

7 March 2018: Sale of agricultural tractors

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The Autorité closes the investigation against agricultural tractor manufacturers John Deere and AGCO (Massey Ferguson, Fendt, Laverda and Valtra).

It has ensured that the manufacturers change their commercial practices in respect of dealers in order to strengthen competition and diversify supply to the benefit of farmers.

The Investigation services of the *Autorité de la concurrence* had previously opened an investigation into the commercial practices implemented by agricultural tractor manufacturers, following the transmission of pieces of evidence by the DGCCRF. In the wake of this investigation, several manufacturers took steps to strengthen competition between their dealers.

Commercial provisions likely to hinder the commercial freedom of dealers

The John Deere and AGCO groups (manufacturer of brands that include Massey Ferguson, Fendt, Laverda and Valtra) distribute their tractors via a network of dealers, most of which are granted access to an exclusive territory.

Although it may be acceptable for dealers not to be able to approach clients outside their territory, they must, however, be able to sell their tractors to any client so requesting, regardless of their geographical location.

However, the dealership contracts and the general terms and conditions of sale (GTCS) of the manufacturers were drafted in such a way as to cause uncertainty about the commercial options open to dealers. Numerous dealers would refrain from responding to requests from clients outside their territory or would request

prior approval from their manufacturer.

The manufacturers have clarified the distribution rules in order to reaffirm the commercial freedom of dealers

During the investigation, the manufacturers, who were approached by the Investigation services of the *Autorité*, took the initiative of clarifying the distribution rules with the dealers. AGCO amended its dealership contract and its general terms and conditions of sale in order to reaffirm the commercial freedom of its dealers. John Deere ran an information campaign with its dealers to remind them that they are free to respond to the requests of their clients, even if they are not based in the territory allocated by the brand.

Farmers will have easier access to commercial opportunities

Thanks to these clarifications, farmers will have easier access to commercial opportunities, as they will be able to get quotes from the different brand dealers regardless of their geographical location.

Having noted these initiatives, which foster competition on the market, the investigation services of the *Autorité* decided to close the investigation into the groups John Deere and AGCO. Nonetheless, they will continue to keep a close eye on market behaviour and will check that the dealers are actually being allowed to market their tractors in compliance with competition rules.

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