 10%, due through 2009	516	554
	14,728	18,017
Less current portion	325	300
	$14,403	$17,717

POPE RESOURCES, A DELAWARE LIMITED PARTNERSHIP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

3. Long-term debt: (Continued)

The note payable to bank represents borrowings on a $20 million revolving term agreement. The maximum available borrowings are reduced by $10 million on September 30, 2000 and the agreement expires on September 30, 2001.

The Partnership debt agreements contain certain financial statement ratio covenants and have tangible net worth requirements for which the Partnership is in compliance. As of December 31, 1996 the minimum net worth requirements for the bank and the insurance company notes were $31,571,000 each. The net worth requirements increase each year by a percentage of the current year's net income. The mortgage note payable also includes debt repayment provisions in the event of timber harvests in excess of specified amounts.

Principal payments on long-term debt for the next five years are due as follows:

	(Thousands)
1997	$ 325
1998	353
1999	384
2000	413
2001	450

4. Fair value of financial instruments:

The Partnership's financial instruments include cash and cash equivalents, accounts receivable, contracts receivable, and variable rate debt, for which the carrying amount of each approximates fair value. The fair value of contracts receivable was determined based on current yields for similar contracts. The fair value of fixed rate debt having a carrying value of $14,728,000 and $15,017,000, has been estimated based on current interest rates for similar financial instruments and totals $15,350,000 and $16,848,000 as of December 31, 1996 and 1995, respectively.

5. Partners' capital:

The general partners of the Partnership are Pope MGP, Inc. and Pope EGP, Inc. Allocations of partner distributions and net income are based on units held.

POPE RESOURCES, A DELAWARE LIMITED PARTNERSHIP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

5. Partners' capital: (Continued)

The following presents the partners' capital account activity for the three years ended December 31, 1996:

	(Thousands) General Partners	Limited Partners	Total
January 1, 1994	$ 346	$ 20,529	$ 20,875
Repurchase of 21,100 units		(1,684)	(1,684)
Cash distributions	(43)	(3,217)	(3,260)
Net income	89	8,804	8,893
December 31, 1994	$ 392	$ 24,432	$ 24,824
Repurchase of 1,700 units		(136)	
Cash distributions	(63)	(4,727)	(4,790)
Net income	131	12,959	13,090
December 31, 1995	$ 460	$ 32,528	$ 32,988
Cash distributions	(37)	(3,669)	(3,706)
Net income	83	8,251	8,334
December 31, 1996	$ 506	$ 37,110	$ 37,616

6. Employee benefits:

Full-time salaried employees with one year of service are eligible to receive benefits under a defined contribution plan. The Partnership is required to contribute 3% of eligible employee compensation into the plan, which amounted to $47,000, $48,000, $56,000 for each of the three years in the period ended December 31, 1996. The Partnership also accrued $181,000 in 1995 and $94,000 in 1994 related to a supplemental retirement plan for a key employee.

7. Commitments:

In the ordinary course of business, and as part of the entitlement and development process, the Partnership is required to provide performance bonds and letters of credit to assure completion of certain public facilities. At December 31, 1996, the Partnership had performance bonds and letters of credit outstanding totaling $1,821,000.

POPE RESOURCES, A DELAWARE LIMITED PARTNERSHIP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

8. Joint Venture

In 1994, the Partnership entered into a joint venture, as 50% owner, to develop and manage a real estate investment property. The Partnership's share of joint venture losses have been accounted for using the equity method of accounting and, as of December 31, 1996 and 1995, exceed the Partnership's capital investment. Such excess has been recorded as a liability as the Partnership is a joint and several guarantor with its partner of joint venture debt obligations, which amount to $5,750,000 as of December 31, 1996.

