John Deere announces layoffs at Iowa plant

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Farm and heavy equipment giant Deere & Company (Deere) is laying off 105 workers from its Dubuque Works plant, located on the eastern edge of Iowa, on April 6, 2020. Opened in 1946, the plant manufactures forestry and construction equipment.

"Each Deere factory balances the size of its production workforce with customer demand for products from their individual factory," Dan Bernick, manager of Public Relations for Deere & Company, said last Friday. "No other Deere location is included in this announcement."

In August, Deere revealed plans to cut costs and boost profits, or, as they put it, initiate "organizational efficiency," which the *World Socialist Web Site* warned would lead to new rounds of layoffs and attacks on workers. Since then Deere has laid off 220 workers from plants across Iowa and Illinois. Additionally, 100 already temporarily laid off workers had their layoffs extended and 300 workers saw their hours and pay cut through forced demotions.

In December, Deere announced its "voluntary separation program," which threatens certain segments of salaried workers with possible involuntary layoffs in the future if they don't resign, or "separate."

Laying off thousands of workers in the past decade, Deere continues slashing jobs not without but with the full support of United Auto Workers (UAW). The company's "union partners" are no doubt aware that even more cuts are on the agenda and is concealing this from workers.

For the 2020 fiscal year, Deere predicts agricultural equipment sales will fall between 5 percent and 10 percent and construction equipment sales will drop by as much as 15 percent. John C. May, Deere's chief executive officer, said at the end of last year, "John Deere's performance reflected continued uncertainties in the agricultural sector." He continued, "Lingering trade tensions coupled with a year of difficult growing and harvesting conditions have caused many farmers to become cautious about making major investments in new equipment. Additionally, financial services results have come under pressure due to operating-lease losses."

Export incomes of American farmers declined due to Trump's ongoing trade war with China. The American Farm Bureau noted in 2017 that China imported $19.5 billion of US farm produce, while in 2018, China's imports decreased to $9.1 billion. Meanwhile, shipments of US soybeans to China fell to a 16-year low as China moved to source most of its soybeans from Brazil.

Retaliatory trade moves by Canada, Mexico, Turkey and countries of the European Union in response to US tariffs have also depressed American exports.

This was compounded by a record-setting wet growing season last year, which decreased crop yields for large swaths of the American farm belt. According to the US Department of Agriculture, approximately 19.4 million insured acres across the United States went unplanted because of heavy rains, the highest since 2007, when the government first began its tracking. American farmers filed a total of 535 Chapter 12 bankruptcies last year, the highest since 2012.

Deere is using every reason to slash its workforce and increase profits for stockholders. The question remains again, as the WSWS has warned, not if Deere will continue its layoffs, but when.

The UAW, operating as a managerial extension of Deere, enforces the layoffs by actively suppressing any resistance from agricultural equipment workers. In 1997, the UAW imposed a sellout contract on workers leading to a two-tier wage and benefit system. Workers hired after 1997 were paid significantly less for doing the same job as those hired before.

The UAW argued this was a necessary temporary evil to help Deere improve its profits and secure jobs. This

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was the same excuse used by the UAW to impose sellout contracts among the Detroit Big 3 auto companies. Billions of dollars in profits and thousands of layoffs later, the two-tier system remains in the agricultural equipment and auto industries.

Former UAW-Fiat Chrysler Vice President Norwood Jewell, currently serving a slap-on-the-wrist 15- month prison sentence for taking bribes in exchange for signing sweetheart contracts, led the 2015 sellout contract at Deere. Workers accused the UAW of stuffing the ballot to get the deal ratified and called for a recount. The UAW ignored this demand.

After destroying the livelihoods of thousands of Deere and Fiat Chrysler autoworkers, Jewell is now serving his 15 months at a minimum-security Federal Correctional Institution at Oxford, Wisconsin, known as “the University.” At Oxford, inmates enjoy the comfort of their own private cabins spaciously spread out over a sprawling 600-acre campus described by the Chicago *Tribune* as “serene.”

Rank-and-file workers must reject the company-union conspiracy to destroy their jobs. This requires the building of rank-and-file factory committees, independent of the UAW, to mobilize Deere workers and unite them with workers throughout the agricultural equipment and auto industry. These committees, must uphold the rights of workers for secure and good-paying jobs and appeal to workers at Caterpillar, Case IH, Fiat New Holland and other equipment makers in the US and internationally along with autoworkers around the world, to wage a common fight.

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