



"For **SMART** Management"

April 7, 2014 Vol. 2, Issue 14

MARGINSMART®
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MARGINSMART® Sample Farm Profitability Changes From Last Week

	Mar. '14	Apr. '14	May '14	June '14	July '14	Aug. '14	Sep. '14	Oct. '14	Nov. '14	Dec. '14	Jan. '15	Feb. '15
Change From Prior Week	+0.32	+0.06	+0.31	+0.04	-0.07	-0.04	+0.04	-0.03	-0.01	-0.09	-0.10	.00

Welcome to MARGINSMART®

The weekly newsletter will keep you up-to-date on various topics such as market news, upcoming events, and getting the most out of MARGINSMART®.

MARGINSMART® Tip of the Week

This week we will look at the Open Price Risk Position Report. This is available to all Premium and Platinum customers. This report provides a concise summary of all of the information for each main commodity. The bottom line for each commodity shows you how many units your dairy has that are either unpriced or overpriced.

The report takes into account all of your milk production and feed usage needs (for all items mapped to corn, soybeans or soybean meal), as well as all of your commitments – including futures, options and physical (cash) contracts – and any grown feed amounts to calculate the amount of units you have priced. The report is automatically calculated for you. Please call with any questions on this report.

Market News

Milk: The All-Milk price for March 14 was \$25.40 per cwt., up \$.50 per cwt from Feb 14 and \$6.30 per cwt. from Feb 13. The final March 14 Class III price is \$23.33 per cwt., down 2 cents from Feb 14 and up \$6.40 per cwt. from March 13. Final March 14 Class IV was \$23.66 per cwt, up \$.20 from Feb 14 and up \$5.91 from March 13.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry: Last week saw the effects of the initial announcement of the cropping intentions. Corn, soybean and soybean meal prices all moved higher last week. Take a look at our updated Wholesale Feed Prices as there has been some movement up for most feed ingredients; however, **blood meal has moved significantly lower over the past few weeks.**

USDA will release its next World Agricultural Supply and Demand Estimates on April 9, 2014. We will have highlights next week.

Cattle prices remain strong and indications are that cull cows prices will stay strong in the near future.

MARGINSMART provides a referral program for all customers.

MARGINSMART® Insight

Let MARGINSMART® help you navigate decisions around the MPP of the new Farm Bill to help you make informed decisions!

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Market Update (As of 4/4/2014 Close)

	Mar. '14	+/-*	Apr. '14	+/-*	May. '14	+/-*	Jul '14	+/-*	Aug. '14	+/-*	Sep.'14	+/-*	New Crop 14'	+/-*
Class III Milk	23.33	+0.07	23.94	+0.13	21.96	+0.32	20.28	-0.02	20.02	-0.02	19.78	-0.05	18.53**	-0.06
Class IV Milk	23.66	-0.03	23.46	-0.06	21.95	-0.49	20.70	-0.40	20.40	-0.20	20.15	-0.27	19.40**	+0.09
Corn					5.02	+0.10	5.07	+0.11			5.07	+0.16	5.13**	+0.18
Soybeans					14.74	+0.38	14.55	+0.47	13.74	+0.23	12.57	+0.10	12.08**	+0.18
Soybean Meal					479	+11	467	+13	437	+6	408	+2	379**	+2