9. Related party and major customer transactions:

Pope MGP, Inc. is the managing general partner of the Partnership and receives $150,000 per year for this service. Furthermore, one individual serves as a director of both Pope MGP, Inc. and Pope & Talbot, Inc. (P&T). During the year ended December 31, 1994, revenues of $3,915,000, were realized from timber sales to P&T. For an annual fee of $125,000, P&T managed the townsite of Port Gamble, during 1995 and 1994, under an agreement between P&T and the Partnership which expired on December 31, 1995. The Partnership leased to P&T a log dump at Port Ludlow together with a millsite and log dump in Port Gamble and received, in return, annual payments of $50,000 and $75,000, respectively. The Port Gamble millsite and log dump lease expires in 2005. The Port Ludlow log dump lease expired at December 31, 1995.

A former director of Pope MGP, Inc. was a managing director of MRGC and is its President and Chief Executive Officer and a director of Merrill & Ring, Inc. MRGC was 50%-owned by Merrill & Ring, Inc. Such individual served as a director of Pope MGP, Inc. from January 1994 to September 1995. During the years ended December 31, 1995 and 1994 the Partnership paid $268,000, and $313,000, respectively for fees and commissions related to export timber sales through MRGC totaling $4,389,000 and $5,148,000, respectively.

At December 31, 1996 the Partnership has a $261,000 note receivable from its President and Chief Executive Officer, who is also a director and officer of Pope MGP, Inc. The note, which bears interest at 6.48% and requires interest only payments until maturity in 2001, was provided to finance the sale of a residential home sold by the Partnership in 1996.

Major customers in 1996 include two customers with timber sales of $6,312,000 and $3,723,000, respectively. Sales to a major customer in 1995 and 1994 were to a related party, as described above.

POPE RESOURCES, A DELAWARE LIMITED PARTNERSHIP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

10. Segment information:

The Partnership's operations are classified into two segments: timberland resources and property development. Identifiable assets are those used exclusively in the operations of each industry segment or those allocated when used jointly. Non-allocable assets of the Partnership include cash, accounts receivable, certain prepaid expenses and the Partnership's administra tive office. Details of the Partnership's operations by business segment for the years ended December 31 were as follows:

(Thousands)

	Timberland Resources	Property Development	Administrative	Consolidated
1996				
Revenues	$21,569	$ 11,444		$ 33,013
Income (loss) from operations	13,650	(77)	$ (3,755)	9,818
Depreciation and depletion	505	800	153	1,458
Identifiable assets	15,947	33,178	5,474	54,599
Capital and land expenditures	490	1,249	526	2,265
1995				
Revenues	$26,399	$ 9,763		$ 36,162
Income (loss) from operations	18,087	(904)	$ (2,384)	14,799
Depreciation and depletion	592	842	125	1,559
Identifiable assets	17,414	32,648	4,085	54,147
Capital and land expenditures	2,555	1,265	70	3,890
1994				
Revenues	$19,083	$ 11,002		$ 30,085
Income (loss) from operations	12,525	(258)	$ (1,935)	10,332
Depreciation and depletion	390	818	126	1,334
Identifiable assets	14,327	35,019	3,413	52,759
Capital and land expenditures	1,869	3,363	28	5,260

POPE RESOURCES, A DELAWARE LIMITED PARTNERSHIP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

10. Segment Information (Continued)

Direct export sales to Japan for 1996, 1995 and 1994 totaled $4,253,000, $8,935,000, and $8,080,000, respectively.

11. Quarterly financial information (unaudited):

(Thousands, except per unit data)	Revenues	Income from Operations	Net Income	Net Income per Partnership Unit
1996				
First quarter	$ 9,139	$ 4,344	$ 3,894	$ 4.31
Second quarter	9,282	3,560	3,209	3.55
Third quarter	8,676	2,220	1,916	2.12
Fourth quarter	5,916	(306)	(685)	(.76)
1995				
First quarter	$ 7,350	$ 2,818	$ 2,395	$ 2.65
Second quarter	11,437	5,609	5,289	5.85
Third quarter	8,053	3,029	2,722	3.01
Fourth quarter	9,355	2,960	2,684	2.97
1994				
First quarter	$ 5,193	$ 1,530	$ 1,190	$ 1.28
Second quarter	6,126	2,138	1,813	1.96
Third quarter	9,401	3,333	2,926	3.16
Fourth quarter	9,788	3,331	2,964	3.27

Item 9 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The Managing General Partner of the Partnership is Pope MGP, Inc. Its address is the same as the address of the principal offices of the Partnership. Pope MGP, Inc. receives $150,000 per year for acting as managing general partner of the Partnership.

