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AGCO To Open Site in Daqing, Heilongjiang, China

Operation to produce higher horsepower tractors and higher class combines

DULUTH, Ga., Nov 08, 2010 (BUSINESS WIRE) --

AGCO, Your Agriculture Company, (NYSE: AGCO), a worldwide manufacturer and distributor of agricultural equipment, announced it will open a manufacturing operation in Daqing, Heilongjiang, China.

"China is one of the world's largest farm equipment markets and offers tremendous growth opportunities for AGCO. The opening of our third manufacturing operation in China marks an important step in the implementation of our Asian growth strategy," said Hubertus Muehlbauer, Senior Vice President, Strategy & Integration and General Manager Eastern Europe & Asia. The site adds to AGCO's Chinese manufacturing strategy consisting of Genset operations in Shanghai as well as planned engine and low-to-mid horsepower tractor production in Changzhou.

The Chinese agriculture equipment market continues to see significant growth. Farm consolidation and government policies are driving an increasing demand in the higher horsepower tractor and combine segment. AGCO's site in Daqing will host the company's China high horsepower tractor and class 4 and higher combine production.

"Heilongjiang is one of the most important agricultural regions in China. The large size of the region's farms and agricultural practices make it an ideal location for AGCO's higher horsepower tractor and large combine operations," explained Mr. Muehlbauer. "We will increase production capacity and degree of localization over the next years in line with market demand. Our plans foresee this site to become a key production hub for the region."

AGCO has recently been awarded major contracts in a series of competitive bids for tractors by the Heilongjiang provincial government in China. These are part of a program aimed at expanding agricultural technology and productivity in the Chinese market. By the end of 2010, AGCO will have delivered more than a thousand Valtra high horsepower tractors to the province. The units will support the province of Heilongjiang in its plan to further advance local farming practices and productivity.

AGCO has been a market leader in China for imported tractors for seven consecutive years. Over the past decade it has established a strong local after-sales service and spare parts capability serving the needs of local end users in the key farm equipment regions of China. The new site allows AGCO to better support large farming operations throughout China.

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