



News Release

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



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CWT ANNOUNCES HERD RETIREMENT

Bids to Remove Cows Being Accepted May 28 through June 25

ARLINGTON, VA – After reviewing a number of economic benchmarks including cull rates and cull cow prices, Cooperatives Working Together (CWT) announced Thursday that it will conduct a herd retirement. Bids will be accepted starting Friday, May 28th with a cutoff date of Friday, June 25th.

"It is our belief that a herd retirement at this time will add to the positive momentum already building and should result in speeding up the milk price recovery already in progress," said Jerry Kozak, President and CEO of NMPF, which manages CWT.

This is the tenth herd retirement since CWT began operations in the summer of 2003. The most recent was conducted in the fall of 2009.

"With beef prices very strong, and replacement cow and springer prices still relatively low, CWT has determined that it will consider bids up to, but not to exceed, \$3.75 per hundredweight," noted Mr. Kozak. "However, there is no guarantee that a producer who bids at the maximum level will be selected." Producers must still bid on a per hundredweight basis, and CWT will continue to review and accept bids beginning from the lowest bids received, moving up toward the maximum level. Farmers whose bids are accepted are paid by CWT for their milk production, and they also retain the beef value of the cows they send to processing.

As was the case in 2009's herd retirement rounds, CWT has no set target for the volume of milk or the number of cows to be removed in this herd retirement. "Whether CWT will remove a significant number of dairy animals will depend on the number of bids received and the price level of those bids. CWT will not pay more for cows than what they are currently worth in the marketplace," he said.

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In 2010, participating farmers will not have the option of offering bred heifers. In addition, two significant program rules remain unchanged from 2009:

1. Members of CWT whose bids were accepted in a previous CWT herd retirement may not bid in this round;
2. Producers whose bids are accepted will be paid in two installments: 90% of the bid amount multiplied by 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 IF 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.

Detailed information can be found at www.cwt.coop, including bid forms application, an interactive bid calculator to help estimate a farmer's bid, and answers to frequently-asked questions. All bids must be postmarked by Friday, June 25th, in order to be considered. All dairy producers submitting bids to sell their herds must be members of CWT effective January 2009, either through their membership in a fully participating cooperative, or as an independent member of CWT.

For more information, 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 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.