



"For SMART Management"

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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	+0.47	+0.36	+0.11	.00	+0.15	+0.06	+0.19	+0.21	+0.21	+0.21	+0.18	+0.19

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

For those customers with Premium or Platinum licenses MARGINSMART® offers the ability to incorporate all of your operating income and expenses besides milk and feed so that they can constantly know where their profitability or net cash flow over future months. As the tax season wraps up, this is a great time to revisit the projections for those various items within the "Other \$" area. One of the great benefits to your customer service is that we can determine how to enter this and then enter all that info for you within MARGINSMART®. We can customize this to your decision making process. We can put set this up on an accrual or a combination accrual/cash flow basis so that you can be assured that you have the info to make decisions. We are available to answer any questions you have.

Market News

Milk: The Class III price hits an all-time record \$23.35!

The final February 2014 Class III announced price was \$2.20 per cwt. higher than January 2014 and \$6.10 per cwt. higher than February 2013. The final Class IV was \$23.46 per cwt for February 2014. Currently USDA projects a 2.2% increase in milk production for 2014.

Market News (Continued)

Grains/Feedstuffs: Yesterday USDA released the latest monthly World Ag Supply and Demand Estimates. Highlights:

- Est. ending corn stocks for the 13/14 crop year were reduced from 1.481M bu to 1.456M bu
- No changes to expected usage, the only change was due to more exports projected than Feb
- World corn stocks were est. slightly higher
- Est. corn prices remaining relatively unchanged
- Est. ending soybean stocks were down minimally
- SBM prices for 13/14 were raised \$25 per ton from the February report

**Stop in and see us at the PDPW
Annual Business Conference in
Madison, WI March 12-13!**

MARGINSMART® Insight

Provide any key ration changes to us we so can update within MARGINSMART® so that you can know your specific profitability projections!

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Market Update (As of 3/7/2014 Close)

	Mar. '14	+/-*	Apr. '14	+/-*	May. '14	+/-*	Jul '14	+/-*	Aug. '14	+/-*	Sep. '14	+/-*	New Crop 14'	+/-*
Class III Milk	22.65	+0.50	21.25	+0.40	20.25	+0.18	19.80	+0.07	19.59	+0.16	19.34	+0.24	18.50**	+0.24
Class IV Milk	23.35	+0.23	23.00	-0.03	22.27	-0.04	21.00	-0.64	20.71	-0.56	20.50	-0.50	19.20**	-0.13
Corn	4.81	+0.24			4.89	+0.26	4.93	+0.27			4.87	+0.21	4.85**	+0.25
Soybeans	14.57	+0.43			14.58	+0.44	14.25	+0.40	13.73	+0.42	12.55	+0.21	11.87**	+0.18
Soybean Meal	465	-3			458	.00	445	+1	426	+2	399	+1	362**	-2

*Change from the Previous Week Price

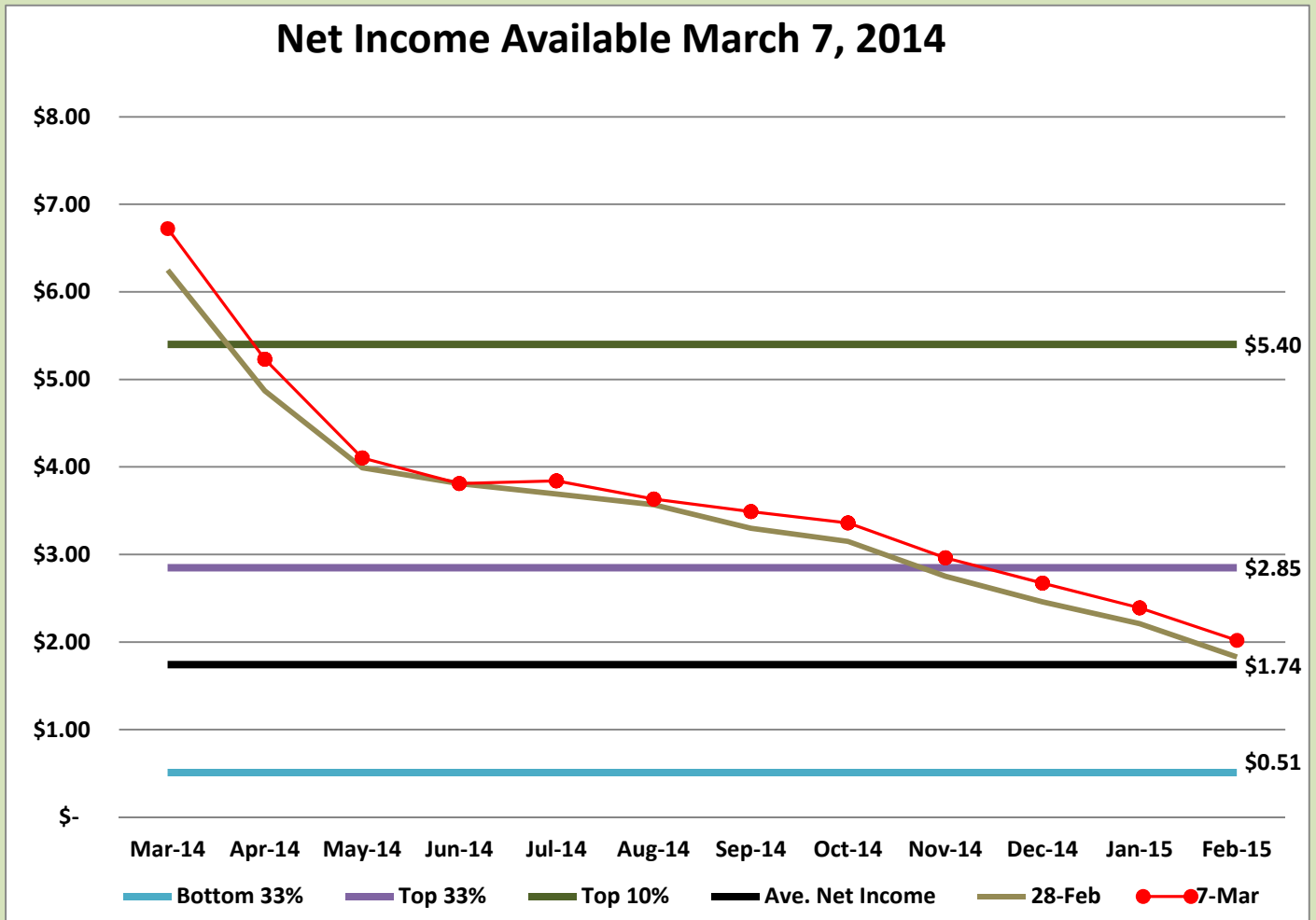
**New Crop: Milk (Dec.), Corn (Dec.), Soybeans (Nov.), Soybean Meal (Dec.)

