



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	-07	+13	+53	+46	+68	+62	+71	+63	+49	+34	+32	+29

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 revisit the "Grown Feed" portion of MARGINSMART®. It allows you the ability to include grown feed at either "Cost" or "Market". If you decide to use "Market" you can determine the market cost, or we can tie certain ingredients into the CBOT to adjust market continually. If you decide to use "Cost", and you have your specific cost per ton or per bushel, we can use that. However, if you do not know your exact costs per ton or bushel, we can utilize your crop input costs to make the overall determination. We will then work with you to get these set up correctly. In summary, we can help you set up any combination of purchased and grown forages so that MARGINSMART® can properly project your actual feed costs. Call us with any questions.

Market News

Milk: Milk production in the 23 major States during Jan '15 totaled 16.5B pounds, up 2.1% from Jan '14. Production per cow averaged 1,918 pounds for Jan '15, 17 pounds above Jan '14. The number of milk cows was 8.62M head, 103,000 head more than Jan '14, and 8,000 head more than Dec '14.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

- Follow up on the 2/10/15 World Stocks report shows that SB ending stocks are estimated at the highest on record in terms of both bushels and stocks to usage ratio.
- YTD 2015 cow slaughter is down an additional 5% from last year, which was down significantly from 2013.
- Diesel fuel prices have slowly trickled back up over the past few weeks.
- The All Fresh beef prices have hit record highs in 20 of the past 21 months.

MARGINSMART® Insight

As you wrap up your 2014 financial statements and tax work, this is a great time for us to revisit your 2015 and 2016 projections for operating income and expenses.

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



Market Price Updates (As of 2/27/2015 Close)

	Feb '15	+/-*	Mar '15	+/-*	April '15	+/-*	May '15	+/-*	Jul '15	+/-*	Sep '15	+/-*	Nov '15	+/-*
Class III Milk	15.49	-05	15.69	+16	15.87	+55	16.13	+47	17.41	+67	17.83	+61	17.33	+35
Class IV Milk	13.84	-18	15.14	-28	15.94	+23	16.32	+34	17.10	+03	17.55	+43	17.57	+49
Cash Butter	1.69	-01	1.79	+00	1.83	+03	1.82	+01	1.84	+02	1.84	-02	1.85	+01
Cash Cheese	1.54	-01	1.58	+01	1.61	+04	1.65	+04	1.80	+07	1.84	+05	1.80	+05
Corn			3.84	-01			3.93	-00	4.01	+01	4.08	+01	4.17	+01
Soybeans			10.31	+32			10.32	+30	10.35	+28	10.12	+21	9.97	+17
Soybean Meal			354	+6			342	+3	339	+3	335	+4	328	+3

