



"For **SMART** Management"

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MARGINSMART®
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MARGINSMART® Sample Farm Profitability Changes From Last Week

	July '14	Aug. '14	Sep. '14	Oct. '14	Nov. '14	Dec. '14	Jan. '15	Feb. '15	Mar. '15	Apr. '15	May '15	June '15
Change From Prior Week	+0.14	+0.67	+0.49	+0.04	+0.12	+0.09	+0.01	+0.05	+0.07	+0.13	+0.12	+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 discuss how to incorporate different monthly prices for feed ingredients into MARGINSMART®. As part of the Version 3.0 we incorporated a new section within the Ingredients tab. For all ingredients which ARE NOT mapped to the CBOT we/you can change the monthly expected market price. To access this simply click the tab in the upper left called "Ingredients Monthly Cost". We/you can now enter market prices that may change in the future. For instance, if you purchase forages that may have a different price in a new crop year, purchase commodities (cottonseed, corn gluten, etc.) that may have a different price in a different crop year or you have quoted prices from feed suppliers for various future months we/you can enter them. In all cases MARGINSMART® will use those prices specific to your operation to project your feed costs for future months. Call us with any questions on your situation!

Market News

Milk: New reports/projections indicate:

- USDA lowered its 2014 milk production slightly due to lower milk production per cow
- USDA latest projected Class III Prices for 2015 are as follows: Q1 \$16.45-17.45/cwt Q2 \$16.80-17.80/cwt

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

The 2014 U.S. corn and soybean crops are rated the best in nearly 20 years! The near and long term weather forecasts are also very favorable. This has led to lower CBOT prices and much speculation on both sides of the coin as to whether prices will continue to decrease or if the lows have set in. On the supply side alone indications are that prices may continue to drop somewhat if the crop continues to develop as projected. However, the demand side is where there could be resistance on prices. If feed (via dairy, beef, swine and/or poultry), ethanol, soybean crush and/or exports increase from current expectations, it could have an impact and raise prices.

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

MARGINSMART® Insight

Utilize the Monthly Pricing components of MARGINSMART® for all feed ingredients to project monthly feed costs based on new crop costs!

Visit us on the Web at:

www.marginsmart.com

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Market Update (As of 7/3/2014 Close)

	July '14	+/-*	Aug '14	+/-*	Sep '14	+/-*	Oct '14	+/-*	Nov '14	+/-*	Dec '14	+/-*	Mar '15	+/-*
Class III Milk	21.51	+0.11	21.33	+0.63	20.33	+0.48	19.83	+0.04	19.42	+0.10	19.18	+0.09	18.09	+0.06
Class IV Milk	23.49	+0.10	23.05	+0.67	21.95	+0.65	20.86	+0.39	19.90	+0.04	18.95	-0.21	18.22	-0.51
Corn	4.00	-0.00			3.71	-0.07					3.78	-0.07	3.90	-0.06
Soybeans	12.96	-0.00	11.77	-0.19	11.04	+0.05			10.85	+0.10			11.01	+0.08
Soybean Meal	422	-0.00	380	-8	363	+1			354	+6	352	+7	352	+4

*Change from the Previous Week Price

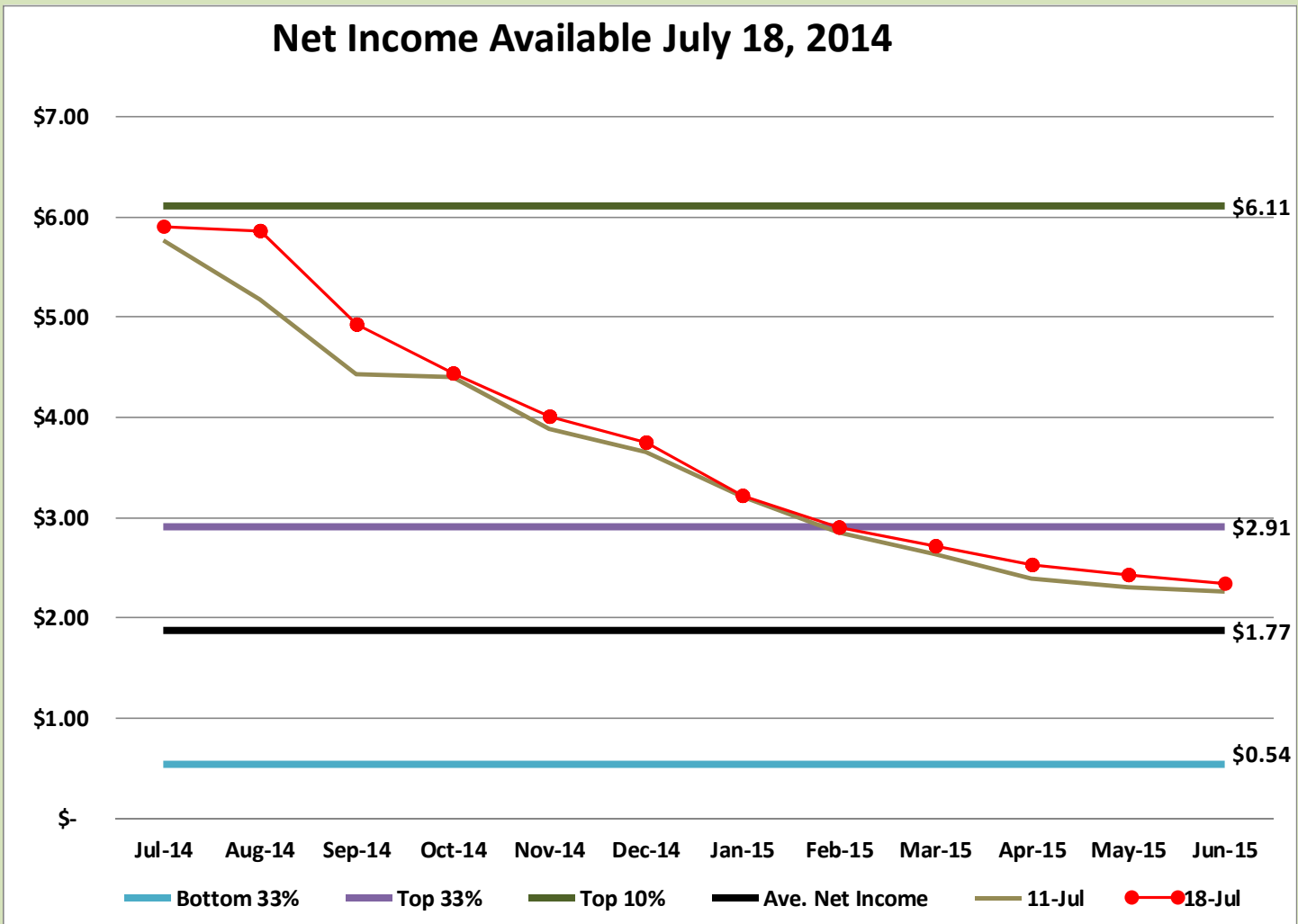
**New Crop: Milk (Dec.), Corn (Dec.), Soybeans (Nov.), Soybean Meal (Dec.)

