



# News Release

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*"Connecting Cows, Cooperatives, Capitol Hill, and Consumers"*



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## **CWT ANNOUNCES THIRD HERD RETIREMENT OF 2009**

Maximum Level of Bids Again Capped At \$5.25; Two-Week Window to Participate

ARLINGTON, VIRGINIA – Cooperatives Working Together is implementing its third herd retirement in 2009, effective October 1, 2009. All bids submitted must be postmarked no later than October 15, 2009. This is the fourth herd retirement that CWT has conducted in the past 12 months.

"The herd retirement of late 2008, plus the two herd retirements so far in 2009, have removed 226,000 cows from the nation's dairy herds," said Jerry Kozak, President and CEO of the National Milk Producers Federation, which manages Cooperatives Working Together. "Those efforts have helped adjust the supply of milk more in line with demand. This third herd retirement of 2009, along with a stabilizing global economy, should further accelerate the recovery in dairy farmers' prices."

As with past herd retirements, producers wishing to submit bids into the program must have been members of CWT, either through their membership in a CWT member cooperative or as an individual, effective January 2009. Producers whose bids were selected in previous herd retirements will not be eligible to bid again. This round will once again include a bred heifer option.

The maximum bid CWT will consider is \$5.25 per hundredweight of milk, which was the same bid ceiling as the previous round. CWT will select bids beginning with the lowest bid with consistent milk production. However, given budgetary considerations, there is no guarantee that every producer submitting a bid up to the maximum \$5.25 bid level will be accepted, cautions Jim Tillison, CWT's Chief Operating Officer.

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As with the two previous herd retirements of 2009, producers whose bids are accepted in this herd retirement will be paid in two installments: 90% of the amount bid times the producer's 12 months of milk production (from September 1, 2008, through August 31, 2009) when it is verified that all cows have gone to processing plants. The remaining 10% plus interest will be paid at the end of 12 months if neither the producer nor the dairy facility – whether owned or leased – go back into in the commercial production and marketing of milk during that period.

Once the bid selection process is completed, farm audits should begin the first week of November and be completed by early December.

“While NMPF continues to works on long-term solutions to make positive changes in the economic structure of the dairy industry, this latest in the series of herd retirements that CWT has implemented will, along with the other actions NMPF has taken, help provide needed relief to dairy farmers need now,” said Kozak.

Bid forms for both the herd retirement and the bred heifer option, a bid calculator, as well as the answers to frequently asked questions, are available on the CWT website, [www.cwt.coop](http://www.cwt.coop).

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 2010. 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).