



News Release

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



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CWT Expands Eligible Product List, Accepts Bids

ARLINGTON, VA – Following an economic evaluation of the competitiveness of U.S. butter and anhydrous milkfat (AMF) given the increases in the butter price at the Chicago Mercantile Exchange (CME) in recent weeks, Cooperatives Working Together decided last week to add these two products to those currently eligible for assistance under the CWT Export Assistance program.

In the past month, the butter price at the CME has moved up to more than 13 cents a pound. As a result, the prices of butter and AMF in the U.S. have moved above the world price for these two commodities. The decision was made to make export assistance available on these two products in order to allow CWT members to maintain market share in light of the increase in the U.S. price.

As a result, CWT accepted four bids from Dairy Farmers of America and three bids from Land O'Lakes for 1,714 metric tons (3,778,724 pounds) of butter and AMF to Europe, the Caribbean, South America, and the Middle East. Delivery will take place from July through November.

CWT also accepted two bids from Dairy Farmers of America for 97 metric tons (213,848 pounds) of Cheddar cheese to Europe and Asia. This product will be delivered from August through November 2010.

Since CWT reactivated the Export Assistance program on March 18, 2010, it has assisted members in making export sales of Cheddar, Monterey Jack, and Gouda cheese totaling 17,330 metric tons (38.2 million pounds) to 23 countries on four continents. The totals have been adjusted due to the cancellation of a bid for 38 metric tons of cheese to Africa.

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CWT NEWS RELEASE///PAGE TWO

Assisting CWT members through the Export Assistance Program positively impacts producer milk prices in the long-term by helping member cooperatives to gain world market share and expand the demand for U.S. dairy products.

CWT will pay export bonuses to the bidders only when delivery of the product is verified by the submission of the required documentation.

Cooperatives Working Together (CWT) 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.