

Agriculture, Aquaculture & Fishing and Competition Law

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In this issue

SOUTH AFRICA

Deere faces a lawsuit regarding claims over repair restrictions



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Deere faces a lawsuit regarding claims over repair restrictions

In a US federal antitrust lawsuit brought by the Federal Trade Commission (FTC) and five states against Deere & Co (Deere) in respect of right to repair for John Deere equipment, it was ruled that the agricultural equipment giant must face an anti-trust claim. The ruling, delivered on 9 June 2025, marks a crucial step forward in the ongoing legal battle over right-to-repair practices in the agricultural sector and represents one of the most significant enforcement actions targeting repair monopolisation in the industry.

The FTC filed its complaint against Deere in the US District Court for the Northern District of Illinois in January 2025. The lawsuit was joined by Michigan, Wisconsin, Illinois, Iowa and Minnesota as co-plaintiffs. This federal action follows earlier private litigation, with Judge Johnston having ruled in 2023 that Deere must also face similar claims from crop farms and individual farmers in separate consolidated class action lawsuits.

The lawsuit emerged within the broader context of the Biden administration's agricultural policy agenda, which has specifically targeted anti-competitive practices across the agriculture sector. The administration also prioritised the right-to-repair issue across various industries, including smartphones, computers and now agricultural equipment.

Core allegations and anti-competitive practices

The FTC alleges that Deere is violating federal antitrust law through several interconnected practices.

Deere is accused of illegally driving up repair costs by forcing farmers to rely exclusively on its authorised dealer network. The FTC contends that this practice has allowed Deere to unlawfully boost profits by requiring farmers to use its network of authorised dealers for repairs, making it difficult for farmers to use independent mechanics or perform repairs themselves.

A critical aspect of the allegations concerns Deere's control over repair software. The only software that enables repairs of all John Deere equipment is produced by the company itself, which it makes available exclusively to its dealer network. As a result of this practice, Deere has maintained a 100% market share in repair software, allegedly allowing it to inflate prices artificially.

The complaint alleges that Deere blocks farmers from acquiring the *"tools and information necessary to repair their equipment in a timely and cost-effective manner"*.

The reliance on authorised dealers creates significant operational challenges for farmers, as it can cause service delays that impede critical agricultural activities such as crop planting and harvesting.

The FTC argues that by controlling repair services so tightly, Deere can charge artificially higher prices and minimise competition in the repair market. According to FTC Chair Lina Khan, *"Illegal repair restrictions can be devastating for farmers, who rely on affordable and timely repairs to harvest their crops and earn their income."*

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Deere's defence strategy and legal arguments

Deere has mounted a comprehensive defence against the allegations, denying any wrongdoing.

It contends that it does not compete in the market for repair services and therefore cannot be monopolising that market. The company argued that the government plaintiffs filed their lawsuit *"with two vague federal antitrust claims that hide the ball and have no basis in law"*.

Deere's legal team has argued that only a *"small subset"* of repairs must be performed at Deere-authorized dealerships. The company maintains that it has *"never hidden"* that some repairs require company dealers and that federal antitrust law does not require Deere to give all of its proprietary repair tools and software to anyone who happens to want them.

Significantly, Deere mounted a constitutional challenge to the FTC's organisational structure itself, alleging that restrictions against removing FTC commissioners illegally prevent the president from exercising lawful oversight. However, Judge Johnston rejected this constitutional challenge, finding that Deere failed to demonstrate how it was harmed by the FTC's removal procedures.

The court's decision represents a significant victory for competition enforcement in the agricultural sector. By rejecting Deere's motion to dismiss, the judge has determined that the FTC and state plaintiffs have presented sufficient factual allegations to proceed with their antitrust claims. This ruling allows the case to move forward to discovery and potentially trial, where the substantive merits of the competition law claims will be tested.

The broader right-to-repair legal landscape

The FTC lawsuit is part of a broader pattern of litigation challenging Deere's repair practices. The company faces consolidated private class action lawsuits filed by crop farms and individual farmers. These private cases, also before Judge Johnston, survived a motion to dismiss in November 2023.

The Deere litigation occurs within the context of a growing right-to-repair movement affecting multiple industries. Similar cases have been brought against other major manufacturers, including Tesla, Apple and Harley-Davidson, as consumers and advocacy groups challenge restrictive repair practices across sectors.

The lawsuit seeks to compel Deere to make its repair tools available to equipment owners and independent repair providers. If successful, this could fundamentally alter the agricultural equipment repair market by breaking Deere's alleged monopoly over repair services and software.

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Implications for the agricultural sector

The outcome could have far-reaching implications for competition in the agricultural equipment industry. A successful FTC case could establish important precedents for competition in the repair market and potentially encourage similar enforcement actions against other equipment manufacturers.

For farmers, the case represents a potential pathway to reduced repair costs and increased flexibility in equipment maintenance. The ability to use independent repair services or perform self-repairs could provide significant economic benefits, particularly for smaller agricultural operations.

The FTC's pursuit of the case signals continued focus on competition enforcement in the agricultural sector, demonstrating the agency's commitment to challenging anti-competitive practices that harm farmers and rural communities.

The right-to-repair movement has also gained traction internationally, with various jurisdictions developing their own regulatory approaches. In South Africa, the Competition Commission's Guidelines for Competition in the Automotive Aftermarket (revised 2024) sets out the regulator's stance on repair market competition. These guidelines require original equipment manufacturers (OEM) to provide independent service providers with

access to technical information and training on reasonable commercial terms. The South African framework mandates consumer choice between original and non-original spare parts throughout a vehicle's lifespan and protects the right to use independent repairers, even during warranty periods. Additionally, OEMs must make original spare parts available to independent service providers and are prohibited from bundling maintenance plans with vehicle sales. While not legally binding, these guidelines demonstrate how competition authorities can foster market competition and consumer choice in aftermarket services, providing a potential model for addressing similar issues in agricultural equipment markets.

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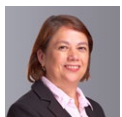
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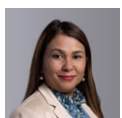
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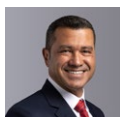
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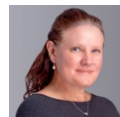
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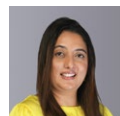
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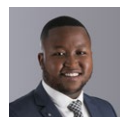
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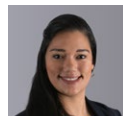
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Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

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