



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	+03	+60	+1.04	+1.00	+65	+32	+13	+08	+30	+13	+15	+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 broadly discuss using MARGINSMART® info to make key financial decisions. Since MARGINSMART® projects your bottom line profitability/cash flow with a high degree of reliability, you can utilize the information to make informed decisions. We help our MARGINSMART® customers do this by helping them establish a strategic plan based on their financial goals. In many cases we educate them on what goals are important, how they are measured and then incorporate those goals within MARGINSMART® so that they are measured in a "real-time" basis. We then help our customers to implement targets to alert them when those goals are met so that they can execute their plan. Call us with any questions.

Market News

Milk: Milk prod. in the 23 major States during Mar '15 totaled 16.9B pounds, up 1.1% from Mar '14. Production per cow averaged 1,959 pounds for Mar '15, 2 pounds above Mar '14. The number of milk cows on farms in the 23 major States was 8.62M head, 86,000 head more than Mar '14.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

This week we will touch base on various topics:

- Estimated corn plantings are at 19% versus 25% past year average
- Industry talk that China is slowing feedgrain and DDG imports due to large internal corn reserves, this along with favorable weather to get corn planted may be pushing corn futures lower
- Corn basis is firming due to seller resistance so net corn prices are not falling correspondingly with the futures price drop
- YTD Cow slaughter remains 6.5% behind 2014

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!!
DIRECT: 920-264-9140
EMAIL: curtis@marginsmart.com



Market Price Updates (As of 4/24/2015 Close)

	Apr '15	+/-*	May '15	+/-*	June '15	+/-*	July '15	+/-*	Aug '15	+/-*	Sep '15	+/-*	New Crop	+/-*
Class III Milk	15.80	+00	16.60	+61	16.97	+97	17.23	+87	17.41	+56	17.39	+23	17.26	+16
Class IV Milk	13.64	-01	14.39	+11	14.88	+40	15.17	+20	15.48	+32	15.97	+32	16.19	+09
Cash Butter	1.74	+00	1.90	+02	1.92	+02	1.93	+02	1.93	+02	1.93	+02	1.91	-02
Cash Cheese	1.61	+01	1.63	+01	1.64	+02	1.68	-01	1.73	-02	1.76	-02	1.78	+00
Corn			3.64	-16			3.70	-17			3.77	-17	3.88	-15
Soybeans			9.70	+01			9.71	+00	9.67	-01	9.56	-02	9.52	-01
Soybean Meal			315	+0			313	-2	312	-1	311	-1	309	-2

