



WEEKLY NEWSLETTER

"For SMART Management"

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MARGINSMART® Sample Farm Profitability Changes From Last Report

	April '15	May '15	June '15	July '15	Aug. '15	Sep. '15	Oct. '15	Nov. '15	Dec. '15	Jan. '16	Feb. '16	Mar. '16
Change From Prior Week	+0.12	+0.34	+0.40	+0.18	+0.12	+0.20	+0.14	+0.19	+0.03	+0.04	-0.10	-0.02

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 talk about a topic that serves as a reminder to everyone in the livestock industry. Currently there is a significant avian influenza outbreak affecting poultry in the Upper Midwest. This outbreak has affected over 1.5 million turkeys and other commercial chicken flocks. While this particular strain does not affect cattle, it is important for dairy producers to remain vigilant for biosecurity for their herds. In recent years the hog industry has also sustained significant losses to various diseases. Even though dairy cattle have greater immunity to certain diseases, if a disease does hit, it can be devastating. With the high level of people and vehicular traffic through most dairy operations, this is a reminder to establish AND FOLLOW biosecurity protocols. It can help avoid significant problems and costs.

Market News

Milk: In January 2015, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$17.71 per cwt, down \$3.12 from the December 2014 average, and down \$5.76 per cwt from the January 2014 average.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

This week we will touch base on the April 2015 USDA WADSE report from last week:

- Projected US ending corn stocks were up 50M bu
 - Projected worldwide ending corn stocks were up 3.2 million metric tons
 - Proj. US ending SB stocks were down 15M bu
 - Proj. worldwide ending SB stocks were also down slightly
 - Worldwide wheat stocks were also down slightly
- In other news CA Gov. Brown calls for reduced water usage of 25% due to the water shortage.

MARGINSMART® Hedged Farm Update

Starting in 2015 we began reporting the results of our 2nd Sample Dairy which has executed hedging strategies on milk and feed (see page 2). For the 1st 3 months of 2015, the hedging strategies have resulted in a \$2.70 per cwt. advantage over doing nothing!

Contact Curtis Gerrits for a **FREE**
MARGINSMART® Demo!!
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Market Price Updates (As of 4/17/2015 Close)

	Apr '15	+/-*	May '15	+/-*	June '15	+/-*	July '15	+/-*	Aug '15	+/-*	Sep '15	+/-*	New Crop	+/-*
Class III Milk	15.80	+0.11	15.99	+0.22	16.00	+0.29	16.36	+0.11	16.85	+0.05	17.16	+0.04	17.00	-0.05
Class IV Milk	13.65	-0.08	14.28	+0.40	14.48	+0.19	14.97	+0.34	15.16	+0.14	15.65	+0.11	16.10	+0.10
Cash Butter	1.74	+0.00	1.87	+0.07	1.90	+0.09	1.91	+0.08	1.92	+0.07	1.92	+0.07	1.93	+0.05
Cash Cheese	1.61	+0.01	1.63	+0.01	1.64	+0.02	1.68	-0.01	1.73	-0.02	1.76	-0.02	1.78	+0.00
Corn			3.80	+0.03			3.87	+0.02			3.94	+0.02	4.03	+0.01
Soybeans			9.69	+0.18			9.71	+0.15	9.68	+0.13	9.58	+0.11	9.53	+0.11
Soybean Meal			315	+6			315	+5	313	+4	312	+3	311	+4

