Deere announces plans to close two Iowa plants in warning shot ahead of 2027 UAW contract fight

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Are you a Deere worker? Fill out the form at the end of this article to get involved with the Deere Workers Rank-and-File Committee.

Agricultural and heavy equipment maker Deere & Company announced Wednesday that it will close its Ottumwa Works factory in southeastern Iowa, which has built hay equipment there since 1900, and end production at its Hagie sprayer plant in Clarion, a town of 2,800 in north-central Iowa.

Deere plans to move windrower production from Ottumwa to its Des Moines Works factory by the end of its current fiscal year on October 31, 2027, and round balers by the end of fiscal 2028, after which the plant will be shut. Production of Hagie sprayers would move to Deere's plant in Thibodaux, Louisiana, beginning in fiscal 2028, and the Clarion factory would close by fiscal 2029.

Deere took a majority stake in Hagie Manufacturing, a fixture in Clarion since the 1940s, in 2016, and stated at the time that the sprayers would still be built in Clarion. It bought the rest of the company in 2020. Now, a decade after taking control, it is keeping the product line and its technology and throwing the workers who built them out of work.

Deere told the agricultural news service DTN that Ottumwa Works employs more than 300 workers and the Clarion plant more than 200. Ottumwa city officials estimate that the closure will cost about 400 jobs and more than $30 million in payroll.

Deere also announced that it is moving sugar cane harvester production from Louisiana to Catalão, Brazil. Its construction and forestry division, which includes the Dubuque Works in northeastern Iowa, is additionally evaluating "strategic sourcing opportunities," corporate jargon for outsourcing. Workers at Ottumwa Works, Dubuque Works, and Des Moines Works are covered by the United Auto Workers (UAW) contract with Deere, while the Clarion and Thibodaux plants are non-union.

The announcement came less than a week after Deere said it would recall more than 275 laid-off workers in Waterloo, Iowa, and hire more than 400 at other factories, including Ottumwa Works. The company said this would allow it to keep supplying customers through "a range of operating environments, including future labor negotiations"—in other words, building up inventory with the aim of defeating a potential strike. The UAW contract covering some 10,000 Deere workers in Iowa, Illinois and Kansas expires on October 31, 2027.

A retired worker from Ottumwa Works told the *World Socialist Web Site* that the closure would devastate the city, as the shutdown of the John Morrell meatpacking plant did in 1973. "Many smaller businesses that supported John Deere are already gone," he said.

The closures are a warning shot aimed at the entire Deere workforce. In August workers overwhelmingly rejected Deere's offer to extend their contract by two years, which would have locked in the tier system and raises barely above inflation. By stockpiling machines while threatening entire communities, Deere is preparing for a confrontation and seeking to intimidate workers.

The UAW bureaucracy, for its part, will work on behalf of the companies to use the closures in an effort to extract concessions and lower wage demands, and any promises of securing new product would be worthless. Three years after the UAW declared victory in its 2023 strike against the Detroit automakers, touting Stellantis's promise to reopen its idled Belvidere, Illinois, assembly plant, the factory remains shut.

Workers cannot wait until next year, and they cannot leave their fate to the UAW apparatus. They should begin organizing now to build the Deere Workers Rank-and-File Committee in every plant, to prepare a counteroffensive that starts from what workers need, not what Deere claims it can afford.

"Ottumwa will again fall"

Ottumwa, a small city of about 25,000 on the Des Moines River, has depended on the Deere factory for generations. Joseph Dain moved his hay tool company there from Carrollton, Missouri, in 1900 and sold it to Deere in 1910.

The city never recovered from the closure of Morrell, whose packinghouse had anchored Ottumwa since 1877. The Hormel pork plant in the city was one of the centers of the 1985-86 strike betrayed by the United Food and Commercial Workers bureaucracy, with nearly 500 Ottumwa workers fired for refusing to cross picket lines set up by members of UFCW Local P-9 from the Austin, Minnesota, Hormel plant. Hormel sold the factory to Cargill subsidiary Excel in 1987.

The city's population fell from 29,610 in 1970 to 24,488 in 1990 and has barely grown since. Today, its largest employer is meatpacking giant JBS, which acquired Cargill's US pork business for $1.45 billion in 2015, including the Ottumwa plant. More than 17 percent of residents live below the official poverty line, compared with 12.5 percent nationally.

Deere has been slashing its workforce at the Ottumwa plant for years. Ottumwa Works employed about 800 people as recently as 2022, when Deere announced it would move mower-conditioner production to Monterrey, Mexico. By mid-2024, after 103 workers took early retirement buyouts, the workforce was down to about 600. Today it is a little over 300, including some 80 workers recalled less than two weeks before the closure was announced.

The retiree who spoke with the WSWS described how management stripped products out of the plant, dropping pull-type forage harvesters, small square balers and mower-conditioners to rely on large balers and

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windrowers. “There was plenty of market out there if they would take care of small and medium farmers,” he said. “They only wanted to support large corporate farmers, with the big machines.”

