



News Release

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



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CWT ACCEPTS 154 BIDS, 26,000 COWS IN THIRD ROUND OF 2009

Total Cows Removed In Past 12 Months Reaches 252,000

ARLINGTON, VA – Cooperatives Working Together announced Tuesday that it has tentatively accepted 154 bids in the fourth herd retirement it has conducted in the last 12 months. The 26,412 cows and 517 million pounds of milk accepted in this round, combined with CWT's three previous herd retirements since December 2008, equal a total reduction of milk production capacity of five billion pounds.

"Coming into 2009, CWT's economists estimated that we would need to remove between five and six billion pounds of milk, the production of approximately 250,000 cows, through herd retirements," said Jerry Kozak, President and CEO of the National Milk Producers Federation, which administers CWT. "We are pleased that the participation in this third herd retirement of 2009 has brought us to our goal of aligning supply with demand, and hastening the recovery of farm-level milk prices that plunged because of the global recession."

CWT member farmers in 33 states submitted a total of 168 herd retirement bids during the two-week bidding period which ended October 15th. This is the ninth herd retirement in the past six years of CWT's existence, and featured a maximum acceptable bid threshold of \$5.25 per cwt., the same price ceiling as in the retirement conducted in August.

"We felt it was important to help milk prices continue to strengthen by conducting another herd retirement as soon as we completed farms audits for the previous round one in the summer," noted Kozak. He said in addition to the 26,000 cows, 465 bred heifers were also accepted this week.

Starting next week, CWT field auditors will begin visiting the 154 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 November 16, as to whether their bid was among those accepted.

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Once CWT field auditors inspect and finalize acceptance of the herds offered through the bidding process, farmers have 15 days in which to send their animals to a processing plant. CWT will again provide each farmer with the NMPF guidelines for the proper culling and transporting of dairy cattle, Kozak said.

As with the two most recent herd retirements in 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 when it is verified that that all cows have gone to slaughter, and the remaining 10% plus interest at the end of 12 months following the farm audit, provided both the producer and his dairy facility – whether owned or leased – do not become involved in the commercial production and marketing of milk during that period.

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.

For more on CWT's activities, visit 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.