



"For SMART Management"

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MARGINSMART®

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MARGINSMART® Sample Farm Profitability Changes From Last Week

	June '14	July '14	Aug. '14	Sep. '14	Oct. '14	Nov. '14	Dec. '14	Jan. '15	Feb. '15	Mar. '15	Apr. '15	May '15
Change From Prior Week	+04	-.23	-.04	-.04	+0.31	+0.34	+0.46	+0.50	+0.37	+0.26	+0.22	+0.07

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 revisit entering ingredient cost based on "Dry Matter Cost" instead of "As Fed Cost". This is very common for our customers as it relates to forages as in some cases, the as fed pounds of rations change only due to moisture level changes. To reduce continual updates to Cost Per Unit in the "Ingredients" tab for this, MARGINSMART® allows you to enter the Dry Matter Cost per Unit for any Ingredient. You will also then need to change the "Dry Matter %" for that particular Ingredient to 100%. One item to note is that in the "Rations" tab, you will see the Red Alert at the top which will identify that the "As Fed" pounds do not match; however, if the "Dry Matter" pounds match, you can be assured that your overall feed costs will be calculated correctly. Call us with any questions.

Market News

Milk: Milk production in the 23 major states during May totaled 16.9B pounds, up 1.5% from May '13. April 2014 was revised up .2% from its original reporting last month. Production per cow averaged 1,976 pounds for May '14. This is the highest production per cow for the month of May since the 23 State series began in 2003. The number of milk cows on farms was 8.55M head, 10,000 head more than April 2014.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

- 2014 corn crop rated good to excellent on 6-30-14 was 75% compared to 67% in 2013
- 2014 soybean crop rated good to excellent on 6-30-14 was 72% compared to 67% in 2013
- USDA released its Quarterly Hogs and Pigs report and the inventory is more than 4% less than 2013. This is a significant reduction in inventory levels and will impact corn and SBM usage. The head held for market hogs was down 4.5%.
- 2014 YTD combined cow slaughter (beef and dairy) is down 12.2% from 2013. Beef trimming prices remain strong and should support cull cow prices

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

MARGINSMART® Insight

MARGINSMART® can help you identify your true profitability and cash flow projections! Let us help you make informed decisions.

Visit us on the Web at:

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Market Update (As of 6/27/2014 Close)

	June '14	+/-*	July '14	+/-*	Aug. '14	+/-*	Sep. '14	+/-*	Nov. '14	+/-*	Dec. '14	+/-*	Mar. '15	+/-*
Class III Milk	21.36	+02	21.34	-.21	21.30	-.03	21.26	-.04	20.65	+0.37	20.17	+0.40	18.62	+0.24
Class IV Milk	22.95	+00	23.24	+0.14	23.00	+0.26	22.50	+0.25	21.12	+0.22	20.48	+0.06	19.05	+0.15
Corn			4.43	-.10			4.42	-.06			4.47	-.05	4.58	-.04
Soybeans			14.32	+0.16	13.78	+0.17	12.66	+0.03	12.28	-.03			12.39	-.05
Soybean Meal			470	+11	447	+7	414	-2			393	-6	392	-5

*Change from the Previous Week Price

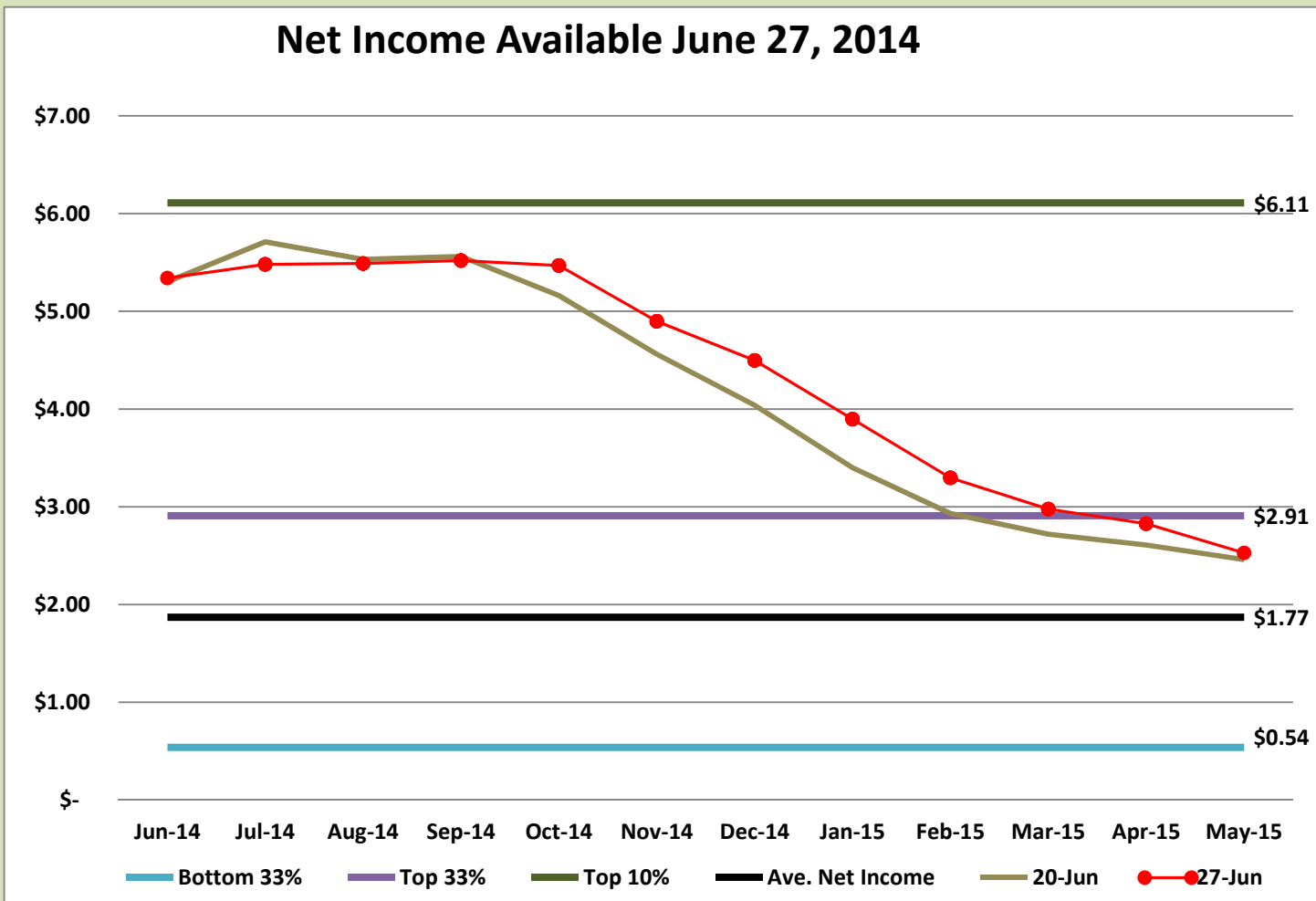
**New Crop: Milk (Dec.), Corn (Dec.), Soybeans (Nov.), Soybean Meal (Dec.)

