



WEEKLY NEWSLETTER

"For SMART Management"

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MARGINSMART® Sample Farm Profitability Changes From Last Report

	Apr '16	May '16	June '16	July'16	Aug'16	Sep'16	Oct'16	Nov'16	Dec'16	Jan'17	Feb'17	Mar'17
Change From Prior Week	-0.15	-0.20	-0.13	+0.07	+0.16	+0.07	+0.12	+0.06	+0.11	+0.07	+0.16	+0.20

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

This week we will review fluctuations of corn futures prices during the spring planting season. The following shows a few highlights over the past 3 years

2013 – May '13 futures varied by \$.85 per bushel from 3/15 – 5/15/13. December futures during the 3/15 – 5/31/13 planting season averaged \$5.21/bu and closed out in Dec 13 at \$4.23/bu

2014 – May '14 futures varied by \$.37 per bushel from 3/15 – 5/15/14. December futures during the 3/15 – 5/31/14 planting season averaged \$4.92/bu and closed out in Dec 14 at \$3.96/bu

2015 – May '15 futures varied by \$.39 per bushel from 3/15 – 5/15/15. December futures during the 3/15 – 5/31/15 planting season averaged \$3.93/bu and closed out in Dec 15 at \$3.73/bu

While in each of the 3 years above harvest prices dropped from planting time until harvest, in 2012 (drought year) the prices went up from spring through harvest. Call with any questions.

Milk: Production levels from around the globe: Australia Feb '16 down 1.5% from Feb '15, NZ dairy exports YTD through Feb '16 compared with the same period one year earlier, are: cheese +29.6%; butter +12%; skim milk powder +20%; and whole milk powder +0.4%

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

Summary of USDA 4/18/16 Crop Progress Report

- Corn - 13% planted vs. 7% last yr and 8% for 5 yr avg
- Cotton - 7% planted vs. 7% last yr and 10% for 5 yr avg
- Oats - 56% planted vs. 54% last yr and 50% for 5 yr avg
- Topsoil moisture conditions were 78% adequate and surplus vs. 75% last year
- Subsoil moisture conditions were 81% adequate and surplus vs. 70% last year

Futures prices for corn, SB and SBM were up last week quite substantially. SBM futures were up an average of \$22 per ton for the next 12 months or over 8%. Prices can vary significantly at this time of the year.

MARGINSMART Insight

We will monitor and track USDA Crop Progress Report for the 2016 season. Prices can vary significantly during the planting season so we will monitor and report progress.

Contact us for a FREE MARGINSMART® Demo!

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Market Price Updates (As of 4/15/2016 Close)

	Apr'16	+/-*	May'16	+/-*	June'16	+/-*	Jul '16	+/-*	Aug '16	+/-*	Sep '16	+/-*	New Crop	+/-*
Class III Milk	13.72	-0.02	13.62	-0.05	13.92	+0.05	14.37	+0.20	14.82	+0.23	15.02	+0.15	15.10	+0.10
Class IV Milk	12.76	+0.00	13.41	+0.00	13.95	+0.00	14.35	+0.22	14.65	+0.27	15.05	+0.40	15.04	+0.35
Cash Butter	2.02	-0.01	2.09	-0.07	2.13	-0.07	2.15	-0.04	2.16	-0.03	2.17	-0.04	2.11	-0.03
Cash Cheese	1.51	-0.01	1.50	+0.00	1.52	+0.00	1.56	+0.01	1.61	+0.02	1.62	+0.00	1.63	+0.01
Corn			3.78	+0.16			3.82	+0.17			3.82	+0.14	3.88	+0.13
Soybeans			9.56	+0.39			9.64	+0.39	9.66	+0.39	9.65	+0.37	9.66	+0.35
Soybean Meal			296	+0.22			299	+0.23	300	+0.23	300	+0.21	303	+0.21

