



"For **SMART** Management"

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MARGINSMART®
 1600 W. Shawano Ave. Suite 201
 Green Bay, WI 54303
 TOLL FREE 877-474-7589
 Curtis Gerrits 920-217-7255

MARGINSMART® Sample Farm Profitability Changes From Last Week

	Apr. '14	May '14	June '14	July '14	Aug. '14	Sep. '14	Oct. '14	Nov. '14	Dec. '14	Jan. '15	Feb. '15	Mar. '15
Change From Prior Week	+0.06	-0.53	-0.64	-0.72	-0.59	-0.41	-0.25	-0.21	-0.14	-0.03	-0.02	+0.18

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 look at several ways to incorporate your grown feed costs into MARGINSMART®. There are three basic ways:

1. At market. This allows you to value all of your grown feed at a market price so that you can evaluate the results of your dairy on a stand-alone enterprise basis
2. At your actual production cost. If you know this amount, it can be entered and allows you to have different prices for grown and purchased forages and grains. It also allows you to combine your feed and dairy enterprises into one combined operation.
3. If you want to further simply combine the results, you can enter all crop inputs individually.

We will work with you to get the proper set-up of your grown feeds so that you can make informed decisions.

Market News

Milk: The Class III futures prices pulled back last week; May – Aug 2014 were down by \$.46-\$.73 per cwt. May rebounded on 4/14/14. Cheddar cheese blocks and barrels also are down \$.20 to \$.30 per pound from their record peaks just a few weeks ago. Blocks closed Friday 4/11/14 at \$2.17 per pound while barrels were at \$2.08.

Market News (Continued)

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

- US corn exports increased by 125M bushels
- US corn ending stocks decreased by 125M bushels
- Global corn prod. was raised 6.4M tons (228M Bu)
- US soybean end. stocks reduced 10M Bu to 135M
- Proj. prices for soybeans and all soybean related products are raised, including soybean meal
- Total projected red meat and poultry production for 2014 in the US is decreased. Beef prod. is forecasted higher, but pork & poultry are down
- Projected fed cattle prices are raised based on strong export and good demand

MARGINSMART® Welcomes Curtis Gerrits

Curtis Gerrits joins the MARGINSMART® team as our Sales Manager. Curtis brings valuable experience to our team in dairy specific customer service, dairy herd management and dairy expansion. Please feel free to contact Curtis on how MARGINSMART® can be utilized as a valuable tool for you and your dairy.

Curtis Gerrits • (920) 217-7255
 curtis@marginsmart.com

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Market Update (As of 4/11/2014 Close)

	Apr. '14	+/-*	May. '14	+/-*	Jul '14	+/-*	Aug. '14	+/-*	Sep. '14	+/-*	Nov.'14	+/-*	Dec '14	+/-*
Class III Milk	24.02	+0.08	21.50	-0.46	19.55	-0.73	19.45	-0.57	19.41	-0.37	18.71	-0.21	18.35	-0.18
Class IV Milk	23.40	-0.06	21.71	-0.24	20.30	-0.40	20.00	-0.40	20.00	-0.15	19.54	-0.16	19.15	-0.25
Corn			4.98	-0.04	5.04	-0.03			5.02	-0.05			4.99	-0.08
Soybeans			14.63	-0.11	14.47	-0.08	13.79	+0.05	12.68	+0.11	12.15	+0.07		
Soybean Meal			473	-6	463	-4	438	+1	411	+3			380	+1

*Change from the Previous Week Price

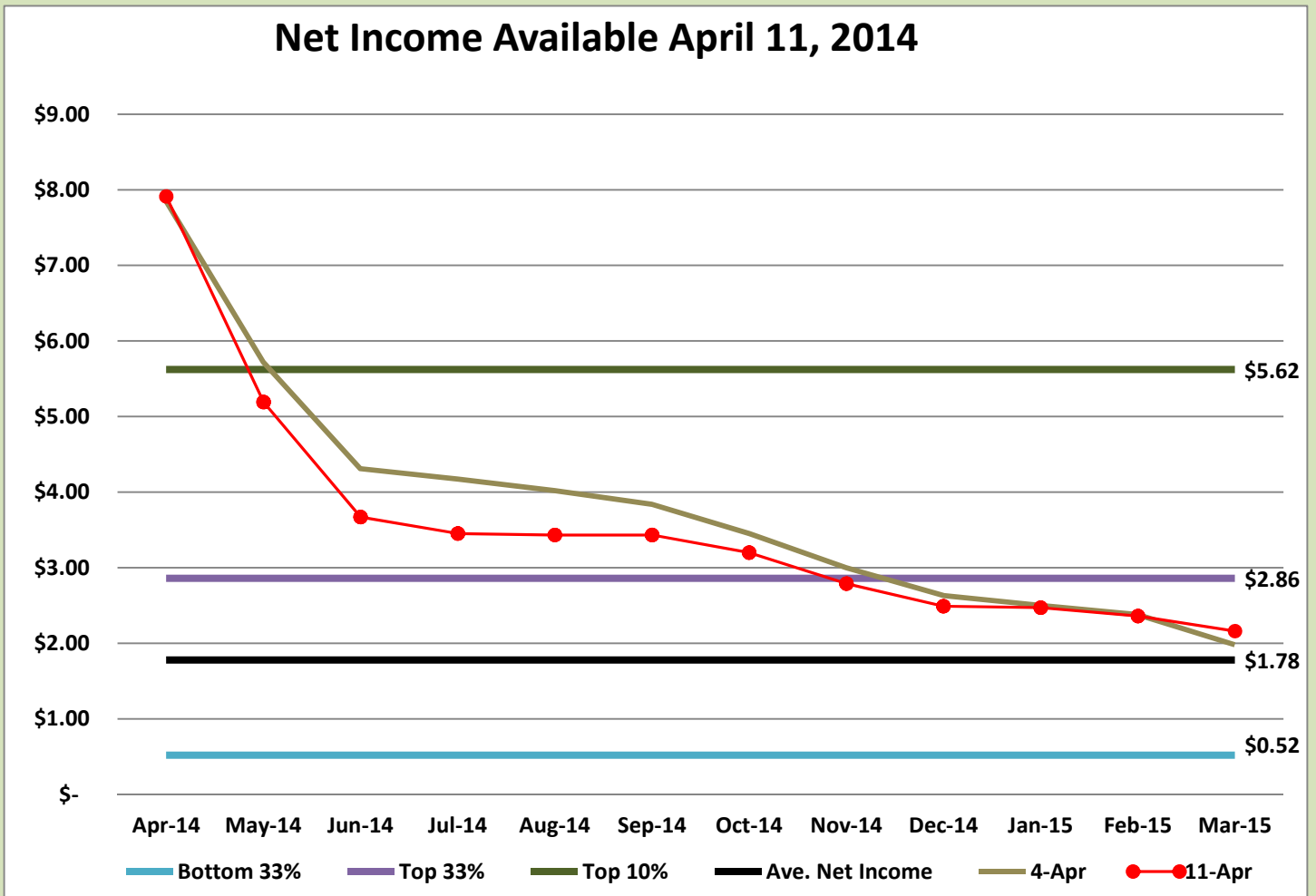
**New Crop: Milk (Dec.), Corn (Dec.), Soybeans (Nov.), Soybean Meal (Dec.)

