



WEEKLY NEWSLETTER

"For SMART Management"

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MARGINSMART® Sample Farm Profitability Changes From Last Report

	May '15	June '15	July '15	Aug. '15	Sep. '15	Oct. '15	Nov. '15	Dec. '15	Jan. '16	Feb. '16	Mar. '16	Apr '16
Change From Prior Week	+12	+93	+1.15	+91	+50	+21	+02	-02	+14	+11	+14	+18

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 go over the "copy ration" feature. Some of you may periodically want to add a slightly different ration without having to re-enter all the ingredients. First, upon entering the Rations tab (measuring cup icon), click the desired ration that you would like copy. At the top of the ration you will see an option to "Save Ration" and "Copy Ration." Go ahead and select "Copy Ration," this will open up a new window, which will ask you to name your copied ration. Name the ration and select "Ok" to save it. After doing so the ration will appear at the bottom of the column of rations. Then you can go in to the newly copied ration and make any changes. For instance, you can change the pounds if this ration is fed at a different time of the year with increased or decreased projected feeding levels. Please call us with any questions.

Market News

Milk: Milk production increased 2.4% in 2014 to 206 billion pounds. The rate per cow, at 22,258 pounds, was 442 pounds above 2013. The annual average number of milk cows on farms was 9.26 million head, up 33,000 head from 2013.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

Highlights from the 5/11/15 Crop Progress Report:

- US corn planted is at 75% vs. 57% 5 year avg.
- IL and IA are at 85% vs. 5 year avg. of 64%
- 56% of the crop was planted in the last 2 weeks!
- Corn emergence is at 29% vs. the 5 yr avg. of 24%
This is expected to continue to be ahead of avg.
- Timely rains have now hit the corn belt
- US SB planted is at 31% vs. 5 year avg. of 20%
- All other grains (wheat, oats, barley, etc.) are also all well above the 5 year avg. for both planting and conditions

MARGINSMART® Insight

With the roller coaster of milk prices it is more important than ever to know the direct impact to your bottom line. Over the past 3 weeks the average profitability for the next 6 months was up \$.62/cwt, down \$.39, up \$.64 and today was down around \$.25.

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



Market Price Updates (As of 5/8/2015 Close)

	May '15	+/-*	June '15	+/-*	July '15	+/-*	Aug '15	+/-*	Sep '15	+/-*	Oct '15	+/-*	New Crop	+/-*
Class III Milk	16.38	+12	17.36	+91	17.70	+1.17	17.70	+88	17.71	+52	17.62	+26	17.40	+05
Class IV Milk	14.10	-10	15.40	+55	15.77	+51	16.14	+61	16.46	+54	16.47	+34	16.27	+18
Cash Butter	1.88	+03	2.05	+16	2.06	+16	2.05	+15	2.04	+13	2.04	+11	1.98	+09
Cash Cheese	1.67	+01	1.77	+09	1.82	+12	1.81	+07	1.83	+05	1.82	+01	1.80	+00
Corn	3.58	+02			3.63	+00			3.68	-02			3.78	-02
Soybeans	9.84	+16			9.76	+11	9.69	+10	9.57	+10			9.52	+11
Soybean Meal	315	+00			313	+1	311	+1	309	+0	306	+0	306	-1