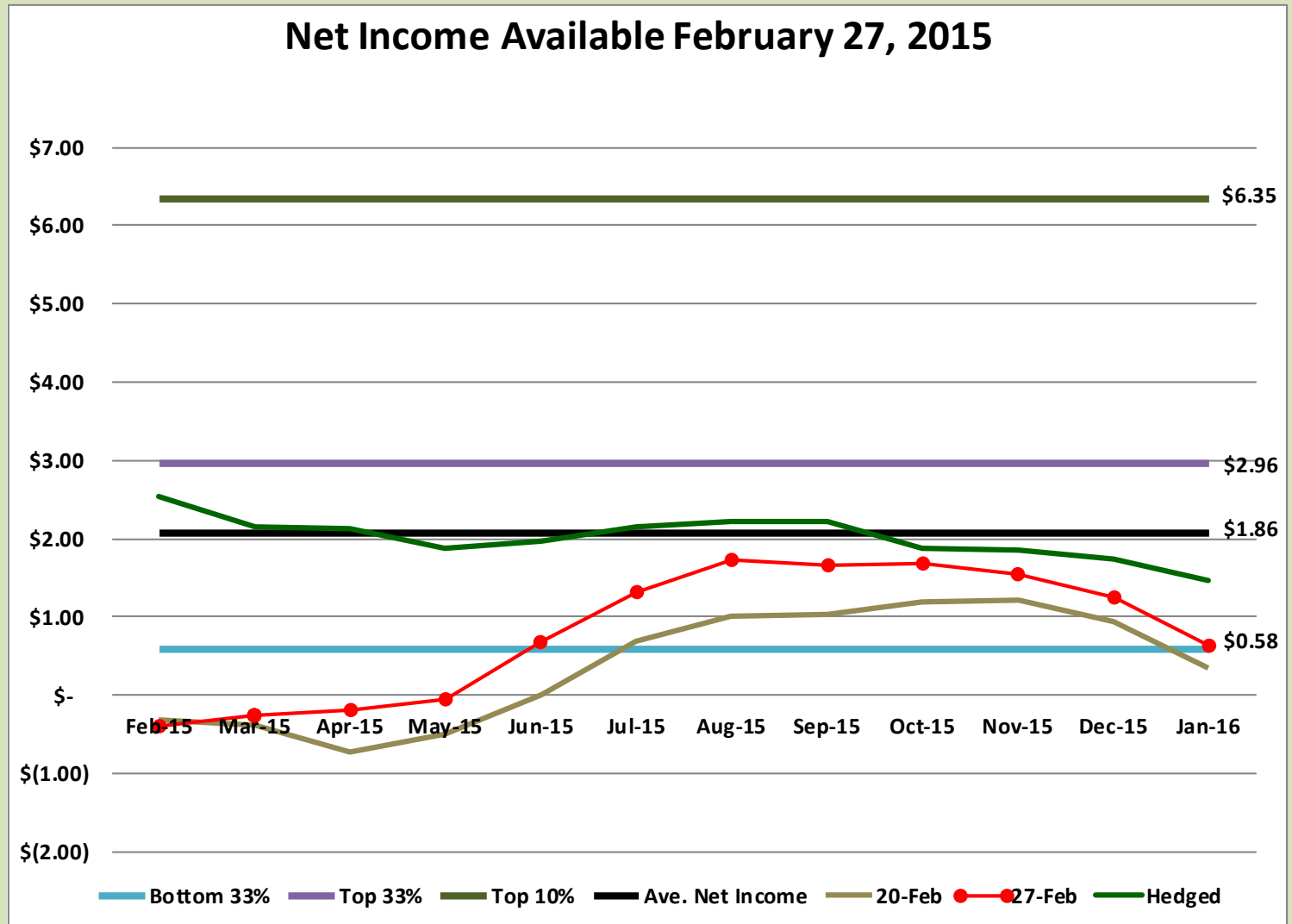
*Change from the Previous Week Price

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



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.

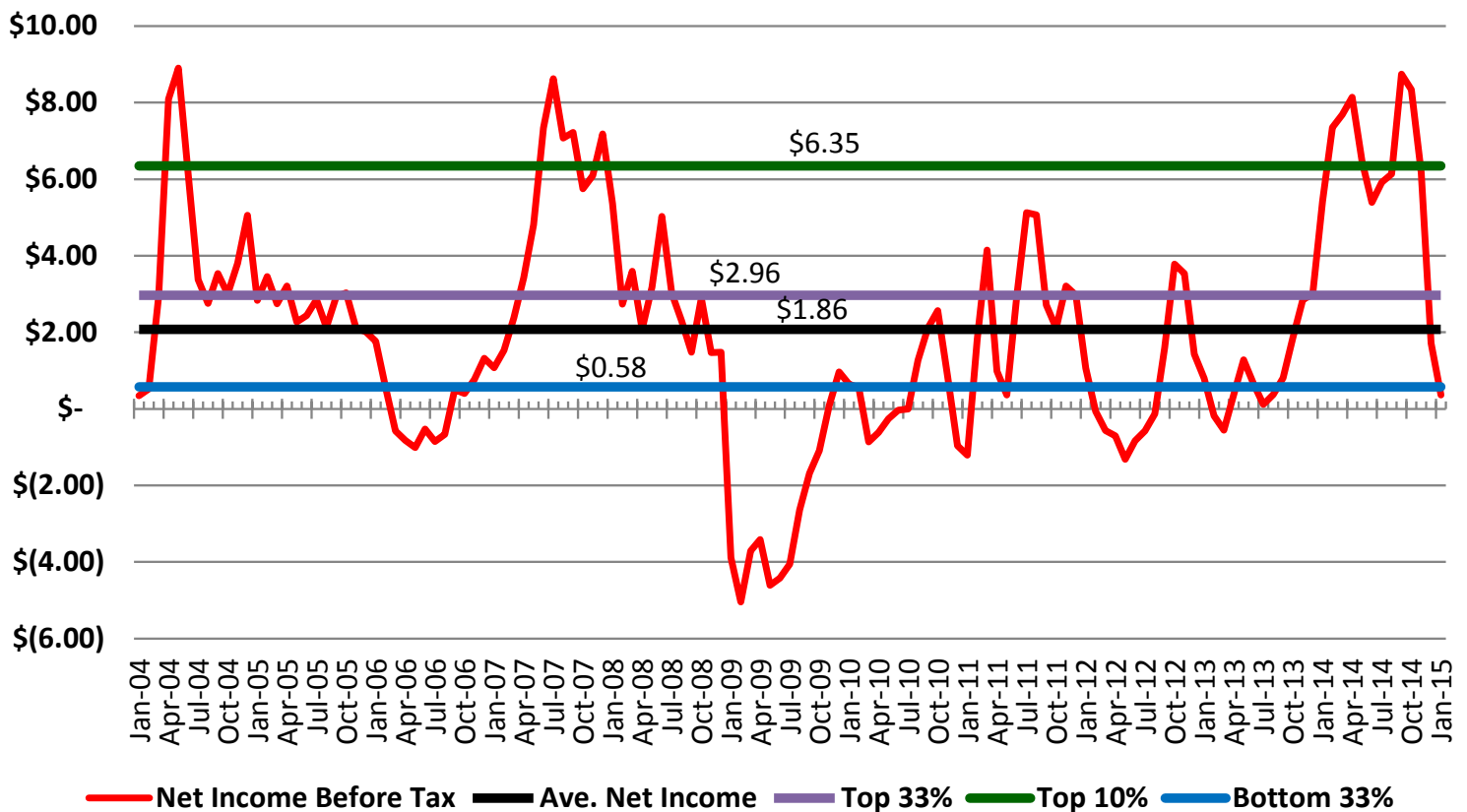
Net Income Available February 27, 2015





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