



"For SMART Management"

May 12, 2014 Vol. 2, Issue 19

MARGINSMART®

1600 W. Shawano Ave. Suite 201

Green Bay, WI 54303

TOLL FREE 877-474-7589

Curtis Gerrits (Sales) 920-217-7255

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	-0.08	-0.30	-0.23	+0.00	+0.02	+0.00	+0.03	-0.01	+0.04	-0.04	-0.01	+0.04

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® Version 3.0 is Released!

MARGINSMART® Version 3.0 adds significant upgrades and features to further enhance MARGINSMART® as the industry leader in providing dairy producers financial projection tools to make informed financial decisions. *One major enhancement of Version 3.0 includes the ability to create a duplicate scenario farm to very efficiently create an unlimited number of "what-if" scenarios so that users can immediately see the projected impact of each of those scenarios on their farm's overall milk margins, cost of production, cash flow and/or profitability.* Version 3.0 also allows users to then toggle back and forth between their real farm and scenario farm to see the difference and make truly informed financial decisions. One of the great aspects of the original MARGINSMART® program has always been its ability to project feed costs in a combination of methods. *A second enhancement to Version 3.0 includes the ability to now change the projected cost of all feed ingredients (which are not mapped to the CBOT) on a monthly basis.* This allows increased flexibility for the feed cost determination which ultimately results in even more accurate projections. Call us with any questions on these new features!

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry: USDA released its WASDE on May 9, 2014. Highlights include:

- Estimated US corn ending stocks for the 2013/14 crop year are 185M bushel lower than last month
- Projected corn yield of 165.3 bushels per acre for 2014, up from 158.8 in 2013
- Projected 2014/15 year-end carryout is 1.726M bushels, up from 1.146M for 2013/14
- The initial estimated average farm price for corn per bushel for 2014/15 was \$3.85 - \$4.55

The USDA also released its report on corn planting progress which shows that 59% of the crop is planted as of 5/11/14 versus the 5 year average of 58%.

Contact Curtis Gerrits at 920-217-7255 to become a MARGINSMART® customer!

MARGINSMART® Insight

All existing customers got a free automatic upgrade to MARGINSMART® Version 3.0 – just another benefit to their MARGINSMART license!

Visit us on the Web at:

www.marginsmart.com

www.facebook.com/MarginSmart

Market Update (As of 5/9/2014 Close)

	May '14	+/-*	Jul. '14	+/-*	Aug. '14	+/-*	Sep. '14	+/-*	Nov. '14	+/-*	Dec. '14	+/-*	Mar. '15	+/-*
Class III Milk	22.71	-0.04	20.27	-0.28	19.94	+0.00	19.90	+0.03	19.09	+0.03	18.61	-0.01	18.05	+0.00
Class IV Milk	22.59	-0.06	21.65	+0.13	21.29	-0.12	21.15	-0.12	20.40	+0.10	19.90	-0.07	18.00	+0.00
Corn	5.05	+0.11	5.07	+0.08			5.02	+0.06			4.99	+0.05	5.06	+0.04
Soybeans	15.01	+0.20	14.87	+0.16	14.23	+0.16	12.85	+0.04	12.26	+0.04			12.37	+0.05
Soybean Meal	498	+7	487	+7	462	+9	423	+1			389	+1	390	+2

*Change from the Previous Week Price

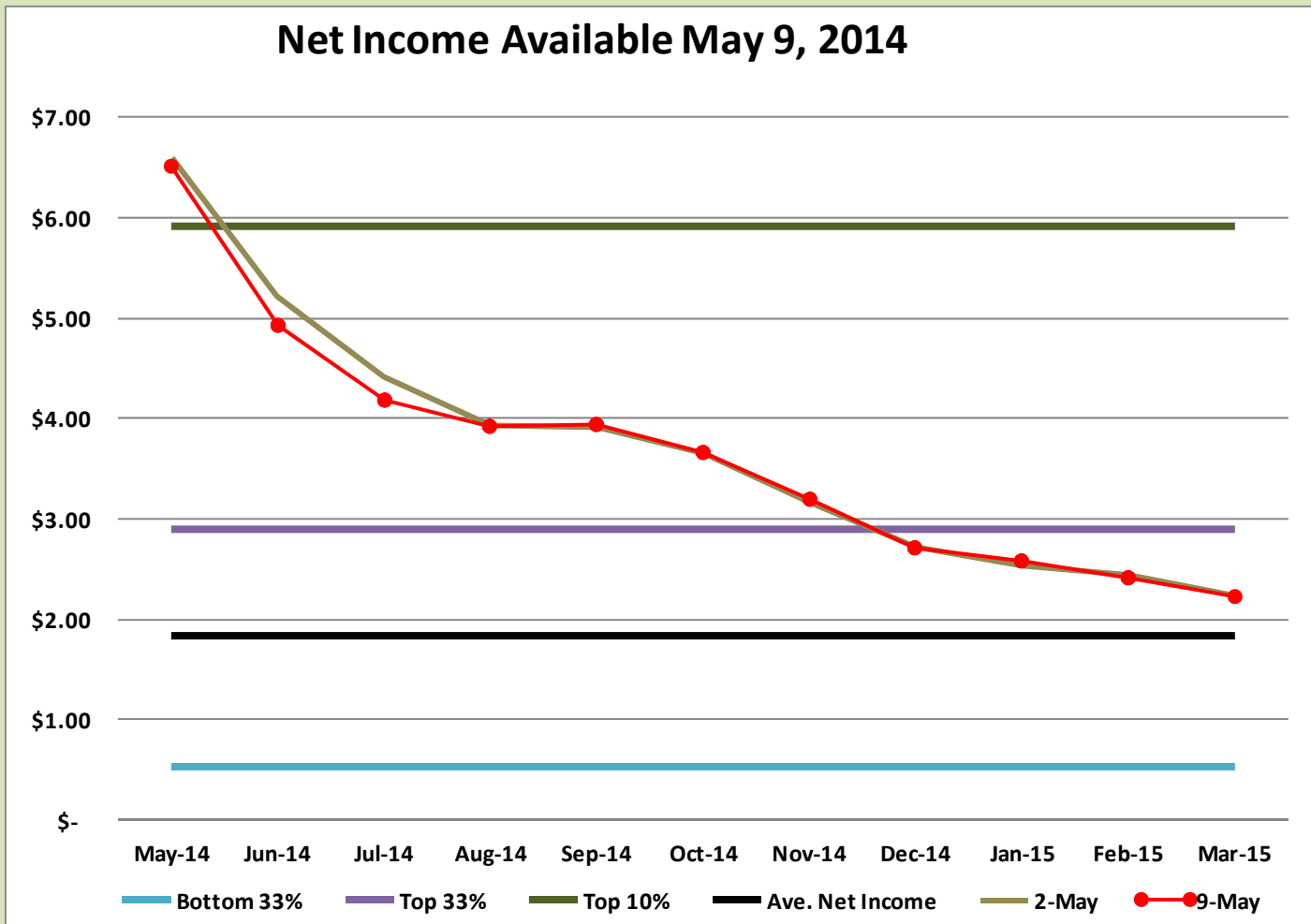
**New Crop: Milk (Dec.), Corn (Dec.), Soybeans (Nov.), Soybean Meal (Dec.)