The following table identifies the directors of Pope MGP, Inc. as of December 31, 1996. The Partnership has no directors. Officers of Pope MGP, Inc. hold identical offices with the Partnership.

Name	Age	Position and Background
Adolphus Andrews, Jr. (1), (2)	74	Director; President of Andrews Associates, Inc., 1981 to present.
Peter T. Pope (1), (2)	62	Director; President, CEO and Chairman of the Board of Pope & Talbot, Inc., 1971 to present.
Gary F. Tucker (3)(4)	61	Director; President and CEO of Pope MGP, Inc. and the Partnership since December 1995; President of Trees Inc., June 1989 to December 1995; Vice President Resources of Plum Creek Timber Company, Inc., March 1984 to May 1989.
Marco F. Vitulli (4)	62	Director; President, Vitulli Ventures Ltd., 1980 to present.
Douglas E. Norberg (2)	56	Director; President, Wright Runstad & Company, 1975 to present.
David Cunningham (3)	50	Vice President Public Affairs, since June 1996, Vice President Land Use from December 1985 to June 1996 of Pope MGP, Inc. and the Partnership; Planning Director, Pope & Talbot Development, Inc., July 1978 to December 1985.
Thomas R. Gilkey (3)	50	Senior Vice President Timberland and Acquisitions since January 1997 of Pope MGP, Inc. and the Partnership. Private consultant from January 1994 to December 1996. Executive Vice President, The Campbell Group 1987 to 1994. Timberland Division Manager of Crown Zellerbach 1974 to 1987.
Meredith R. Green (3)	37	Treasurer and Controller since January 1997 of Pope MGP, Inc. and the Partnership. Controller of Trillium Corporation from October 1995 to December 1996; Controller of Fiberchem/Hanna Resin Distribution from December 1989 to October 1995; Emerging Business Consultant with Ernst and Young from September 1986 to December 1989.

Thomas A. Griffin (3)	39	Vice President Income Properties from June 1996, Treasurer and Controller from November 1991 to June 1996, and Controller from March 1989 to October 1991, and Assistant Controller May 1988 to February 1989 of Pope MGP, Inc. and the Partnership; Property Manager of Wood Associates, January 1986 to April 1988; Controller of Vestar, January 1984 to January 1986
Craig L. Jones (3)	42	Senior Vice President General Counsel and Secretary since September 1996 of Pope MGP, Inc. and the Partnership. Private law practice from 1981 to 1996.
Gregory M. McCarry (3)	47	Senior Vice President Real Estate since June 1996, Vice President Development from November 1987 to June 1996 of Pope MGP, Inc. and the Partnership; owner of Pace Builders, 1986 to November 1987; Treasurer of Security Resources, Inc., from 1983 to 1986
Thomas M. Ringo (3)	43	Senior Vice President Finance and Client Relations since June 1996, Vice President Finance from November 1991 to June 1996, and Treasurer from March 1989 through October 1991 of Pope MGP, Inc. and the Partnership; Tax Manager of Westin Hotel Company, 1985 to March 1989; Tax Consultant for Price Waterhouse, 1981 to 1985

(1) Mr. Pope is the first cousin of Emily T. Andrews, Mr. Andrews' wife.
(2) Terms expire December 31, 1998.
(3) Term as an officer expires December 11, 1997
(4) Term as a director expires December 11, 1997.

Item 11. EXECUTIVE COMPENSATION.

The following table sets forth certain information concerning the cash compensation paid to each of the five most highly compensated executive officers of the Partnership whose individual aggregate cash compensation exceeded $100,000.

