UAW begins contract talks with farm machinery maker John Deere

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On Tuesday, the UAW opened contract negotiations with the world's largest agriculture machinery company, Deere and Company, at their headquarters in Moline, Illinois. The current contract, which was ratified in 2009, will expire on October 1, 2015. The new contract will cover approximately 11,200 members and 11 UAW local unions in Illinois, Iowa, Kansas, Georgia and Colorado.

The UAW-Deere contract negotiations are taking place in the midst of two other major contract negotiations. On September 1, the contracts covering 30,000 steelworkers at ArcelorMittal and US Steel facilities in the US will expire. Two weeks later, on September 15, the contracts for 140,000 autoworkers at General Motors, Ford and Fiat Chrysler will end.

As in the contract talks with the Detroit automakers, the UAW is once again concealing from rank-and-file workers the content of its talks committing itself to the continued profitability of the corporation. "Over the years, we have gone through many changes and sacrifices," UAW President Dennis Williams said. "In the last year, we have gone through some tough times. But we know from history that these times are cyclical. And we know from history that the key to a good contract is one in which UAW members prosper, John Deere prospers and customers prosper with our products."

UAW Vice President Norwood Jewell, who directs the union's Agricultural Implement Department as well as the UAW-Fiat Chrysler talks, said, "Starting with today's handshakes we are committed to work as hard as we can to get an agreement in which our members can be proud of, the company can feel good about and our customers can continue to reap the benefits of UAW-made quality products."

The 1994 contract signed by the UAW and Deere put into place what would become the two-tier system hated by Deere and autoworkers alike. The agreement left new hires earning only 70 percent of what previous hires made. New workers also had to wait three years to receive 100 percent of the normal wage.

The 1997 agreement instituted even more draconian cuts and formally put into place the two-tier wage system. Workers hired on or after October 1, 1997 would receive lower wage rates than those hired before. Unlike the previous 1994 agreement, workers would not receive the full wage of those hired before them. Instead, workers would receive a paltry 9.5 percent raise over a five-year period which, when taking into account inflation, amounted to a wage freeze.

New hires would receive wages ranging from $10.45 to $17 an hour, depending on their position. Moreover, new hires would no longer receive health care once retired and saw their shift premium pay reduced. On top of it all, the 1997 contract agreement enacted the first six-year labor agreement, doubling the period between negotiations, which granted enormous leverage to Deere.

The UAW did nothing during the 2003 and 2009 contract negotiations to overturn the permanent reduction in wages following the 1997 agreement. Meager concessions were granted in the form of performance- and profit-based bonuses and insignificant wage increases, which barely matched the rate of inflation.

In 2009, the UAW celebrated that they had secured an agreement with Deere that there would be no plant closings for the duration of the contract. But this agreement did not provide protection from layoffs. In fact, just this year Deere has laid off 910 employees at plants in Iowa and Illinois, almost matching the 1,000 workers they laid off last year in the Midwest.

The gutting of benefits, the slashing of wages and laying off workers have been deemed by the UAW as a necessary sacrifice to boost “competitiveness.” Deere has reaped billions of dollars in profits, handsomely rewarding its executives and top shareholders. The company’s current market cap is valued at $30 billion, which has placed them on the Forbes “World’s Most Valuable Brands” list.

Deere’s recent quarterly results, however, have revealed a downturn in profits. MarkeWatch.Com writes, “For the first nine months of the year, net income attributable to Deere & Company was $1.589 billion, or $4.67 per share, compared with $2.513 billion, or $6.79 per share, last year. Worldwide net sales and revenues decreased 20 percent, to $7.594 billion, for the third quarter and were down 18 percent, to $22.147 billion, for nine months. Net sales of the equipment operations were $6.840 billion for the quarter and $19.843 billion for nine months, compared with $8.723 billion and $24.918 billion for the periods last year.”

The loss of profit—which stems from the slowdown caused from the world economic crisis—will be used by the company and the UAW to demand workers accept more concessions. Workers, however, are not responsible for the crisis and must not pay for it. The fight facing Deere workers cannot be left in the hands of the pro-company union. New organizations, controlled by the rank-and-file and free from the domination of the UAW, must be formed to link up the fight of Deere workers with their co-workers in the auto and steel industry.