FOR IMMEDIATE RELEASE
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CWT TO DELIVER TWELVE-FOLD ON FARMERS’ NICKEL INVESTMENT
$1 Billion Result Leads To Support For Program’s Reauthorization

ARLINGTON, VA – After six months of operation, the dairy industry’s historic self-help program, Cooperatives Working Together, has already had a sizeable impact on dairy producer prices.

According to new analysis released by the National Milk Producers Federation, CWT will ultimately return nearly 60 cents per hundredweight for America's dairy farmers through this fall. The NMPF analysis also shows that, between October 2003 and September 2004, the enhanced cheese, butter, and milk prices resulting from CWT’s three milk-reduction programs will result in $1.014 billion in additional dairy farm income.

Funded by a five-cent per hundredweight assessment on participating producers that started last July and runs through June, CWT has implemented a Herd Retirement program that has decreased the national dairy herd by 33,000 cows; a Reduced Production Marketings program that will be completed in September; and an Export Assistance program expected to remove 30 million pounds of cheese and 10 million pounds of butter from the domestic market between now and this summer.

The combined impact of these three programs will be the elimination of 1.2 billion pounds of milk, and an average increase in the all-milk price of 59 cents per hundredweight
from October 2003 through September 2004. This figure was calculated by measuring the price effect of the reduced volumes of cheese and butter that will be produced in the U.S. through CWT’s efforts.

Given these results, CWT’s Economic Policy Committee voted at a meeting last week in Chicago to recommend that the full CWT Committee, and the National Milk Producers Board of Directors, approve a renewal of CWT’s herd retirement and export assistance programs, to be funded by another assessment of 5 cents per hundredweight, subject to participation by 65 percent of the milk volume nationally, for the period July 1, 2004, through June 30, 2005. Both the CWT committee and the NMPF Board will act on this proposal at their March 8th and 9th meetings in Washington.

For more on CWT’s activities, visit our Website at www.cwt.coop.

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