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Health care and life insurance

Net actuarial gain and prior service credit

145 (52) 93

Reclassification through amortization of actuarial (gain) loss and prior service (credit) cost to net income:*

Actuarial loss

91 (34) 57

Prior service (credit)

(77) 29 (48)

Settlements/curtailments

1 1

Net unrealized (loss) on retirement benefits adjustment

(8) (8)

Total other comprehensive income (loss)

\$(952) \$6 \$(946)

*

These accumulated other comprehensive income amounts are included in net periodic postretirement costs. See Note 7 for additional detail.

	Before Tax Amount	Tax (Expense) Credit	After Tax Amount
2014			
Cumulative translation adjustment:			
Unrealized (loss) on translation adjustment	\$ (427)	\$ 2	\$ (425)
Reclassification of loss to Other operating expenses*		9	9
Net unrealized (loss) on translation adjustment	(418)	2	(416)

Unrealized gain (loss) on derivatives:

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Unrealized hedging (loss)	(14)	5	(9)
Reclassification of realized (gain) loss to:			
Interest rate contracts Interest expense	13	(5)	8
Foreign exchange contracts Other operating expenses	6	(2)	4
Net unrealized gain on derivatives	5	(2)	3
Unrealized gain (loss) on investments:			
Unrealized holding gain	10	(3)	7
Net unrealized gain on investments	10	(3)	7
Retirement benefits adjustment:			
Pensions			
Net actuarial (loss)	(940)	343	(597)
Reclassification through amortization of actuarial (gain) loss and prior service (credit) cost to net income:**			
Actuarial loss	177	(64)	113
Prior service cost	25	(9)	16
Settlements/curtailments	9	(3)	6
Health care and life insurance			
Net actuarial (loss) and prior service credit	(378)	138	(240)
Reclassification through amortization of actuarial (gain) loss and prior service (credit) cost to net income:**			
Actuarial loss	33	(12)	21
Prior service (credit)	(3)	1	(2)
Settlements/curtailments	(1)		(1)
Net unrealized (loss) on retirement benefits adjustment	(1,078)	394	(684)
Total other comprehensive income (loss)	\$ (1,481)	\$ 391	\$ (1,090)

*

Represents the accumulated translation adjustments related to the foreign subsidiaries of the Water operations that were sold (see Note 4).

**

These accumulated other comprehensive income amounts are included in net periodic postretirement costs. See Note 7 for additional detail.

	Before Tax Amount	Tax (Expense) Credit	After Tax Amount
2013			
Cumulative translation adjustment	\$ (74)	\$ 3	\$ (71)
Unrealized gain (loss) on derivatives:			
Unrealized hedging gain	43	(14)	29
Reclassification of realized (gain) loss to:			
Interest rate contracts Interest expense	22	(8)	14
Foreign exchange contracts Other operating expenses	(49)	17	(32)
Net unrealized gain on derivatives	16	(5)	11
Unrealized gain (loss) on investments:			
Unrealized holding (loss)	(17)	6	(11)
Net unrealized (loss) on investments	(17)	6	(11)
Retirement benefits adjustment:			
Pensions			
Net actuarial gain and prior service credit	1,507	(552)	955
Reclassification through amortization of actuarial (gain) loss and prior service (credit) cost to net income:*			
Actuarial loss	265	(101)	164
Prior service cost	12	(6)	6
Settlements/curtailments	2		2
Health care and life insurance			
Net actuarial gain and prior service credit	1,167	(426)	741
Reclassification through amortization of actuarial (gain) loss and prior service (credit) cost to net income:*			
Actuarial loss	141	(54)	87
Prior service (credit)	(8)	3	(5)
Net unrealized gain on retirement benefits adjustment	3,086	(1,136)	1,950
Total other comprehensive income (loss)	\$ 3,011	\$ (1,132)	\$ 1,879

*

These accumulated other comprehensive income amounts are included in net periodic postretirement costs. See Note 7 for additional detail.

The noncontrolling interests' comprehensive income was \$.5 million in 2015, \$1.3 million in 2014 and \$.4 million in 2013, which consisted of net income of \$.9 million in 2015, \$1.6 million in 2014 and \$.3 million in 2013 and cumulative translation adjustments of \$(.4) million in 2015, \$(.3) million in 2014 and \$.1 million in 2013.

26. FAIR VALUE MEASUREMENTS

The fair values of financial instruments that do not approximate the carrying values at October 31 in millions of dollars follow:

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	2015		2014	
	Carrying Value	Fair Value*	Carrying Value	Fair Value*
Financing receivables net	\$ 24,809	\$ 24,719	\$ 27,422	\$ 27,337
Financing receivables securitized net	\$ 4,835	\$ 4,820	\$ 4,602	\$ 4,573
Short-term securitization borrowings	\$ 4,590	\$ 4,590	\$ 4,559	\$ 4,562
Long-term borrowings due within one year:				
Equipment operations	\$ 86	\$ 78	\$ 243	\$ 233
Financial services	5,167	5,167	4,730	4,743
Total	\$ 5,253	\$ 5,245	\$ 4,973	\$ 4,976
Long-term borrowings:				
Equipment operations	\$ 4,461	\$ 4,835	\$ 4,643	\$ 5,095
Financial services	19,372	19,348	19,738	19,886
Total	\$ 23,833	\$ 24,183	\$ 24,381	\$ 24,981

*

Fair value measurements above were Level 3 for all financing receivables and Level 2 for all borrowings.

Fair values of the financing receivables that were issued long-term were based on the discounted values of their related cash flows at interest rates currently being offered by the company for similar financing receivables. The fair values of the remaining financing receivables approximated the carrying amounts.

Fair values of long-term borrowings and short-term securitization borrowings were based on current market quotes for identical or similar borrowings and credit risk, or on the discounted values of their related cash flows at current market interest rates. Certain long-term borrowings have been swapped to current variable interest rates. The carrying values of these long-term borrowings included adjustments related to fair value hedges.