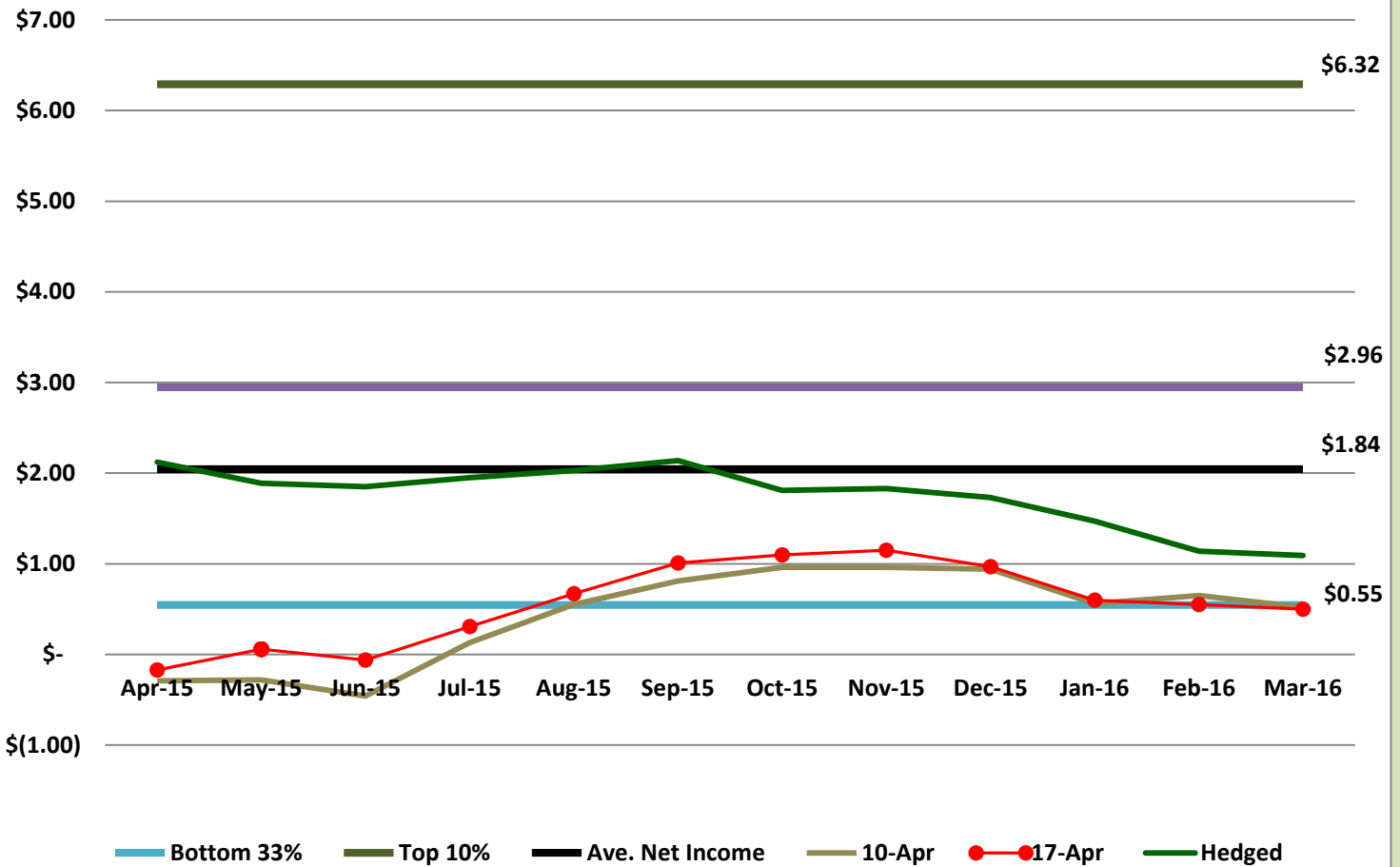
*Change from the Previous Week Price

**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.

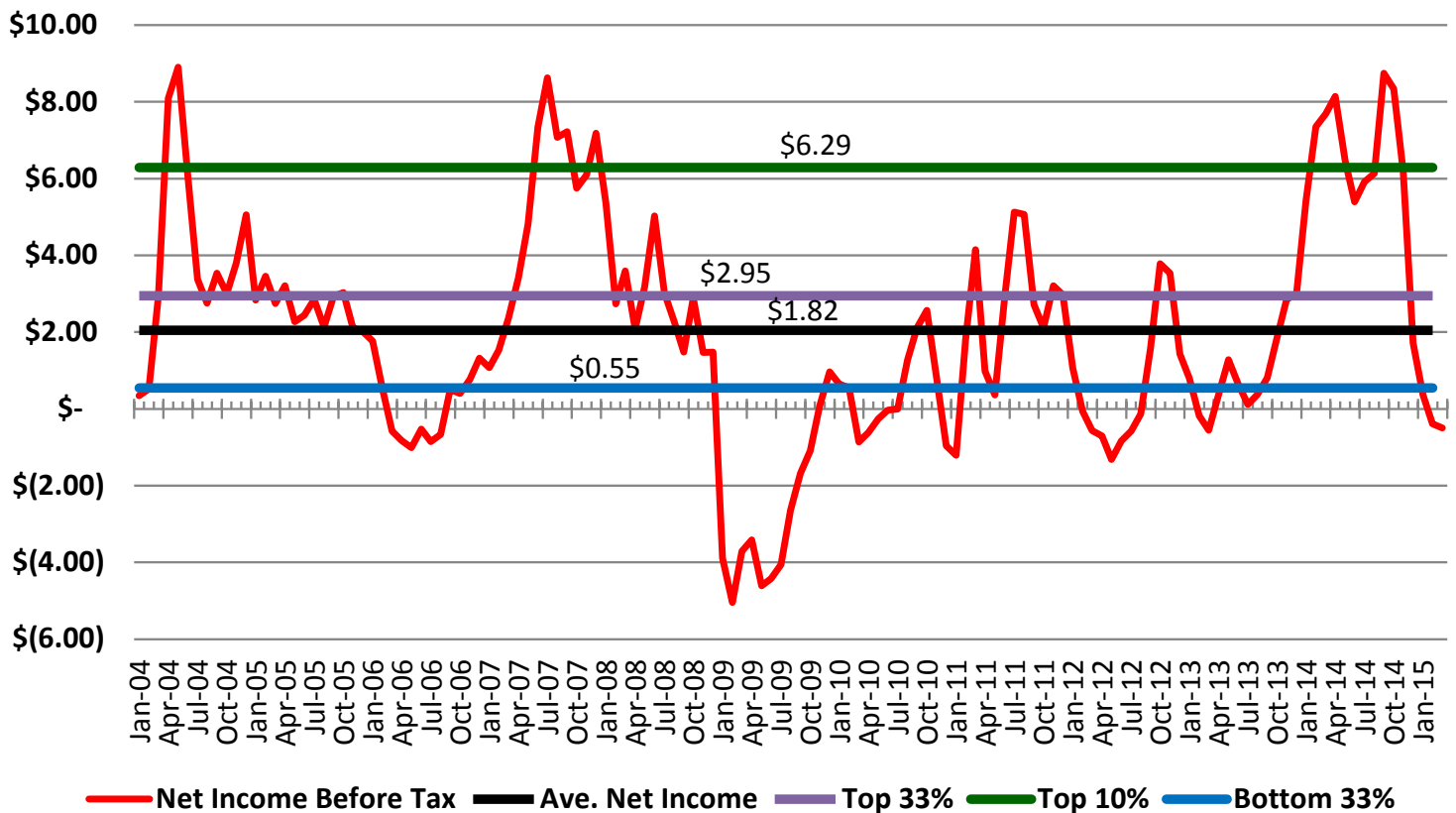
Net Income Available April 17, 2015





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% (90th percentile), top 33% (67th percentile), 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	-.18			