



WEEKLY NEWSLETTER

"For SMART Management"

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MARGINSMART® Sample Farm Profitability Changes From Last Week

	Nov. '14	Dec. '14	Jan. '15	Feb. '15	Mar. '15	April '15	May '15	June '15	July '15	Aug. '15	Sep. '15	Oct. '15
Change From Prior Week	-07	-39	-00	-05	-01	-06	-16	-15	-14	-28	-11	-19

WEEKLY MARGINSMART® Notes From President Mark Linzmeier

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

The tip of the week relates to feed inventories and the impact on your projections. As you wrap up the 2014 crop year harvest this is a good time to evaluate your overall harvested amounts. If you also purchased any feedstuffs that you also grew, it will also be important to calculate the amount that you purchased in tons, the dry matter percentage and your total cost. You should also consider the total inventory of any prior year crops remaining. Our customer service can take all of this information and update MARGINSMART® accordingly to see how harvested amounts will compare to projected usage and whether or not we need to include an increase or decrease in feed inventory as part of your other income or expenses. Call us to review any questions you may have.

Market News

Milk: As cheese production ramps up, and milk is available for additional production, and the realization that the strong dollar will make exports more difficult, cheese barrels dropped \$.20 per pound, and blocks dropped \$.25 per pound, since last week. USDA has lowered expected prices for nearly all milk products for 2015 and has lowered the expected all-milk price for 2015 from \$19.75 to \$18.85 per cwt.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

- The WADSE from 11/10/14 projected beef production in 2015 to be down 3.2% from 2014 and pork production to be up 4.2% in 2015
- Fed cattle prices are expected to remain high into 2015 as cattle inventory levels remain light
- Through 10/25/14 there have been 2.313M head of dairy cows culled YTD versus 2.584M last year – that is a reduction of 271,000 head
- USDA FSA farm program acres suggest that both 2014 corn and SB acres may be lower than USDA estimates in the last WADSE on 11/10/14
- Harvest progress as of 11/17/14 is 89% for corn and 94% for SB

MARGINSMART® Insight

As the MPP sign-up period gets closer be sure to call your MARGINSMART® customer service representative to help you review your options.

Contact Curtis Gerrits for a **FREE**
MARGINSMART® Demo!!
DIRECT: 920-264-9140
EMAIL: curtis@marginsmart.com



Market Price Updates (As of 11/14/2014 Close)

	Nov '14	+/-*	Dec '14	+/-*	Jan '15	+/-*	Feb '15	+/-*	Mar '15	+/-*	Jul '15	+/-*	New Crop	+/-*
Class III Milk	21.79	-07	18.85	-33	17.60	+03	16.89	-01	16.75	+06	16.82	-08	17.18	+00
Class IV Milk	18.09	+59	16.90	+28	16.19	-11	15.68	-31	15.20	-40	16.23	-31	17.15	+00
Cash Butter	1.90	+07	1.73	+02	1.70	-06	1.70	-01	170	-01	1.77	+00	1.76	+04
Cash Cheese	2.12	-03	1.85	-05	1.76	-01	1.72	+00	1.70	-02	1.73	-01	1.76	+01
Corn			3.82	+15					3.94	+14	4.10	+14	4.24	+11
Soybeans	10.21	-19			10.22	-15			10.30	-10	10.42	-06	10.14	-05
Soybean Meal			380	-10	365	-7			350	-4	346	-1	337	-2

*Change from the Previous Week Price

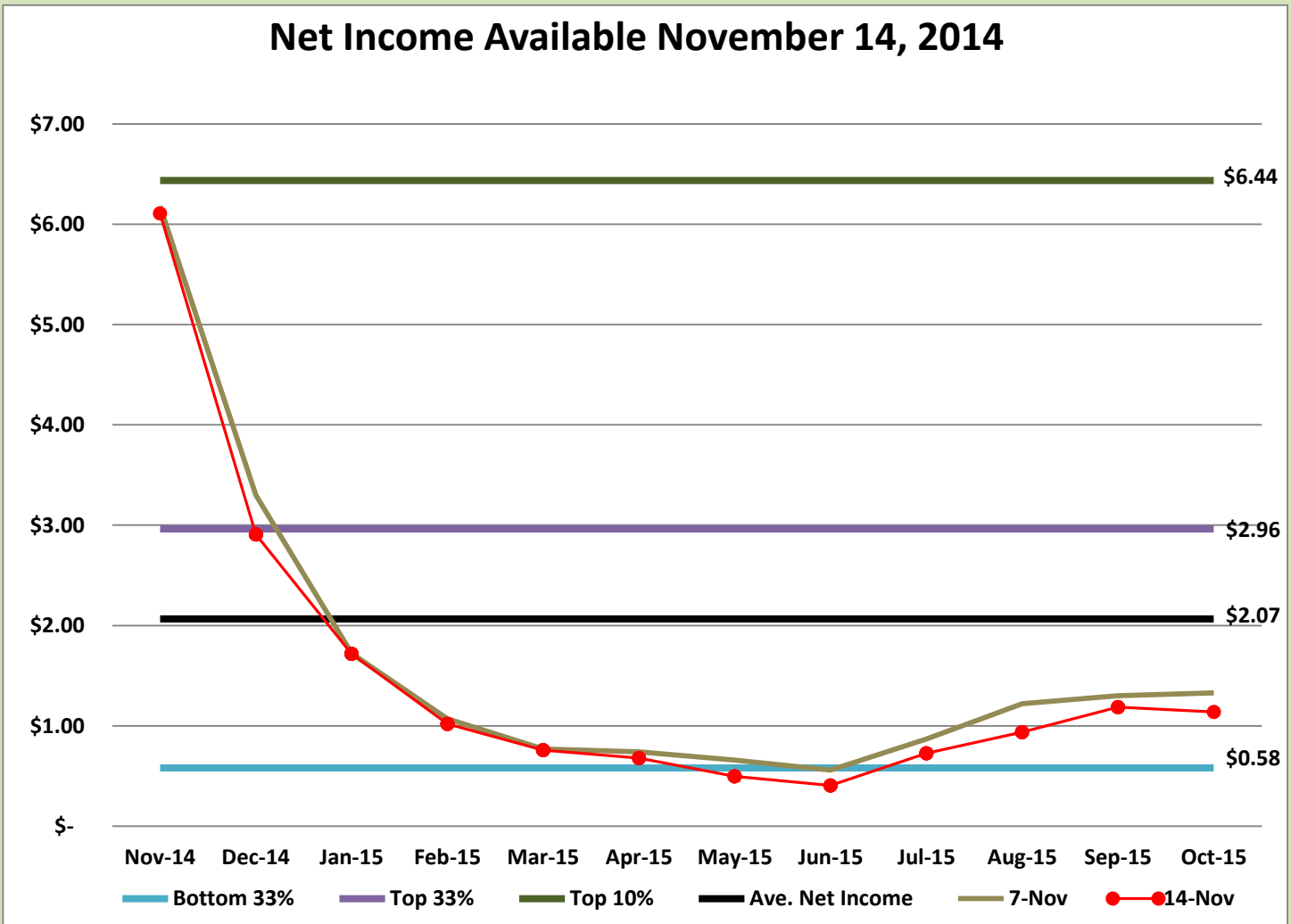
**New Crop: Milk (Dec.), Corn (Dec.), Soybeans (Nov.), Soybean Meal (Dec.)

