



News Release

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COOPERATIVES WORKING TOGETHER ACCEPTS HERD RETIREMENT BIDS REPRESENTING NEARLY HALF A BILLION POUNDS OF MILK

ARLINGTON, VA – Cooperatives Working Together announced today that it has tentatively accepted 209 bids in its herd retirement program, representing 25,474 cows and 440 million pounds of milk.

This latest round of CWT's milk reduction program should help strengthen farm-level prices for milk at a time when dairy producers are suffering from rising feed and fuel costs, according to CWT officials.

Starting next week, CWT field auditors will begin visiting the 209 farms whose bids were accepted, checking their milk production records, inspecting their herds, and tagging each cow for processing. All farmers will be notified no later than August 12th as to whether their bid was among those accepted in this fifth herd retirement round.

Farmers in 41 states submitted a total of 609 herd retirement bids last month to CWT, reflecting "the continued financial stress that farmers in all parts of the country are facing as the cost of production has soared during the past two years," said Jerry Kozak, President and CEO of NMPF, which administers CWT. Kozak noted that the cost of dairy feed has risen 37% between the spring of 2006 and the spring of 2008, while the cost of diesel fuel has risen 61% during the same timeframe.

"In this retirement round, as in the previous ones, we've been careful to expend CWT funds on bids that were commensurate with current overall market prices for cows," he said. Kozak also noted that CWT has accepted bids for 358 bred heifers, which is a new option for its herd retirement program this year. Kozak said that CWT will retain adequate funds in its budget to conduct future herd retirements, and its export assistance program, as conditions warrant.

Once CWT field auditors inspect and accept the herds offered as part of the bidding process, farmers have 15 days in which to send their animals to a processing plant. CWT is also providing each farmer the new NMPF animal handling guidelines for the culling and transporting of dairy cattle, Kozak said.

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Jim Tillison, the Chief Operating Officer of CWT, noted that the average herd size and average milk output per cow were slightly under the national average for both measures. He said that further bid information, including the average price of accepted bids, won't be released until all the on-farm visits have been completed. The total number of bids initially accepted by this round includes:

Region	Pounds of milk	Farms accepted	Number of cows	Bred Heifers
Northeast	56 million	30	2,855	17
Southeast	68 million	38	4,228	172
Midwest	70 million	76	4,124	32
Southwest	84 million	36	5,189	36
West	162 million	29	9,078	101
TOTALS	440.3 million	209	25,474	358

Cooperatives Working Together is funded by dairy cooperatives and individual dairy farmers, who are contributing 10 cents per hundredweight assessment on their milk production through December 2008. The money raised by CWT's investment is being apportioned between two supply management programs that strengthen and stabilize the national all milk price. For more on CWT's activities, visit www.cwt.coop.

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