



News Release

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CWT FINISHES LATEST HERD RETIREMENT ROUND, REMOVES 51,000 COWS

ARLINGTON, VA – Cooperatives Working Together has now finished the farm audits of its sixth herd retirement round since the program was started in 2003, removing 50,630 cows that produced almost one billion pounds of milk.

At the completion of the on-farm auditing process earlier this month, CWT removed 186 herds in 33 states, comprised of nearly 51,000 cows that produced 976 million pounds of milk. These figures reflect the final number of dairies that successfully were audited in the herd retirement process in December, January and early February.

CWT had received 471 bids from 40 states during the bidding process last fall. As has been the case with its previous herd retirement rounds, most of the cows removed were in the western regions of the country. This round also removed 1,240 bred heifers.

“CWT continues to be an efficient and cost-effective way for dairy farmers to collectively adjust supply and help strengthen farm-level prices,” said Jim Tillison, Chief Operating Officer of CWT, adding that this most recent herd retirement, when paired with the one conducted in the summer of 2008, together removed 1.4 billion pounds of milk and 76,000 cows in an eight-month period.

CWT auditors were sent to each of the farms whose bids were accepted. Once the information submitted by the farmers with their bid was verified, each of the cows had a special CWT ear tag applied, and the farmers were a brief amount of time to sell their cows for processing. Once the sales receipts for the animals are verified and ear tags are returned to CWT by the processing plants, farmers are issued payment, and their names are posted on the CWT website.

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Tillison said some farmers’ names have yet to be posted online from this sixth round, but will be in coming weeks as they are sent their payments.

He said that once CWT receives commitments to a two-year program, through Dec. 2010, from 67% of the nation’s milk supply, it will determine the proper timing to initiate future herd reduction programs.

“With the continued support of our members, including both cooperatives and individual producers, CWT will have the financial resources to act again with other herd retirement rounds to address the imbalance between milk production and demand,” Tillison said.

The totals for each region* in the 2008-2 round include:

Region	Milk Lbs. (millions)	Farms	Cows	Bred Heifers	Average Bid/cwt.
Northeast	43.7	22	2,295	25	\$6.47
Southeast	65.4	28	3,750	58	\$6.48
Midwest	64.4	48	3,290	39	\$6.20
Southwest	304.6	39	17,522	763	\$6.36
West	497.9	49	23,773	459	\$6.87
Total	976	186	50,630	1,240	\$6.49**

* = Note that bids are grouped by region for comparative purposes, even though regional volume safeguards were eliminated in 2008. To see which states are in which region, visit www.cwt.coop/action/action_herd_map.html.

** = Represents a simple average of all 186 bids, not the average of the five regional averages.

Cooperatives Working Together is funded by dairy cooperatives and individual dairy farmers, who are contributing 10 cents per hundredweight assessment on their milk production. 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.