



"For SMART Management"

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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	+09	+53	+57	+37	+48	+40	+36	+29	+29	+22	+17	+22

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

As you start into the harvest season for 2014 forage crops this week we will look at several ways to incorporate them into MARGINSMART®.

1. If you buy any forages and you anticipate having a different price for 2014 vs. 2013 forages, we can set different prices based on when you anticipate feeding the 2013 vs. 2014 crops.
2. If you will be feeding the same specific forage grown in both 2013 and 2014 (e.g. haylage) and have different prices, we can modify rations to capture the specific cost for each of these.
3. If you grow some forages and buy some forages we can properly allocate between the two.

Call us to review all your options.

Market News

Milk: Milk production in the 23 major states during April totaled 16.3B pounds, up 1.2% from April '13. Production per cow averaged 1,911 pounds for April '14. This is the highest production per cow for the month of April since the 23 State series began in 2003. The number of milk cows on farms was 8.53M head, 10,000 head more than March 2014. Milk production in other parts of the world: Australia up 5.6% in April '14 vs. '13, EU up 2.6% in Q1 '14 vs. '13, New Zealand up 22% in Mar '14 vs. '13.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

- Hay prices across the entire United States have remained strong due to recent droughts and flat acres to be harvested
- The USDA will release its weekly report on corn planting progress later today. Expectations are for 84-88% to be planted as of 5/27/14
- Poultry production is projected to increase a modest 2-2 ½% through the rest of 2014
- Overall beef production is down 5.6% (in term of #s) YTD 2014 vs. 2013 while overall red meat and poultry production is down 2.4% YTD 2014 vs. 2013
- Cow slaughter is down 11% YTD 2014 vs. 2013

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

MARGINSMART® Insight

**Existing customers are using MARGINSMART®
 Version 3.0 to make informed business decisions!
 Call us to see how we can help you too!**

Visit us on the Web at:

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Market Update (As of 5/23/2014 Close)

	May '14	+/-*	Jul. '14	+/-*	Aug. '14	+/-*	Sep. '14	+/-*	Nov. '14	+/-*	Dec. '14	+/-*	Mar. '15	+/-*
Class III Milk	22.58	+00	20.58	+57	20.23	+30	20.31	+47	19.49	+30	18.94	+23	18.15	+10
Class IV Milk	22.65	+10	22.32	+74	22.04	+65	21.75	+52	21.17	+73	20.65	+55	19.15	+67
Corn			4.78	-05			4.75	-06			4.75	-06	4.85	-04
Soybeans			15.15	+50	14.45	+45	13.21	+47	12.66	+45			12.75	+44
Soybean Meal			503	+23	475	+19	441	+20			409	+21	408	+19

*Change from the Previous Week Price

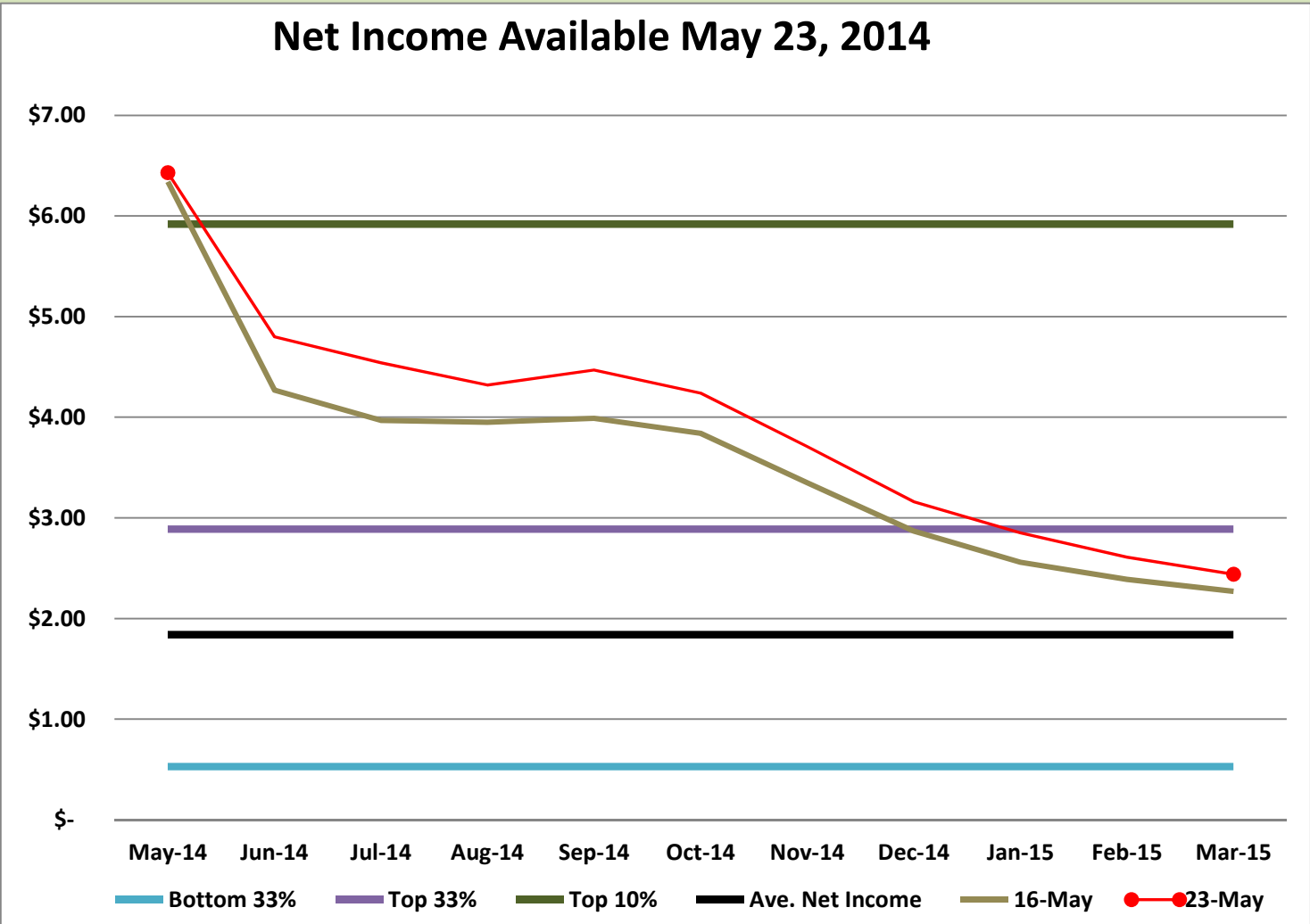
**New Crop: Milk (Dec.), Corn (Dec.), Soybeans (Nov.), Soybean Meal (Dec.)

