



WEEKLY NEWSLETTER

"For SMART Management"

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MARGINSMART® Sample Farm Profitability Changes From Last Report

	Feb. '15	Mar. '15	April '15	May '15	June '15	July '15	Aug. '15	Sep. '15	Oct. '15	Nov. '15	Dec. '15	Jan. '16
Change From Prior Week	-0.15	-0.44	-0.67	-0.46	-0.25	-0.04	+0.16	+0.05	+0.03	+0.08	+0.03	+0.05

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 explore 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. Whether you want to see the impact of ration changes (including the combination of feed cost impact, as well as milk production and component changes), market vs. cost of grown feeds or any other scenario, MARGINSMART® can handle it all! Call us to review all your options.

Market News

Milk: The All-Milk price averaged a record \$23.97 per cwt. in 2014, 19.6% higher than 2013's \$20.05. New Zealand's Global Dairy Trade posted its 3rd straight positive biweekly trading session after an 11-month market downturn.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

February 10th WASDE report highlights:

- US ending 2014/15 corn stocks were lowered 50M bu to 1,827M bu. with ethanol use up 75M and feed and residual use down 25M bu
- US ending 2014/15 soybean stocks were lowered 25M bu to 385M bu. based on increased crushings and net exports
- Minimal adjustments to world ending stocks of corn and soybeans

Dairy bull calf prices remain strong in the short term.

Blood meal prices continued lower in the central part of the US going below \$900 a ton for the first time in over a year.

MARGINSMART® Insight

Please see the attached chart from USDA which identifies the sign up levels for the Margin Protection Program. It indicates that over 50% of US dairy farms signed up, with 55% of those buying up coverage.

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



Market Price Updates (As of 2/13/2015 Close)

	Feb '15	+/-*	Mar '15	+/-*	April '15	+/-*	May '15	+/-*	Jul '15	+/-*	Sep '15	+/-*	New Crop	+/-*
Class III Milk	15.73	-0.15	15.52	-0.48	15.20	-0.71	15.44	-0.49	16.67	-0.08	17.22	+0.06	16.82	+0.03
Class IV Milk	14.25	-0.44	15.15	-0.20	16.01	-0.10	16.04	-0.19	16.87	-0.13	17.20	+0.10	17.10	+0.00
Cash Butter	1.70	-0.05	1.76	-0.02	1.80	-0.01	1.80	-0.00	1.82	-0.01	1.86	-0.00	1.83	-0.00
Cash Cheese	1.55	-0.01	1.57	-0.04	1.56	-0.06	1.59	-0.04	1.73	+0.00	1.78	+0.00	1.75	+0.02
Corn			3.87	+0.01			3.95	+0.01	4.03	+0.02	4.09	+0.01	4.17	+0.00
Soybeans			9.90	+0.17			9.95	+0.15	10.00	+0.15	9.83	+0.12	9.71	+0.11
Soybean Meal			332	+3			326	+3	324	+3	321	+3	316	+2

*Change from the Previous Week Price

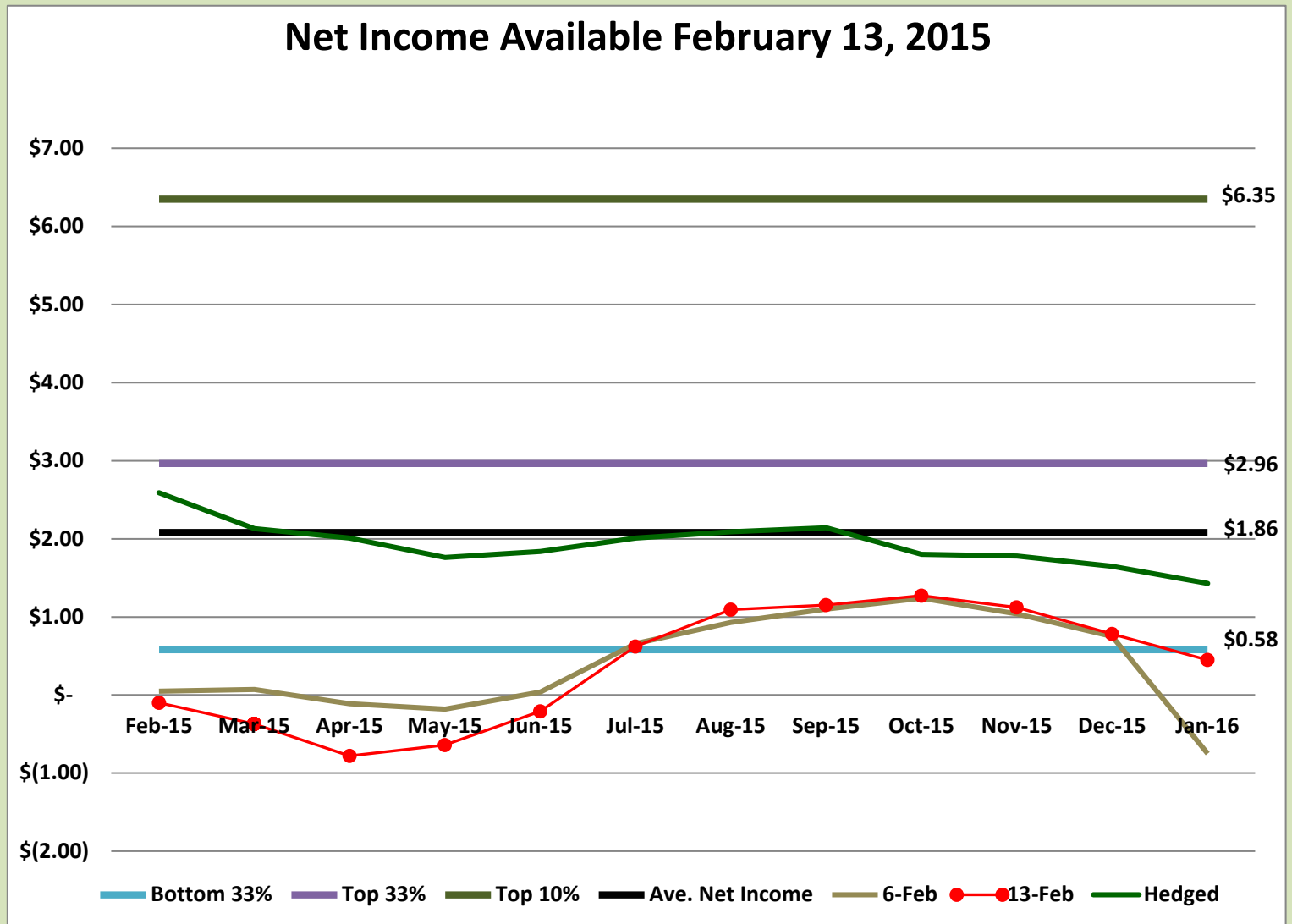
**New Crop: Milk (Dec.), Corn (Dec.), Soybeans (Nov.), Soybean Meal (Dec.)

