



# News Release

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## **CWT ACCEPTS 184 BIDS REPRESENTING 61,000 COWS, 1.2 BILLION POUNDS OF MILK IN SECOND HERD RETIREMENT OF 2008**

Total 2008 Milk Reductions to Reach 3.6 Billion Pounds through Exports, Herd Retirements

ARLINGTON, VA – Cooperatives Working Together announced today that it has tentatively accepted 184 bids in its second herd retirement of 2008, representing 61,078 cows and 1.2 billion pounds of milk. In addition, CWT has accepted bids for 1,548 bred heifers in this herd retirement program.

Together, CWT's two herd retirements this year account for 85,663 cows that produced 1.637 billion pounds of milk, along with another 2 billion pounds, milk equivalent, that CWT's Export Assistance program has removed from the market.

Farmers in 40 states submitted a total of 471 herd retirement bids in late November to CWT, reflecting "the continuing financial stress that many farmers are facing as milk prices plunge below the cost of production," said Jerry Kozak, President and CEO of NMPF, which administers CWT. Kozak noted that although the costs of dairy feed and diesel fuel have dropped, milk prices have fallen faster.

Starting next week, CWT field auditors will begin visiting the 184 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 January 12, 2009, as to whether their bid was among those accepted in this sixth herd retirement round that CWT has conducted since 2003.

"In this retirement round, the bids were more competitive and came from larger dairy operations," he said. "Still, we were careful to expend CWT funds on bids that were commensurate with current overall market prices for cows."

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

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Jim Tillison, the Chief Operating Officer of CWT, said that further bid information, including the average price of accepted bids, won't be released until all the on-farm visits have been completed. The total number of bids initially accepted by this round includes:

<b>Region</b>	<b>Milk Lbs. (millions)</b>	<b>Farms</b>	<b>Cows</b>
Northeast	63.6	23	3,117
Southeast	65.2	27	3,741
Midwest	63.6	47	3,224
Southwest	295.6	38	17,106
West	718.3	49	33,890
<b>Total</b>	<b>1,206.3</b>	<b>184</b>	<b>61,078</b>

In CWT's first herd retirement program of year, in the summer of 2008, approximately 431 million pounds of milk and 25,000 cows were removed.

Cooperatives Working Together is 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).

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