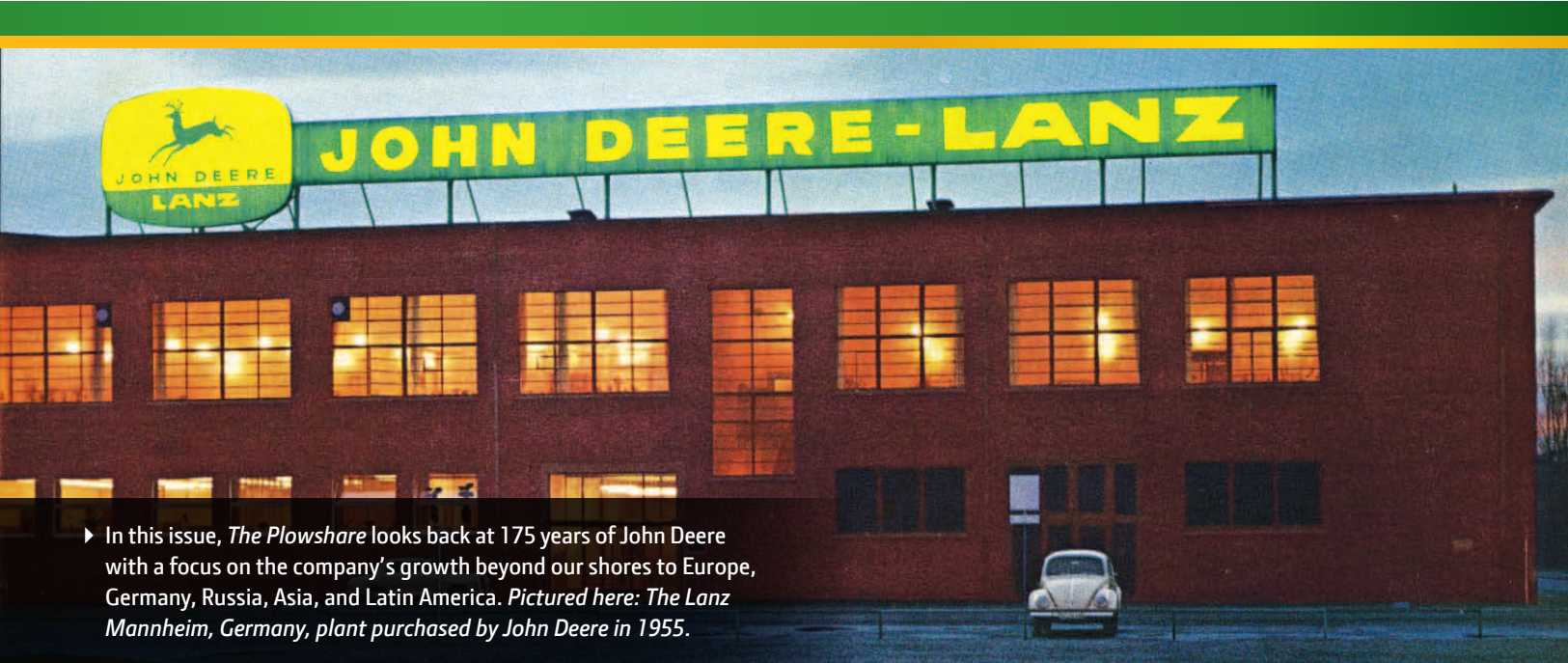


THE PLOWSHARE

News for John Deere Collectors



► In this issue, *The Plowshare* looks back at 175 years of John Deere with a focus on the company's growth beyond our shores to Europe, Germany, Russia, Asia, and Latin America. Pictured here: The Lanz Mannheim, Germany, plant purchased by John Deere in 1955.

A new continent and a worldwide company

In 1950, the John Deere export department's second-in-command was sent on a trip through Western Europe to find out why the company's sales were lagging there. He discovered the cost of exporting equipment was prompting Europeans to buy less-expensive machines manufactured domestically. He reported back that the only way to compete in this market was to build manufacturing facilities in Europe much like competitor International Harvester had done years before.

The Lanz beer strike of 1960

In 1955, then-new Deere & Company President William A. Hewitt went to Mannheim, Germany, to negotiate a controlling interest in Heinrich Lanz AG tractor and harvester operations. Deere acquired the company, but there were challenges ahead.