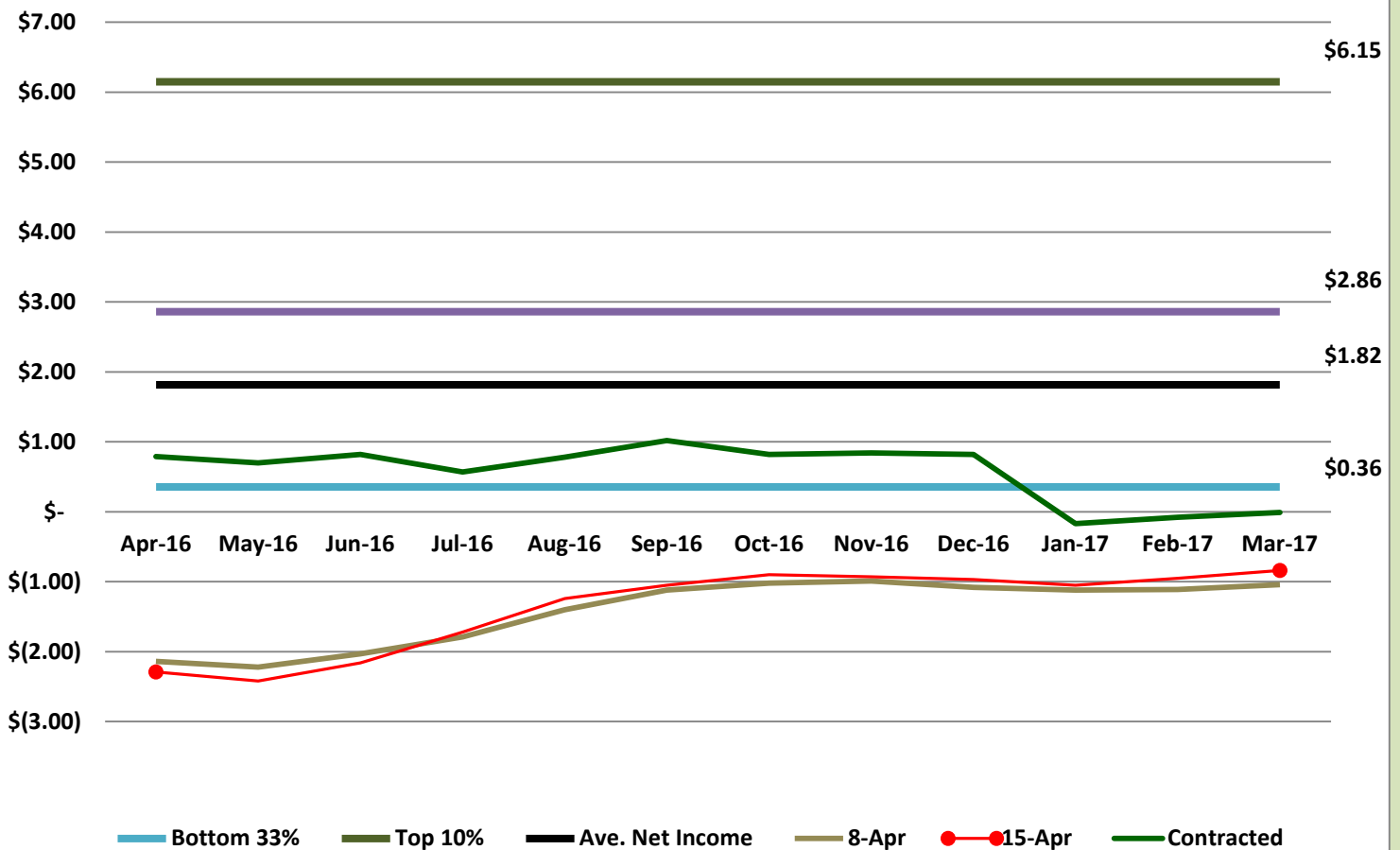
*Change from the Previous Week Price

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



MARGINSMART® maintains a Sample Farm with 1,500 mature cows and 86 #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. We also show a green line for our Sample Farm that has executed milk and feed contracts as part of a price risk management strategy.

