



News Release

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



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CWT ANNOUNCES SECOND HERD RETIREMENT OF 2009 Time Frame to Submit Bids Shortened, Maximum Bid Level Set

ARLINGTON, VA – Cooperatives Working Together announced Friday that it will conduct its second herd retirement of 2009. In order to have a more immediate impact, CWT is shortening the time frame for producers to submit bids. A maximum bid level is also being announced for this round.

"With the ongoing financial pressure on dairy farmers, and because the vast majority of farmers are familiar with CWT's Herd Retirement program and how it works, we shortened the bidding window to two weeks," said Jerry Kozak, President and CEO of NMPF, which manages CWT. "To expedite and simplify the bidding process, CWT will consider bids up to, but not to exceed \$5.25 per hundredweight. 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 and moving up toward the maximum level.

"Carrying out a second herd retirement right on the heels of the largest-ever herd retirement should give us a double-barreled attack on milk production in a very short period of time, resulting in a farm level price recovery several months sooner than would otherwise occur," Kozak said.

As has been the case in recent herd retirements, in addition to submitting bids for their milk herds, participating farmers will have the option of offering all of their bred heifers, at a flat price of \$700 per animal.

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With this eighth herd retirement, CWT is reinstating the rule that members of CWT whose herds were retired in any of the seven previous herd retirement rounds are not allowed to bid again.

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 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.

Finally, producers whose bids are accepted in this herd retirement and then choose to opt out will not be eligible to bid in future herd retirements.

Bids must be postmarked July 24th. Bid selection will take place shortly after that and the farm auditing process will begin as soon as the bid selection process is completed, noted Jim Tillison, Chief Operating Officer of CWT. All dairy producers submitting bids must be members of CWT effective January 2009, either through their membership in a fully participating cooperative, or as an independent member of CWT.

Detailed information, including bid forms, an interactive bid calculator to help estimate a farmer's bid, and answers to frequently-asked questions can be found at www.cwt.coop, or by calling 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.