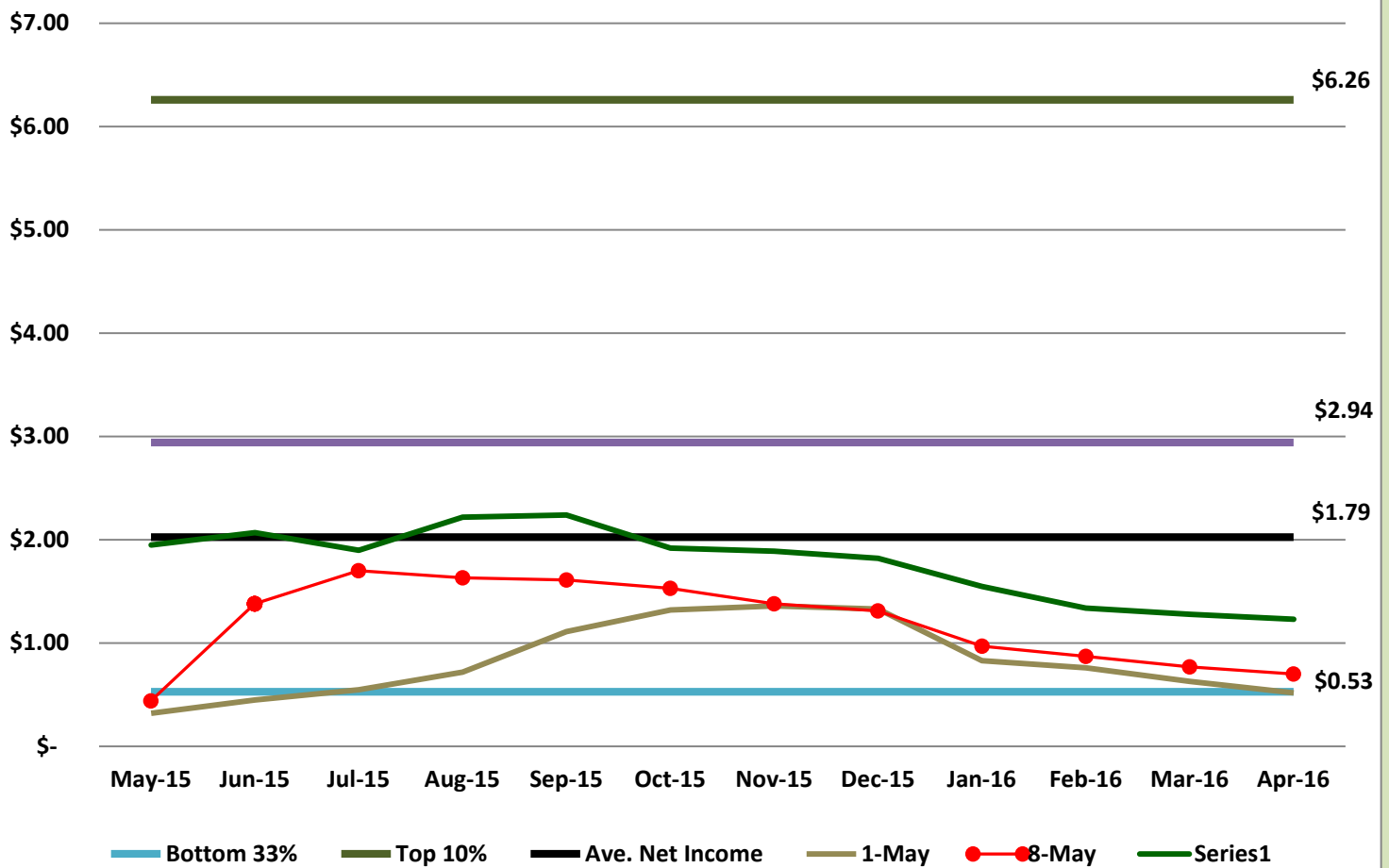
*Change from the Previous Week Price

**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.

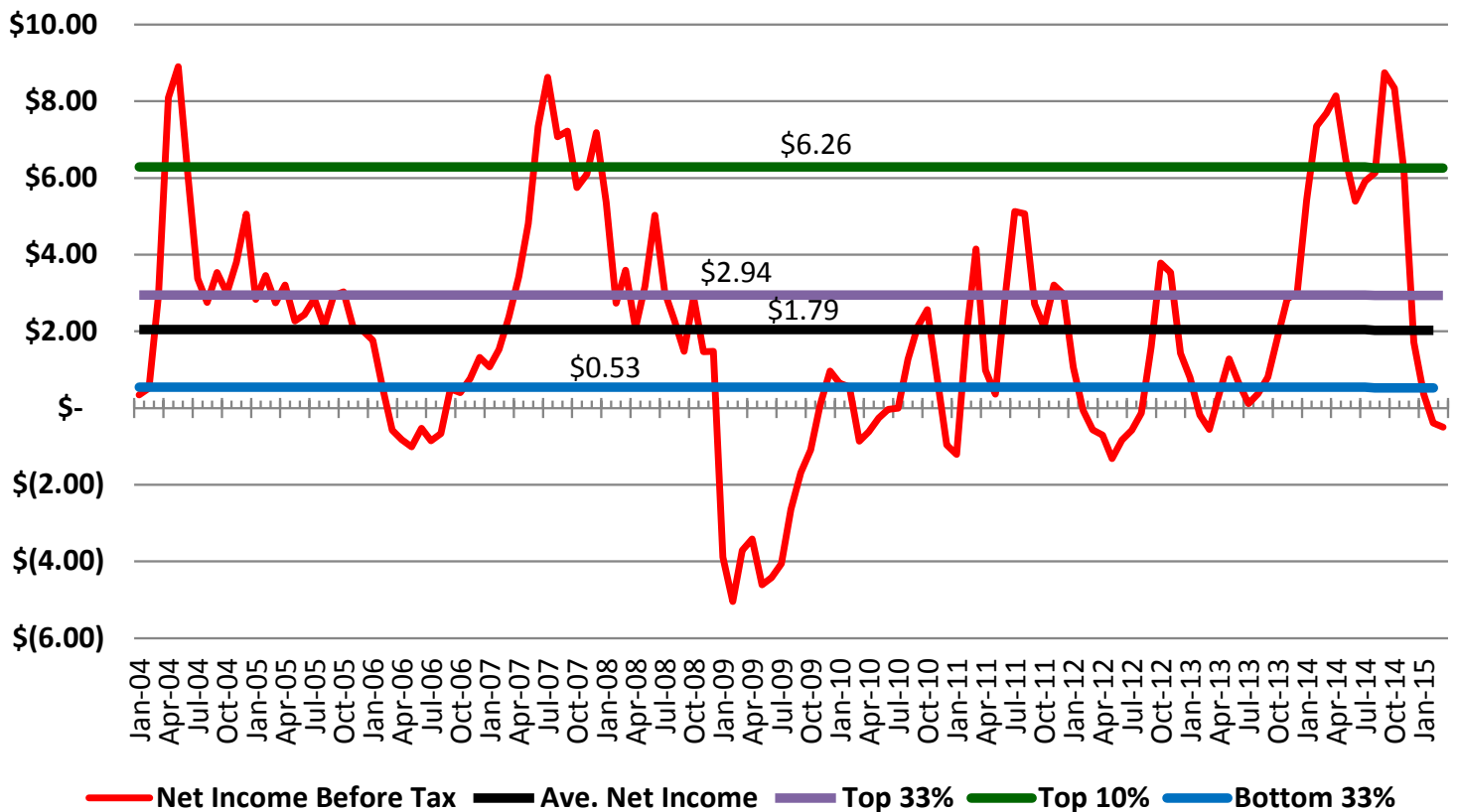
Net Income Available May 8, 2015





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	-0.18			