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.

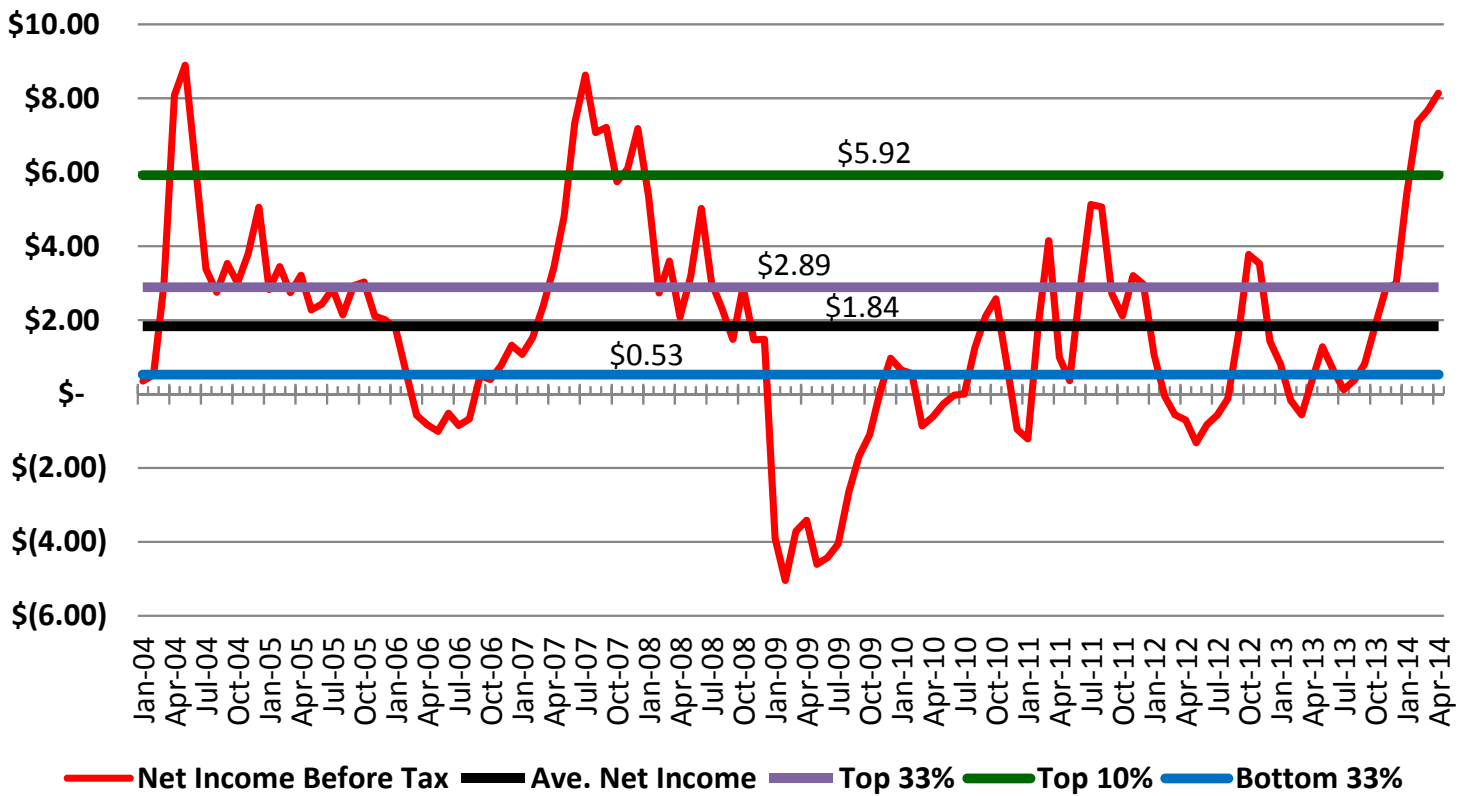
Net Income Available May 9, 2014





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





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 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
2014	6.82			