*Change from the Previous Week Price

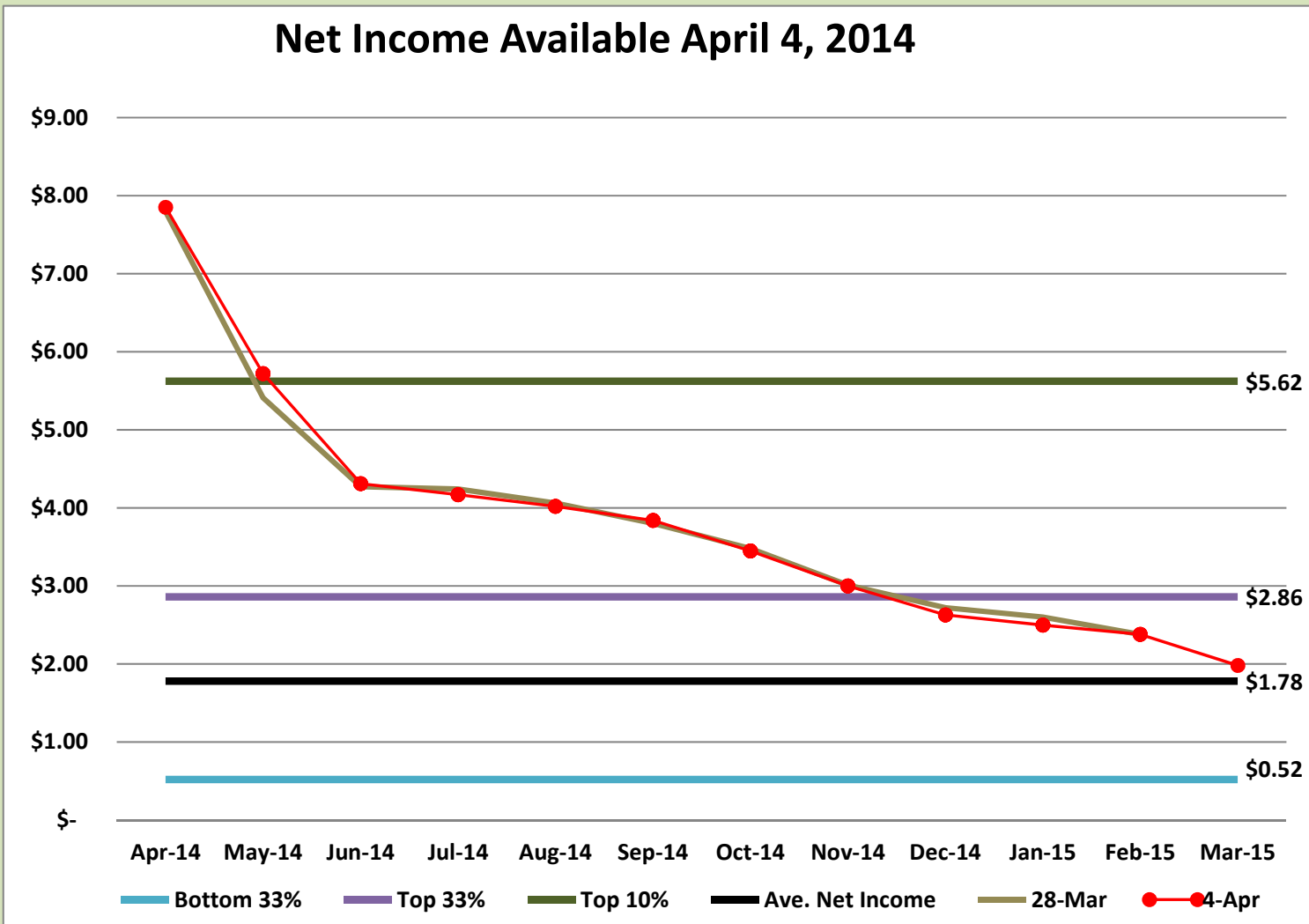
**New Crop: Milk (Dec.), Corn (Dec.), Soybeans (Nov.), Soybean Meal (Dec.)

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MARGINSMART® maintains a fully virtual Sample Farm with 1,500 mature cows and an 85 #s of milk / head / day shipped average. It buys 100% of its feed at market and its heifers are custom raised. The red line on the Net Income chart below shows the net income / cwt. available last Friday over the next 12 months based on 100% market prices for milk and feed, and full operating activities.

