



"For **SMART** Management"

January 20, 2014 Vol. 2, Issue 3

MARGINSMART®
1600 W. Shawano Ave. Suite 201
Green Bay, WI 54303

TOLL FREE 877-474-7589

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	+0.75	+2.00	+1.55	+1.12	+0.77	+0.66	+0.50	+0.52	+0.51	+0.42	+0.26	+0.37

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®. Last week we discussed changing costs or adding a new ingredient. With the changed or new ingredients, rations may change as well. To update a ration click on "Rations" on the home screen. Then click on the ration from the list on left to open up the ration and click on the ingredient to be changed. Update the "As Fed" or "Dry Matter" amount and MARGINSMART automatically updates the other column. If a new ingredient is used click "Add Ingredient", select ingredient and enter amount. To remove an ingredient, highlight the ingredient and click "Delete Ingredient". Click "OK" in pop-up box. Call with questions or issues.

Market News

Milk: Nov. 30 storage reports shows butter down 33% from Oct. and 5% from a year ago. Cheese stocks were down 2% from Oct. but up 1% from same month last year. Class III and Class IV prices have continued to climb over the next 12 months in recent weeks. Overall cow slaughter levels continue to be below last year, so cull-cow prices should stay strong in the near future.

Market News (Continued)

Hay: The USDA released its Annual Crop Production Summary report on 1/10/2014. Highlights:

- 2013 Alfalfa production 57.6M tons, 7th lowest since 1950; up 10.63% from 2012
- All Other Hay production 78.4M tons, 3rd highest since 1950; up 15.53% from 2012.
- Average Upper Midwest Prime Hay Price/ton - Large Sq. 227.06; Large Rd. 191.41

2.52M acres of new seedlings of alfalfa and alfalfa mixtures in 2013; up 5% from 2012; 3rd smallest in US

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

MARGINSMART® Insight

Milk Futures prices increased SIGNIFICANTLY last week plus corn prices dropped and most all Feedstuff prices remained steady (see separate list). CHECK YOUR OPPORTUNITIES as they have improved significantly over the past months.

Visit us on the Web at:

www.marginSMART.com

www.facebook.com/MarginSmart

Market Update (As of 1/17/2014 Close)

	Jan. '14	+/-*	Feb. '14	+/-*	Mar. '14	+/-*	May '14	+/-*	Jul. '14	+/-*	Sep. '14	+/-*	New Crop 14'	+/-*
Class III Milk	20.94	+0.44	21.92	+1.71	20.49	+1.27	18.99	+0.46	18.40	+0.21	18.20	+0.20	17.44**	+0.07
Class IV Milk	22.20	+0.30	23.24	+0.87	23.19	+1.29	21.64	+1.28	20.15	+0.95	19.60	+0.62	18.60**	+0.25
Corn					4.24	-0.09	4.32	-0.09	4.38	-0.09	4.43	-0.10	4.49**	-0.09
Soybeans					13.16	+0.38	12.97	+0.37	12.82	+0.36	11.71	+0.26	11.25**	+0.25
Soybean Meal					435	+21	421	+19	412	+17	379	+14	352**	+14

