



# WEEKLY NEWSLETTER

*"For SMART Management"*

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## MARGINSMART® Sample Farm Profitability Changes From Last Report

	Mar. '15	April '15	May '15	June '15	July '15	Aug. '15	Sep. '15	Oct. '15	Nov. '15	Dec. '15	Jan. '16	Feb. '16
Change From Prior Week	-03	+03	+35	+17	+27	+22	+15	+12	+17	+15	+19	+14

### 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 look at the Open Price Risk Position Report. This is available to all Premium and Platinum customers. This report provides a concise summary of all of the information for each main commodity. The bottom line for each commodity shows you how many units your dairy has that are either unpriced or overpriced.

The report takes into account all of your milk production and feed usage needs (for all items mapped to corn, soybeans or soybean meal), as well as all of your commitments – including futures, options and physical (cash) contracts – and any grown feed amounts to calculate the amount of units you have priced. The report is automatically calculated for you. Please call with any questions on this report.

### Market News

**Milk:** US dairy exports in Jan '15 were 31% lower than Jan '14 on both a dollar and volume basis. They made up about 11% of total production in Jan '15, while exports had been running closer to 15% a year ago.

### Market News (Continued)

#### Grains/Feedstuffs/Cattle/Poultry:

- USDA released its Hogs and Pigs Inventory report last Friday which shows March 1 inventory 7.2% higher than last year. The hog industry has gotten past some of the major disease issues that had plagued the industry in 2014. This could impact corn and soybean meal requirements.
- Southern US corn plantings still slow with AR at 2% vs 28% avg, LA 16 vs 81, MS 4 vs 39, TX 20 vs 43
- USDA will release its grain stocks report later today. The market will digest that and then move on to weather issues.

### MARGINSMART® Insight

*As you look to establish your crop plans for the 2015 crop year, we can project grown feed and blend that in with expected feed usage to determine purchased feed requirements.*

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



## Market Price Updates (As of 3/27/2015 Close)

	Mar '15	+/-*	Apr '15	+/-*	May '15	+/-*	June '15	+/-*	Jul '15	+/-*	Sep '15	+/-*	New Crop	+/-*
Class III Milk	15.51	-03	15.53	+03	15.45	+34	15.57	+20	16.09	+26	17.00	+15	17.18	+12
Class IV Milk	13.93	-23	13.87	-03	14.25	-00	14.68	+19	15.29	+19	15.79	+00	16.28	-32
Cash Butter	1.70	-00	1.74	+04	1.78	+05	1.81	+06	1.83	+06	1.87	+04	1.86	+04
Cash Cheese	1.57	-00	1.59	+00	1.60	+04	1.62	+02	1.67	+02	1.76	+00	1.78	+01
Corn					3.91	+06			3.99	+06	4.06	+06	4.15	+06
Soybeans					9.67	-07			9.72	-06	9.57	-05	9.49	-07
Soybean Meal					321	-3			320	-2	317	-2	314	-2

