



News Release

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CWT ANNOUNCES HERD RETIREMENT

Bids to Remove Cows Being Accepted Immediately Through June 30th

ARLINGTON, VA – As dairy farmers suffer from dramatically higher costs of production, Cooperatives Working Together announced Tuesday that it will conduct its latest herd retirement round. Bids are being accepted starting today through Monday, June 30th, with cow removals to start in seven weeks.

“All of the economic indicators and benchmarks that guide CWT’s decisions, including farmers’ cost of production, show that now is the appropriate time for us to initiate this herd retirement,” said Jerry Kozak, President and CEO of NMPF, which manages CWT. “In particular, significantly higher feed and energy costs have put dairy farmers between a financial rock and a hard place.”

This is fifth herd retirement round since CWT began operations in the summer of 2003. It is the first that will offer bidding producers the option of including all their bred heifers, for a flat fee of \$1,050 per animal.

Detailed information can be found at www.cwt.coop, including a bid application, a calculator to help estimate a farmer’s bid, and answers to frequently-asked questions. All bids must be postmarked by Monday, June 30th, in order to be considered. All dairy producers submitting bids to sell their herds must be members of CWT as of January 2008, either through their membership in a fully participating cooperative, or as an independent member of CWT.

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Bids will be reviewed in early July, with field auditors then proceeding after mid-July to visit each accepted farm to begin the cow removal process.

CWT is not targeting how many pounds of milk, cows, or herds will be removed.

“The final tally will be determined by the quality and quantity of the bids,” Kozak said. “As always, we will operate CWT in a cost-effective and frugal manner.”

Unlike past herd retirements, regional safeguard limits will not be utilized and, therefore, CWT bidders will not be competing regionally, but nationally.

Through the herd retirement program, if a farmer’s bid is accepted, CWT pays that farmer for the volume of milk produced by that herd in a 12 month period. The farmer is responsible for selling the cows for slaughter, and he or she retains the proceeds from that transaction.

As in the past, any producer who had his bid accepted in any of the previous herd retirements is not eligible to participate again. Also, those producers who have a financial interest in more than one dairy farming operation must include all their cows in their bid. A dairyman cannot place a bid for just one of his herds, if he has an interest in multiple operations.

For more information on how to participate in CWT’s herd retirement, visit www.cwt.coop, or call 888-Info-CWT (888-463-6298).

Cooperatives Working Together is being 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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