CWT Gaining Ground

Cooperatives Working Together, (CWT), the dairy industry's newest self-help program, is quickly gaining ground and has become one of the hottest topics of discussion among farmers across the nation. Geared to benefit all producers, this farmer-led and funded economic initiative addresses supply and demand imbalances that are depressing milk prices. Once 80 percent of the national milk supply has signed on board, the National Milk Producers Federation will launch CWT's three-dimensional assault aimed at reducing the national milk supply by 2.7 percent or 4.6 billion pounds of milk.

According to organizers, CWT's highest priority is to ensure that no one region within the country bears the brunt of the program, or suffers a disproportionate loss of production capacity. NMPF's Economic Policy Committee has established safeguard levels on a regional basis. Each region is able to participate up to a maximum level equivalent to one year's growth in milk production or one-half of one percent of the region's annual milk production, whichever is greater.

For example, the most milk that can be cut from Region I is 150 million pounds, or one-half of one

percent of the annual milk production within the region. For members in region 2, the safeguard limit is set at 70 million pounds.

Three Dimensional Approach

In order to work well, CWT has to be multidimensional. NMPF has identified three target programs to most effectively reduce milk production. Each program is responsible for eliminating a specific percent of the 4.6 billion pounds. The Herd Retirement Program is allotted 45 percent, a Dairy Product Export Assistance Program 35 percent and ten percent assigned to a Reduced Production Marketings Program. The remaining ten percent will be applied to the above programs as appropriate, depending on how the program progresses and how quickly the initial target goals are reached.

The CWT program earning the most producer attention and interest is the Herd Retirement Program. This portion of CWT will call for bids, on a per hundredweight basis, for the purchase of whole herds. Producers will be asked to submit herd records to verify milk production and will be audited before purchase. Once verified, CWT will take possession of the animals and commit them to

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