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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.

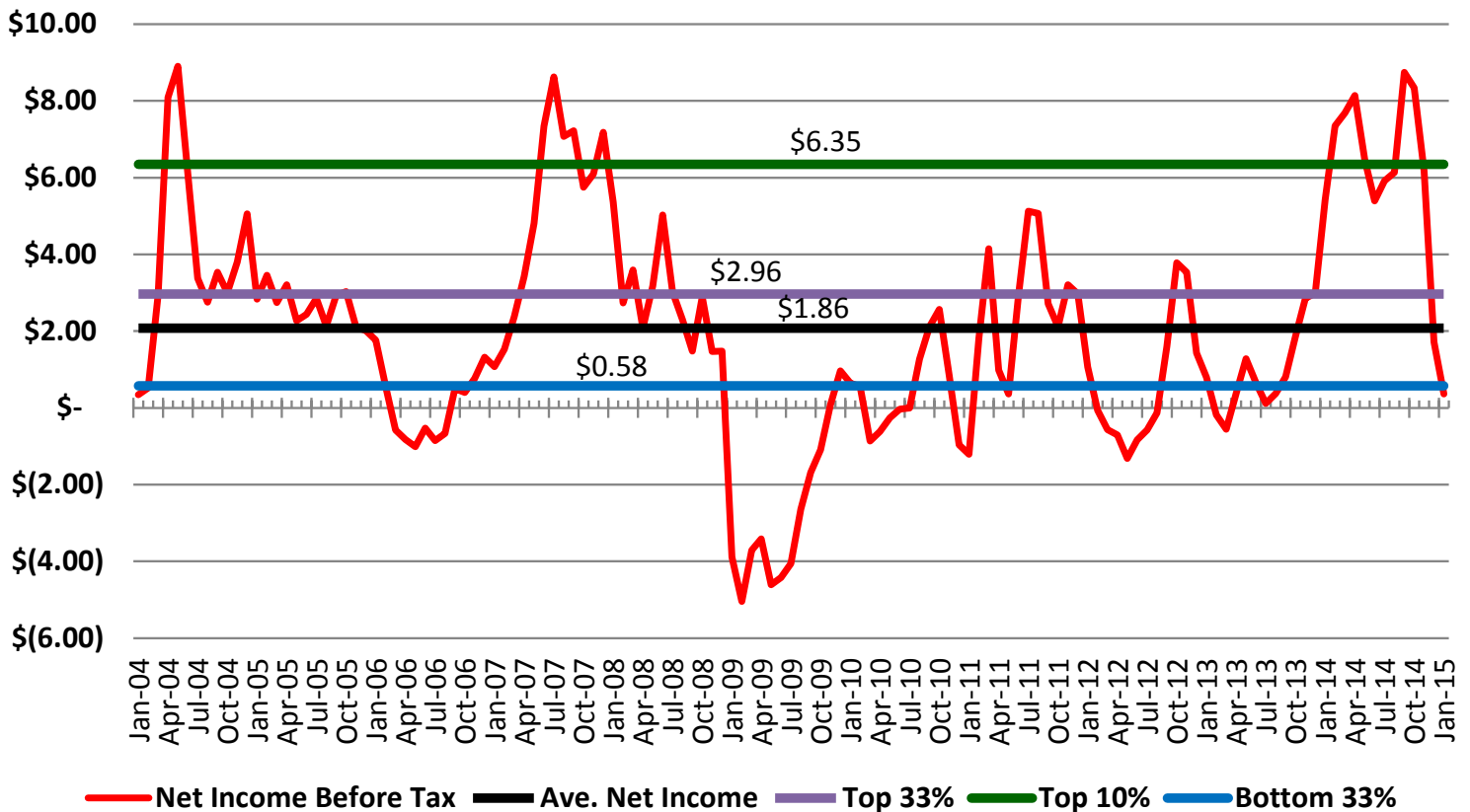
Net Income Available February 13, 2015





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.)

2004-2015 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