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Assets and liabilities measured at October 31 at fair value on a recurring basis in millions of dollars follow:

	2015*		2014*
Marketable securities			
Equity fund	\$ 43	\$	45
Fixed income fund			10
U.S. government debt securities	82		808
Municipal debt securities	31		34
Corporate debt securities	124		172
International debt securities	47		
Mortgage-backed securities**	110		146
Total marketable securities	437		1,215
Other assets			
Derivatives:			
Interest rate contracts	353		319
Foreign exchange contracts	50		18
Cross-currency interest rate contracts	25		16
Total assets***	\$ 865	\$	1,568

Accounts payable and accrued expenses			
Derivatives:			
Interest rate contracts	\$ 60	\$	81
Foreign exchange contracts	18		29
Total liabilities	\$ 78	\$	110

*

All measurements above were Level 2 measurements except for Level 1 measurements of U.S. government debt securities of \$37 million and \$741 million at October 31, 2015 and 2014, respectively, and the equity fund of \$43 million and \$45 million at October 31, 2015 and 2014, respectively, and the fixed income fund of \$10 million at October 31, 2014. In addition, \$29 million of the international debt securities were Level 3 measurements at October 31, 2015. There were no transfers between Level 1 and Level 2 during 2015 and 2014.

**

Primarily issued by U.S. government sponsored enterprises.

Excluded from this table were cash equivalents, which were carried at cost that approximates fair value. The cash equivalents consist primarily of money market funds that were Level 1 measurements.

Fair value, recurring, Level 3 measurements from available for sale marketable securities at October 31 in millions of dollars follow:

2015

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Beginning of period balance		
Purchases	\$	30
Change in unrealized gain (loss)		(1)
End of period balance	\$	29

Fair value, nonrecurring, Level 3 measurements from impairments at October 31 in millions of dollars follow:

	Fair Value*		Losses*		
	2015	2014	2015	2014	2013
Equipment on operating leases net	\$ 479	\$ 10			
Property and equipment net	\$ 33	\$ 53	\$ 10	\$ 44	\$ 48
Other intangible assets net					\$ 9
Other assets	\$ 112	\$ 15	\$ 15	\$ 16	
Assets held for sale Water operations					\$ 36

*

See financing receivables with specific allowances in Note 12 that were not significant. See Note 5 for impairments.

Level 1 measurements consist of quoted prices in active markets for identical assets or liabilities. Level 2 measurements include significant other observable inputs such as quoted prices for similar assets or liabilities in active markets; identical assets or liabilities in inactive markets; observable inputs such as interest rates and yield curves; and other market-corroborated inputs. Level 3 measurements include significant unobservable inputs.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the company uses various methods including market and income approaches. The company utilizes valuation models and techniques that maximize the use of observable inputs. The models are industry-standard models that consider various assumptions including time values and yield curves as well as other economic measures. These valuation techniques are consistently applied.

The following is a description of the valuation methodologies the company uses to measure certain financial instruments on the balance sheet and nonmonetary assets at fair value:

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Marketable Securities The portfolio of investments, except for the Level 3 measurement international debt securities, is primarily valued on a market approach (matrix pricing model) in which all significant inputs are observable or can be derived from or corroborated by observable market data such as interest rates, yield curves, volatilities, credit risk and prepayment speeds. Funds are primarily valued using the fund's net asset value, based on the fair value of the underlying securities. The Level 3 measurement international debt securities are primarily valued using an income approach based on discounted cash flows using yield curves derived from limited, observable market data.

Derivatives The company's derivative financial instruments consist of interest rate swaps and caps, foreign currency futures, forwards and swaps, and cross-currency interest rate swaps. The portfolio is valued based on an income approach (discounted cash flow) using market observable inputs, including swap curves and both forward and spot exchange rates for currencies.

Financing Receivables Specific reserve impairments are based on the fair value of the collateral, which is measured using a market approach (appraisal values or realizable values). Inputs include a selection of realizable values (see Note 12).

Equipment on Operating Leases-Net The impairments are based on an income approach (discounted cash flow), using the contractual payments, plus an estimate of equipment sale price at lease maturity. Inputs include realized sales values.

Property and Equipment-Net The impairments are measured at the lower of the carrying amount, or fair value. The valuations were based on a cost approach. The inputs include replacement cost estimates adjusted for physical deterioration and economic obsolescence.

Other Intangible Assets-Net The impairments are measured at the lower of the carrying amount, or fair value. The valuations were based on an income approach (discounted cash flows). The inputs include estimates of future cash flows.

Other Assets The impairments are measured at the lower of the carrying amount, or fair value. The valuations were based on a market approach. The inputs include sales of comparable assets.

Assets Held For Sale-Water Operations The impairment of the disposal group was measured at the lower of carrying amount, or fair value less cost to sell. Fair value was based on the probable sale price. The inputs included estimates of the final sale price (see Note 5).

27. DERIVATIVE INSTRUMENTS

Cash Flow Hedges

Certain interest rate and cross-currency interest rate contracts (swaps) were designated as hedges of future cash flows from borrowings. The total notional amounts of the receive-variable/pay-fixed interest rate contracts at October 31, 2015 and 2014 were \$2,800 million and \$3,050 million, respectively. The total notional amounts of the cross-currency interest rate contracts were \$60 million and \$70 million at October 31, 2015 and 2014, respectively. The effective portions of the fair value gains or losses on these cash flow hedges were recorded in other comprehensive income (OCI) and subsequently reclassified into interest expense or other operating expenses (foreign exchange) in the same periods during which the hedged transactions affected earnings. These amounts offset the effects of interest rate or foreign currency exchange rate changes on the related borrowings. Any ineffective portions of the gains or losses on all cash flow interest rate contracts designated as cash flow hedges were recognized currently in interest expense or other operating expenses (foreign exchange) and were not material during any years presented. The cash flows from these contracts were recorded in operating activities in the statement of consolidated cash flows.