SUMMARY COMPENSATION TABLE

ANNUAL COMPENSATION					
Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Other Annual Compensation ($)(2)	All Other Compensation ($)(3)
Gary F. Tucker CEO & President(4)	1996	240,000	110,000		
George H. Folquet	1996	136,048	18,000		25,000
CEO & President(5)	1995	195,600	90,000		54,500
	1994	180,400	85,000		54,500
Greg McCarry	1996	136,048	50,000		4,363
Sr. V.P. Real Estate	1995	132,400	60,500		4,500
	1994	129,850	52,000		4,500
David Cunningham	1996	105,136	30,000		3,840
V.P. Public Affairs	1995	101,800	21,000		3,540
	1994	97,400	20,000		3,444
Thomas M Ringo	1996	107,925	50,000		3,960
Sr. V.P. Finance and	1995	100,850	21,000		3,510
Client Relations	1994	96,500	20,000		3,418
Thomas A. Griffin	1996	86,088	26,000		3,126
V.P. Income	1995	82,400	17,000		2,940
Properties	1994	78,850	20,000		2,788

(1) Amounts represent bonuses or commissions earned in the year shown but paid in either the current or following years.

(2) Perquisites and other personal benefits paid to each named executive officer in each instance aggregated less than 10% of the total annual salary and bonus for each officer and accordingly were omitted from the table as permitted by the rules of the Securities and Exchange Commission (SEC).

(3) Amounts represent contributions to the Partnerships 401(k) plan or a deferred compensation plan.

(4) Mr. Tucker was hired as the Partnership's CEO and President effective January 1, 1996.

(5) Mr. Folquet served as the Partnership's CEO and President through December 31, 1995, but received transitional compensation for the first three months of 1996.

COMPENSATION OF DIRECTORS.

Compensation of the directors of Pope MGP, Inc. consisted of a monthly fee of $1,500 plus a $1,000 per day fee for each board meeting attended.

EMPLOYEE BENEFIT PLANS.

Full-time salaried employees with one year of service are eligible to receive benefits under a defined contribution plan. The Partnership is required to contribute 3% of eligible employee compensation into the plan, which amounted to $47,000, $48,000 and 56,000 for each of the three years in the period ended December 31, 1996. Employees become fully vested over a six year period in the Partnership's contribution.

The Partnership has a supplemental retirement plan for a key employee. The plan provides for a retirement income of 70% of the employee's base salary at retirement after taking into account both 401(k) and social security benefits. The Partnership accrued $181,000 for this benefit in 1995.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

PRINCIPAL UNITHOLDERS.

As of December 31, 1996, the following persons were known or believed by the Partnership to be the beneficial owners of more than five percent (5%) of the outstanding Partnership units:

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	Percent of Class
Units	Private Capital Management, Inc. 3003 Tamiami Trail North Naples, FL 33940	255,518 (2)	26.7
Units	Emily T. Andrews 600 Montgomery Street 35th Floor San Francisco, CA 94111	111,420 (3)	12.3
Units	Peter T. Pope 1500 S.W. 1st Avenue Portland, OR 97201	62,869 (4)	7.0
Units	Peter B. Cannell & Co., Inc. 919 Third Avenue New York, NY 10022	46,775 (5)	5.5

(1) Each beneficial owner has sole voting and investment power unless otherwise indicated.

(2) Private Capital Management, Inc. is an investment adviser shown registered under the Investors Advisers Act of 1940. Units are held in various accounts managed by Private Capital Management, Inc. which shares dispositive powers as to those units.

(3) Includes 218 units owned by her husband, Adolphus Andrews, Jr. as to which she disclaims beneficial ownership. Also includes a total of 12,000 units held by Pope MGP, Inc. and Pope EGP, Inc., as to which she shares voting and investment power.

(4) Includes 10,684 units held in trust for his children. Also includes a total of 12,000 units held by Pope MGP, Inc., and Pope EGP, Inc., as to which he shares investment and voting power.

(5) Peter B. Cannell & Co., Inc. is an investment adviser registered under the Investment Advisers Act of 1940. Peter B. Cannell & Co., Inc. is a wholly- owned subsidiary of Eberstadt Fleming, Inc., a broker-dealer registered under the Securities Exchange Act of 1934.

MANAGEMENT.

