

## CWT Herd Retirement Program Begins

**By Elwood Kirkpatrick**  
President



The record-setting milk prices we experienced this spring were influenced by many factors that were beyond our control and one that we, as dairy farmers, could control – last year’s Cooperatives Working Together (CWT) program.

Current increases in cow numbers and milk production, coupled with a drop in milk prices has prompted the CWT committee to attempt to influence milk prices again by authorizing another herd retirement program. Last year’s CWT herd retirement program reduced the nation’s milk supply by 608 million pounds in an effort to raise milk prices. This year’s goal is to remove 870 million pounds of milk, representing around 49,000 cows.

On October 1, CWT began accepting bids from dairy farmers willing to sell their entire milking herds to CWT. The bidding window will be open through October 30, after which CWT staff will review submitted bids.

As a member of the CWT committee, I believe now is the right time to remove cows through the herd retirement program. There was some concern by a few committee members

and some dairy producer CWT program participants that an October 1 start date was too early. However, the committee did its best to establish the date so we can take action now, just as prices are going down and production is edging up.

Producers who wish to place a bid for the herd retirement program must be paying the five cent per hundredweight CWT membership assessment, either through their cooperative, or directly. MMPA, as a cooperative, pays into the CWT assessment, so all members that currently ship milk through MMPA are eligible to participate in the herd retirement portion of CWT. Information on the bidding process is available to interested individuals at [www.cwt.coop](http://www.cwt.coop) or by calling 888-INFO-CWT. You can also contact your MMPA member representative for CWT bidding information.

In addition to authorizing another Herd Retirement program, CWT’s management committee has voted to allocate 80 percent of this year’s funds to the Herd Retirement program, and 20 percent to the Export Assistance program. Funding for the program includes not only current dues assessments, but also the remaining monies left over from the 2003-

2004 CWT fiscal year that were not spent prior to June 30, 2004.

The CWT Export Assistance program continues to accept bids for both cheese and butter at the target price levels of \$1.40 per pound and \$1.30 per pound, respectively.

CWT’s success was so great last year that it has received a number of additional participation commitments recently, bringing the total percentage of milk production contributing to the program to 70.1 percent of the nation’s milk supply.

We will keep you informed of the progress of CWT through this article, letters and other communications. If you have questions regarding CWT, please contact me in the Novi office.

*Elwood Kirkpatrick*