The amount of loss recorded in OCI at October 31, 2015 that is expected to be reclassified to interest expense or other operating expenses in the next twelve months if interest rates or exchange rates remain unchanged is approximately \$4 million after-tax. These contracts mature in up to 35 months. There were no gains or losses reclassified from OCI to earnings based on the probability that the original forecasted transaction would not occur.

Fair Value Hedges

Certain interest rate contracts (swaps) were designated as fair value hedges of borrowings. The total notional amounts of the receive-fixed/pay-variable interest rate contracts at October 31, 2015 and 2014 were \$8,618 million and \$8,798 million, respectively. The effective portions of the fair value gains or losses on these contracts were offset by fair value gains or losses on the hedged items (fixed-rate borrowings). Any ineffective portions of the gains or losses were recognized currently in interest expense. The ineffective portions were a gain of \$2 million and loss of \$2 million in 2015 and 2014, respectively. The cash flows from these contracts were recorded in operating activities in the statement of consolidated cash flows.

The gains (losses) on these contracts and the underlying borrowings recorded in interest expense follow in millions of dollars:

	2015	2014
Interest rate contracts*	\$ 104	\$ (13)
Borrowings**	(102)	11

*

Includes changes in fair values of interest rate contracts excluding net accrued interest income of \$173 million and \$168 million during 2015 and 2014, respectively.

**

Includes adjustments for fair values of hedged borrowings excluding accrued interest expense of \$274 million and \$267 million during 2015 and 2014, respectively.

Derivatives Not Designated as Hedging Instruments

The company has certain interest rate contracts (swaps and caps), foreign exchange contracts (futures, forwards and swaps) and cross-currency interest rate contracts (swaps), which were not formally designated as hedges. These derivatives were held as economic hedges for underlying interest rate or foreign currency exposures primarily for certain borrowings and purchases or sales of inventory. The total notional amounts of the interest rate swaps at October 31, 2015 and 2014 were \$6,333 million and \$6,317 million, the foreign exchange contracts were \$3,160 million and \$3,524 million and the cross-currency interest rate contracts were \$76 million and \$98 million, respectively. At October 31, 2015 and 2014, there were also \$1,069 million and \$1,703 million, respectively, of interest rate caps purchased and the same amounts sold at the same capped interest rate to facilitate borrowings through securitization of retail notes. The fair value gains or losses from the interest rate contracts were recognized currently in interest expense and the gains or losses from foreign exchange contracts in cost of sales or other operating expenses, generally offsetting over time the expenses on the exposures being hedged. The cash flows from these non-designated contracts were recorded in operating activities in the statement of consolidated cash flows.

Fair values of derivative instruments in the consolidated balance sheet at October 31 in millions of dollars follow:

	2015	2014
Other Assets		
Designated as hedging instruments:		
Interest rate contracts	\$ 299	\$ 266
Cross-currency interest rate contracts	14	13
Total designated	313	279
Not designated as hedging instruments:		
Interest rate contracts	54	53
Foreign exchange contracts	50	18
Cross-currency interest rate contracts	11	3
Total not designated	115	74
Total derivative assets	\$ 428	\$ 353

Accounts Payable and Accrued Expenses

Designated as hedging instruments:		
Interest rate contracts	\$ 8	\$ 35
Total designated	8	35
Not designated as hedging instruments:		
Interest rate contracts	52	46
Foreign exchange contracts	18	29
Total not designated	70	75
Total derivative liabilities	\$ 78	\$ 110

The classification and gains (losses) including accrued interest expense related to derivative instruments on the statement of consolidated income consisted of the following in millions of dollars:

	2015	2014	2013
Fair Value Hedges			
Interest rate contracts Interest expense	\$ 277	\$ 155	\$ (89)
Cash Flow Hedges			
Recognized in OCI			
(Effective Portion):			

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Interest rate contracts	OCI (pretax)*	(16)	(10)	(15)
Foreign exchange contracts	OCI (pretax)*	4	(4)	58

Reclassified from OCI

(Effective Portion):

Interest rate contracts	Interest expense*	(12)	(13)	(22)
Foreign exchange contracts	Other expense*	4	(6)	49

Recognized Directly in Income

(Ineffective Portion)

**	**	**
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Not Designated as Hedges

Interest rate contracts	Interest expense*	\$ (17)	\$ 3	\$ (6)
Foreign exchange contracts	Cost of sales	97	25	35
Foreign exchange contracts	Other expense*	304	79	20

Total not designated	\$ 384	\$ 107	\$ 49
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*

Includes interest and foreign exchange gains (losses) from cross-currency interest rate contracts.

**

The amounts are not significant.

Counterparty Risk and Collateral

Certain of the company's derivative agreements contain credit support provisions that may require the company to post collateral based on the size of the net liability positions and credit ratings. The aggregate fair value of all derivatives with credit-risk-related contingent features that were in a net liability

position at October 31, 2015 and October 31, 2014, was \$41 million and \$57 million, respectively. The company, due to its credit rating and amounts of net liability position, has not posted any collateral. If the credit-risk-related contingent features were triggered, the company would be required to post collateral up to an amount equal to this liability position, prior to considering applicable netting provisions.

Derivative instruments are subject to significant concentrations of credit risk to the banking sector. The company manages individual counterparty exposure by setting limits that consider the credit rating of the counterparty, the credit default swap spread of the counterparty and other financial commitments and exposures between the company and the counterparty banks. All interest rate derivatives are transacted under International Swaps and Derivatives Association (ISDA) documentation. Some of these agreements include credit support provisions. Each master agreement permits the net settlement of amounts owed in the event of default or termination.