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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.

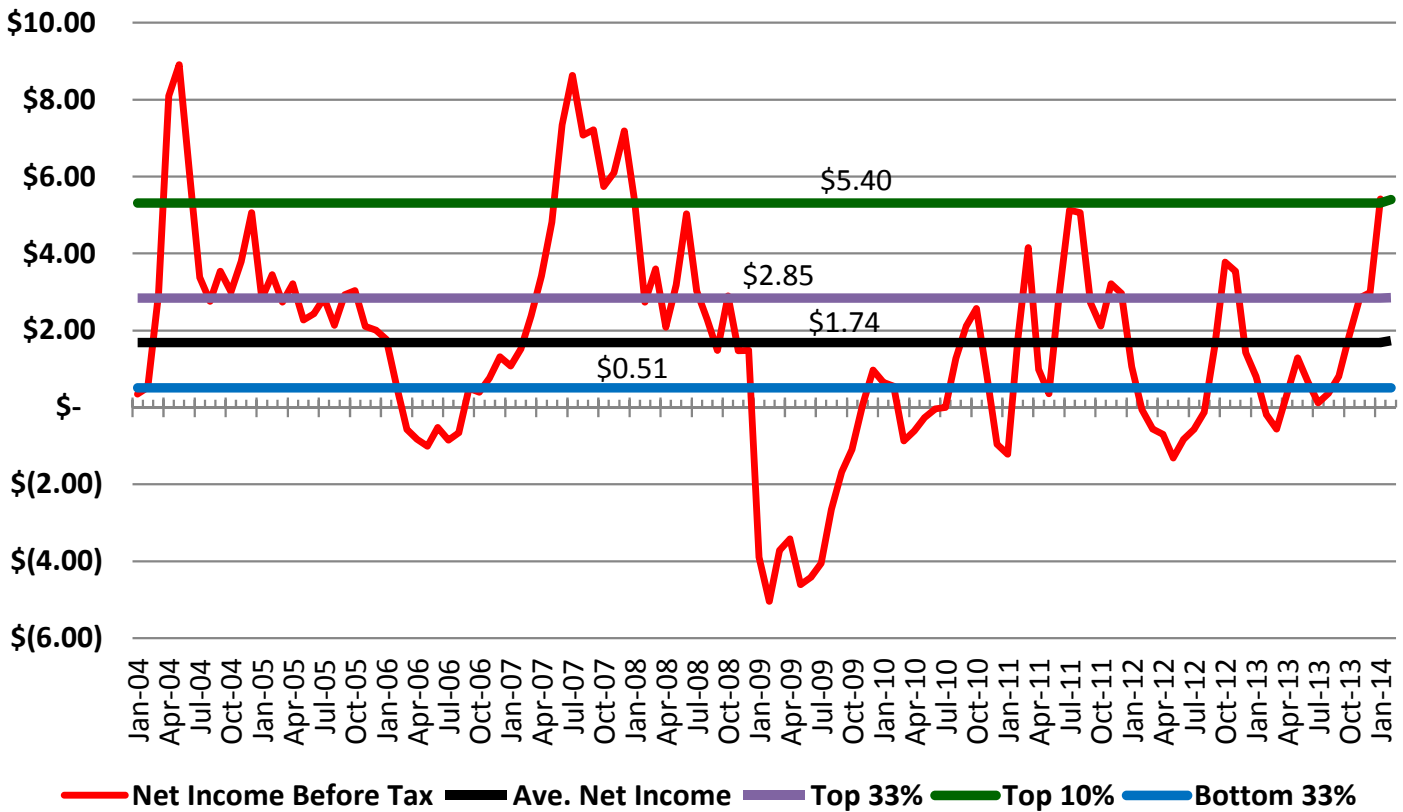
Net Income Available March 7, 2014





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