



"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	+0.43	-0.22	-0.03	+0.08	+0.13	+0.03	+0.09	+0.01	+0.02	+0.08	+0.09	+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 explore the Open Price Risk Position Report. This report is available to all Premium and Platinum MARGINSMART® users.

This report was specifically designed to allow users to see a summary overview of their commitments as it relates to milk and feed. It can be accessed via the "Reports" area by double clicking the name in the column on the left. The report has a page for each of Milk, Corn, Soybeans and Soybean Meal. MARGINSMART® will display the monthly milk produced/feed usage – along with the volume where the price has been committed via contracts, futures or options and automatically converts all ingredient equivalency percentages. It further displays the net units that are either unpriced or overpriced. Please call with any questions.

Market News

Milk: The final May 2014 announced Class III price was \$22.57 per cwt. While that is \$1.74 lower than March 2014, it is up \$4.05 per cwt. from May 2013. The final May 2014 Class IV price was \$22.65 per cwt. down \$.69 per cwt. from April 2014, but up \$3.76 per cwt. from May 2013. The average Class III for the first 5 months of 2014 is \$22.94.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

- The trade expects the % of 2014 corn rated as good to excellent to improve upon last week's 76%
- The trade also projects the first 2014 soybean rating to be 71-74% rated good to excellent
- The 2 week outlook for weather over most of the corn and soybean growing states looks very favorable with good moisture and temperatures
- While the US is relatively tight on ending soybean supplies, the world ending stocks and stocks/usage % are both the highest in the last 30 years.
- YTD dairy cull slaughter is nearly 130,000 head behind 2013. High prices continue.

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

MARGINSMART® Insight

Use the Scenario Farm option within
MARGINSMART® to compare alternative rations
and all kinds of other "what-if" options!

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

	June '14	+/-*	July '14	+/-*	Aug. '14	+/-*	Sep. '14	+/-*	Nov. '14	+/-*	Dec. '14	+/-*	Mar. '15	+/-*
Class III Milk	21.24	+0.41	20.38	-0.24	20.33	+0.03	20.32	-0.02	19.53	+0.01	19.05	+0.04	18.27	+0.07
Class IV Milk	22.70	+0.00	22.18	+0.08	21.58	-0.31	21.58	-0.07	20.61	-0.35	20.21	-0.19	18.85	-0.30
Corn			4.59	-0.07			4.56	-0.02			4.58	+0.01	4.67	+0.01
Soybeans			14.57	-0.36	14.01	-0.23	12.64	-0.22	12.19	-0.15			12.30	-0.13
Soybean Meal			488	-12	462	-12	424	-12			394	-10	393	-9

*Change from the Previous Week Price

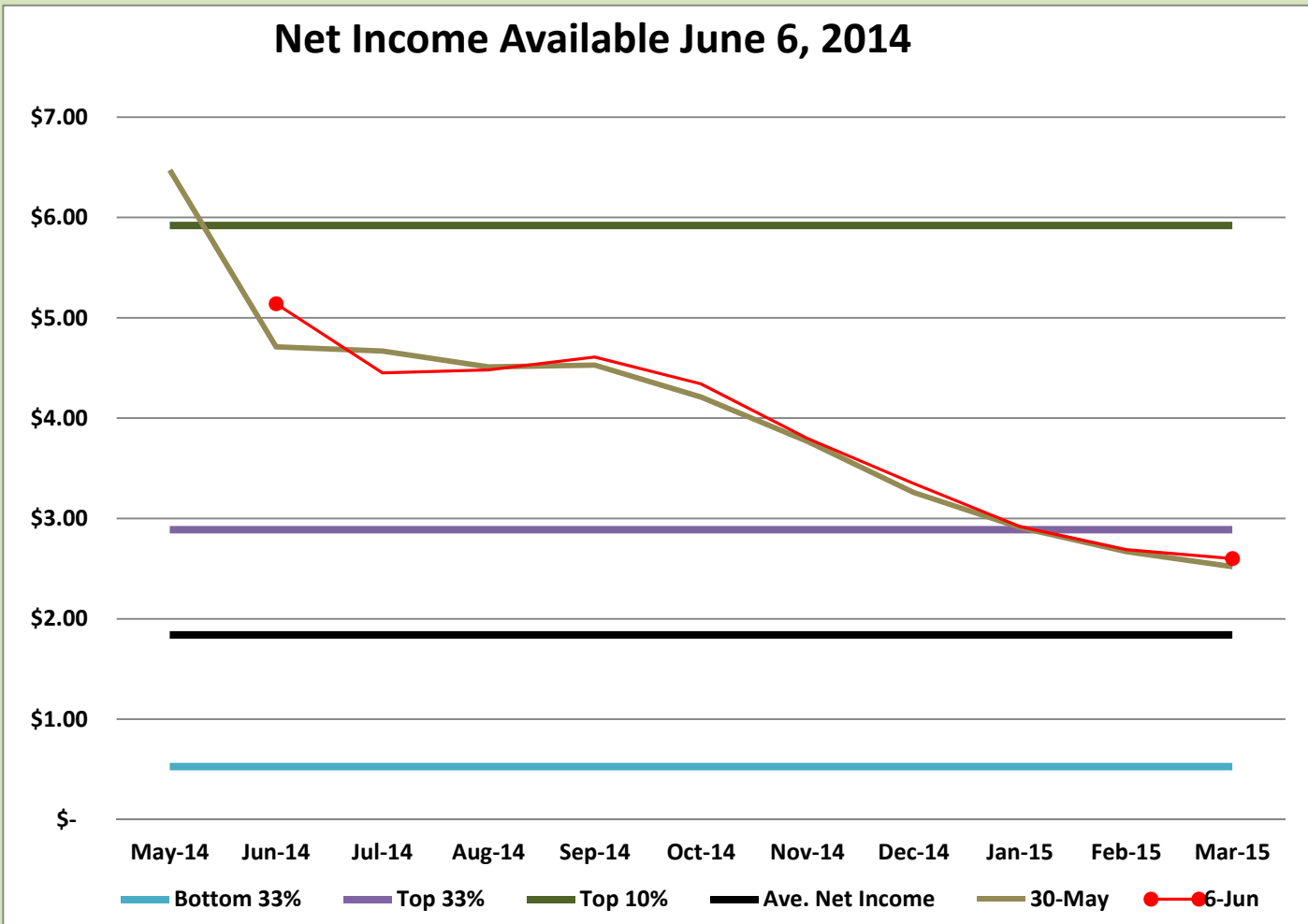
**New Crop: Milk (Dec.), Corn (Dec.), Soybeans (Nov.), Soybean Meal (Dec.)