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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.

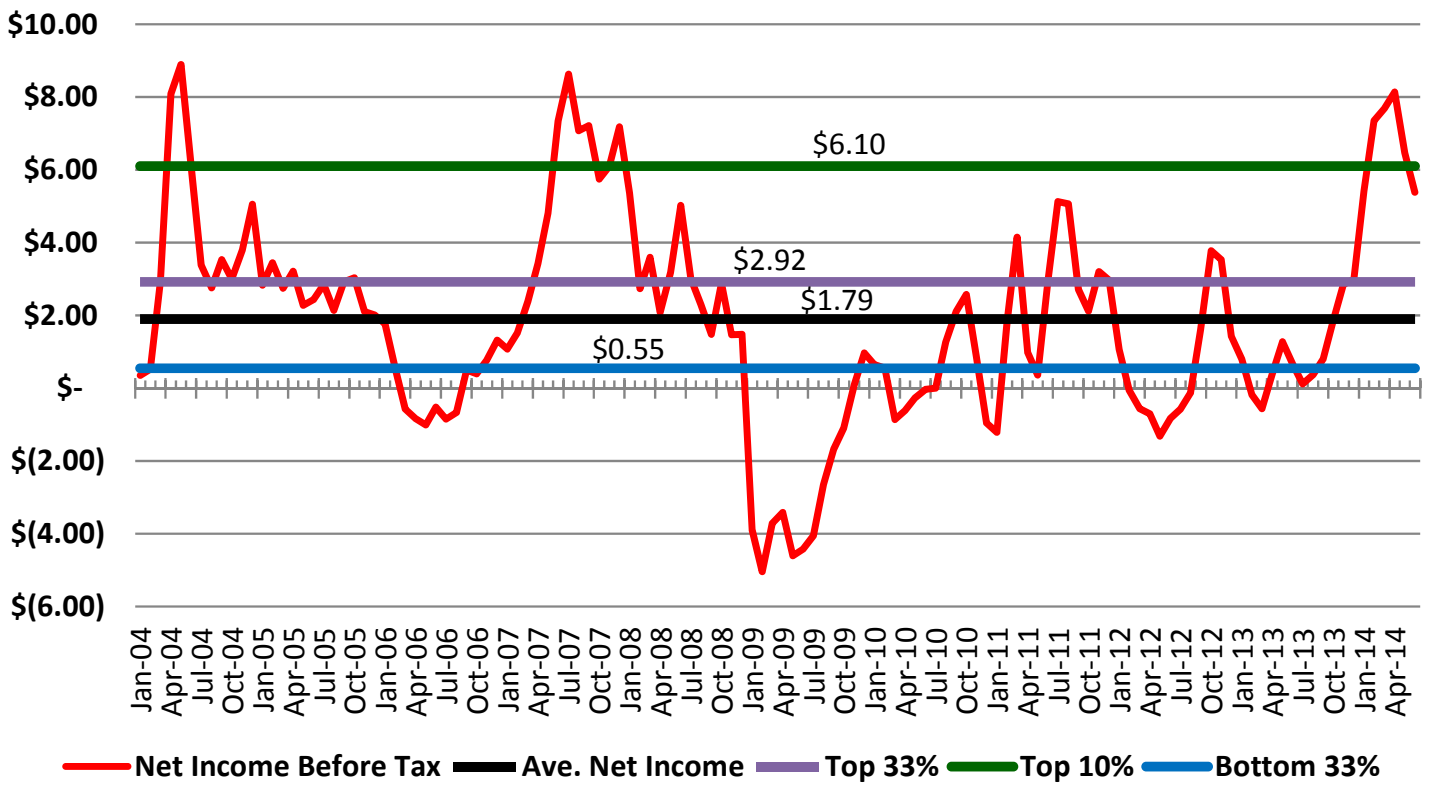
Net Income Available July 18, 2014





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	6.67		