

# EMERGING ISSUES

## “RIGHT TO REPAIR” IN THE AG INDUSTRY

Recent development in the standoff between farmers and equipment manufacturers over third-party repairs



Like cars, much of today's farm equipment is highly complex, with embedded software that makes it safer and easier to operate, but also more difficult to repair.

Similar to their counterparts in other industries, original equipment manufacturers (OEMs) in agriculture often restrict access to code, manuals, replacement parts, and diagnostic tools. Owners cannot repair equipment themselves or use an independent repair shop, but must rely on authorized repair facilities.

In recent years, farmers have been pushing for the “right to repair,” while OEMs have argued that restrictions are necessary to protect their proprietary rights and ensure safety. Monitoring the issue may help insurers understand their farmowner clients' needs and the impact on the claims experience.

### THE ARGUMENTS

Proponents of the right to repair argue that manufacturer restrictions create a monopoly – stifling competition, eliminating choice, and driving up costs.

For many, it also comes down to the issue of ownership. Right to repair advocates argue that once a piece of equipment is purchased, full ownership should

transfer from the manufacturer to the new title holder, including all associated information and rights.

These arguments have special resonance in the ag industry. A culture of self-reliance means that many farmers prefer to maintain their own equipment. After all, authorized repair facilities may be far away. A long wait for an authorized technician during planting or harvesting would impact their bottom line.

For their part, manufacturers argue that repair restrictions protect their intellectual property rights and are crucial to innovation. They also claim that restrictions are permitted under other laws – for example, copyright law allows them to protect their code, and trade secret law lets them guard their repair manuals against disclosure to the public.

In addition, OEMs argue that their repair processes require complex skills and safety training. By limiting repairs to authorized technicians, they say, they are helping to prevent injuries related to improperly serviced equipment.

### LEGISLATION & OTHER ACTION

In a July 2021 [Executive Order](#), the Biden Administration ordered the Federal Trade Commission to use its rulemaking authority to address

restrictions on third-party repairs. [The Agricultural Right to Repair Act](#) was introduced in the Senate in February 2022, but it has not advanced. In April 2023, Colorado became the [first state](#) to pass a right to repair law for farmers. Since then, ten other states have introduced similar legislation.

In addition, the American Farm Bureau Federation® (AFBF) recently signed [MOUs](#) with five of the largest agricultural equipment manufacturers. AFBF says these agreements will ensure farmers and independent repair shops have access to tools and resources to diagnose and repair equipment, while also protecting OEMs' intellectual property rights.

## CONTACT US

to learn more about this and other emerging issues

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