



WEEKLY NEWSLETTER

"For SMART Management"

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MARGINSMART® Sample Farm Profitability Changes From Last Report

	Nov. '15	Dec. '15	Jan. '16	Feb. '16	Mar. '16	Apr '16	May '16	June '16	July'16	Aug'16	Sep'16	Oct'16
Change From Prior Week	-08	-29	-36	-10	+00	-09	-24	-29	-30	-34	-20	-30

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

Our tip of the week relates to utilizing the Target feature within MARGINSMART®. This feature is available to all Platinum level customers. Recently I was asked by customers and industry folks which feature of MARGINSMART is under-utilized. Hands down I mentioned the target feature; especially the financial targets area. As a reminder, the target feature allows each customer to pick and choose various margin or profitability targets (by month) and be alerted when those are met for their specific dairy. When this is combined with maintaining all customized information for their dairy, it is a powerful tool to alert them when opportunities are available. Whether markets move slowly in a direction over time or move in big chunks the key is being alerted when YOUR dairy has the opportunity to hit YOUR financial targets. Call with any questions.

Milk: Milk production in the 23 major States during Oct '15 totaled 16.0B pounds, up 0.1% from Oct '14. Production per cow averaged 1,857 pounds for October, 7 pounds below Oct '14. The number of milk cows on farms in the 23 major States was 8.63M head, 38,000 head more than Oct '14, but 1,000 head less than September 2015.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

Highlights from the 11/10/15 WADSE Report

- US 2015 corn prod. now est. at 169.3 bu / acre
- Total corn usage in 2015/16 is down 100M bu from last month, exports down 50M bu as well
- Total 2015/16 ending stock is up 199M bushels from last month, and 2M more than 2014/15
- Est. corn prices are cut \$.15 per bu for 2015/16
- US corn is uncompetitive in the world market
- Total meat production for 2015 and 2016 are changed very little from last month's estimate
- Broiler prices are reduced due to large chicken meat supplies
- Cattle and hog prices are the same as last month

MARGINSMART® Insight

JUST A REMINDER TO UTILIZE THE FULL FEATURES OF OUR NEWLY RELEASED VERSION 4.0. CALL US WITH ANY QUESTIONS.

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

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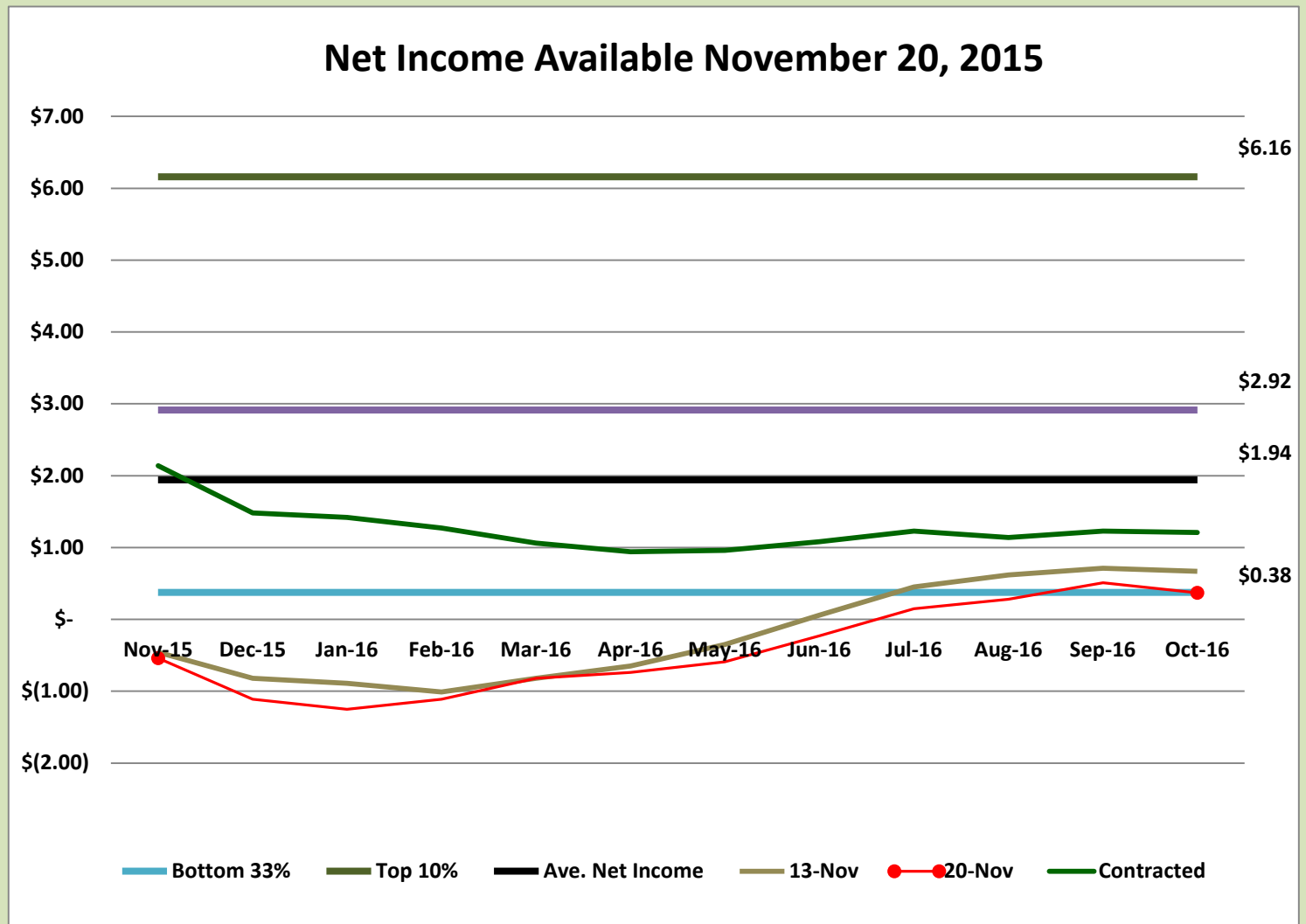
Market Price Updates (As of 11/20/2015 Close)

