



WEEKLY NEWSLETTER

"For SMART Management"

Ph: 877-474-7589 • 1600 W. Shawano Ave. Suite 201 • Green Bay, WI 54303

MARGINSMART® Sample Farm Profitability Changes From Last Report

	Feb. '16	Mar. '16	Apr '16	May '16	June '16	July'16	Aug'16	Sep'16	Oct'16	Nov'16	Dec'16	Jan'17
Change From Prior Week	+05	-09	-17	-15	-05	-10	-13	-09	+04	+05	+09	+18

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 remind you of the opportunities for utilizing the Scenario Farm option within MARGINSMART®. To utilize this option, take the following steps:

1. When you are logged into MARGINSMART® your email address shows up in the upper right hand corner. Click anywhere on your email address.
2. A box will show up that says "Create Scenario Farm".
3. Click "Yes" to that and the next pop-up box.

You now have a duplicate farm to your live farm data. You can test all types of changes and see the impact without disrupting your real info! This is very powerful and can cover any "what-if" situation you have. Please call with any questions.

Milk: At the February 16 GDT event #158, average prices ranged from 11.5% lower to 1.5% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$3,527 +1.5%; butter, \$2,834 -2.3%; buttermilk powder, \$1,496 -1.2%; cheddar cheese, \$2,535 -5.6%; lactose, \$574 0.0%; rennet casein, \$3,852 -11.5%; skim milk powder, \$1,762 -1.4%; and whole milk powder, \$1,890 -3.7%.

Market News

Grains/Feedstuffs/Cattle:

Highlights of the Cattle on Feed Report from 2/19/16:

- The numbers came in very much as expected
- Cattle on feed in feedlots of 1,000 head or more was just under 100% of the prior year
- However, cattle in feedlots under 1,000 head were up 8% due to lower corn prices and high fed cattle prices from early 2015
- Combined all fed cattle on feed are at 101.2% of January 2015 numbers

The all fresh beef prices for January 2016 were down \$.23 per pound from January of 2015.

OK feeder steer prices are down 28% from a year ago.

MARGINSMART Insight

MARGINSMART has been reporting the prices of various feedstuffs for different locations throughout the USA for the past 2 years. We attach it to each weekly newsletter. This is just a reminder to check that out occasionally.

Contact us for a **FREE MARGINSMART® Demo!**

DIRECT: 920-264-9139

EMAIL: mark@marginsmart.com

Market Price Updates (As of 2/19/2016 Close)

	Feb'15	+/-*	Mar'16	+/-*	Apr'16	+/-*	May'16	+/-*	Jul '15	+/-*	Sep '15	+/-*	New Crop	+/-*
Class III Milk	13.82	-05	13.85	-21	13.81	-30	13.93	-26	14.75	-20	15.50	-10	15.82	+00
Class IV Milk	13.40	+00	13.55	-21	13.57	-19	13.75	-11	14.15	-13	14.51	+00	14.59	-12
Cash Butter	2.15	-01	2.09	-04	2.10	-05	2.10	-05	2.10	-04	2.12	-04	2.09	-06
Cash Cheese	1.52	-01	1.53	-01	1.52	-02	1.53	-02	1.61	-01	1.68	-01	1.70	+00
Corn			3.65	+06			3.69	+06	3.74	+06	3.79	+06	3.86	+04
Soybeans			8.78	+05			8.81	+05	8.85	+03	8.86	+03	8.88	+02
Soybean Meal			265	+03			266	+02	268	+01	271	+02	274	+03

