DEERE & CO
Form 11-K
February 21, 2017
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 11-K

X ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended October 31, 2016

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______ to _______

COMMISSION FILE NUMBER 1-4121

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

JOHN DEERE TAX DEFERRED SAVINGS PLAN FOR WAGE EMPLOYEES

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

DEERE & COMPANY
ONE JOHN DEERE PLACE
MOLINE, ILLINOIS 61265

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REQUIRED INFORMATION

1. The Financial Statements and Schedule of the John Deere Tax Deferred Savings Plan for Wage Employees prepared in accordance with the financial reporting requirements of the Employee Retirement Income Security Act of 1974, as amended.

Exhibit 23. Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm.

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JOHN DEERE TAX DEFERRED SAVINGS PLAN FOR WAGE EMPLOYEES

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All other schedules required by Section 2520.103-10 of the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants in the John Deere Tax Deferred Savings Plan for Wage Employees:

We have audited the accompanying statements of net assets available for benefits of the John Deere Tax Deferred Savings Plan for Wage Employees (the Plan) as of October 31, 2016 and 2015, and the related statement of changes in net assets available for benefits for the year ended October 31, 2016. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of October 31, 2016 and 2015, and the changes in net assets available for benefits for the year ended October 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

The supplemental schedule of assets (held at end of year) as of October 31, 2016, has been subjected to audit procedures performed in conjunction with the audit of the Plan s financial statements. The supplemental schedule is the responsibility of the Plan s management. Our audit procedures included determining whether the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in compliance with the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, such schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois

February 21, 2017

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JOHN DEERE TAX DEFERRED SAVINGS PLAN FOR WAGE EMPLOYEES

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF OCTOBER 31, 2016 AND 2015 (IN THOUSANDS)

ASSETS:	2016	2015
PARTICIPANT-DIRECTED INVESTMENTS		
Investment in John Deere Savings Plans Master Trust	$ 702,387	$ 697,577
RECEIVABLES - Loans to participants	20,015	19,362
NET ASSETS AVAILABLE FOR BENEFITS	$ 722,402	$ 716,939

See notes to financial statements.

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JOHN DEERE TAX DEFERRED SAVINGS PLAN FOR WAGE EMPLOYEES

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED OCTOBER 31, 2016 (IN THOUSANDS)

ADDITIONS:		
CONTRIBUTIONS:		
Participant	$	28,080
Company		11,338
Total contributions		39,418
INVESTMENT INCOME - Net participation in activity of John Deere Savings Plans Master Trust		30,310
Interest on participant loans		970
TOTAL ADDITIONS		70,698
DEDUCTIONS:		
Benefits paid to participants		63,405
Net transfers to affiliate plan		1,659
Administrative expenses		171
Total deductions		65,235
INCREASE IN NET ASSETS		5,463
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year		716,939
End of year	$	722,402

See notes to financial statements.

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JOHN DEERE TAX DEFERRED SAVINGS PLAN FOR WAGE EMPLOYEES

NOTES TO FINANCIAL STATEMENTS AS OF

OCTOBER 31, 2016 AND 2015 AND FOR THE YEAR ENDED OCTOBER 31, 2016

1. DESCRIPTION OF PLAN

The following is a general description of the John Deere Tax Deferred Savings Plan for Wage Employees (the Plan). This description applies to each of the years for which financial statements are presented and provides only general information. For a more complete description of the Plan s provisions, participants should refer to the Plan agreement.

Deere & Company (the Company) maintains two defined contribution plans in the U.S. for the benefit of its employees. The investment assets of these plans are commingled and held in the John Deere Savings Plans Master Trust (the Master Trust). These plans are the John Deere Savings and Investment Plan and the John Deere Tax Deferred Savings Plan for Wage Employees. Each of the participating plans has an interest in the net assets of the Master Trust and changes therein.