He said that once Deere leaves, JBS and the health care sector will be the city’s only major employers, and that health care “will be badly damaged by those families leaving.” “Ottumwa will again fall,” he said.

Billions in profits

Deere has blamed the closures on changes in customer demand and says it is operating far below normal volumes because of the farm downturn. Farmers have been squeezed by high interest rates and low crop prices, and the Trump administration’s war against Iran has sent their costs soaring.

Deere’s profits have fallen from a peak of $10.2 billion in fiscal 2023, but the company remains enormously profitable. It made nearly $4.9 billion over the past four quarters, and in August it raised its forecast for the 2026 fiscal year to between $4.75 billion and $5 billion. Third-quarter profits rose to $1.38 billion, from $1.29 billion a year earlier.

The slump in farm machinery sales has been offset by a boom in construction equipment. In the third quarter, sales of Deere’s large farm machinery fell 6 percent, while sales in its construction and forestry division jumped 18 percent to $3.6 billion and the division’s profits rose 84 percent.

While threatening to close plants, Deere is enriching its executives and big shareholders. Last year it paid out $1.7 billion in dividends and spent $1.1 billion buying back its own stock to prop up the share price, and its board has authorized another $7.4 billion in buybacks. CEO John May took home $27.9 million in fiscal 2025.

Workers have every reason to demand job security *and* major wage increases and benefit improvements. The current six-year contract, which the UAW pushed through on a third vote after workers rebelled and rejected two tentative agreements, kept the tier system that denies retiree health care to workers hired after 1997, as well as the CIPP incentive pay scheme.

Round baler production is set to stay in Ottumwa as late as the end of fiscal 2028, a year after the Deere-UAW contract expires, leaving the plant’s fate hanging over the negotiations as a bargaining chip.

UAW bureaucracy works to head off another rebellion

The UAW International responded Wednesday with a blustering four-sentence statement, writing that it was “disgusted” by “John Deere’s latest attack on the working class of Iowa.”

It said the UAW would “use every tool at our disposal, from our contract negotiations in 2027, to legislative and executive action, to keep good jobs in Iowa and stop the one-sided class war waged by John Deere.”

“It’s time for America to come together to save John Deere from its own corporate greed, and fight back in the war on America’s factory workers,” it concluded.

The statement proposes no strike or other action by workers. Beyond next year’s contract talks, the supposed “tools” it cited are appeals to Congress and the Trump administration, that is, to the politicians of the two big business parties. Its call for national unity to rescue a company that is shutting down plants peddles a reactionary economic nationalism, which promotes Trump’s trade war measures and ties workers to their exploiters, setting them against workers in Mexico and Brazil, where Deere is shifting production.

The UAW’s record at CNH in Burlington, Iowa, shows what its pledges are worth. After the UAW isolated and betrayed the nine-month strike by over 1,000 workers in Burlington and Racine, Wisconsin, in 2022-23, CNH announced plans in November 2024 to close its Case backhoe plant in Burlington, with the last of the workers scheduled to be laid off last May.

Workers have drawn their own conclusions about the bureaucracy. In the UAW’s national elections last month, more than 90 percent of members boycotted the vote, and UAW President Shawn Fain was reelected with the votes of only about 6 percent of the membership. Fain took office in 2023 posing as a reformer, after a corruption scandal sent two former UAW presidents to prison, but his administration has consistently sold out strikes and pushed through concessions contracts, overseeing thousands of layoffs in the auto industry.

The real alternative in the UAW elections was represented by Will Lehman, the Mack Trucks worker who ran for president on a program to abolish the bureaucracy and transfer power to rank-and-file committees. In July, Lehman called on Deere workers to reject the two-year extension outright and to rebuild the Deere Workers Rank-and-File Committee to prepare for the fight in 2027.

Build the Deere Workers Rank-and-File Committee

The fight to stop the closures and win what workers need in 2027 must be organized by the rank and file. The Deere Workers Rank-and-File Committee, founded on the eve of the 2021 strike to give workers a means of fighting independently of the bureaucracy, should be revived, with committees of trusted workers organized in every plant.

Its program should include no closures or layoffs, the real abolition of tiers, retiree health care for all and raises that make up for and exceed rising prices. A threat to Ottumwa and Clarion must be answered by workers at every Deere plant.

This struggle must be organized internationally. Through the International Workers Alliance of Rank-and-File Committees, Deere workers can link up with their counterparts abroad and with workers at CNH, Caterpillar and the auto plants facing the same assault.

This fight requires not just organization, but a political perspective. Defending workers’ jobs and livelihoods means taking industry out of the hands of corporations that treat whole towns as disposable and placing it under the democratic control of the working class, to meet social need rather than private profit.

Fill out the form below to get involved with the Deere Workers Rank-and-File Committee.

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