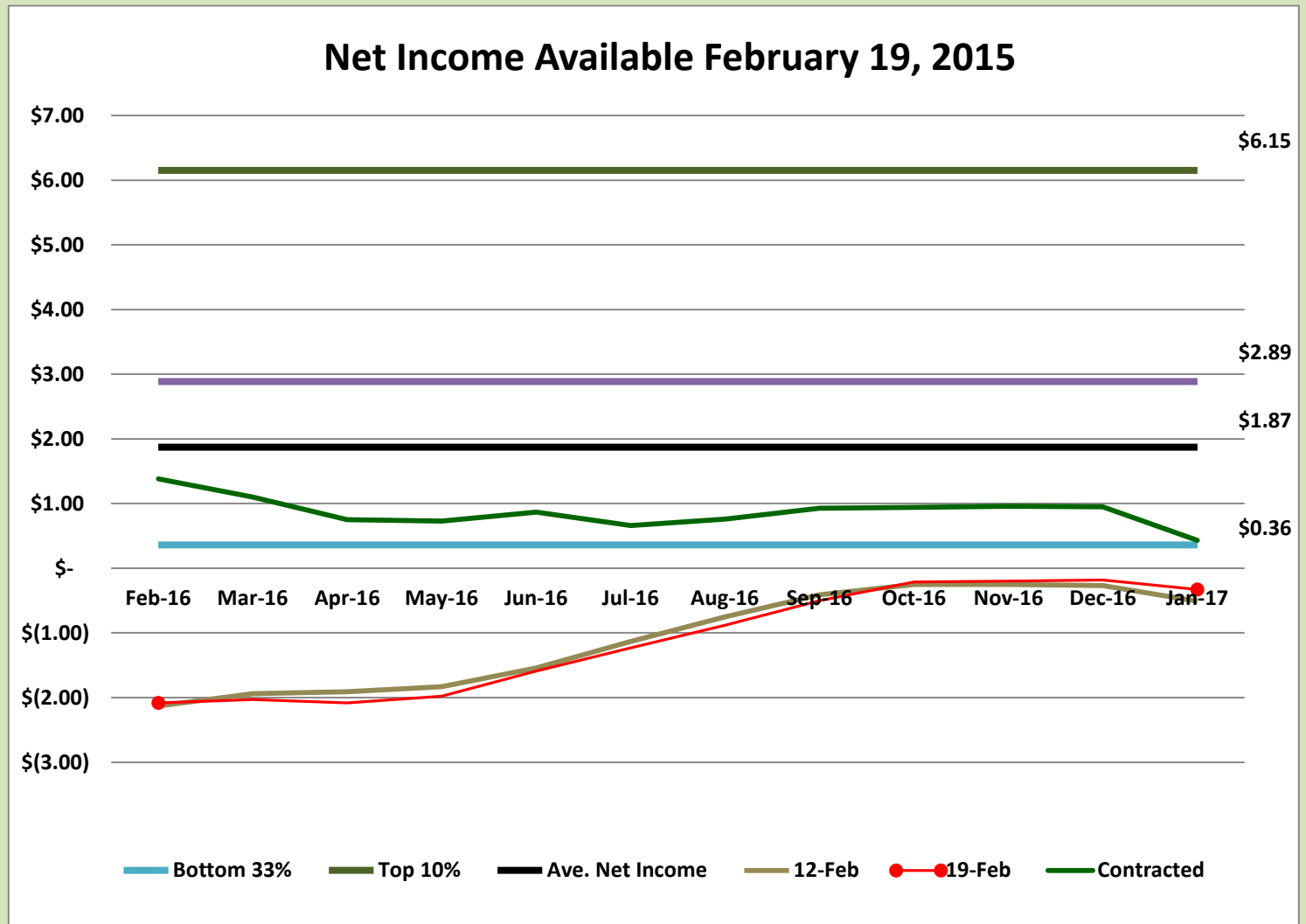
*Change from the Previous Week Price

**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.

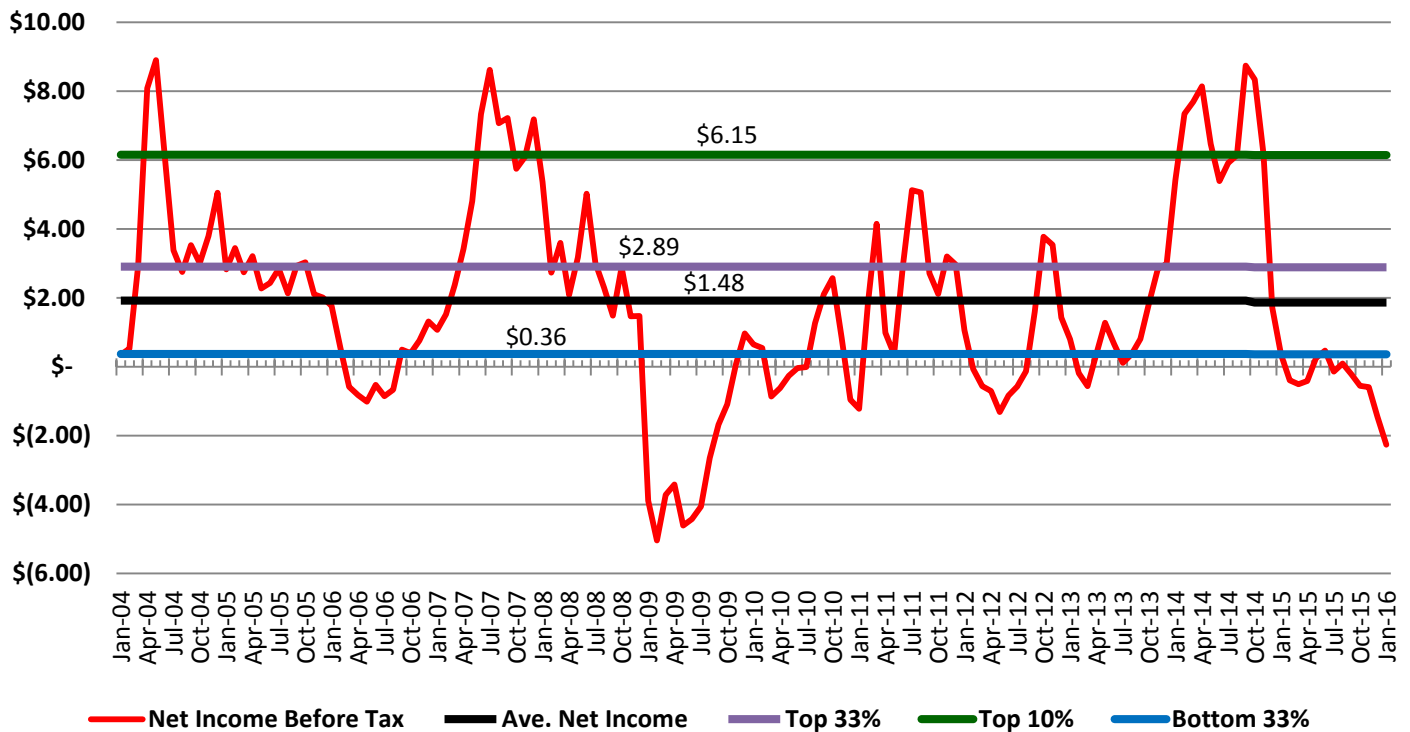
Net Income Available February 19, 2015





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





MARGINSMART® maintains a Sample Farm with 1,500 mature cows and 86 #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 11 year’s results (with adj. milk / day). The first chart is the yearly average net income per cwt. for the last 11 years. The second chart breaks the yearly income into quarterly increments per cwt. for the last 11 years. The charts below are a breakdown of the information in the historical graph above.

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