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# "For SMART Management"

MARGINSMART®  
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## MARGINSMART® Sample Farm Profitability Changes From Last Week

	Jan. '14	Feb. '14	Mar. '14	Apr. '14	May '14	June '14	July '14	Aug. '14	Sep. '14	Oct. '14	Nov. '14	Dec. '14
Change From Prior Week	+0.42	+0.53	+0.14	+0.12	+0.32	+0.41	+0.46	+0.42	+0.40	+0.25	+0.30	+0.20

### 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 visit the "Ingredients" Tab in MARGINSMART®. With feed prices resembling a Roller-Coaster ride, up one week and down the next, many of you may be taking advantage of the lower prices or substituting a lower priced ingredient. The new ingredient or the change in price needs to be updated in "Ingredients". To change the price on an existing ingredient, simply click on the ingredient desired, change the price in "Cost per Unit" and click save. If a new ingredient is used, click "Add Ingredient" at top of page and enter information. Please do not hesitate to call with questions or issues.

### Market News

**Milk:** The USDA released the Dairy Products report. Highlights:

- 941M lbs. cheese produced in Nov 2013; down 3.1% Oct. 2013; up 2.9% Nov. 2012
- 415M lbs. Italian type cheese; 355M lbs. American type cheese.
- 143M lbs. butter in Nov. 2013; down 2.3% Oct 2013; Down .1% Nov. 2013

### Market News (Continued)

**Corn:** The USDA released its Crop Production Summary 2013 report on 1/10/2014. Highlights:

- Production 13.93B bu.; down from Nov. 2013 13.99B bu. est.; up 29% from 2012 production
- Yield est. 158.8 bu./acre; down 1.6 bu. from Nov 2013 est.; up from 123.4 bu./acre in 2012
- 2014 stocks 1.63B bu.; down from Dec. 2013 est. of 1.78B bu.

Initial 2014 Planting Intentions Report will be released March 10, 2014.

**MILK MARGINS  
AND PROFITABILITY  
CONTINUED TO IMPROVE  
LAST WEEK!!!**

### MARGINSMART® Insight

*Milk Futures prices increased again last week plus other than corn, most all Feedstuff prices declined (see separate list). CHECK YOUR OPPORTUNITIES as they have improved significantly over the past months.*

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### Market Update (As of 1/10/2014 Close)

	Jan. '14	+/-*	Feb. '14	+/-*	Mar. '14	+/-*	May '14	+/-*	Jul. '14	+/-*	Sep. '14	+/-*	New Crop 14'	+/-*
Class III Milk	20.50	+0.44	20.21	+0.53	19.22	+0.15	18.53	+0.35	18.19	+0.47	18.00	+0.40	17.68**	+0.22
Class IV Milk	21.90	+0.17	22.37	+0.50	21.90	+0.31	20.36	+0.07	19.20	+0.05	18.98	-0.01	18.35**	-0.02
Corn					4.33	+0.10	4.41	+0.09	4.47	+0.08	4.53	+0.08	4.58**	+0.06
Soybeans	13.04	+0.15			12.78	+0.07	12.60	+0.02	12.46	-0.02	11.45	-0.20	11.00**	-0.30
Soybean Meal	435	+10			414	+7	402	+2	395	+0	365	-6	338**	-11

\*Change from the Previous Week Price

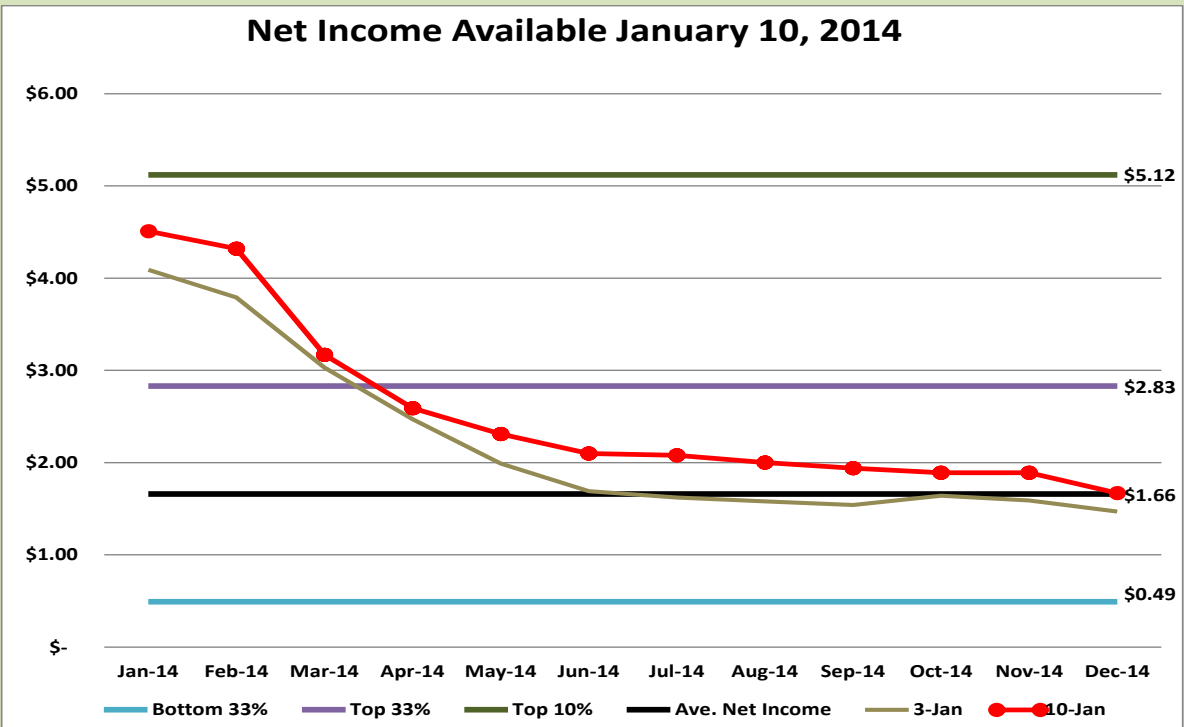
\*\*New Crop: Milk (Dec.), Corn (Dec.), Soybeans (Nov.), Soybean Meal (Dec.)

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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. We also calculated the past 9 years results (with adj. milk / day) and show the projected actual and various percentile averages on the charts below.

### Net Income Available January 10, 2014



#### Average Net Income Before Tax

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

### 2004-2013 Historical Net Income Before Tax

