



“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	+05	+16	-55	-77	-74	-64	-55	-46	-41	-35	-42	-23

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 broadly discuss using MARGINSMART® info to make key financial decisions. Since MARGINSMART® projects your bottom line profitability/cash flow with a high degree of reliability, you can utilize the information to make informed decisions. We help our MARGINSMART® customers do this by helping them establish a strategic plan based on their financial goals. In many cases we educate them on what goals are important, how they are measured and then incorporate those goals within MARGINSMART® so that they are measured in a “real-time” basis. We then help our customers to implement targets to alert them when those goals are met so that they can execute their plan. Call us with any questions.

Market News

Milk: The final June 2014 announced Class III price was \$21.36 per cwt. While that is \$1.21 lower than May 2014, it is up \$3.34 per cwt. from June 2013. The final June 2014 Class IV price was \$23.13 per cwt. up \$.48 per cwt. from May 2014, and up \$4.25 per cwt. from June 2013. Dairy cow numbers are up 54,000 over the last 6 months. May 2014 saw the lowest number of dairy cull cows since November 2009 - despite high cull prices.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

- 2014 corn crop rated good to excellent on 7-7-14 was 75% compared to 68% in 2013
- 2014 soybean crop rated good to excellent on 7-7-14 was 72% compared to 67% in 2013
- One private analyst is projecting higher soybean carryover of the 13/14 crop and higher production in the 2014 crop – all of which would provide much higher soybean levels and reduce prices
- Growing conditions and current expectations on corn carryout continue to push corn prices lower. Many industry analysts expect this to continue, provided good weather conditions continue

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:

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	21.38	+04	20.58	-72	20.32	-94	20.25	-88	19.81	-84	19.50	-67	18.13	-49
Class IV Milk	23.16	-08	22.46	-54	21.72	-78	20.74	-79	20.29	-83	19.77	-71	18.90	-15
Corn	4.17	-26			4.09	-33					4.15	-32	4.27	-31
Soybeans	13.88	-44	13.00	-78	11.67	-99			11.33	-95			11.15	-124
Soybean Meal	447	-23	418	-29	385	-29			363	-32	360	-33	363	-29

*Change from the Previous Week Price

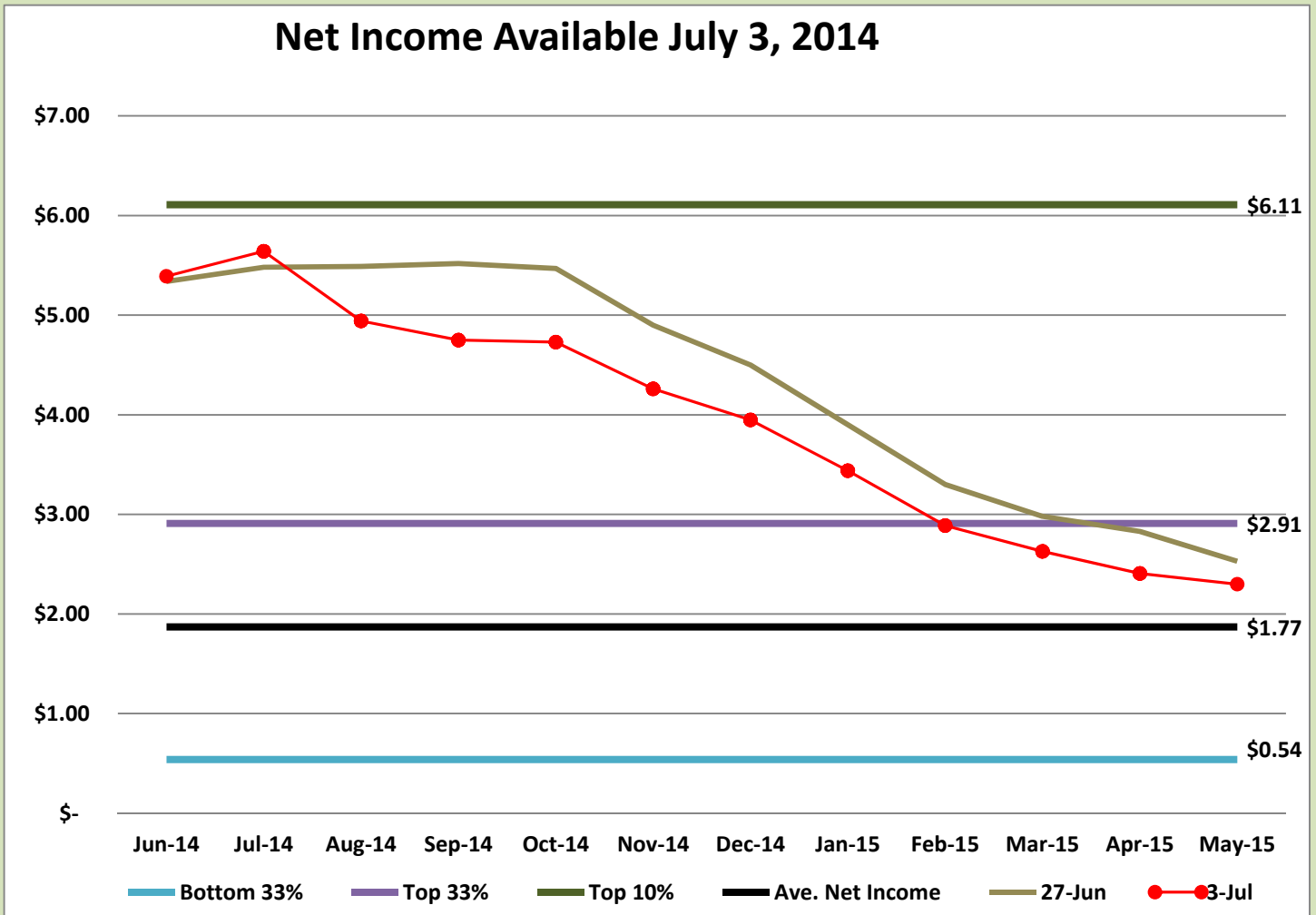
**New Crop: Milk (Dec.), Corn (Dec.), Soybeans (Nov.), Soybean Meal (Dec.)