As of December 31, 1996, the beneficial ownership of the Partnership units of (I) the general partners, (II) the directors of the Partnership's general partners, and (III) the Partnership's general partners, directors and officers of the Partnership as a group was as follows:

Name	Position and Offices	Amount and Nature of Beneficial Ownership (1)	Percent Class
Adolphus Andrews, Jr.	Director, Pope MGP, Inc. and Pope EGP, Inc. (3)	111,420 (2)	12.3
Peter T. Pope	Director, Pope MGP, Inc. and Pope EGP, Inc. (5)	62,869 (4)	6.9
Pope EGP, Inc.	Equity General Partner	10,800	1.2
Pope MGP, Inc.	Managing General Partner	1,200	*
Marco Vitulli	Director, Pope MGP, Inc.	200	0
Douglas Norberg	Director, Pope MGP, Inc.	200	*
Thomas M. Ringo	Senior Vice President Finance, Pope MGP, Inc. and the Partnership	100	*
All general partners, directors and officers of general partners, and officers of the Partnership as a group (10 individuals and 2 partners)		(6)	18.0

* Less than 1%

(1) Each beneficial owner has sole voting and investment power unless otherwise indicated.

(2) Includes 99,202 units as to which he shares investment and voting power. Also includes units owned by Pope MGP, Inc. or Pope EGP, Inc., as to all of which he disclaims beneficial ownership. See footnote (3) under "Principal Unitholders."

(3) Mr. Andrews is also Vice President of Pope EGP, Inc.

(4) See footnote (4) under "Principal Unitholders."

(5) Mr. Pope is also President of Pope EGP, Inc.

(6) The 12,000 units held by Pope MGP, Inc. and Pope EGP, Inc. are excluded from units beneficially owned by Mr. Pope and Mr. Andrews. All of the outstanding stock of Pope MGP, Inc. and Pope EGP, Inc. is owned by Mr. Pope and Mr. Andrews' wife, Emily T. Andrews.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Peter T. Pope serves as a director of Pope MGP, Inc., managing general partner of the Partnership. Mr. Pope also serves on the board of directors of P&T. P&T did not purchase any timber sold by the Partnership during 1996, however, since it could purchase timber in 1997, a conflict of interest could arise.

The Partnership Agreement provides that it is a complete defense to any challenge to an agreement or transaction between the Partnership and a general partner, or related person, due to a conflict of interest if, after full disclosure of the material facts as to the agreement or transaction and the interest of the general partner or related person, (1) the transaction is authorized, approved or ratified by a majority of the disinterested directors of the managing general partner, Pope MGP, Inc., or (2) the transaction is authorized by partners of record holding more than fifty percent (50%) of the units held by all partners.

At December 31, 1996, the Partnership has a $261,000 note receivable from Gary Tucker, its President and Chief Executive Officer, who is also a director and officer of Pope MGP, Inc. The note, which bears interest at 6.48% and requires interest-only payments until maturity in 2001, was provided to finance the sale of a residential home sold by the Partnership in 1996.

Richard E. Stroble, a former director, was a managing director of MRGC. MRGC was 50%- owned by Merrill & Ring, Inc. Richard E. Stroble is a director of Merrill & Ring, Inc. In addition, he is the President and CEO of Merrill & Ring, Inc. Because MRGC purchased 17% of the timber sold by the Partnership during 1995, a conflict of interest could have arisen when he was a director of the Partnership. During this period Mr. Stroble disassociated himself from any day-to-day management decisions between MRGC and the Partnership.

In addition, it is a complete defense to any challenge to such an agreement or transaction based upon a conflict of interest if the agreement or transaction was fair to the Partnership at the time it was authorized, approved or ratified by the managing general partner, Pope MGP, Inc. Approval may be before or at the time of the transaction, or at any later time.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) Financial Statements. Page

(b) Reports on Form 8-K.

No reports on Form 8-K were filed during the last quarter of the fiscal year ended December 31, 1995.

(c) Exhibits.

