



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	+0.39	+0.21	-0.02	-0.34	-0.31	-0.09	-0.04	+0.01	+0.00	-0.04	+0.04	+0.00

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

REPEAT FROM LAST WEEK The tip of the week relates to the release of MARGINSMART VERSION 4.0! In an effort to continue to be on the cutting edge of projection management MARGINSMART® has released Version 4.0! This version's key items include an easy to view and input grid to manage base rations and actual feeding rates to account for what is actually projected to be fed; including added feed intake, feeding for weighbacks/refusals and adjusting for weather and milk production changes throughout the year. Version 4.0 also includes the option for users to implement a feed efficiency concept for one or more lactating rations or months. This can be used in conjunction with the feeding percentages to manage overall feed consumption and expected milk production. Additional reports are also included. Please read the press release below for more info! As always, this upgrade is FREE to all existing customers. Call with any questions.

Milk: The final Oct '15 announced Class III price was \$15.46 per cwt. – down \$.36 from Sep '15 and down \$8.36 from Oct '14. The final Oct '15 Class IV price was \$16.43 per cwt., up \$1.35 from Sep '15, and down \$4.92 per cwt. from Oct '14.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

Highlights from the 11/9/15 Crop Progress Report:

- Corn harvested at 93% vs. 5 yr avg of 88%
- SB harvested at 95% vs. 5 yr avg of 93%
- Cotton harvested at 58% vs. 5 yr avg of 65%
- Sorghum harvested at 85% vs. 5 yr avg of 82%
- Topsoil and subsoil moisture across the US rated at adequate or surplus is several percentage points above year earlier levels

Cattle Prices

Cull cow prices have come off significantly in the last month. Lower prices will have a dramatic impact on net herd replacement costs.

Bull calf prices have found some support for now.

MARGINSMART® Insight

MARGINSMART VERSION 4.0 WAS RELEASED ON OCTOBER 31, 2015! CALL WITH TO LEARN ALL THE NEW FEATURES!

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

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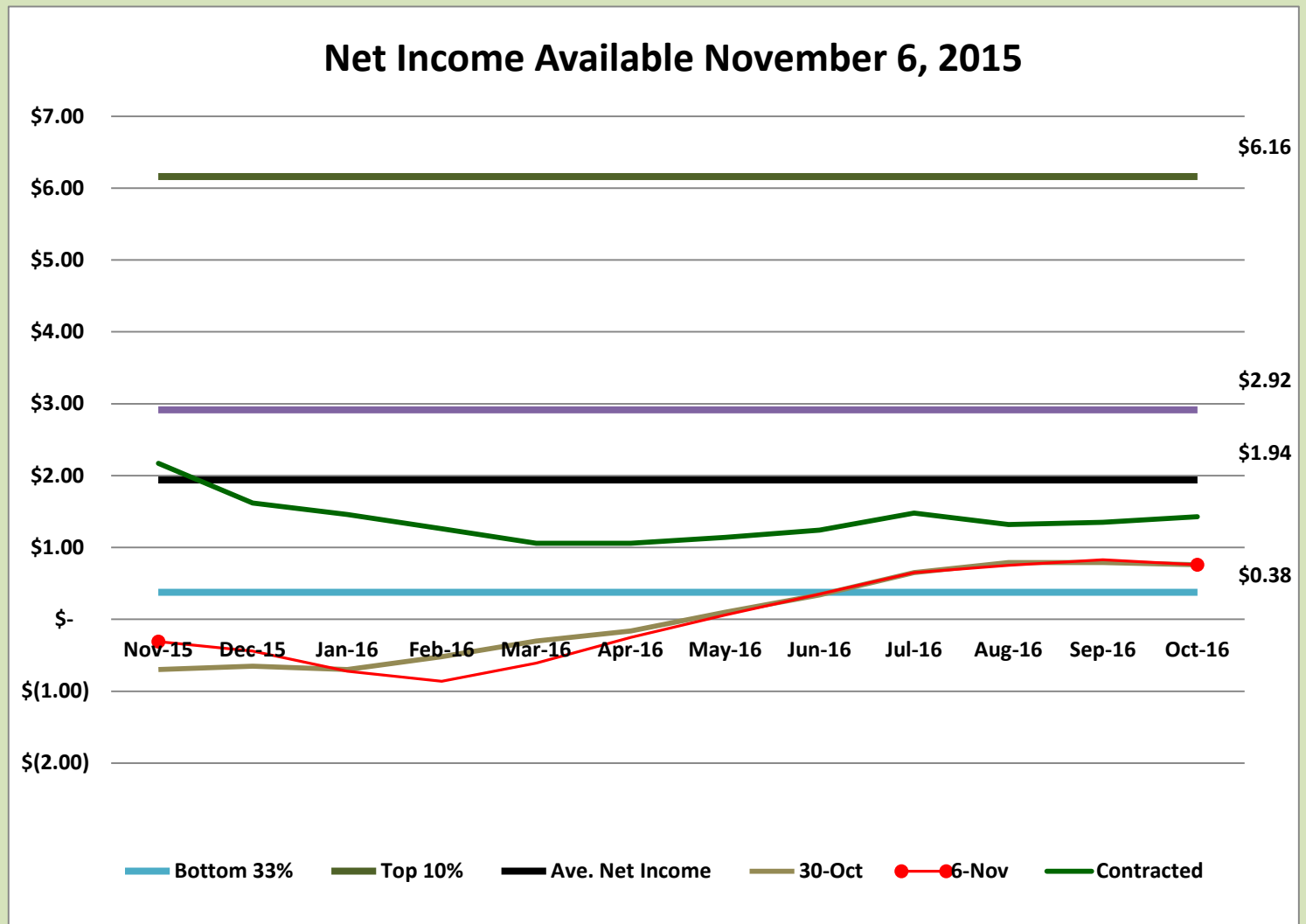
Market Price Updates (As of 11/6/2015 Close)