Cultural differences led to an early problem when Lanz workers went on strike after Deere & Company limited the amount of beer they could consume during breaks. In addition, the archaic Lanz product line needed an innovative update from its new owner. Coincidentally, Deere was already planning to roll out new product lines at home. So, in 1960, John Deere bid a fond farewell to two historic tractor lines — the German Lanz Bulldog and the beloved John Deere two-cylinder "Poppin' Johnnies."

By 1961, net sales from John Deere subsidiaries outside the United States and Canada reached \$17 million. New international partnerships and facilities soon followed.

Deere expands in Europe

Following his election as president in 1955, Hewitt began a series of initiatives to move the company beyond American agriculture and onto farms and worksites worldwide. With a beachhead established in Germany, Deere & Company bought a controlling interest in a French consortium named CCM that built forage harvesters, tillers, and balers.

In 1962, Deere & Company finished building a three- and four-cylinder engine factory in Orléans, France, to supply the Deere-Lanz tractor operation in Germany. Meanwhile, John Deere expanded its ownership in companies it had acquired in Spain and bought an African implement maker, South African Cultivators Ltd.

By 1961, John Deere had operations in five countries outside of the U.S., and by 1965 Deere & Company was the leading worldwide farm machinery manufacturer.

Today, John Deere has plants, parts depots, and sales offices in over 30 European countries, including Austria, Belgium, the Czech Republic, Denmark, France, Germany, Italy, Luxembourg, Switzerland, and the United Kingdom.

The 1960–1966 John Deere-Lanz 500 boasted a Deere 2.4L 4-cylinder diesel that put 31.3 kW (42 hp) to the rear axle.





Monterrey, Mexico's John Deere plant built the versatile 630 Row Crop Tractor, like the 1959 model shown at left. Each was powered by a 5.0L, 2-cylinder gasoline, all-fuel, or LP-gas engine.

Mexico and points south

Shortly after taking the reins as president of Deere & Company in 1955, William Hewitt began extending the company's footprint beyond U.S. shores and borders. This expansion included new business in Mexico, a country of agricultural needs that weren't being met by the few products John Deere had been exporting there.

Soon, the Mexican government began pushing foreign firms to increase the amount of locally manufactured parts and components contained within equipment sold within the country's borders. Back in Moline, Hewitt and the Deere & Company Board of Directors decided both a sales branch and a manufacturing plant would be necessary to compete in the Mexican market.

Deere began work on a tractor and implement factory near Monterrey, Mexico, and the plant opened in 1959. Today, John Deere has operations in four Mexican cities, including Monterrey.

South American expansion

John Deere first ventured into South America in the late 1800s, selling plows and other implements in Argentina through a British importer. By the turn of the century, a full catalog of Deere equipment was available to Argentine customers.

Popularity of the company's products in Argentina grew steadily and in 1957, Deere & Company authorized investing \$3.6 million to build a tractor-assembly plant in Rosario with a capacity of 3,000 units a year. To meet demand, and local government requirements that each tractor include 45 percent local content, Deere produced the machines in a rented facility until the new plant was completed in 1961.

Today, John Deere's South American presence has expanded. In addition to the Argentine plants in Rosario and San Juan, the company has facilities in Brazil, Chile, and Uruguay.

Persistence pays off

With the 1990s and subsequent decades bringing more stability to the region, Deere & Company's presence in Latin America has increased. Today, John Deere Power Systems has an engine plant in Torreón in the Mexican state of Coahuila and another in Santa Fe, Argentina. John Deere Latin and Central America is now a Deere & Company subsidiary that coordinates the distribution of equipment and solutions to more than 25 countries in South America and the Caribbean.



Here is the Rosario, Argentina, plant circa 1961. Among several models built since opening in 1958, the most popular were the 2-cylinder 730 diesels built in standard-, tricycle-, and Hi-Crop models. Well over 12,000 730s were built until production ceased in 1970.

From Iowa, with tractors



Soviet Premier Nikita Khrushchev toured the John Deere Des Moines Works accompanied by Deere & Company President William Hewitt in September of 1959.