Derivatives are recorded without offsetting for netting arrangements or collateral. The impact on the derivative assets and liabilities related to netting arrangements and any collateral received or paid at October 31 in millions of dollars follows:

	Gross Amounts Recognized	Netting Arrangements	Collateral Received	Net Amount
2015				
Assets	\$ 428	\$ (62)		\$ 366
Liabilities	78	(62)		16
2014				
Assets	\$ 353	\$ (76)	\$ (5)	\$ 272
Liabilities	110	(76)		34

28. SEGMENT AND GEOGRAPHIC AREA DATA FOR THE YEARS ENDED OCTOBER 31, 2015, 2014 AND 2013

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The company's operations are presently organized and reported in three major business segments described as follows:

The agriculture and turf segment primarily manufactures and distributes a full line of agriculture and turf equipment and related service parts including large, medium and utility tractors; loaders; combines, corn pickers, cotton and sugarcane harvesters and related front-end equipment and sugarcane loaders; tillage, seeding and application equipment, including sprayers, nutrient management and soil preparation machinery; hay and forage equipment, including self-propelled forage harvesters and attachments, balers and mowers; turf and utility equipment, including riding lawn equipment and walk-behind mowers, golf course equipment, utility vehicles, and commercial mowing equipment, along with a broad line of associated implements; integrated agricultural management systems technology and solutions; and other outdoor power products.

The construction and forestry segment primarily manufactures and distributes a broad range of machines and service parts used in construction, earthmoving, material handling and timber harvesting including backhoe loaders; crawler dozers and loaders; four-wheel-drive loaders; excavators; motor graders; articulated dump trucks; landscape loaders; skid-steer loaders; and log skidders, feller bunchers, log loaders, log forwarders, log harvesters and related attachments.

The products and services produced by the segments above are marketed primarily through independent retail dealer networks and major retail outlets.

The financial services segment primarily finances sales and leases by John Deere dealers of new and used agriculture and turf equipment and construction and forestry equipment. In addition, the financial services segment provides wholesale financing to dealers of the foregoing equipment, finances retail revolving charge accounts and offers extended equipment warranties.

Because of integrated manufacturing operations and common administrative and marketing support, a substantial number of allocations must be made to determine operating segment and geographic area data. Intersegment sales and revenues represent sales of components and finance charges, which are generally based on market prices.

Information relating to operations by operating segment in millions of dollars follows. In addition to the following unaffiliated sales and revenues by segment, intersegment sales and revenues in 2015, 2014 and 2013 were as follows: agriculture and turf net sales of \$49 million, \$89 million and \$69 million, construction and forestry net sales of \$1 million, \$1 million and \$2 million, and financial services revenues of \$225 million, \$228 million and \$220 million, respectively.

OPERATING SEGMENTS	2015	2014	2013
Net sales and revenues			
Unaffiliated customers:			
Agriculture and turf net sales	\$ 19,812	\$ 26,380	\$ 29,132
Construction and forestry net sales	5,963	6,581	5,866
Total net sales	25,775	32,961	34,998
Financial services revenues	2,591	2,577	2,349
Other revenues*	497	529	448
Total	\$ 28,863	\$ 36,067	\$ 37,795

*

Other revenues are primarily the equipment operations' revenues for finance and interest income, and other income as disclosed in Note 31, net of certain intercompany eliminations.

Operating profit			
Agriculture and turf	\$ 1,649	\$ 3,649	\$ 4,680
Construction and forestry	528	648	378
Financial services*	963	921	870
Total operating profit	3,140	5,218	5,928
Interest income	61	57	55
Investment income		2	2
Interest expense	(273)	(289)	(297)
Foreign exchange gains (losses) from equipment operations' financing activities	13	(2)	(8)
Corporate expenses net	(160)	(196)	(197)
Income taxes	(840)	(1,627)	(1,946)

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Total	(1,199)	(2,055)	(2,391)
Net income	1,941	3,163	3,537
Less: Net income attributable to noncontrolling interests	1	1	
Net income attributable to Deere & Company	\$ 1,940	\$ 3,162	\$ 3,537

*

Operating profit of the financial services business segment includes the effect of its interest expense and foreign exchange gains or losses.

OPERATING SEGMENTS	2015	2014	2013
Interest income*			
Agriculture and turf	\$ 14	\$ 17	\$ 24
Construction and forestry	2	1	2
Financial services	1,687	1,754	1,668
Corporate	61	57	55
Intercompany	(253)	(268)	(247)
Total	\$ 1,511	\$ 1,561	\$ 1,502

*

Does not include finance rental income for equipment on operating leases.

Interest expense			
Agriculture and turf	\$ 160	\$ 175	\$ 167
Construction and forestry	45	37	36
Financial services	455	431	488
Corporate	273	289	297
Intercompany	(253)	(268)	(247)
Total	\$ 680	\$ 664	\$ 741

Depreciation* and amortization expense			
Agriculture and turf	\$ 659	\$ 681	\$ 627
Construction and forestry	133	115	106
Financial services	590	511	407
Total	\$ 1,382	\$ 1,307	\$ 1,140

*

Includes depreciation for equipment on operating leases.

Equity in income (loss) of unconsolidated affiliates						
Agriculture and turf	\$	7	\$	8	\$	(1)
Construction and forestry		(7)		(18)		
Financial services		1		2		1
Total	\$	1	\$	(8)		

Identifiable operating assets						
Agriculture and turf	\$	8,332	\$	9,442	\$	10,799
Construction and forestry		3,295		3,405		3,461
Financial services		40,909		42,784		38,646
Corporate*		5,412		5,705		6,615
Total	\$	57,948	\$	61,336	\$	59,521

*

Corporate assets are primarily the equipment operations' retirement benefits, deferred income tax assets, marketable securities and cash and cash equivalents as disclosed in Note 31, net of certain intercompany eliminations.

Capital additions						
Agriculture and turf	\$	522	\$	868	\$	981
Construction and forestry		138		145		174
Financial services		6		3		3
Total	\$	666	\$	1,016	\$	1,158

Investments in unconsolidated affiliates						
Agriculture and turf	\$	116	\$	110	\$	24
Construction and forestry		177		182		187
Financial services		10		11		10
Total	\$	303	\$	303	\$	221

The company views and has historically disclosed its operations as consisting of two geographic areas, the U.S. and Canada, and outside the U.S. and Canada, shown below in millions of dollars. No individual foreign country's net sales and revenues were material for disclosure purposes.