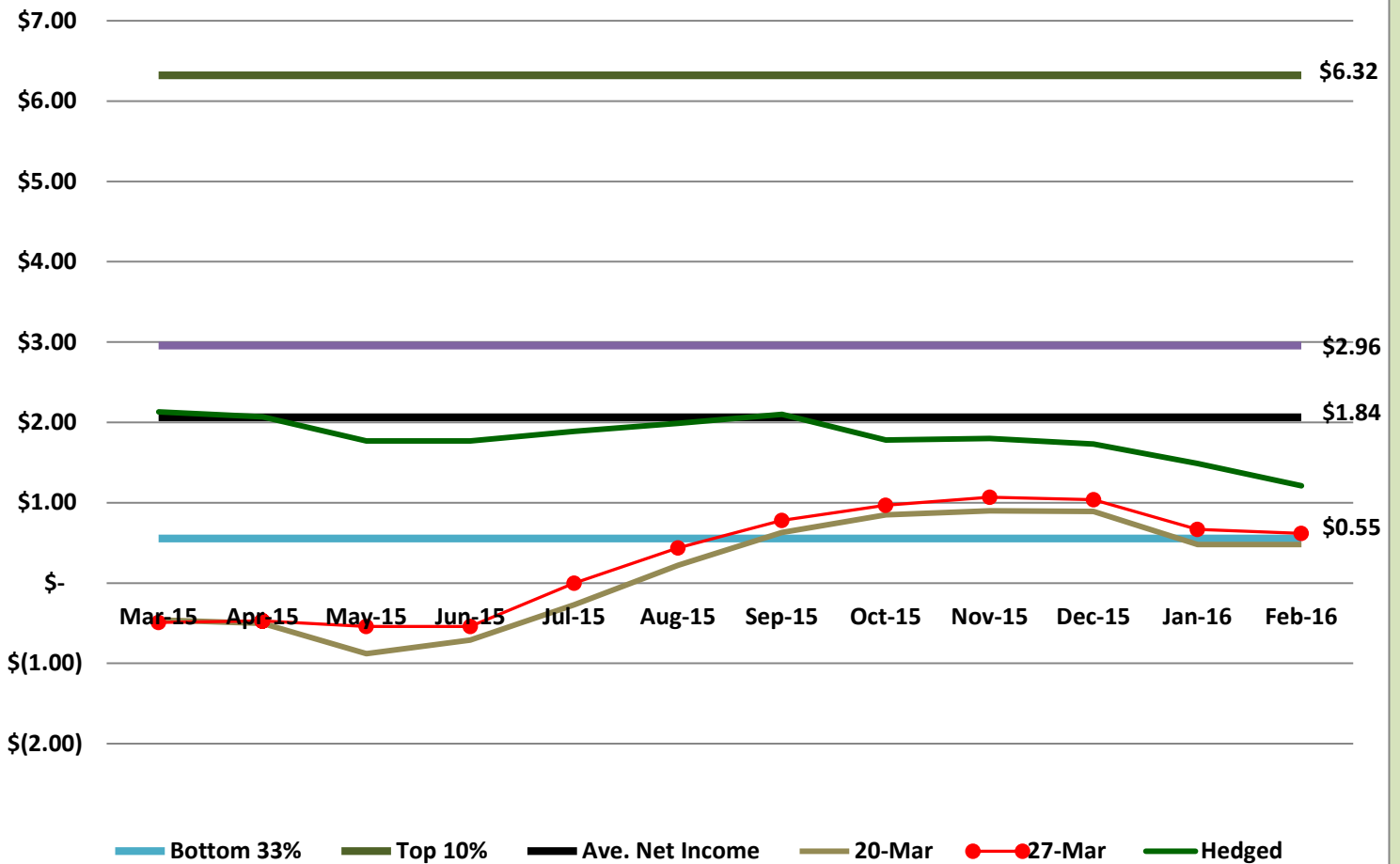
\*Change from the Previous Week Price

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



MARGINSMART® maintains a fully virtual Sample Farm with 1,500 mature cows and 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.

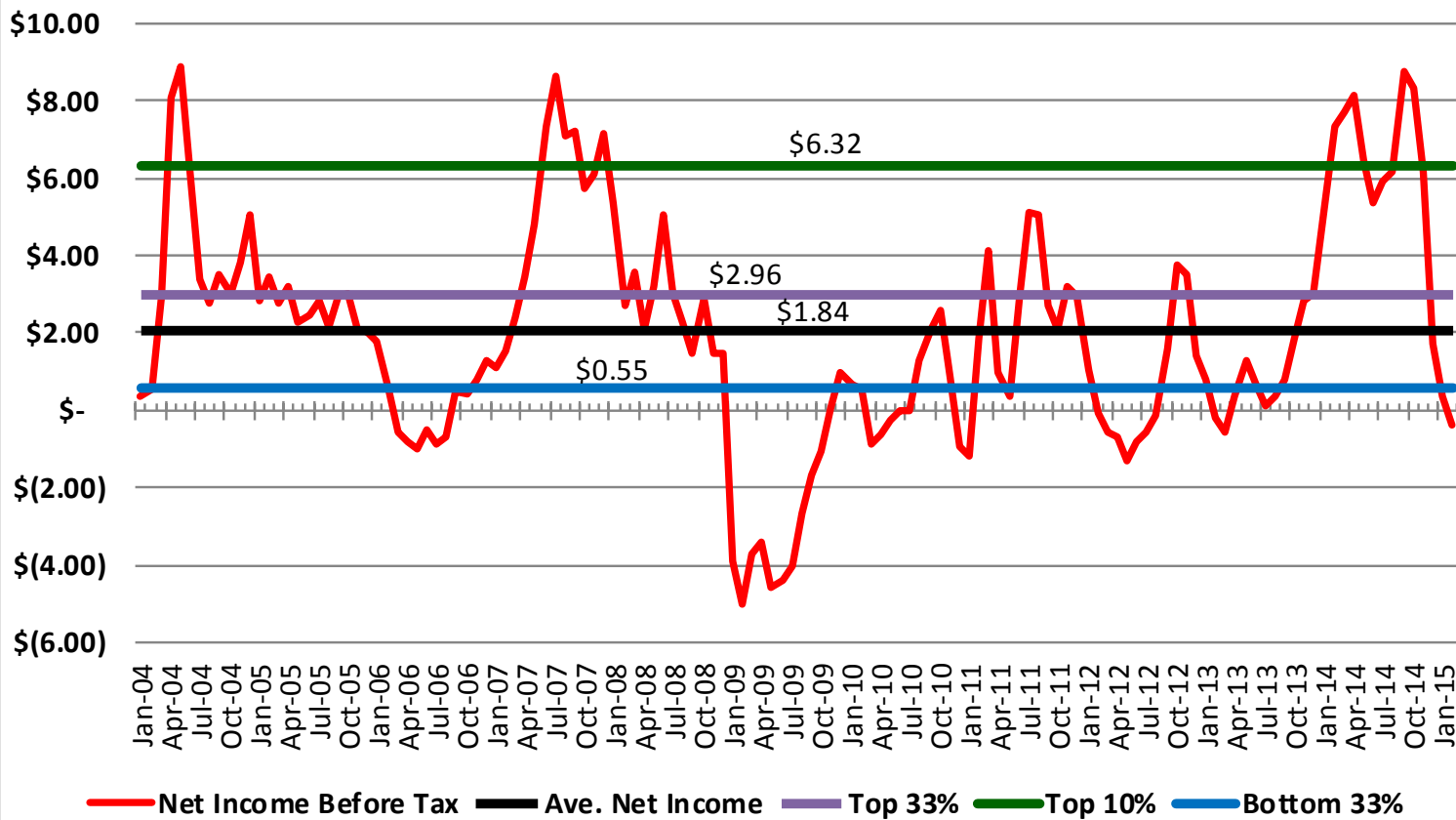
### Net Income Available March 27, 2015





MARGINSMART® maintains a fully virtual 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% (90<sup>th</sup> percentile), top 33% (67<sup>th</sup> percentage), the average and bottom 33% (33<sup>rd</sup> 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