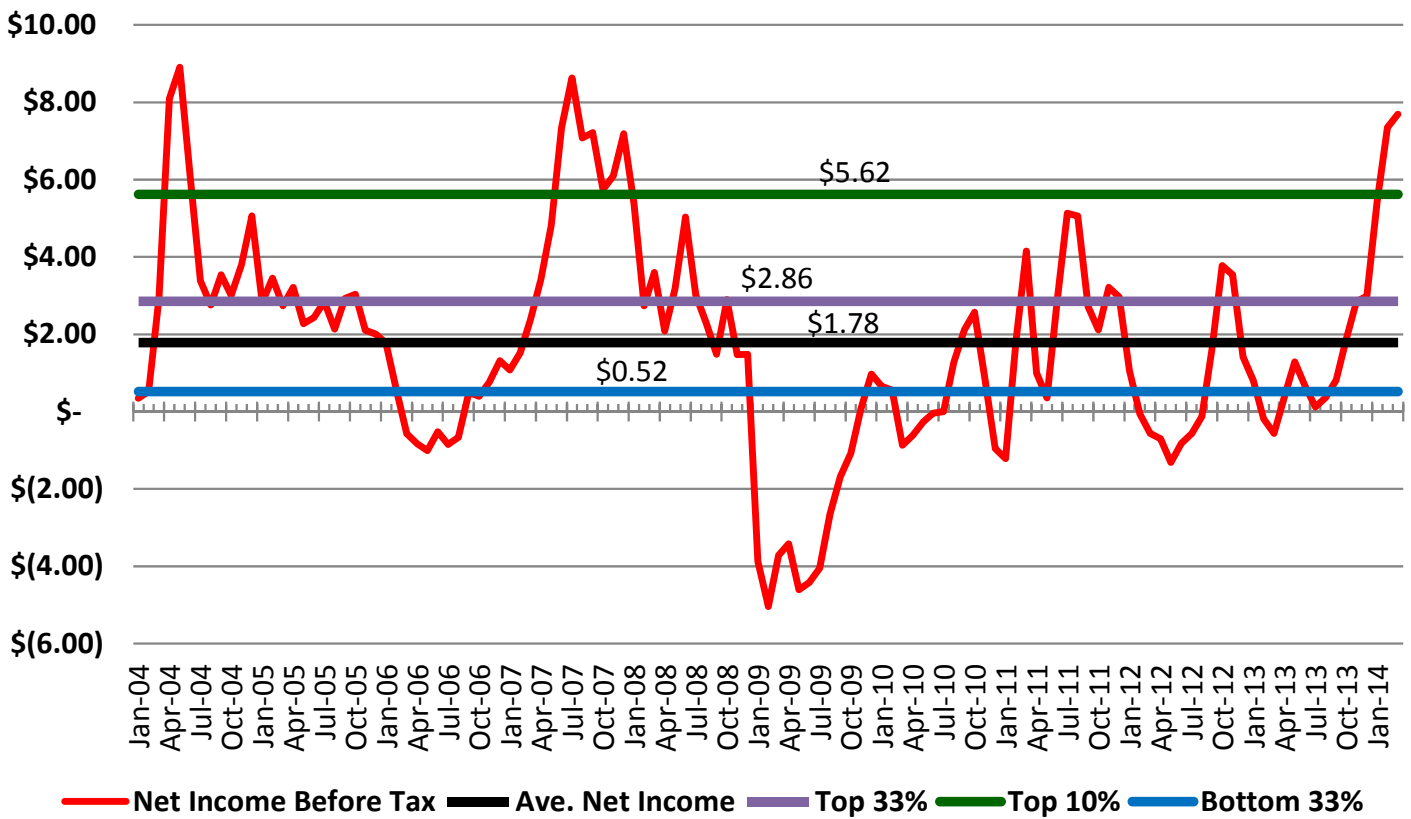
Net Income Available April 4, 2014





MARGINSMART® maintains a fully virtual Sample Farm with 1,500 mature cows and an 85 #s (current level – this has increased over the past 10 years) of milk / head / day shipped average. It buys 100% of its feed at market and its heifers are custom raised. We calculated the past 10 years’ results (with adj. milk / day). The red line on the chart below shows the net income before tax for the last 10 years WITHOUT ANY contracting, and completely subject to market prices. It also shows the Top 10% (90th percentile), top 33% (67th percentage), the average and bottom 33% (33rd percentile.)

2004-2014 Historical Net Income Before Tax





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Historical Yearly Average Net Income Before Tax

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.04	2.67	0.07	5.21	2.89	-2.79	0.44	2.52	0.60	0.95

Historical Quarterly Average Net Income Before Tax

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
2004	1.27	7.70	3.22	3.95
2005	3.01	2.64	2.64	2.38
2006	0.58	-0.79	-0.34	0.83
2007	1.66	5.19	7.64	6.34
2008	3.90	3.43	2.27	1.95
2009	-4.22	-4.15	-2.79	-0.01
2010	0.11	-0.30	1.13	0.82
2011	1.58	1.42	4.30	2.76
2012	0.15	-0.95	0.30	2.92
2013	0.02	0.77	0.43	2.57
2014	6.82			