



“For **SMART** Management”

June 2, 2014 Vol. 2, Issue 22

MARGINSMART®

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MARGINSMART® Sample Farm Profitability Changes From Last Week

	May '14	June '14	July '14	Aug. '14	Sep. '14	Oct. '14	Nov. '14	Dec. '14	Jan. '15	Feb. '15	Mar. '15	Apr. '15
Change From Prior Week	+04	-09	+13	+19	+06	-03	+06	+10	+06	+06	+08	+08

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 explore the opportunities for utilizing the Scenario Farm option within MARGINSMART®. To utilize this option, take the following steps:

1. When you are logged into MARGINSMART® your email address shows up in the upper right hand corner. Click anywhere on your email address.
2. A box will show up that says “Create Scenario Farm”.
3. Click “Yes” to that and the next pop-up box.

You now have a duplicate farm to your live farm data. You can test all types of changes and see the impact without disrupting your real info! This is very powerful and can cover any “what-if” situation you have. Whether you want to see the impact of ration changes (including the combination of feed cost impact, as well as milk production and component changes), market vs. cost of grown feeds or any other scenario, MARGINSMART® can handle it all! Call us to review all your options.

Market News

Milk: The Class III milk futures prices swung wildly last week. With no trade on Memorial Day, Tuesday saw prices up \$.50 to \$.70 per cwt. for Jun-Aug 2014. Those same months dropped by \$.64 to \$1.20 per cwt. by Thursday before rebounding somewhat Friday and today.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry: USDA released its crop planting and condition report on June 2, 2014:

- Corn planted at 95% vs. the 5 year avg. of 94%
- 80% of corn is emerged – same as the 5 yr avg.
- 76% of corn is rated as good to excellent vs. 63% last year
- Soybeans planted at 78% vs. the 5 year avg. of 70%
- 50% of pasture and ranges rated as good to excellent vs. 46% last year

After a week plus of drier conditions the Northern Midwest and much of WI received significant rain over the past few days. Moisture conditions are generally favorable in most growing areas of the United States.

Contact Curtis Gerrits at
920-217-7255 for a FREE
MARGINSMART® DEMO!

MARGINSMART® Insight

Use the Scenario Farm option within
MARGINSMART® to compare alternative rations
and all kinds of other “what-if” options!

Visit us on the Web at:

www.marginsmart.com

www.facebook.com/MarginSmart

Market Update (As of 5/30/2014 Close)

	May '14	+/-*	Jul. '14	+/-*	Aug. '14	+/-*	Sep. '14	+/-*	Nov. '14	+/-*	Dec. '14	+/-*	Mar. '15	+/-*
Class III Milk	22.63	+05	20.62	+04	20.30	+07	20.34	+03	19.52	+03	19.01	+07	18.20	+05
Class IV Milk	22.59	-06	22.10	-22	21.89	-15	21.65	-10	20.96	-21	20.40	-25	19.15	+00
Corn			4.66	-12			4.58	-17			4.57	-18	4.66	-19
Soybeans			14.93	-22	14.24	-21	12.86	-35	12.34	-32			12.43	-32
Soybean Meal			500	-3	474	-1	436	-5			404	-5	402	-6

*Change from the Previous Week Price

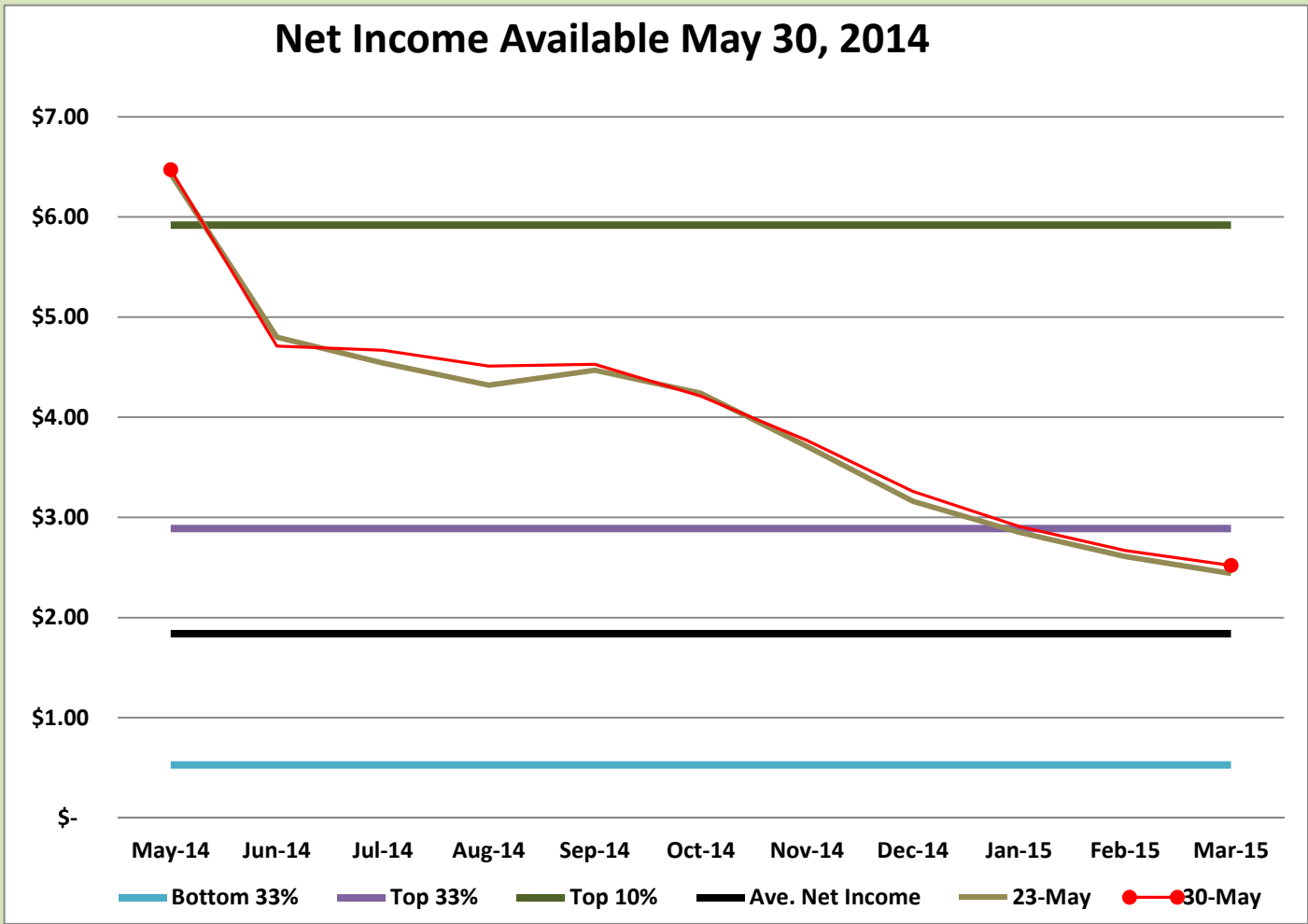
**New Crop: Milk (Dec.), Corn (Dec.), Soybeans (Nov.), Soybean Meal (Dec.)

