



JOHN DEERE

Deere & Company World Headquarters
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Samuel R. Allen
President and Chief Executive Officer

10 August 2009

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Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington DC 20549-1090

Re: Facilitating Shareholder Director Nominations -
Release Nos. 33-9046; 34-60089; IC-28765; File No. S7-10-09

Dear Ms. Murphy:

Deere & Company ("Deere") appreciates the opportunity to provide its comments related to the referenced releases on facilitating shareholder director nominations (the "Access Proposal") issued by the Securities and Exchange Commission (the "Commission" or "SEC"). Deere is a diversified company manufacturing and selling agricultural, turf, construction, and forestry products. Deere has been in business for over 172 years, with 2008 net sales and revenue of approximately \$28 billion, and currently employs approximately 56,000 people. It provides equipment, solutions and services to customers throughout most of the world.

Corporate governance practices at Deere include a Board predominantly of independent directors, with only two directors, the President and CEO, and the Chairman of the Board, who are employees. Senior officer compensation and long term incentives are based on performance goals and objectives; and in 2010 the Board will begin a declassification process in response to a shareholder resolution which received a majority shareholder vote at the 2009 Annual Meeting.

Deere recognizes and embraces the right of shareholders to nominate and elect directors to provide oversight for the management of the corporation. Deere also acknowledges the Commission's extensive work developing the subject Access Proposals. Having considered these proposals, in light of our current practices and compliance with Delaware Corporate Law, we share the Business Roundtable's view that a federal rule mandating a process for shareholders to nominate and solicit for directors using company proxy materials is unnecessary, and will likely to create significant corporate governance issues, as outlined below.

State Law is the Appropriate Rule Maker for Proxy Access

Earlier this year, the State of Delaware, (where Deere and many large companies are incorporated), adopted new Sections 112 and 113 of the Delaware General Corporation Law which enables shareholders to adopt bylaws that provide proxy access for director nominations. Deere is aware of no state laws which prohibit stockholders from nominating director candidates.

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Minimum Ownership Threshold is Too Low

As proposed, Rule 14a-11 would mandate, for large accelerated filers, a minimum eligibility requirement that a nominating shareholder or group beneficially own an aggregate of one percent of the company's shares for at least one year prior to nominating a director for election to the company's board. This proposed threshold is too low, especially given the fact that shareholders are permitted to aggregate their shareholdings to meet the ownership eligibility threshold. Shareholder access nominations will necessarily consume substantial resources of a company, including its in-house legal and investor relations staff, outside securities counsel, senior management, and the board of directors. As such, the minimum threshold should be set at a level that ensures that the individual nominating shareholder has one percent, or group has an aggregate total of five percent, both requirements reflecting a more substantial interest in the company.

Earliest Nominations Should Not Trump Larger or Long Term Shareholders

Deere is also concerned that the Commission's proposal to allow the earliest nominations to prevail would promote a race to the corporate secretary's mailbox. A better approach would allow for later, but still timely, nominations by individual shareholders or groups with larger percentages of ownership, to have priority. Additionally, prioritization based on ownership tenure for individual shareholders or groups with the same ownership percentages would best protect the long term interests of shareholders. By contrast, the association between the proponents' interest in the corporation and being first in time to nominate is much more tenuous.

Percentage of Board Members Subject to Individual or Group Shareholder Nomination is Too High

Providing individual or group shareholders with the right to nominate directors to fill up to 25% of the seats of a company's board will likely be disruptive to continuity and business of the board. Given that most companies hold annual elections of all members of the board of directors, there would be substantial risk of losing substantial valuable company knowledge and experience at any given election. Further, the administrative burden of managing Access Proposal nominees up to 25% of the board will be substantial. For example, for a board of Deere's size, with 12 directors, this would mean that in any given year, the Deere Board would need to manage a process for up to three potential proxy access nominees. This would involve significant management and board time and attention to carry out the appropriate due diligence and deliberation processes, in vetting the qualifications of the prospective candidates. Such time consuming activity would reduce the time that the board would otherwise have to spend on appropriate oversight of the execution of the mission and long term strategy of the company.

Full Disclosure of Nominating Entities Should be Required

Disclosure should be required of any arrangement that affects the nominating entities' voting or economic rights. Given the possibility of the de-coupling of economic interests from voting rights, other shareholders should be provided with this information, so that they have a clear understanding of the nominating entities' interest in the company.