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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.

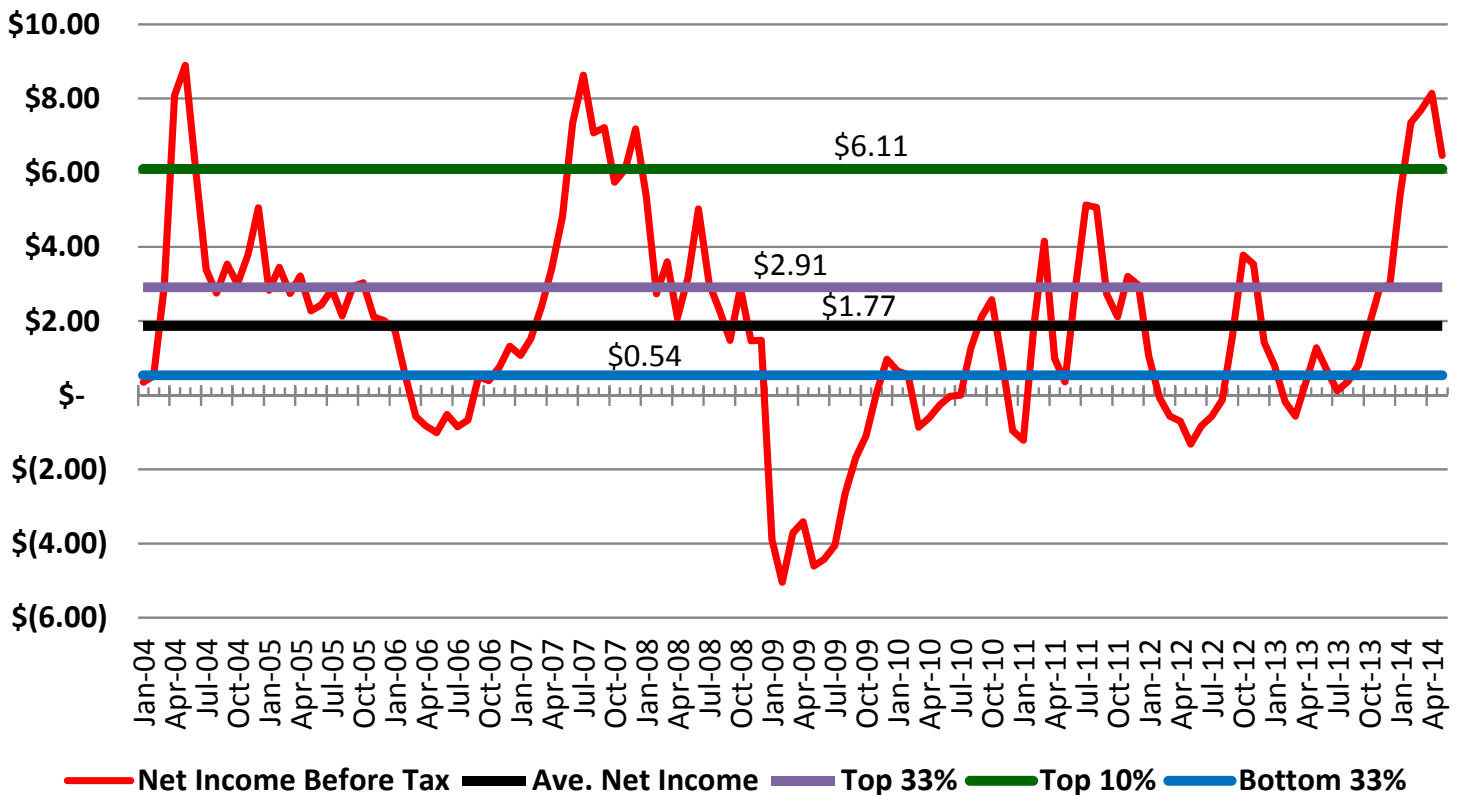
Net Income Available July 3, 2014





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			