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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.

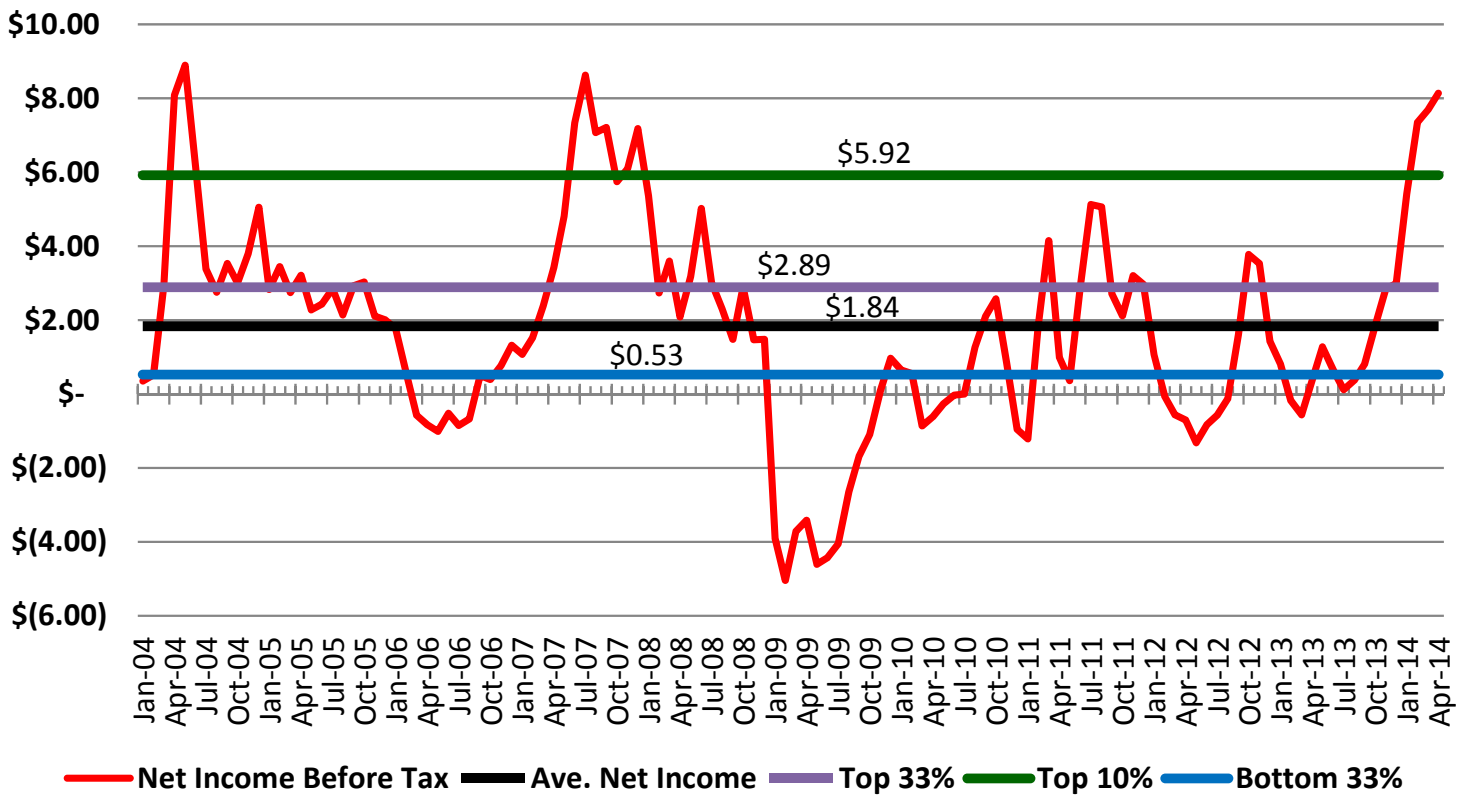
Net Income Available May 23, 2014





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			