



News Release

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



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CWT AUDITORS BEGIN REMOVING COWS AS FARMS ARE AUDITED

Milk Removal Equivalent To 200 Million Pounds Of Cheese

ARLINGTON, VA – CWT's field auditors have begun visiting the 388 farms that have been tentatively accepted in the program's seventh herd retirement, as they initiate the process this week of removing nearly 103,000 cows that produced two billion pounds of milk last year.

Today, CWT officials released more detailed information about the size and scope of the self-help program's largest-ever herd retirement program. 60 percent of the farms selected are located east of the Mississippi River, while 79 percent of the 103,000 cows to be removed come from the Western and Southwest regions of the U.S. 81 percent of the milk removed will come from those two regions, a portion slightly higher than in the six previous CWT rounds [see chart on p. 2].

Jim Tillison, Chief Operating Officer of CWT, put the scope of this herd retirement round in perspective by estimating that "the amount of milk we're removing is equivalent to eliminating the future production of 200 million pounds of cheddar cheese per year."

"All dairy farmers are stressed economically right now. However, the number of cows bid in this round by producers in the West and Southwest is an indication that their financial stress is particularly acute given where their milk prices and input costs are," Tillison said.

Farmers had submitted a total of 535 herd retirement bids last month to CWT, and CWT was able to accept the nearly three-quarters of them. CWT is also removing approximately 1,000 bred heifers, which is an option under the program.

All farmers bidding in this round will be notified no later than June 12, 2009, as to whether their bid was among those accepted.

Tillison said he and CWT's economic advisors are monitoring key indicators in order to determine the right time to implement the next herd retirement.

- MORE -

CWT NEWS RELEASE///PAGE TWO

Region	Northeast	Southeast	Midwest	Southwest	West	Total
Total Bids Received	69	72	178	89	127	535
Total Bids Accepted	42	56	134	68	88	388
Total Cows Offered	7,287	8,954	11,754	62,221	71,591	161,807
Total Cows Accepted	5,156	7,042	8,595	43,607	38,498	102,898
Total Milk Offered	139.5 million pounds	145.7 million pounds	208.0 million pounds	1.13 billion pounds	1.34 billion pounds	2.96 billion pounds
Total Milk Accepted	104.7 million pounds	117.3 million pounds	154.1 million pounds	862.8 million pounds	761.1 million pounds	2.0 billion pounds
% Milk Accepted	5%	6%	8%	43%	38%	100%
% Cows Accepted	5%	7%	8%	42%	37%	100%
States in each region	CT, DE, ME, MA, MD, NH, NJ, NY, PA, RI, VT	AL, AR, GA, KY, LA, MO, MS, NC, SC, TN, VA, WV	IL, IN, IA, MI, MN, ND, OH, SD, WI	AZ, CO, KS, NE, NM, OK, TX	CA, ID, MT, NV, OR, UT, WA, WY	

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.