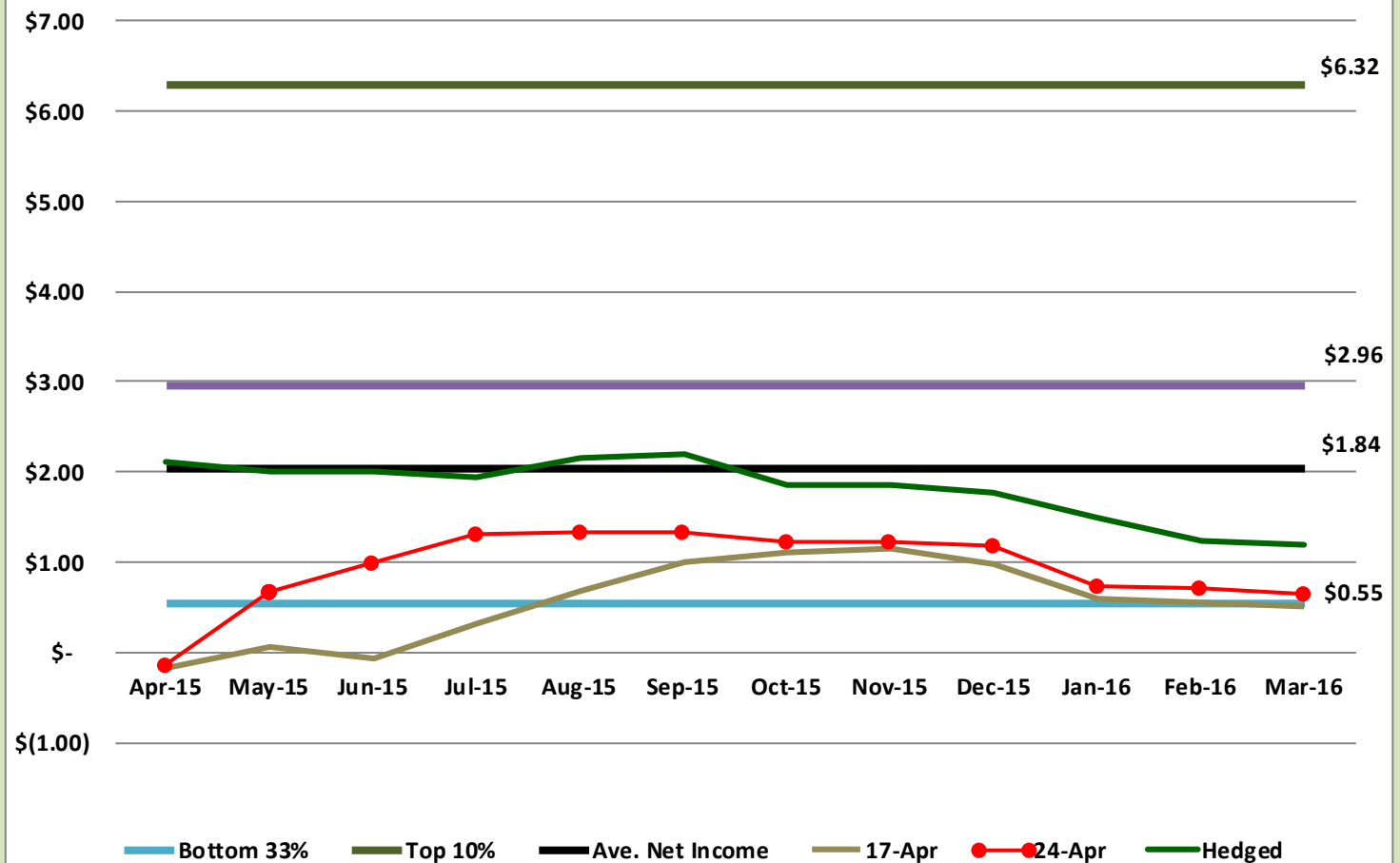
*Change from the Previous Week Price

**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.

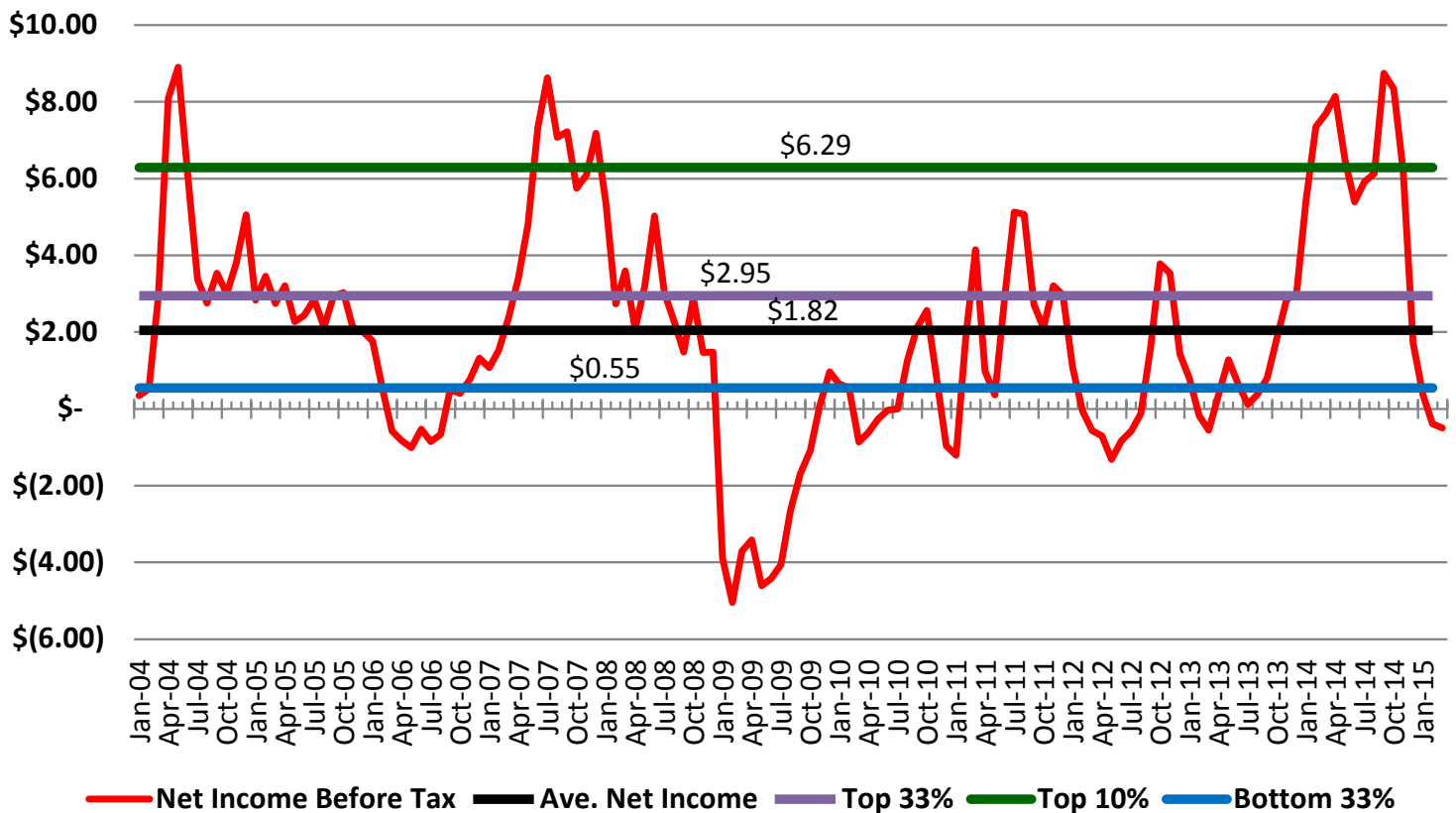
Net Income Available April 24, 2015





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 percentage), the average and bottom 33% (33rd percentile.)

2004-2015 Historical Net Income Before Tax





MARGINSMART® maintains a fully virtual Sample Farm with 1,500 mature cows and 86 #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 11 year's results (with adj. milk / day). The first chart is the yearly average net income per cwt. for the last 11 years. The second chart breaks the yearly income into quarterly increments per cwt. for the last 11 years. The charts below are a breakdown of the information in the historical graph above.

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			