GEOGRAPHIC AREAS	2015	2014	2013
Net sales and revenues			
Unaffiliated customers:			
U.S. and Canada:			
Equipment operations net sales (87%)*	\$ 16,498	\$ 20,171	\$ 21,821
Financial services revenues (78%)*	2,252	2,220	2,031
Total	18,750	22,391	23,852
Outside U.S. and Canada:			
Equipment operations net sales	9,277	12,790	13,177
Financial services revenues	339	357	318
Total	9,616	13,147	13,495
Other revenues	497	529	448
Total	\$ 28,863	\$ 36,067	\$ 37,795

*

The percentages indicate the approximate proportion of each amount that relates to the U.S. only and are based upon a three-year average for 2015, 2014 and 2013.

Operating profit			
U.S. and Canada:			
Equipment operations	\$ 1,643	\$ 3,311	\$ 4,062
Financial services	802	727	706
Total	2,445	4,038	4,768
Outside U.S. and Canada:			
Equipment operations	534	986	996
Financial services	161	194	164
Total	695	1,180	1,160
Total	\$ 3,140	\$ 5,218	\$ 5,928

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Property and equipment						
U.S.	\$	3,098	\$	3,154	\$	2,997
Germany		568		640		647
Other countries		1,515		1,784		1,823
Total	\$	5,181	\$	5,578	\$	5,467

29. SUPPLEMENTAL INFORMATION (UNAUDITED)

Common stock per share sales prices from New York Stock Exchange composite transactions quotations follow:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2015 Market price				
High	\$ 90.85	\$ 92.75	\$ 97.33	\$ 97.14
Low	\$ 84.55	\$ 86.64	\$ 88.98	\$ 72.89
2014 Market price				
High	\$ 91.33	\$ 93.89	\$ 94.53	\$ 87.16
Low	\$ 81.50	\$ 84.05	\$ 85.11	\$ 80.01

At October 31, 2015, there were 23,415 holders of record of the company's \$1 par value common stock.

Quarterly information with respect to net sales and revenues and earnings is shown in the following schedule. The company's fiscal year ends in October and its interim periods (quarters) end in January, April and July. Such information is shown in millions of dollars except for per share amounts.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2015				
Net sales and revenues	\$ 6,383	\$ 8,171	\$ 7,594	\$ 6,715
Net sales	5,605	7,399	6,839	5,932
Gross profit	1,184	1,704	1,482	1,262
Income before income taxes	568	1,017	738	457
Net income attributable to Deere & Company	387	690	512	351
Per share data:				
Basic	1.13	2.05	1.54	1.09
Diluted	1.12	2.03	1.53	1.08
Dividends declared	.60	.60	.60	.60
Dividends paid	.60	.60	.60	.60
2014*				
Net sales and revenues	\$ 7,654	\$ 9,948	\$ 9,500	\$ 8,965
Net sales	6,949	9,246	8,723	8,043
Gross profit	1,753	2,374	2,112	1,946
Income before income taxes	965	1,464	1,292	1,076
Net income attributable to Deere & Company	681	981	851	649
Per share data:				
Basic	1.83	2.67	2.35	1.84
Diluted	1.81	2.65	2.33	1.83
Dividends declared	.51	.51	.60	.60
Dividends paid	.51	.51	.51	.60

Net income per share for each quarter must be computed independently. As a result, their sum may not equal

the total net income per share for the year.

*

See Note 5 for "Special Items."

30. SUBSEQUENT EVENTS

A quarterly dividend of \$.60 per share was declared at the Board of Directors meeting on December 2, 2015, payable on February 1, 2016 to stockholders of record on December 31, 2015.

31. SUPPLEMENTAL CONSOLIDATING DATA
INCOME STATEMENT
For the Years Ended October 31, 2015, 2014 and 2013
(In millions of dollars)

	EQUIPMENT OPERATIONS*			FINANCIAL SERVICES		
	2015	2014	2013	2015	2014	2013
Net Sales and Revenues						
Net sales	\$ 25,775.2	\$ 32,960.6	\$ 34,997.9			
Finance and interest income	77.0	76.5	80.8	\$ 2,557.0	\$ 2,475.0	\$ 2,280.5
Other income	602.7	622.6	549.1	258.9	330.2	288.4
Total	26,454.9	33,659.7	35,627.8	2,815.9	2,805.2	2,568.9
Costs and Expenses						
Cost of sales	20,145.2	24,777.8	25,668.8			
Research and development expenses	1,425.1	1,452.0	1,477.3			
Selling, administrative and general expenses	2,393.8	2,765.1	3,143.9	487.3	529.2	473.2
Interest expense	272.8	289.4	297.1	455.0	430.9	487.6
Interest compensation to Financial Services	204.8	212.1	202.7			
Other operating expenses	195.0	285.4	223.7	911.7	925.6	739.0
Total	24,636.7	29,781.8	31,013.5	1,854.0	1,885.7	1,699.8
Income of Consolidated Group before						
Income Taxes	1,818.2	3,877.9	4,614.3	961.9	919.5	869.1
Provision for income taxes	509.9	1,329.6	1,640.7	330.2	296.9	305.2
Income of Consolidated Group	1,308.3	2,548.3	2,973.6	631.7	622.6	563.9
Equity in Income (Loss) of Unconsolidated						
Subsidiaries and Affiliates						
Financial Services	632.9	624.5	565.0	1.2	1.9	1.1
Other	(.3)	(9.5)	(1.0)			
Total	632.6	615.0	564.0	1.2	1.9	1.1
Net Income	1,940.9	3,163.3	3,537.6	632.9	624.5	565.0
Less: Net income attributable to noncontrolling interests	..9	1.6	..3			
Net Income Attributable to Deere & Company	\$ 1,940.0	\$ 3,161.7	\$ 3,537.3	\$ 632.9	\$ 624.5	\$ 565.0

*

Deere & Company with Financial Services on the equity basis.