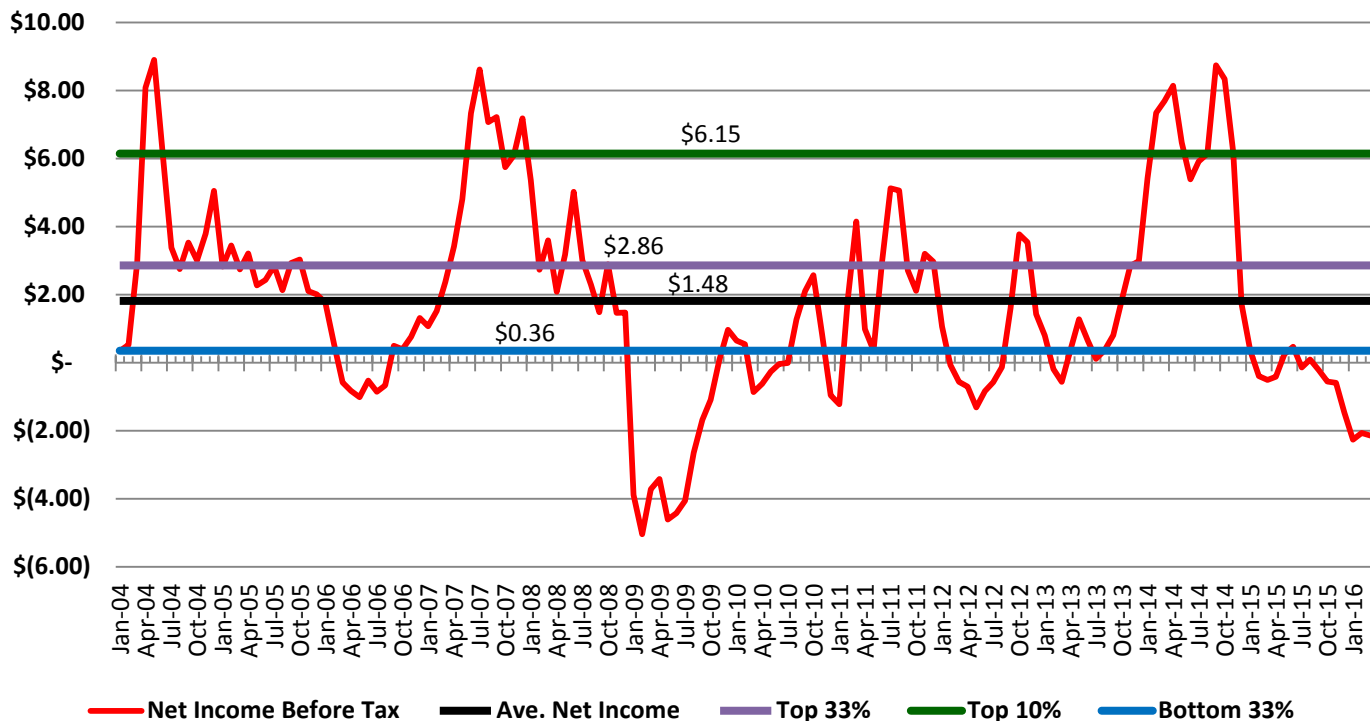
Net Income Available April 15, 2016





MARGINSMART® maintains a Sample Farm with 1,500 mature cows and 86 #s (current level – this has increased over the past 11 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 11 years' results (with adj. milk / day). The red line on the chart below shows the net income before tax for the last 11 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.)

2004-2016 Historical Net Income Before Tax





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Historical Annual Average Net Income Before Tax

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
4.04	2.67	0.07	5.21	2.89	-2.79	0.44	2.52	0.60	0.95	6.46	-.25

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	5.41
2015	-.18	.11	-.08	-.87