3.1 Partnership's Certificate of Limited Partnership.(1)

3.2 Partnership's Limited Partnership Agreement, dated as of November 7, 1985.(1)

3.3 Amendment to Partnership's Limited Partnership Agreement dated December 16, 1986.(2)

4.1 Specimen Depositary Receipt of Registrant.(1)

4.2 Partnership's Limited Partnership Agreement dated as of November 7, 1985 and amended December 16, 1986 (see Exhibits 3.1 and 3.3).

9.1 Shareholders Agreement entered into by and among Pope MGP, Inc., Pope EGP, Inc., Peter T. Pope, Emily T. Andrews, P&T, present and future directors of Pope MGP, Inc. and the Partnership, dated as of November 7, 1985 included as Appendix C to the P&T Notice and Proxy Statement filed with the Securities and Exchange Commission on November 12, 1985, a copy of which was filed as Exhibit 28.1 to the Partnership's registration on Form 10 identified in footnote (1) below. (1)

10.1 Transfer and Indemnity Agreement between the Partnership and P&T dated as of December 5, 1985.(1)

10.2 Management Agreement between the Partnership and P&T dated as of December 5, 1985.(1)

10.3 Ground Leases between the Partnership as Lessor and P&T as Lessee dated December 3, 1985.(1)

22.1 Subsidiaries of the Partnership.(3)

28.1 Certificate of Incorporation of Pope MGP, Inc.(1)

28.2 Amendment to Certificate of Incorporation of Pope MGP, Inc.(3)

28.3 Bylaws of Pope MGP, Inc.(1)

28.4 Certificate of Incorporation of Pope EGP, Inc.(1)

28.5 Amendment to Certificate of Incorporation of Pope EGP, Inc.(3)

28.6 Bylaws of Pope EGP, Inc.(1)

(1) Incorporated by reference from the Partnership's registration on Form 10 filed under File No. 1-9035 and declared effective on December 5, 1985.

(2) Incorporated by reference from the Partnership's annual report on Form 10-K for the fiscal year ended December 31, 1987.

(3) Incorporated by reference from the Partnership's annual report on Form 10-K for the fiscal year ended December 31, 1988.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

POPE RESOURCES, A Delaware
Limited Partnership

By POPE MGP, INC.
Managing General Partner

Date: March 14, 1997

By________________________________
GARY F. TUCKER,
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Date: March 14, 1997

By________________________________
GARY F. TUCKER,
President, Chief Executive Officer
(principal executive officer),
Partnership and Pope MGP, Inc.;
Director, Pope MGP, Inc.

Date: March 14, 1997

By________________________________
THOMAS M. RINGO
Senior Vice President Finance and
Client Relations (principal financial
officer), Partnership and Pope MGP,
Inc

Date: March 14, 1997

By________________________________
MEREDITH R. GREEN
Treasurer and Controller (principal
accounting officer),Partnership
and Pope MGP, Inc.

Date: March 14, 1997 By________________________________
ADOLPHUS ANDREWS, JR.
Director, Pope MGP, Inc.

Date: March 14, 1997 By________________________________
PETER T. POPE
Director, Pope MGP, Inc.

Date: March 14, 1997 By________________________________
MARCO F. VITULLI
Director, Pope MGP, Inc.

Date: March 14, 1997 By________________________________
DOUGLAS E. NORBERG
Director, Pope MGP, Inc.

EXHIBIT INDEX

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28.6	Bylaws of Pope EGP, Inc.(1)

(1) Incorporated by reference from the Partnership's registration on Form 10 filed under File No. 1-9035 and declared effective on December 5, 1985.

(2) Incorporated by reference from the Partnership's annual report on Form 10-K for the fiscal year ended December 31, 1987.

(3) Incorporated by reference from the Partnership's annual report on Form 10-K for the fiscal year ended December 31, 1988.

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1,000

12-MOS
DEC-31-1996
JAN-01-1996
DEC-31-1996
3,741
0
517
0
10,522
16,348
54,166
18,489
54,599
1,713
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37,616
54,599
33,013
33,013
14,269
21,363
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1,388
8,334
0
8,334
0
0
0
8,334
9.22
9.22