	Nov'15	+/-*	Dec'15	+/-*	Jan '16	+/-*	Feb'15	+/-*	Mar'16	+/-*	Apr'16	+/-*	May'16	+/-*
Class III Milk	15.63	+0.31	15.54	+0.19	15.34	-0.05	15.29	-0.34	15.55	-0.29	15.89	-0.11	16.19	-0.07
Class IV Milk	16.20	+0.09	14.60	+0.03	14.20	-0.21	14.60	-0.47	15.20	-0.13	15.50	-0.23	15.67	-0.28
Cash Butter	2.62	+0.06	2.19	+0.06	1.95	-0.01	1.93	-0.01	1.95	+0.00	1.95	+0.03	1.93	+0.01
Cash Cheese	1.69	+0.03	1.69	+0.04	1.67	+0.01	1.66	-0.02	1.68	-0.01	1.71	+0.00	1.74	+0.01
Corn			3.73	-0.09					3.82	-0.09			3.88	-0.09
Soybeans	8.71	-0.13			8.67	-0.19			8.69	-0.20			8.75	-0.19
Soybean Meal			296	-0.08	295	-0.08			293	-0.09			293	-0.08

*Change from the Previous Week Price



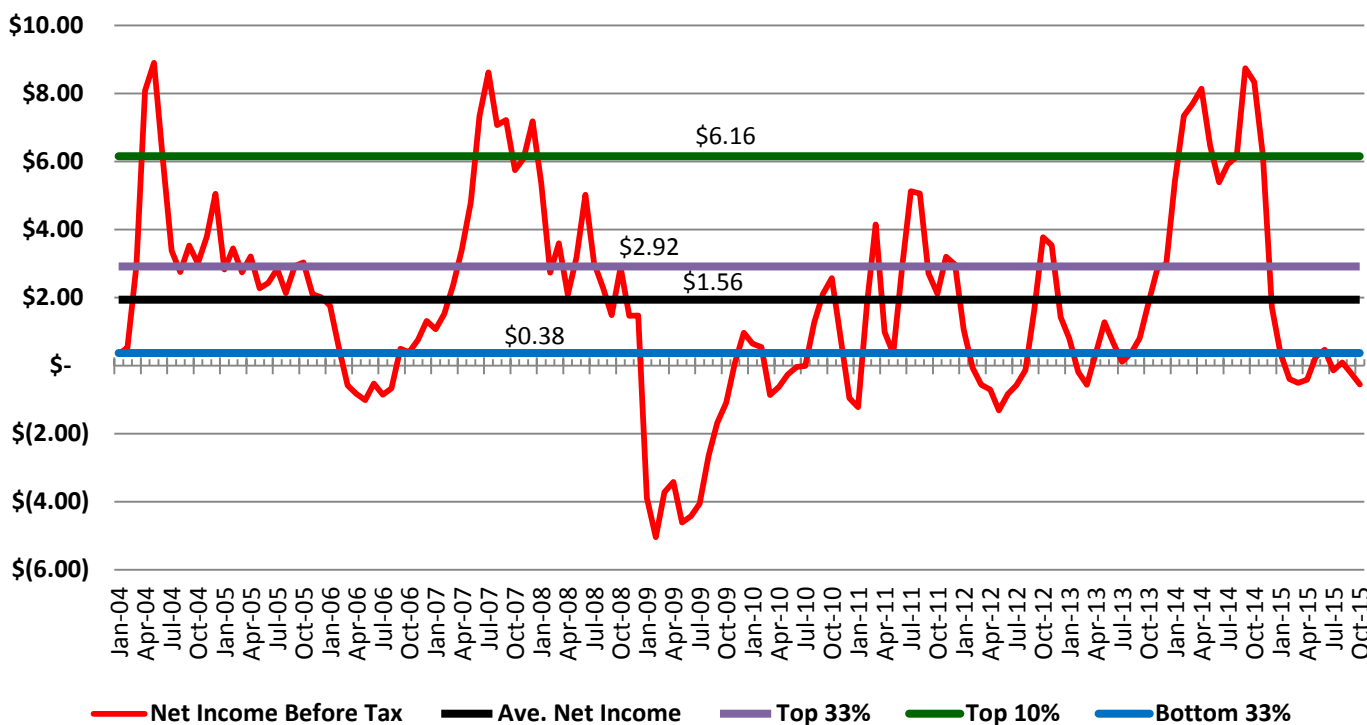
MARGINSMART® maintains a Sample Farm with 1,500 mature cows and 86 #s of milk / head / day shipped average. It buys 100% of its feed at market and its heifers are custom raised. The red line on the Net Income chart below shows the net income / cwt. available last Friday over the next 12 months based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