General The Plan was established September 1, 1987 by the Company for certain eligible employees of the Company and its subsidiaries. The purpose of the Plan is to provide employees with a tax advantaged method of savings and investment. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Deere & Company 401(k) Benefits Committee is the administrator of the Plan. Fidelity Management Trust Company, Boston, Massachusetts, is the Plan trustee (Trustee), and Fidelity Investment Institutional Operations Company, Inc., an affiliate of the Trustee, is the recordkeeper (collectively, Fidelity).

Eligibility Employees are eligible to participate in the Plan immediately upon hire if they are hourly employees on the United States (U.S.) payroll of the Company or its participating subsidiaries. Certain non-bargained hourly employees on the U.S. payroll are participants in the John Deere Savings and Investment Plan.

Contributions An eligible employee may elect to become a participant in the Plan by contacting Fidelity to authorize the Company to withhold contributions from his or her compensation during the period of participation. Participant contributions and investment elections are processed through Fidelity using a voice-response system, on-line through NetBenefits, or through a Fidelity representative. Participant contributions can range from one percent to 75 percent of compensation, as elected by the participant, as limited by the Internal Revenue Code (IRC). Participants may amend or revoke their elections as of the next occurring payroll period. The Plan accepts Roth elective contributions, as well as Roth catch-up contributions, made on behalf of eligible participants, which are allocated to a separate account source.

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The Company provides a matching contribution to employees hired after October 1, 1997 generally equal to 25 percent (30 percent for John Deere Horicon Works and 50 percent for John Deere Commercial Products) of the employee s contributions up to six percent of eligible compensation. Beginning with the first payroll period in October 2015, the matching contribution was generally increased to 60 percent. Beginning January 1, 2015, the matching contribution for John Deere Commercial Products increased to 75 percent. Beginning with the first payroll period in July 2015, the matching contribution for John Deere Horicon Works employees hired prior to October 1, 1998 was increased to 50 percent. For employees hired on or after October 1, 1998, the matching contribution was increased to 65 percent. Contributions are sent to Fidelity as soon as practicable following each payroll period, and are invested by Fidelity in funds as specified by the participants. Monies will be held and invested by Fidelity in a BlackRock Lifepath Index Fund closest to the employee s 65th birthday (the default investment option) until designated investments have been elected by the participant.

All contributions are considered tax deferred under section 401(a) of the IRC, with the exception of Roth elective deferrals, which are made on an after-tax basis.

Participant Accounts Individual accounts are maintained for each Plan participant. Each participant s account is credited with contributions made by the participant and the Company together with earnings and losses allocated daily among participants based on the ratio of their respective account balances as of the preceding day. Participants are immediately vested in their contributions and allocated earnings or losses. The Company matching contributions and allocated earnings or losses related to matching are vested after a participant has three years of service with the Company. The benefit to which a participant is entitled is one that can be provided from the participant s vested account balance.

Forfeited Accounts At October 31, 2016 and 2015, forfeited nonvested accounts totaled $53,142 and $29,715, respectively. These accounts will be used to reduce future Company contributions. During the year ended October 31, 2016, the amount of Company contributions reduced through forfeited nonvested accounts was $27,689.

Fund Elections Participants in the Plan direct the investment of their account balances into one or more investment funds, which include the following as of October 31, 2016:

- Blended Interest Fund
- Wells Fargo Core Plus Bond Fund
- Deere & Company Common Stock Fund*
- Any of 22 Common Collective Trust Funds
- Mutual Fund

*Beginning January 27, 2014, participants may not invest more than 20% of their future contributions in the Deere & Company Common Stock Fund. As of this same date, exchanges into the Deere & Company Common Stock Fund may not result in more than a 20% investment in the Deere & Company Stock Fund.

In addition, participants have access to Fidelity BrokerageLink, which is a self-directed brokerage account. Through this account, a participant has access to over 3,000 open-ended mutual funds from a variety of fund families.