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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.

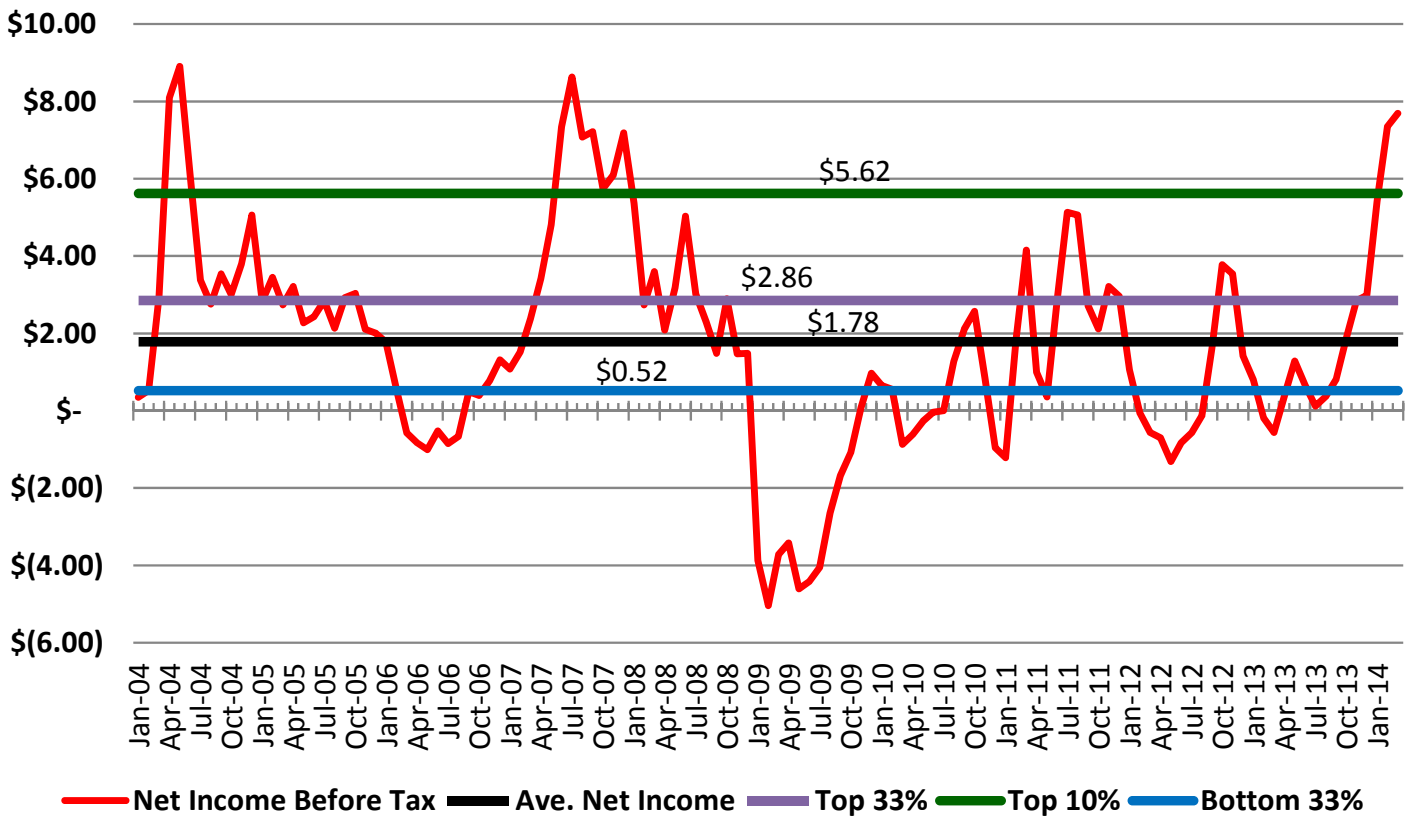
Net Income Available April 11, 2014





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			