



# News Release

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2101 Wilson Blvd., Suite 400, Arlington, VA 22201  
703.243.6111 • [www.nmpf.org](http://www.nmpf.org)

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



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Contact: Christopher Galen  
(703) 243-6111 ext. 356  
E-Mail: [CGalen@nmpf.org](mailto:CGalen@nmpf.org)

**CWT Reactivates Export Assistance Program for Cheddar Cheese Sales**  
Focus on Cheddar Exports Will Help Reduce Inventories, Stimulate Markets

ARLINGTON, VA – Cooperatives Working Together announced Thursday that it is reactivating its Export Assistance program, effective immediately, to boost sales of U.S.-made cheddar cheese.

Last used in 2008, CWT's Export Assistance Program assists member cooperatives with exporting eligible dairy products and establishing overseas markets for their members' milk. While the program has, in the past, exported whole milk powder, butter and butterfat, the focus in the short-term will be on cheddar cheese, as this will have the most impact on farm-level milk prices.

"After conducting a thorough economic analysis, it was clear that implementing the Export Assistance program and focusing on cheddar cheese could provide the most immediate positive signal to address continuing low producer milk prices," said Jerry Kozak, President and CEO of the National Milk Producers Federation, which manages CWT. "Given the smaller spread between U.S. and global cheese prices, and given the sizeable inventories of cheese that are hampering a recovery in milk prices, using CWT's export program will be expedient and effective."

While the program has previously exported 186 million pounds of dairy products to 55 countries, CWT is advising its members that it will provide additional incentives for sales to the target markets of Japan, Algeria, Egypt, Saudi Arabia and Australia. CWT believes these are prime markets for sales of significant quantities of cheddar cheese, although it will consider bids for sales to other markets as well.

CWT member bids for assistance in exporting cheddar cheese must be submitted no later than noon Wednesday of each week. The bids will be evaluated and bidders will be advised by the close of business Thursday if their bid has been accepted or the bid level CWT is willing to accept.

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In 2008, the last time the export program was used, CWT helped facilitate the sale of 87 million pounds of dairy products (the milk equivalent of two billion pounds), including 3.3 million pounds of cheese, to 30 countries.

Cooperatives seeking assistance submit a bid specifying the product to be exported, the quantity of product, the end customer, the country in which the customer is located, and the amount of assistance per metric ton of product needed to make the sale. CWT and U.S. Dairy Export Council (USDEC) staffs evaluate each bid received against world market conditions and the world product prices. If they determine that the assistance requested is reasonable, the bid is accepted. The cooperative does not receive payment from CWT until paperwork is submitted showing that the product has been delivered to the customer.

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](http://www.cwt.coop).