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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.

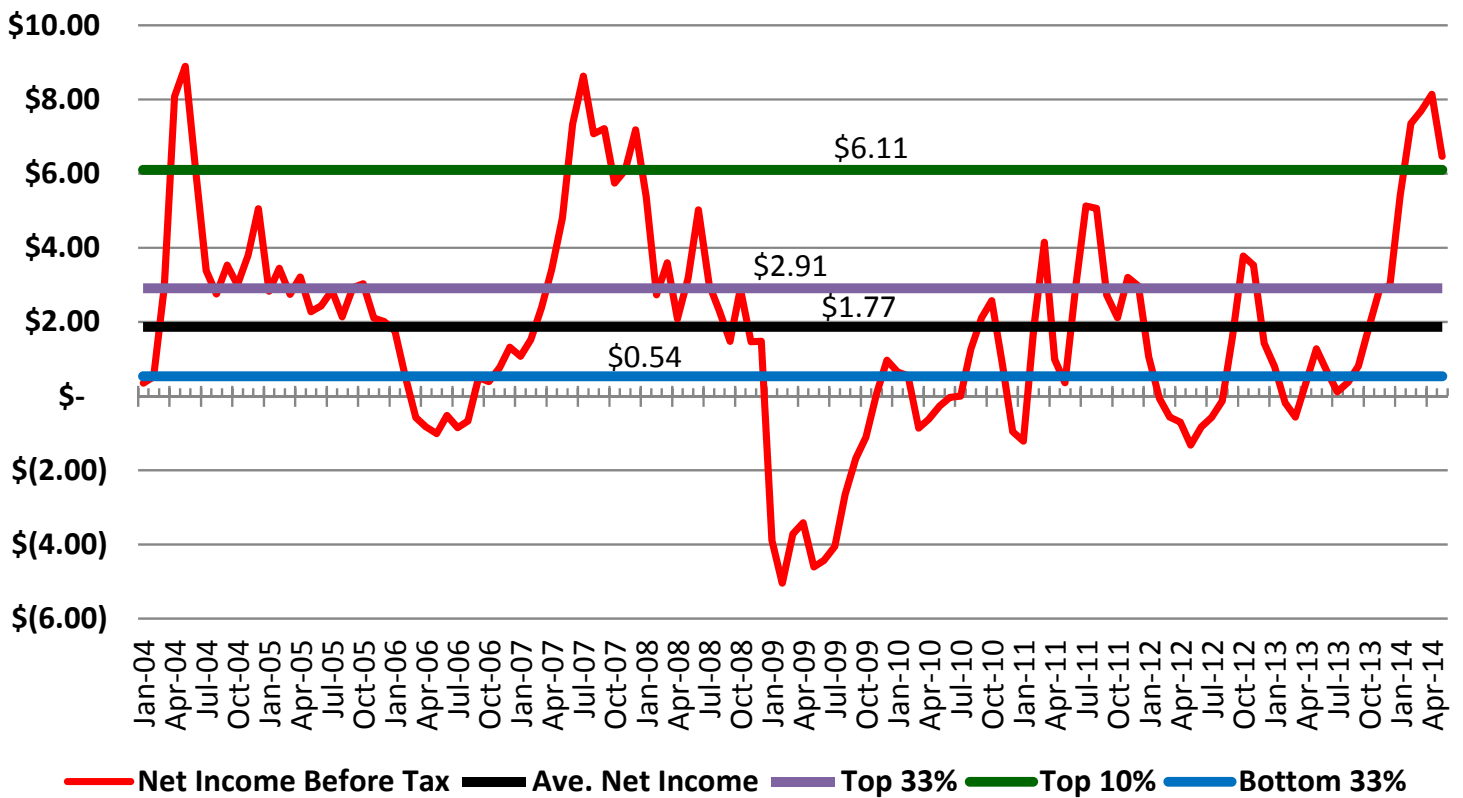
Net Income Available June 27, 2014





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			