The supplemental consolidating data is presented for informational purposes. The "Equipment Operations" reflect the basis of consolidation described in Note 1 to the consolidated financial statements. The consolidated group data in the "Equipment Operations" income statement reflect the results of the agriculture and turf operations and construction and forestry operations. Transactions between the "Equipment

Operations" and "Financial Services" have been eliminated to arrive at the consolidated financial statements.

31. SUPPLEMENTAL CONSOLIDATING DATA (continued)**BALANCE SHEET****As of October 31, 2015 and 2014**

(In millions of dollars except per share amounts)

	EQUIPMENT OPERATIONS*		FINANCIAL SERVICES	
	2015	2014	2015	2014
ASSETS				
Cash and cash equivalents	\$ 2,900.0	\$ 2,569.2	\$ 1,262.2	\$ 1,217.8
Marketable securities	47.7	700.4	389.7	514.7
Receivables from unconsolidated subsidiaries and affiliates	2,428.7	3,663.9		
Trade accounts and notes receivable net	485.2	706.0	3,553.1	3,554.4
Financing receivables net	.9	18.5	24,808.1	27,403.7
Financing receivables securitized net			4,834.6	4,602.3
Other receivables	849.5	848.0	152.9	659.0
Equipment on operating leases net			4,970.4	4,015.5
Inventories	3,817.0	4,209.7		
Property and equipment net	5,126.2	5,522.5	55.3	55.3
Investments in unconsolidated subsidiaries and affiliates	4,817.6	5,106.5	10.5	10.9
Goodwill	726.0	791.2		
Other intangible assets net	63.6	64.8		4.0
Retirement benefits	211.9	263.5	25.0	32.9
Deferred income taxes	3,092.0	2,981.9	67.9	64.9
Other assets	807.3	850.6	779.1	648.2
Total Assets	\$ 25,373.6	\$ 28,296.7	\$ 40,908.8	\$ 42,783.6
LIABILITIES AND STOCKHOLDERS' EQUITY				
LIABILITIES				
Short-term borrowings	\$ 464.3	\$ 434.1	\$ 7,962.3	\$ 7,585.1
Short-term securitization borrowings			4,590.0	4,558.5
Payables to unconsolidated subsidiaries and affiliates	80.6	101.0	2,395.4	3,633.7
Accounts payable and accrued expenses	6,801.2	7,518.4	1,511.2	2,027.0
Deferred income taxes	86.8	87.1	466.6	344.1
Long-term borrowings	4,460.6	4,642.5	19,372.2	19,738.2
Retirement benefits and other liabilities	6,722.5	6,448.1	86.4	82.8
Total liabilities	18,616.0	19,231.2	36,384.1	37,969.4
Commitments and contingencies (Note 22)				
STOCKHOLDERS' EQUITY				
Common stock, \$1 par value (authorized 1,200,000,000 shares; issued 536,431,204 shares in 2015 and 2014), at paid-in amount	3,825.6	3,675.4	2,050.8	2,023.1
Common stock in treasury, 219,743,893 shares in 2015 and 190,926,805 shares in 2014, at cost	(15,497.6)	(12,834.2)		
Retained earnings	23,144.8	22,004.4	2,764.8	2,811.8
Accumulated other comprehensive income (loss)	(4,729.4)	(3,783.0)	(290.9)	(20.7)
Total Deere & Company stockholders' equity	6,743.4	9,062.6	4,524.7	4,814.2
Noncontrolling interests	14.2	2.9		
Total stockholders' equity	6,757.6	9,065.5	4,524.7	4,814.2
Total Liabilities and Stockholders' Equity	\$ 25,373.6	\$ 28,296.7	\$ 40,908.8	\$ 42,783.6

*

Deere & Company with Financial Services on the equity basis.

The supplemental consolidating data is presented for informational purposes. The "Equipment Operations" reflect the basis of consolidation described in Note 1 to the consolidated financial statements. Transactions between the "Equipment Operations" and "Financial Services" have been eliminated to arrive at the consolidated financial statements.

31. SUPPLEMENTAL CONSOLIDATING DATA (continued)**STATEMENT OF CASH FLOWS****For the Years Ended October 31, 2015, 2014 and 2013**

(In millions of dollars)