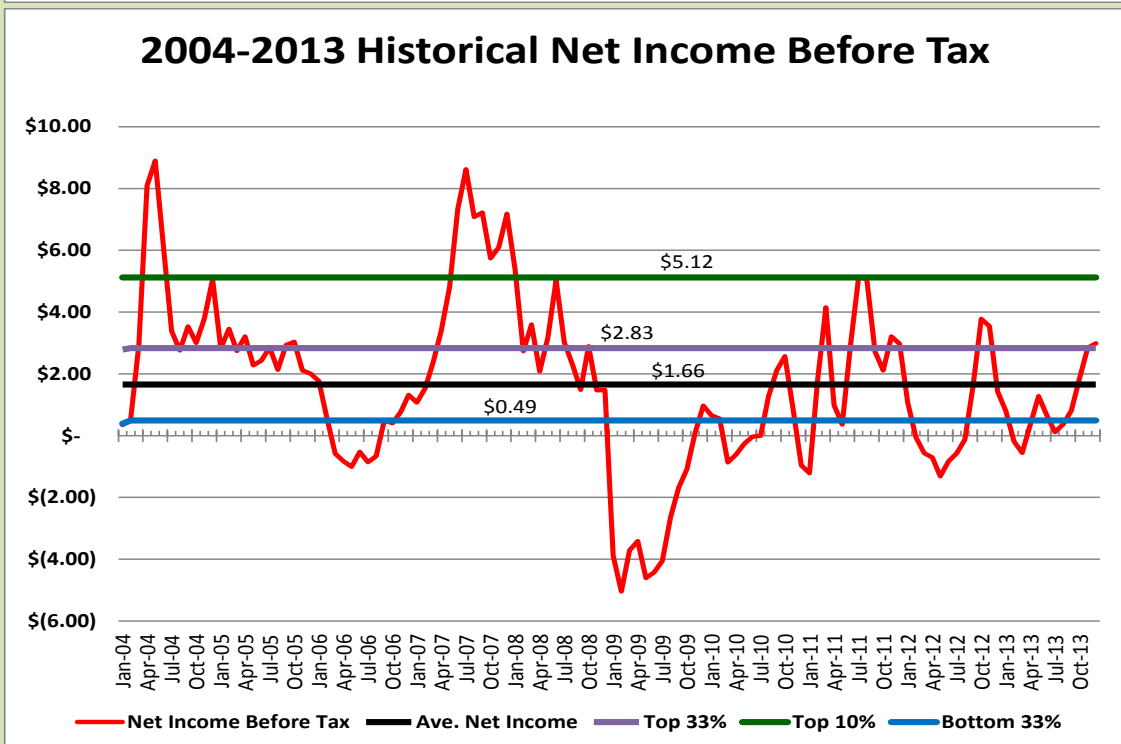
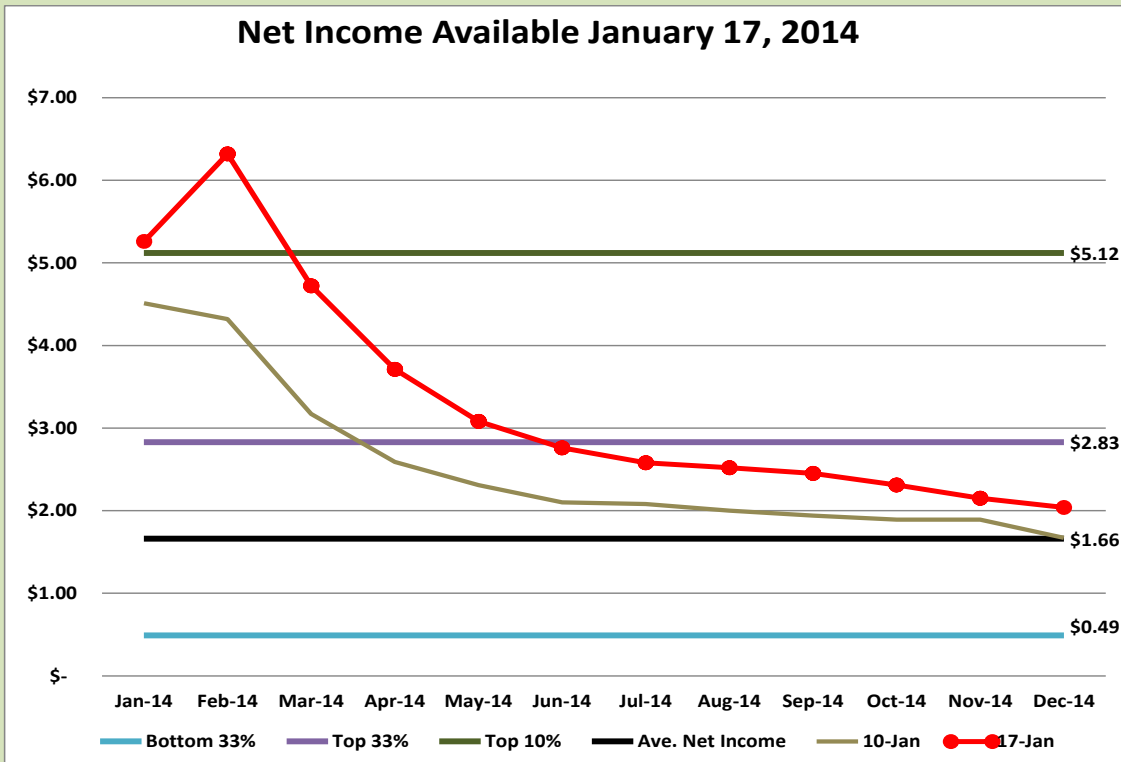
*Change from the Previous Week Price

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

Copyright © 2014 Dairy Analyzer, LLC. All rights reserved.



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.





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. We calculated the past 10 year's results (with adj. milk / day). The first chart is the yearly average net income per cwt. for the last 10 years. The second chart breaks the yearly income into quarterly increments per cwt. for the last 10 years. The charts below are a breakdown of the information in the historical graph above.

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