



# News Release

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## **CWT TO OFFER BRED HEIFER OPTION IN NEXT HERD RETIREMENT ROUND; ACCEPTS EXPORT ASSISTANCE BID FOR MILK POWDER**

Producers Submitting Bids for Milking Herds May Also Retire Bred Heifers Under New Program

ARLINGTON, VA – In the next herd retirement round conducted by Cooperatives Working Together, dairy producers submitting bids to retire their herds of milk cows also will have the option of selling all their bred heifers, CWT officials announced today.

A flat rate per bred heifer will be established by CWT to be paid to all producers choosing to include their bred heifers with their herd retirement bid. The producer will retain the slaughter value of the bred heifers, so the price per heifer offered by CWT will be in addition to the animals' slaughter value, just as the payment CWT makes to producers for their milk cows is in addition to the beef value of the animals.

CWT Chief Operating Office Jim Tillison said the decision by CWT's operating committee to include a bred heifer option "is the result of many months of work by our members to devise a new program to enhance the effectiveness of CWT's milk reduction activities. Our members asked us to come up with a way to make a bred heifer removal option work for them, and I believe this new initiative will meet their expectations."

CWT has not announced when it will conduct a fifth herd retirement round. The last one was done in February 2007. When the next one is conducted, producers submitting bids for their milking herds will also then have the option of using the bred heifer program. Producers will have to indicate the number of bred heifers they have at the time the bid is submitted, and the location of the heifers. CWT will pay a flat fee, announced at the time the retirement program commences, for each heifer. Producers will have to sell all their bred heifers, regardless of age.

Tillison said that whether a producer elects to also sell his bred heifers will have no bearing on whether the producer's herd retirement bid is accepted by CWT. Also, if the farmer's herd retirement bid is not accepted, the bred heifers he or she offers will not be accepted, either.

Additional details about the terms of the bred heifer program will be posted to the CWT website once a herd retirement round commences.

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In other news, CWT announced today that it accepted an export assistance bid last week for the sale of whole milk powder.

The bid was from Humboldt Creamery of Fortuna, CA, for the export of 20 metric tons (44,000 pounds) of whole milk powder to Honduras.

CWT will pay an export bonus to the bidder, only when delivery of the product is verified by the submission of the required documentation.

With this accepted bid, CWT's total 2008 export obligations are: whole milk powder, 170 metric tons (374,000 lbs.), and butter, 291.2 metric tons (641,805 pounds).

The CWT Export Assistance program, on a competitive bid basis, assists CWT members in selling U.S. dairy products in world markets. CWT's export assistance program has helped sell cheese, butter, anhydrous milkfat and whole milk powder to 51 countries on four continents.

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).