	EQUIPMENT OPERATIONS*			FINANCIAL SERVICES		
	2015	2014	2013	2015	2014	2013
Cash Flows from Operating Activities						
Net income	\$ 1,940.9	\$ 3,163.3	\$ 3,537.6	\$ 632.9	\$ 624.5	\$ 565.0
Adjustments to reconcile net income to net cash provided by operating activities:						
Provision for credit losses	5.5	2.9	10.8	49.9	35.2	9.7
Provision for depreciation and amortization	791.8	795.7	733.0	688.5	574.9	492.2
Impairment charges	15.3	95.9	102.0	19.5		
Undistributed earnings of unconsolidated subsidiaries and affiliates	46.6	(463.4)	(369.0)	(1.0)	(1.7)	(.9)
Provision (credit) for deferred income taxes	(139.8)	(236.4)	(204.6)	121.4	(43.7)	32.0
Changes in assets and liabilities:						
Trade receivables	113.4	231.5	26.1			
Insurance receivables				333.4	(149.9)	263.4
Inventories	(17.0)	496.2	(69.6)			
Accounts payable and accrued expenses	(253.8)	(277.0)	470.5	(245.4)	263.3	(207.9)
Accrued income taxes payable/receivable	(133.0)	330.5	84.2	(4.6)	12.1	(3.8)
Retirement benefits	414.3	323.0	241.6	13.2	13.9	20.4
Other	271.1	70.0	106.0	(25.7)	(7.7)	73.5
Net cash provided by operating activities	3,055.3	4,532.2	4,668.6	1,582.1	1,320.9	1,243.6
Cash Flows from Investing Activities						
Collections of receivables (excluding trade and wholesale)				16,266.1	16,772.0	15,440.0
Proceeds from maturities and sales of marketable securities	700.1	1,000.1	800.1	160.6	22.4	43.8
Proceeds from sales of equipment on operating leases				1,049.4	1,091.5	936.7
Proceeds from sales of businesses, net of cash sold		345.8	22.0	149.2		
Cost of receivables acquired (excluding trade and wholesale)				(16,327.8)	(19,015.3)	(18,792.7)
Purchases of marketable securities	(60.0)	(504.1)	(911.1)	(94.9)	(110.5)	(115.2)
Purchases of property and equipment	(688.1)	(1,045.2)	(1,155.2)	(5.9)	(3.1)	(3.2)
Cost of equipment on operating leases acquired				(3,043.6)	(2,684.2)	(2,107.2)
Increase in investment in Financial Services	(27.4)	(66.8)	(121.6)			
Acquisitions of businesses, net of cash acquired			(83.5)			
Decrease (increase) in trade and wholesale receivables				657.0	(782.0)	(1,152.7)
Other	6.8	(98.6)	(120.0)	(45.1)	(47.1)	(94.5)
Net cash used for investing activities	(68.6)	(368.8)	(1,569.3)	(1,235.0)	(4,756.3)	(5,845.0)
Cash Flows from Financing Activities						
Increase (decrease) in total short-term borrowings	211.9	(65.8)	36.0	289.7	155.0	2,713.5
Change in intercompany receivables/payables	928.6	(367.5)	(2,007.2)	(928.6)	367.5	2,007.2
Proceeds from long-term borrowings	6.2	60.7	282.9	5,704.8	8,171.3	4,451.1
Payments of long-term borrowings	(214.2)	(819.1)	(191.0)	(4,649.0)	(4,390.0)	(4,767.4)
Proceeds from issuance of common stock	172.1	149.5	174.5			
Repurchases of common stock	(2,770.7)	(2,731.1)	(1,531.4)			

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Capital investment from Equipment Operations				27.4	66.8	121.6
Dividends paid	(816.3)	(786.0)	(752.9)	(679.6)	(150.0)	(186.0)
Excess tax benefits from share-based compensation	18.5	30.8	50.7			
Other	(45.4)	(27.7)	(40.1)	(26.7)	(35.9)	(19.2)
Net cash provided by (used for) financing activities	(2,509.3)	(4,556.2)	(3,978.5)	(262.0)	4,184.7	4,320.8
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(146.6)	(61.3)	(5.4)	(40.7)	(12.3)	17.1
Net Increase (Decrease) in Cash and Cash Equivalents	330.8	(454.1)	(884.6)	44.4	737.0	(263.5)
Cash and Cash Equivalents at Beginning of Year	2,569.2	3,023.3	3,907.9	1,217.8	480.8	744.3
Cash and Cash Equivalents at End of Year	\$ 2,900.0	\$ 2,569.2	\$ 3,023.3	\$ 1,262.2	\$ 1,217.8	\$ 480.8

*

Deere & Company with Financial Services on the equity basis.

The supplemental consolidating data is presented for informational purposes. The "Equipment Operations" reflect the basis of consolidation described in Note 1 to the consolidated financial statements. Transactions between the "Equipment Operations" and "Financial Services" have been eliminated to arrive at the consolidated financial statements.