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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.

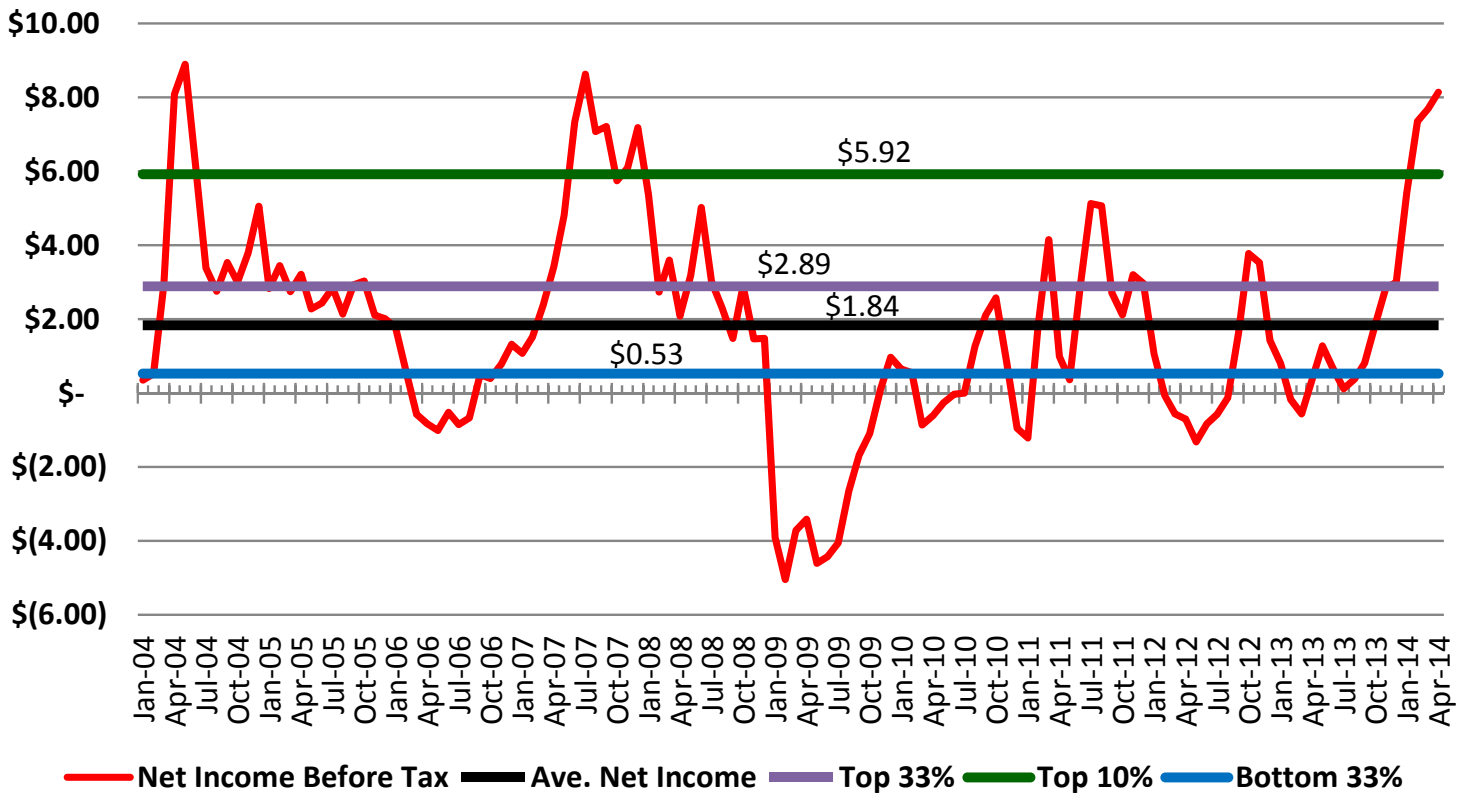
Net Income Available June 6, 2014





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			