

US Tractor Maker John Deere Invests US\$ 80 Million in Brazil

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US-based agriculture equipment maker John Deere announced its intention to invest approximately US\$ 80 million in its agricultural manufacturing and parts distribution operations in Brazil to increase manufacturing capacity for both tractors and combines as well as to improve service to customers.

The company said the investments were being made in its combine and planter factory in Horizontina and its tractor factory in Montenegro, both in the southern Brazilian state of Rio Grande do Sul and for the development of a new parts distribution center in Campinas, in the interior of São Paulo, in southeastern Brazil.

"South America is an important market for John Deere," said Mark von Pentz, President of the Agricultural Division - Europe, Africa, South America and Global Harvesting Equipment Sourcing. "These investments will assist Deere as we continue to enhance our market position in this important region."

The investments should allow Deere to increase manufacturing capacity by approximately 35% in its Horizontina and Montenegro factories. The funds will improve manufacturing flexibility, optimize the use of assets and improve aspects of the factory layout and assembly lines. Investments will also assist suppliers to improve capacity and logistics.

The projects also include creation of a parts distribution center to improve service to the company's growing dealership network across Brazil and other portions of South America.

All projects are expected to be complete in 2009. They add to Deere's recent series of announced actions to meet the continued worldwide demand for agricultural equipment, including additional manufacturing capacity in Waterloo, Iowa, for high horsepower tractors and in East Moline, Illinois, for combine harvesting equipment.

John Deere (Deere & Company; NYSE: DE) is the world's leading provider of advanced products and services for agriculture and forestry and a major provider of advanced products and services for construction, lawn and turf care, landscaping and irrigation. John Deere also provides financial services worldwide and manufactures and markets engines used in heavy equipment.

Founded in 1837, John Deere has grown from a one-man blacksmith shop into a corporation headquartered in Moline, Illinois, that does business around the world and employs approximately 52,000 people.