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Change of Control Requirements Should be Strengthened

While the Commission does not intend that the proxy Access Proposal be used as a channel for effecting a change of control, there is no safeguard provision to assure that an initial relatively modest investment cannot be leveraged over time into a change in control to the detriment of the corporation and its shareholders, as a whole. The proposed rule requires an initial certification that a control change is not intended, but there is no stated remedy if the denial of intent to control turns out later to be false. The Access Proposal, as written, puts companies at risk to investors with minimal ownership interests, potentially gaining board representation, and later without remedy changing their intent and pursuing a change of control.

Amended Rule 14a-8(i)(8) – The Better Approach to Proxy Access

Deere supports the proposal to amend Rule 14a-8(i)(8) to remove the restrictions on allowing shareholders to propose matters that relate to the director election process. This approach would allow shareholders and issuers to reach agreement on the most appropriate approach to proxy access, would enable shareholders to choose the system, if any, they find most appropriate for their individual company. It would also avoid many of the pitfalls described in this letter in response to the proposed mandatory uniform federal Rule 14a-11.

Board Makeup – Quality and Specific Expertise

Selecting directors with specific expertise such as financial, corporate governance, operations, and international experience, is critical to maintaining an effective board, capable of providing intelligent oversight of a diverse, global business. The overall effectiveness of boards of directors will likely be impaired if shareholder nominees defeat board nominees with particular expertise or experience needed by the board and company. Individual shareholders or shareholder groups are often of narrow perspective or special interest, but not representative of the broad interests of a company and its shareholders, as a whole. They may also have interests which are in conflict with the long term interests of the corporation and its shareholders. As such, the Access Proposal, as currently drafted, could have significant unintended consequences, such as promoting a focus on short term financial gain, opening the door to special interest directors, and distracting board focus from the mission and long term strategy of the company and its entire shareholder base.

Summary and Recommendations

The Access Proposal would inappropriately preempt state law with a "one size fits all" approach that removes the ability of boards and shareholders to develop an access approach to the particular needs of the company. An amended Rule 14a-8 or a revised Rule 14a-11 should allow for shareholder proposals with different conditions (e.g. ownership thresholds, triggering events) than currently proposed.

The Access Proposal should be revised to require that shareholders wishing to nominate proxy access directors own a meaningful percentage of a company's shares and for a significant period of time. Deere suggests a minimum individual ownership level of at least one percent, and five percent with aggregation of ownership interests. Nominating shareholders should also be required to have owned their shares for at least two years.

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A revised Rule 14a-11 should limit the number of proxy access nominees to one director at each annual meeting. Simultaneously adding multiple directors with little or no experience could greatly disrupt board activities and responsibilities and could be a time consuming distraction. Larger and longer term shareholders should be given priority over smaller and short term shareholders when nominating directors rather than establishing a race to be first.

Shareholders should not be permitted to nominate proxy access directors for some period of time (e.g., three years) if their prior proxy access director nominee fails to obtain a significant percentage of votes cast such as 25%.

The rules should prohibit proxy access nominees from being affiliated with the nominating shareholder or shareholder group. This requirement is essential to help ensure that director candidates are not chosen based on their allegiance to the narrow interests of a particular shareholder to the possible detriment of others. Further, proxy access nominees should satisfy the director independence and qualification requirements adopted by the board of directors and disclosed in the proxy statement.

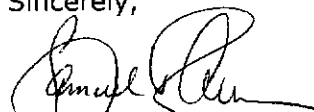
The application of proposed Rule 14a-11 should be limited to companies and proxy seasons where a specific triggering event has occurred that calls into question the judgment of the board. Such events could include: delisting by an exchange, criminal indictment, not accepting the resignation of a director who received less than a majority of votes cast, or not acting on a shareholder proposal that received a majority shareholder vote.

Deere opposes the proxy access right in proposed Rule 14a-11 and asks that the Commission focus instead on amendments to Rule 14a-8(i)(8) to allow shareholder proposals regarding the director nomination process in appropriate circumstances.

Finally, there are prudent reasons why the effective date, if any, of proposed Rule 14a-11 should be delayed until the 2011 proxy season, including: allowing time for companies to amend their bylaws, allowing sufficient time to accommodate the proposed timeline for communicating objections and positions between shareholders, companies and the SEC; educating shareholders and other stakeholders; and allowing time for the SEC to prepare for the additional burden that will be placed on its staff.

We appreciate your consideration of the points that we have raised, and we thank you for allowing comments.

Sincerely,



Samuel R. Allen

SRA/rsf

c: Larry Burton, Executive Director
Business Roundtable