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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.

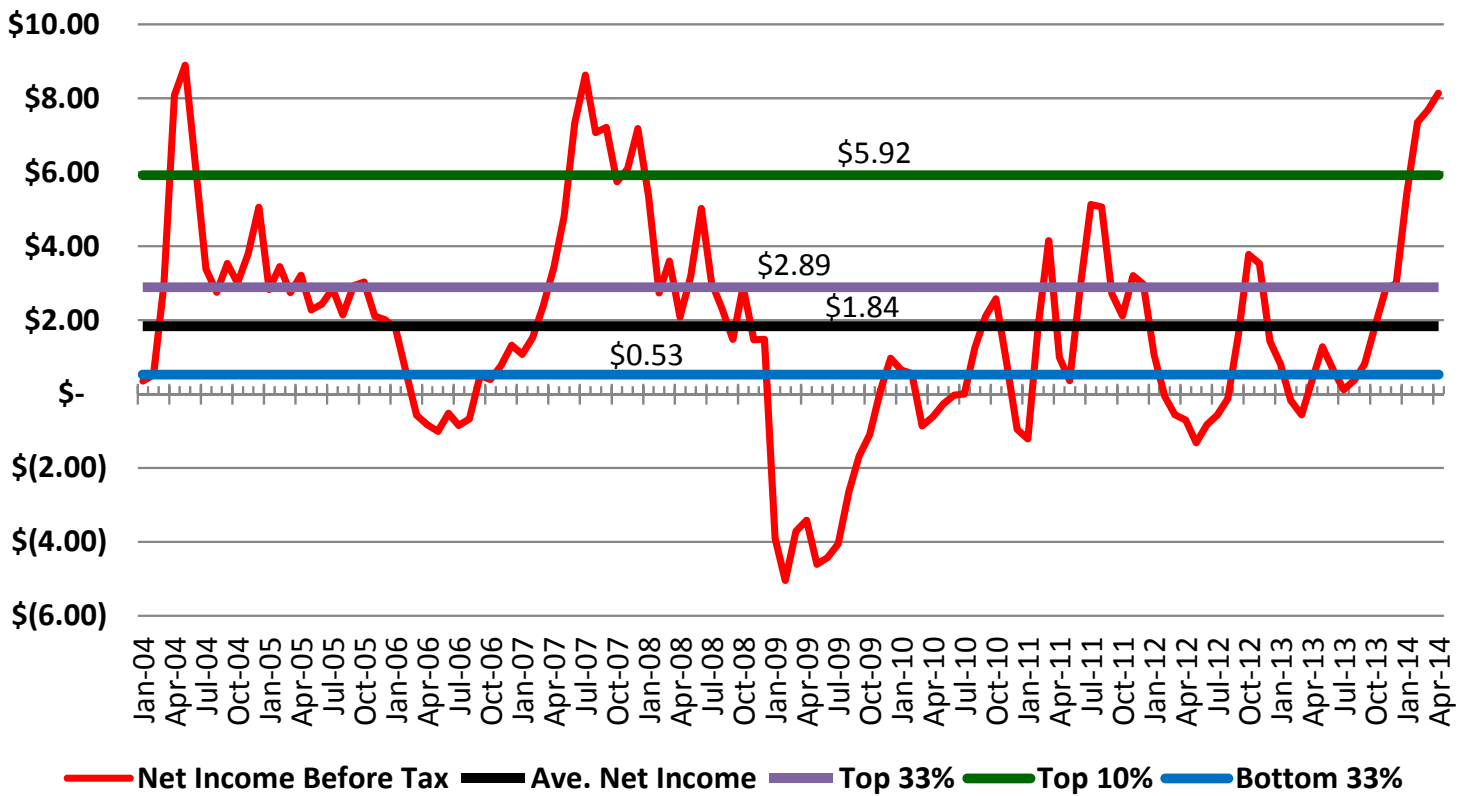
Net Income Available May 30, 2014





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			