	Nov'15	+/-*	Dec'15	+/-*	Jan '16	+/-*	Feb'15	+/-*	Mar'16	+/-*	Apr'16	+/-*	May'16	+/-*
Class III Milk	15.33	-08	14.77	-29	14.76	-36	14.96	-11	15.25	+00	15.35	-08	15.50	-23
Class IV Milk	16.84	+38	15.44	+76	13.92	+03	13.99	-28	14.40	-20	14.80	-14	15.01	-19
Cash Butter	2.79	+09	2.5	+29	2.05	+11	1.95	+05	1.96	+03	1.95	+01	1.96	+03
Cash Cheese	1.66	-01	1.60	-04	1.61	-03	1.64	-01	1.67	+01	1.67	-01	1.68	-02
Corn			3.63	+05					3.70	+05			3.75	+03
Soybeans	8.59	+00			8.57	+02			8.60	+04			8.67	+05
Soybean Meal			283	-05	283	-07			284	-05			286	-05

*Change from the Previous Week Price



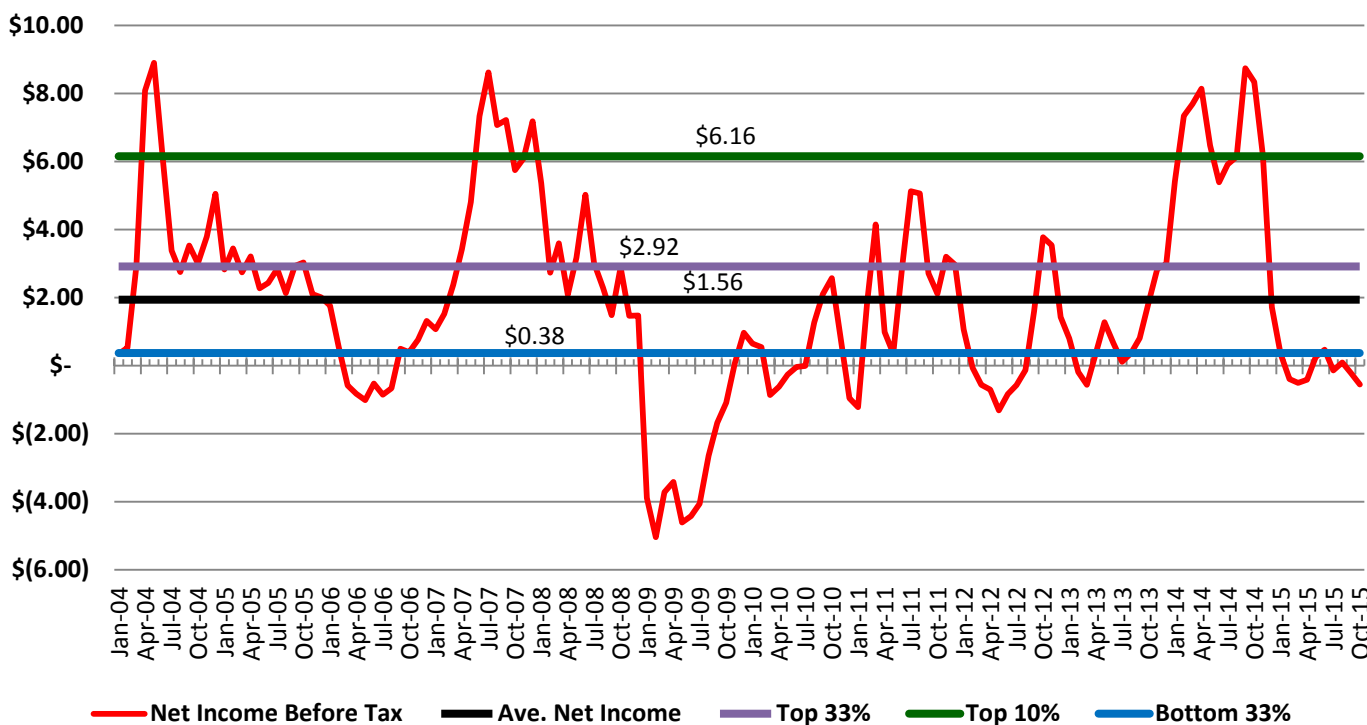
MARGINSMART® maintains a Sample Farm with 1,500 mature cows and 86 #s of milk / head / day shipped average. It buys 100% of its feed at market and its heifers are custom raised. The red line on the Net Income chart below shows the net income / cwt. available last Friday over the next 12 months based 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.





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.)

2004-2015 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
4.04	2.67	0.07	5.21	2.89	-2.79	0.44	2.52	0.60	0.95	6.46

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	-0.18	.11	-0.08	