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The Plan includes an Employee Stock Ownership Plan and dividend payout feature whereby participants may elect to receive dividends on their vested shares of Company common stock in the Deere & Company Common Stock Fund in either cash or as a reinvestment in Company common stock. If no election is made, the default option is reinvestment in Company common stock.

Loans Employees who participate in the Plan are eligible to borrow against their account balances. Loans must be at least $1,000 and are limited to the lesser of $50,000 (reduced by the participant s highest outstanding loan balance during the immediately preceding one year period) or 50 percent of their vested account balances on the effective dates of the loans, and the term of a loan may not exceed five years (ten years if the loan proceeds are used to purchase a primary residence). The loans are secured by the balance in the participant s account and interest is assessed at a rate which is determined based on the published prime interest rate. Repayment for actively employed participants is intended to be made via payroll deductions. A participant with an outstanding loan at the time of unpaid leave of absence, retirement, or separation from service may opt to continue making loan payments through the financial institution of their choice, which sends payments to Fidelity via Automated Clearing House transfers. A minimum of one payment must be made each quarter (equal to all payments due for the quarter) to keep the loan current. The entire loan must be repaid within five years of the effective date of the loan or the original loan term, whichever is less. Failure by the participant to make a quarterly payment or pay the loan off within five years of inception or the original loan term, whichever is less, will result in the outstanding loan balance becoming a taxable distribution to the participant. If an eligible participant elects to take full distribution of their account balance and a loan balance remains, the entire loan balance remaining will be taxable.

Payment of Benefits Distributions are not permitted while the participants are employed by the Company unless a distribution is required to meet legal requirements or the participant has reached age 59-1/2. Participants who have terminated employment with the Company or retired may elect an immediate distribution or may defer the start of distributions up to age 70-1/2. Retired and separated participants with vested balances of $1,000 or less are required to take full distribution of their account. The beneficiary of a participant who died may elect a deferred distribution payable no later than five years after the participant s death. Distributions from the Deere & Company Common Stock Fund may be in cash or whole shares and residual cash. Distributions from all of the other funds are in cash.

Participants may take a lump-sum distribution or elect one of the following distribution options:

(a) Level Sum Distribution A specified dollar amount is distributed monthly.

(b) Decremental Distribution A decremental withdrawal is made over a specified period of time.

(c) Unscheduled, Partial Distribution Unscheduled amounts are distributed at the discretion of the participant with a minimum distribution of $1,000.

(d) Mandated Distribution after 70-1/2 By April 1 of the year following the year in which the participant turns 70-1/2, if no longer employed by the Company, the participant must either take a lump-sum distribution or begin systematic withdrawals which are actuarially determined.

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Hardship Withdrawals Participants in the Plan, under Internal Revenue Service (IRS) guidelines, may request hardship withdrawals for heavy and immediate financial needs which cannot be reasonably met from other resources of the participant. A hardship withdrawal results in a six-month suspension of participant contributions and Company matching contributions. Only one hardship withdrawal is allowed in a 12-month period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The Plan s financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates The preparation of financial statements in conformity with GAAP requires Plan management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties The Plan utilizes various investment instruments, including mutual funds, common collective trusts, common stock, fixed income securities, and investment contracts. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the value of the participants account balances and the amounts reported in the financial statements.

Valuation of Investments Investments are stated at fair value except for the Blended Interest Fund which is recorded at contract value. Fair value is 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.

Deere & Company Common Stock Fund Fair value is based on the closing sales price reported on recognized securities exchanges on the last business day of the fiscal year. The Deere & Company Common Stock Fund is maintained on a unit value basis and includes a money market fund for liquidity purposes. The number of units and related net asset value per unit as of October 31, 2016 and 2015 for the fund are as follows:

	Master Trust Units Outstanding	**Plan Units Outstanding**	**Net Asset Value Per Unit**
October 31, 2016	3,567,577	770,353	$ 128.24
October 31, 2015	3,754,805	843,080	