(Below) Between 1927 and 1933, the U.S.S.R. ordered thousands of Model "D" tractors from Waterloo Works.

John Deere began receiving large orders from Russia in 1899. At that time, the country was producing 20 percent of the world's grain using primitive equipment so prospects of exporting more sophisticated plows and equipment were promising. By 1909, George Mixer, the charismatic great-grandson of John Deere, was dispatched to represent the company and investigate the possibilities the Russian market offered.

After careful analysis over a period of months, Mixer submitted a report to the John Deere Board of Directors covering the country's geography and its agricultural potential. Although the board rejected his recommendation to build a combine manufacturing plant in Russia, Mixer's report impressed the company. Apparently, the Russians were equally impressed with the young man from Moline, Illinois. Within a year of Mixer's visit, the country ordered some 900 John Deere plows.

8,187 Model "D" Tractors

In 1917, the newly constituted Union of Soviet Socialist Republics was a major market for tractors. As early as 1923 John Deere

Waterloo Boy tractors were sent to the fledging country as part of American relief efforts. In the next year, 500 No. 40 plows were ordered. By 1929 the Model "D" Tractor was a favorite of Russian farmers: one government order exceeded 2,000 machines. Between 1927 and 1933, the U.S.S.R. purchased an incredible 8,187 Model "D" Tractors.

After this deluge of orders, exports to the U.S.S.R. slowed to a trickle, not to return until September 22, 1959. On that day, Soviet Premier Nikita Khrushchev made a historic visit to John Deere Des Moines Works accompanied by company President William Hewitt.

"We are competing with you on both farm machinery and corn," Khrushchev told Hewitt. After the visit, the Soviet government bought \$100,000 worth of John Deere tractors, combines, harvesters, and corn pickers. The machines were likely purchased for reverse engineering to advance the country's own burgeoning farm machinery industry. There were few other orders from the region until 1972, when trade between the United States and the U.S.S.R. slowly began to resume.



The modern era

The formal dissolution of the U.S.S.R. in December of 1991 raised the possibility of increased exports to the former Soviet republics. Deere & Company's 1999 acquisition of Timberjack also gave the company deep inroads into the Russian forestry industry.

In July of 2009, Deere & Company Chairman and CEO Samuel Allen attended the Russia-USA Business Forum, held in conjunction with summit meetings between Russian President Dmitry Medvedev and U.S. President Barack Obama. At the forum, Allen emphasized Deere's commitment to Russia, including the company's investments in a parts center, manufacturing operations, and an extensive dealer network for agricultural and forestry products.

Today, John Deere is firmly established in the Russian agricultural, construction, and forestry industries.



With over 17,500 John Deere forestry units working in the Russian logging industry, the company dominates in sales. A state-of-the-art 1510E Forwarder is shown above.



In 1979, Deere & Company President William Hewitt visited China to tour an experimental agricultural project dubbed "Friendship Farm."

John Deere in Asia

Deere & Company first began to seek an Asian market foothold in 1963. At that time, the company negotiated a licensing agreement with Hitachi so John Deere agricultural and industrial equipment could be exported to the Japanese, Okinawan, and South Korean markets. Although Hitachi did sell some John Deere-branded industrial equipment as a result of the agreement, progress was slow and the companies agreed to part ways in 1970. The seven years of relationship building were not for naught, however, and the two corporations would renew and expand their relationship not two decades later.

President Nixon's historic visit to the People's Republic of China in 1972 eased political tensions between the U.S. and China and established a groundwork for trade. In fact, the following year a delegation of 10 U.S. businesspeople, including Deere & Company CEO William Hewitt, visited the country to spur trade relations. Named the National Council for U.S.-China Trade, this group worked closely with the Chinese to establish a wide range of initiatives to open the borders of both countries for trade.

Friendship Farm

With more than a billion people to feed, China became interested in studying advanced American agricultural equipment and techniques, and adapting them for their state farms, some with as many as 150,000 acres. In 1975, a delegation from the People's Republic toured Iowa farms as guests of Hewitt.