DEERE & COMPANY

SELECTED FINANCIAL DATA

(Dollars in millions except per share amounts)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net sales and revenues	\$ 28,863	\$ 36,067	\$ 37,795	\$ 36,157	\$ 32,013	\$ 26,005	\$ 23,112	\$ 28,438	\$ 24,082	\$ 22,148
Net sales	25,775	32,961	34,998	33,501	29,466	23,573	20,756	25,803	21,489	19,884
Finance and interest income	2,381	2,282	2,115	1,981	1,923	1,825	1,842	2,068	2,055	1,777
Research and development expenses	1,425	1,452	1,477	1,434	1,226	1,052	977	943	817	726
Selling, administrative and general expenses	2,873	3,284	3,606	3,417	3,169	2,969	2,781	2,960	2,621	2,324
Interest expense	680	664	741	783	759	811	1,042	1,137	1,151	1,018
Income from continuing operations*	1,940	3,162	3,537	3,065	2,800	1,865	873	2,053	1,822	1,453
Net income*	1,940	3,162	3,537	3,065	2,800	1,865	873	2,053	1,822	1,694
Return on net sales	7.5%	9.6%	10.1%	9.1%	9.5%	7.9%	4.2%	8.0%	8.5%	8.5%
Return on beginning Deere & Company stockholders' equity	21.4%	30.8%	51.7%	45.1%	44.5%	38.7%	13.4%	28.7%	24.3%	24.7%
Comprehensive income (loss)*	994	2,072	5,416	2,171	2,502	2,079	(1,333)	1,303	2,201	1,795
Income per share from										
continuing operations basic*	\$ 5.81	\$ 8.71	\$ 9.18	\$ 7.72	\$ 6.71	\$ 4.40	\$ 2.07	\$ 4.76	\$ 4.05	\$ 3.11
diluted*	5.77	8.63	9.09	7.63	6.63	4.35	2.06	4.70	4.00	3.08
Net income per share basic*	5.81	8.71	9.18	7.72	6.71	4.40	2.07	4.76	4.05	3.63
diluted*	5.77	8.63	9.09	7.63	6.63	4.35	2.06	4.70	4.00	3.59
Dividends declared per share	2.40	2.22	1.99	1.79	1.52	1.16	1.12	1.06	.91	.78
Dividends paid per share	2.40	2.13	1.94	1.74	1.41	1.14	1.12	1.03	.85 ^{1/2}	.74
Average number of common										
shares outstanding (in millions) basic	333.6	363.0	385.3	397.1	417.4	424.0	422.8	431.1	449.3	466.8
diluted	336.0	366.1	389.2	401.5	422.4	428.6	424.4	436.3	455.0	471.6
Total assets	\$ 57,948	\$ 61,336	\$ 59,521	\$ 56,266	\$ 48,207	\$ 43,267	\$ 41,133	\$ 38,735	\$ 38,576	\$ 34,720
Trade accounts and notes receivable net	3,051	3,278	3,758	3,799	3,295	3,464	2,617	3,235	3,055	3,038
Financing receivables net	24,809	27,422	25,633	22,159	19,924	17,682	15,255	16,017	15,631	14,004
Financing receivables securitized net	4,835	4,602	4,153	3,618	2,905	2,238	3,108	1,645	2,289	2,371
Equipment on operating leases net	4,970	4,016	3,152	2,528	2,150	1,936	1,733	1,639	1,705	1,494
Inventories	3,817	4,210	4,935	5,170	4,371	3,063	2,397	3,042	2,337	1,957
Property and equipment net	5,181	5,578	5,467	5,012	4,352	3,791	4,532	4,128	3,534	2,764
Short-term borrowings:										
Equipment operations	465	434	1,080	425	528	85	490	218	130	282
Financial services	7,962	7,585	7,709	5,968	6,324	5,241	3,537	6,621	7,495	5,436
Total	8,427	8,019	8,789	6,393	6,852	5,326	4,027	6,839	7,625	5,718
Short-term securitization borrowings:										
Financial services	4,590	4,559	4,109	3,575	2,777	2,209	3,132	1,682	2,344	2,403
Long-term borrowings:										
Equipment operations	4,461	4,643	4,871	5,445	3,167	3,329	3,073	1,992	1,973	1,969
Financial services	19,372	19,738	16,707	17,008	13,793	13,486	14,319	11,907	9,825	9,615
Total	23,833	24,381	21,578	22,453	16,960	16,815	17,392	13,899	11,798	11,584
Total Deere & Company stockholders' equity	6,743	9,063	10,266	6,842	6,800	6,290	4,819	6,533	7,156	7,491
Book value per share*	\$ 21.29	\$ 26.23	\$ 27.46	\$ 17.64	\$ 16.75	\$ 14.90	\$ 11.39	\$ 15.47	\$ 16.28	\$ 16.48
Capital expenditures	\$ 655	\$ 1,004	\$ 1,132	\$ 1,360	\$ 1,050	\$ 795	\$ 767	\$ 1,117	\$ 1,025	\$ 774
Number of employees (at year end)	57,180	59,623	67,044	66,859	61,278	55,650	51,262	56,653	52,022	46,549

*

Attributable to Deere & Company.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DEERE & COMPANY

By: /s/ Rajesh Kalathur
 Rajesh Kalathur
 Senior Vice President and Chief Financial Officer

Date: February 1, 2016

SCHEDULE II

DEERE & COMPANY AND CONSOLIDATED SUBSIDIARIES
 VALUATION AND QUALIFYING ACCOUNTS

For the Years Ended October 31, 2015, 2014 and 2013
 (in thousands of dollars)

Column A	Column B		Column C		Column D		Column E
Description	Balance at beginning of period	Charged to costs and expenses	Description	Charged to other accounts Amount	Description	Deductions Amount	Balance at end of period
YEAR ENDED							
OCTOBER 31, 2015							
Allowance for credit losses:							
Equipment operations:							
Trade receivable allowances	\$ 50,248	\$ 5,270	Bad debt recoveries	\$ 116	Trade receivable write-offs	\$ 5,260	\$ 34,891
					Other-primarily translation	15,483	
Financial services:	5,298	1,172		230		329	5,932

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Trade receivable allowances			Bad debt recoveries		Trade receivable write-offs			
					Other-primarily translation	439		
Financing receivable allowances	174,632	46,481	Bad debt recoveries	25,987	Financing receivable write-offs	66,807	157,621	
					Other-primarily translation	22,672		
Consolidated receivable allowances	\$ 230,178	\$ 52,923		\$ 26,333		\$ 110,990	\$ 198,444	
YEAR ENDED								
OCTOBER 31, 2014								
Allowance for credit losses:								
Equipment operations:								
Trade receivable allowances	\$ 62,845	\$ 3,054	Bad debt recoveries	\$ 92	Trade receivable write-offs	\$ 10,744	\$ 50,248	
					Other-primarily translation	4,999		
Financial services:								
Trade receivable allowances	4,300	4,009	Bad debt recoveries	92	Trade receivable write-offs	2,863	5,298	
					Other-primarily translation	240		
Financing receivable allowances	173,000	31,179	Bad debt recoveries	25,968	Financing receivable write-offs	49,313	174,632	
					Other-primarily translation	6,202		
Consolidated receivable allowances	\$ 240,145	\$ 38,242		\$ 26,152		\$ 74,361	\$ 230,178	
YEAR ENDED								
OCTOBER 31, 2013								
Allowance for credit losses:								
Equipment operations:								
Trade receivable allowances	\$ 62,255	\$ 10,546	Bad debt recoveries	\$ 476	Trade receivable write-offs	\$ 3,847	\$ 62,845	
					Other-primarily translation	6,585		
Financial services:								
Trade receivable allowances	4,037	(102)	Bad debt recoveries	203	Trade receivable write-offs	300	4,300	
			Other-primarily translation	462				
Financing receivable allowances	176,574	9,726	Bad debt recoveries	27,406	Financing receivable write-offs	35,258	173,000	
					Other-primarily translation	5,448		
Consolidated receivable allowances	\$ 242,866	\$ 20,170		\$ 28,547		\$ 51,438	\$ 240,145	

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- 31.1 Rule 13a-14(a)/15d-14(a) Certification
- 31.2 Rule 13a-14(a)/15d-14(a) Certification
- 32 Section 1350 Certifications
- 101 Interactive Data File