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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.

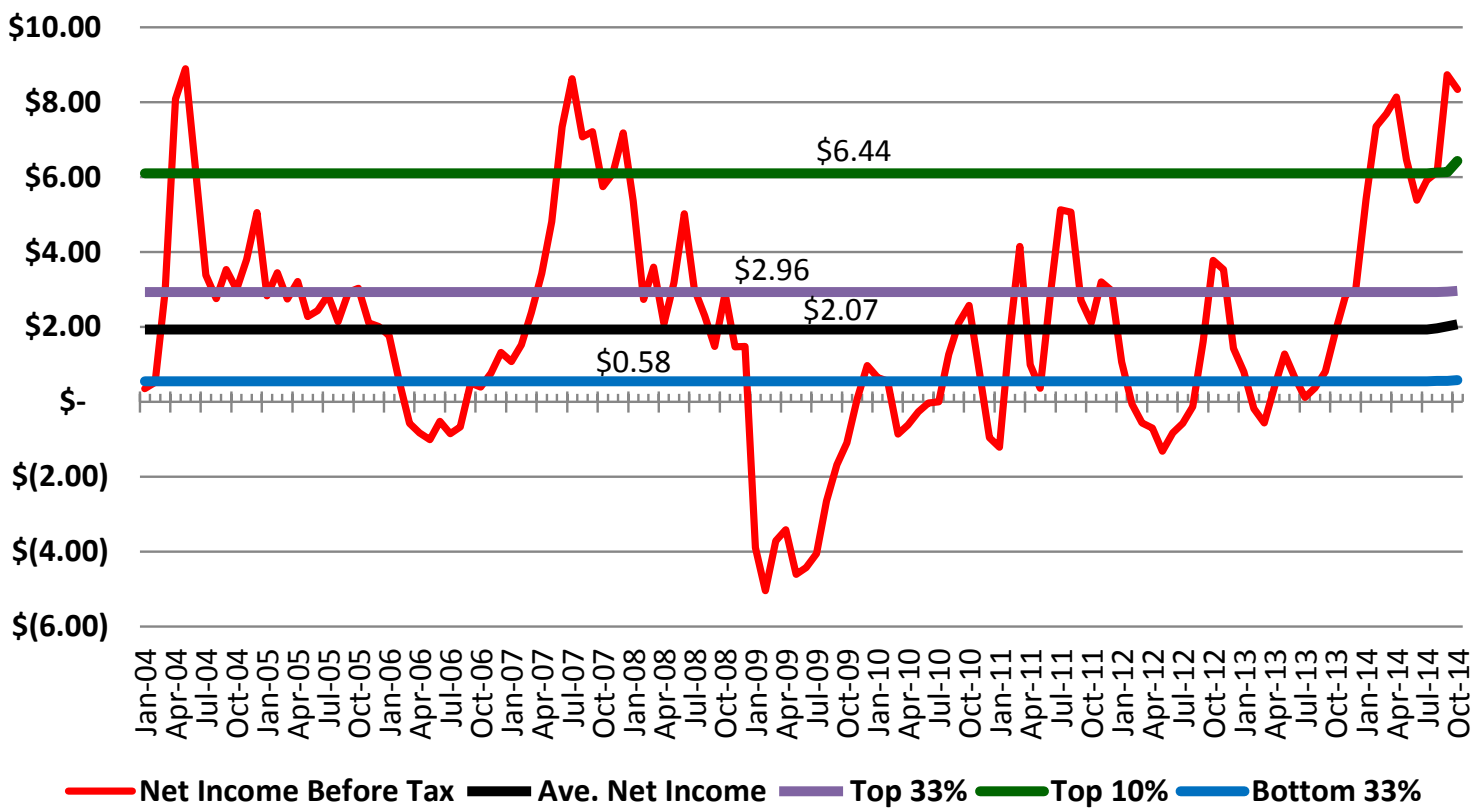
Net Income Available November 14, 2014





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 Quarterly 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	6.93	