After the visit, the Chinese turned to John Deere for help with their first project — a 2,471-acre farm in an agricultural area they called Friendship Farm. To work the large experimental farm more efficiently, the Chinese ordered combines, planters, plows, and four-wheel-drive tractors. The Friendship Farm project continued into the 1980s, and in 1981 John Deere became the first corporation in the U.S. to sell agricultural technology to China. Deere & Company has a strong presence in the country today, including a new \$50-million factory that manufactures construction equipment for sale in China and other markets.

Return to Japan

Deere and Hitachi created a 50/50 joint venture in 1988, and began producing excavators at the newly christened Deere-Hitachi plant in Kernersville, North Carolina. By 1991, Hitachi crawler dozers began rolling off the John Deere Dubuque Works' assembly line. Today, Hitachi and Deere equipment is built at both Japanese and U.S. plants.



Brian Holst at Deere & Company World Headquarters with a 1925 Syracuse Chilled Plow Company wheelbarrow.

Looking forward to our 176th anniversary

Our big anniversary year turned out to be amazing. We've celebrated all year in *The Plowshare* with articles tracking the company's growth, and employees worldwide marked the milestone through a number of learning experiences and get-togethers. It's been a busy and exciting year in particular for those of us in the Heritage Marketing Group. I've had the pleasure of leading a team that has played an active role in planning and supporting many of the company's 175th anniversary events. I've always appreciated the great equipment John Deere has been producing for one-and-three-quarters centuries, but this year gave me further insight into the great people we employ.

Over the course of the year, my department traveled over 22,000 miles for anniversary events alone — from Torrance, California, to Thibodaux, Louisiana, and many other locales, holding events that drew as many as 12,000 people. While I'm still catching my breath, I know some of you may be wondering what next year will bring. I'm happy to say that 2013 holds more excitement for fans and friends of John Deere. For one, the new Tractor & Engine Museum in Waterloo, Iowa, is scheduled to open its doors in the spring.

The museum will provide a place to learn the story behind the John Deere engines and tractors developed in Waterloo. Vintage tractors and engines will be on display, and you'll read and hear the stories of the people who made those famous yellow-and-green machines an important part of our agricultural heritage. We have been working behind the scenes to bring you a truly unique experience, so start planning your visit to the John Deere Tractor & Engine Museum in Waterloo now!

We are also working with collectors to coordinate a special anniversary event highlighting 50 years of John Deere in the lawn-and-garden market. Plans are still coming together, and we will have more updates in future issues of this newsletter.

We've had a great time celebrating our 175-year history this year, but with planning in full swing for our newest museum and other special events, it's hard not to be even more excited about what lies ahead. That's all for now, so have a happy holiday season and...

Keep your hand on the throttle and your plow in the ground.

Brian Holst
Manager, John Deere Heritage Marketing

THE PLOWSHARE

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Deere birthplace commemorated in Rutland, Vermont

If you ever wanted to see where John Deere was born, now it's much easier to find. On July 18, 2012, a historical marker was unveiled commemorating the birthplace of John Deere in 1804. "It's been one of those things that's been a long time coming, and we really needed recognition of his birthplace," said Tom Donahue with the Rutland

Region Chamber of Commerce. "We're so proud of that fact, because he's known for innovation, hard work, and ingenuity — why not remind people where he got his start?"

The Rutland Historical Society has pinpointed the Deere & Company founder's birthplace with some certainty. The first record of John's father, William Rinold Deere, as a Rutland resident appears in the U.S. census of 1800 that lists him with his wife Sarah. Written inside the family Bible was a notation of John's birth on February 7, 1804.

As far as John Deere's actual birthplace, Rutland Historical Society Curator Jim Davidson places John's parents in an apartment above the tailor shop where William Deere worked at the time of his son's birth. That long-gone tailor shop is now commemorated directly across the road on a permanent marker in Main Street Park as John Deere's birthplace.

The Deere family moved some 30 miles north to Middlebury, Vermont, the year following John's birth. At age 17, young John apprenticed under Capt. Benjamin Lawrence at his Middlebury blacksmith shop and earned \$30 a year plus room and board. After working as a journeyman blacksmith in a number of towns in Vermont, Deere left for Grand Detour, Illinois, in 1836. Within a year of his arrival in the American Heartland, he would build the self-scouring plow that laid the foundation for Deere & Company.

Deere & Company founder John Deere has been commemorated on a marker across the road from the site of his parents' home where he was born on February 7, 1804.

