



# News Release

National Milk Producers Federation • 2101 Wilson Blvd., Arlington, VA 22201 • 703-243-6111  
FAX 703-841-9328



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Contact: Christopher Galen  
(703) 243-6111 ext. 356

## **CWT ANNOUNCES HERD RETIREMENT**

Bids to Remove Cows Being Accepted Immediately Through November 24th

ARLINGTON, VA – Cooperatives Working Together will conduct a new herd retirement program this fall, the organization announced Friday. This will be the second herd retirement round conducted this year; the previous one was initiated in June.

As farm-level milk prices drop to their lowest level in 18 months, CWT officials said it was time the program offered its members another opportunity to retire their herds to trim overall national milk production, and strengthen prices going into 2009.

“This has been a tough year for many dairy farmers, given sky-high input costs, and now the credit crunch and the challenge of obtaining capital,” said Jerry Kozak, President and CEO of NMPF, which manages CWT. “Feed grain and energy prices have moderated some, but the bad news is that milk prices are dropping significantly from the levels we saw earlier this year – and CWT exists to help farmers confront these price swings and deal with them proactively.” Kozak added that compounding the issue is that retail milk prices haven’t budged from their levels, despite the downward trend in the price that farmers are receiving.

This will be the sixth herd retirement round since CWT began operations in the summer of 2003. As it did earlier this year, this round offers bidding producers the option of including all their bred heifers, for a flat fee of \$1,225 per animal. Producers must offer all of their bred heifers at that price.

Detailed information can be found at [www.cwt.coop](http://www.cwt.coop), including a bid application, a calculator to help estimate a farmer’s bid, and answers to frequently-asked questions.

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CWT NEWS RELEASE///PAGE TWO

All bids must be postmarked by Monday, November 24<sup>th</sup>, 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.

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

As was the case with this past summer's herd retirement round, regional safeguard limits will no longer be utilized and, therefore, CWT bidders will not be competing regionally, but nationally. Also, CWT is not targeting how many pounds of milk, cows, or herds will be removed. Approximately 25,000 cows were removed earlier this year.

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. Farmers submitting bids must provide their milk production records from Oct. 1, 2007, through Sept. 30, 2008. 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](http://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](http://www.cwt.coop).

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