



WEEKLY NEWSLETTER

"For SMART Management"

Ph: 877-474-7589 • 1600 W. Shawano Ave. Suite 201 • Green Bay, WI 54303

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	+0.00	-0.34	-0.53	-0.76	-0.60	-0.22	+0.09	+0.13	+0.16	+0.10	+0.06	-0.01

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 want to remind you of the key impact that the next month or two can have on grain and feed prices – both in terms of price reductions and increases. For example in 2012 we saw very high early corn plantings (even faster than this year); however due to drought conditions, what was expected to be a record corn crop year turned into a very sub-par overall yield and a \$2.50 per bushel increase in price. Due to the fact that current corn prices are relatively low, in terms of dollars/cents per bushel, the risk of a big move (more than \$1.00 per bushel) up in prices is greater than a corresponding big move (\$1.00 per bushel) down. But, unless there is a significant weather event the overall probability of stable or decreasing prices is much greater than increasing prices. The same can generally be said for other grains.

Market News

Milk: The final April '15 announced Class III price was \$15.81 per cwt. – up \$.25 from Mar '15 and down \$8.50 from April '14. The final April '15 Class IV price was \$13.51 per cwt., down \$.29 from Mar '15, and down \$9.83 per cwt. from April '14.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

Highlights from the 5/4/15 Crop Progress Report:

- US corn planted is at 55% vs. 38% 5 year avg.
- IL and IA are at 68% vs. 5 year avg. of 43%
- 36% of the crop was planted last week alone!
- US SB planted is at 13% vs. 5 year avg. of 9%
- All other grains (wheat, oats, barley, etc.) are also all well above the 5 year avg. for both planting and conditions
- Moisture conditions of top soil and subsoil across the US are generally in better shape than the same week of 2014

MARGINSMART® Insight

Discussions around the Trans Pacific Partnership, which addresses dairy deficit Southeast Asian countries, appear to be beneficial to the US dairy industry. Both the Senate and House sub-committees have voted overwhelmingly to approve fast track authority.

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



Market Price Updates (As of 5/1/2015 Close)

	Apr '15	+/-*	May '15	+/-*	June '15	+/-*	July '15	+/-*	Aug '15	+/-*	Sep '15	+/-*	New Crop	+/-*
Class III Milk	15.81	+0.01	16.26	-0.34	16.45	-0.52	16.53	-0.70	16.82	-0.59	17.19	-0.20	17.35	+0.09
Class IV Milk	13.64	+0.00	14.20	-0.19	14.85	-0.03	15.26	+0.09	15.53	+0.05	15.92	-0.05	16.09	-0.10
Cash Butter	1.74	+0.00	1.84	-0.05	1.89	-0.03	1.89	-0.03	1.89	-0.04	1.90	-0.03	1.89	-0.02
Cash Cheese	1.61	+0.00	1.66	+0.03	1.68	+0.04	1.70	+0.02	1.74	+0.01	1.78	+0.02	1.80	+0.02
Corn			3.60	-0.04			3.63	-0.07			3.70	-0.07	3.80	-0.08
Soybeans			9.68	-0.02			9.65	-0.06	9.59	-0.08	9.47	-0.09	9.41	-0.11
Soybean Meal			315	+0			312	-1	310	-2	309	-2	307	-2

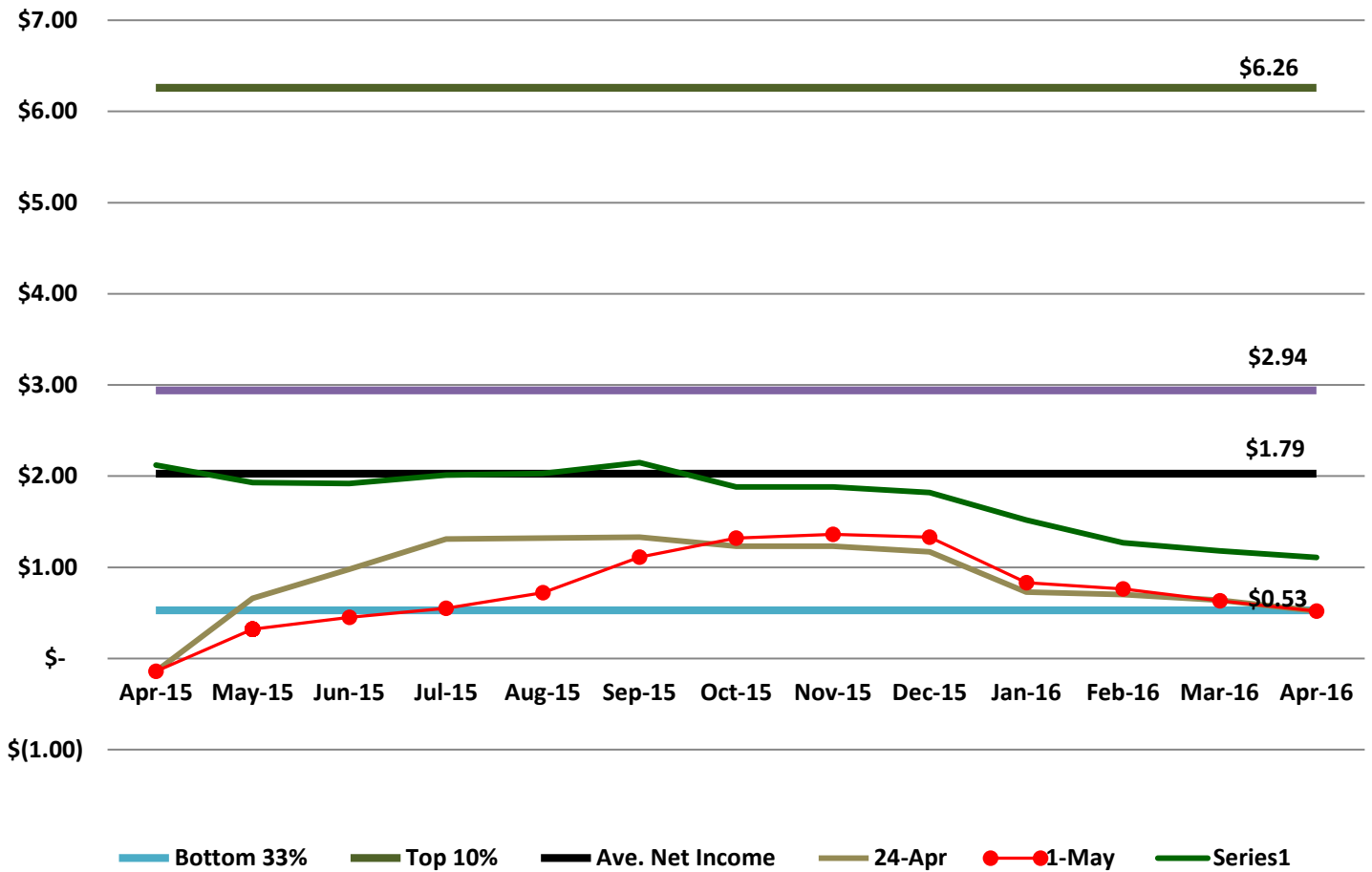
*Change from the Previous Week Price

**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.

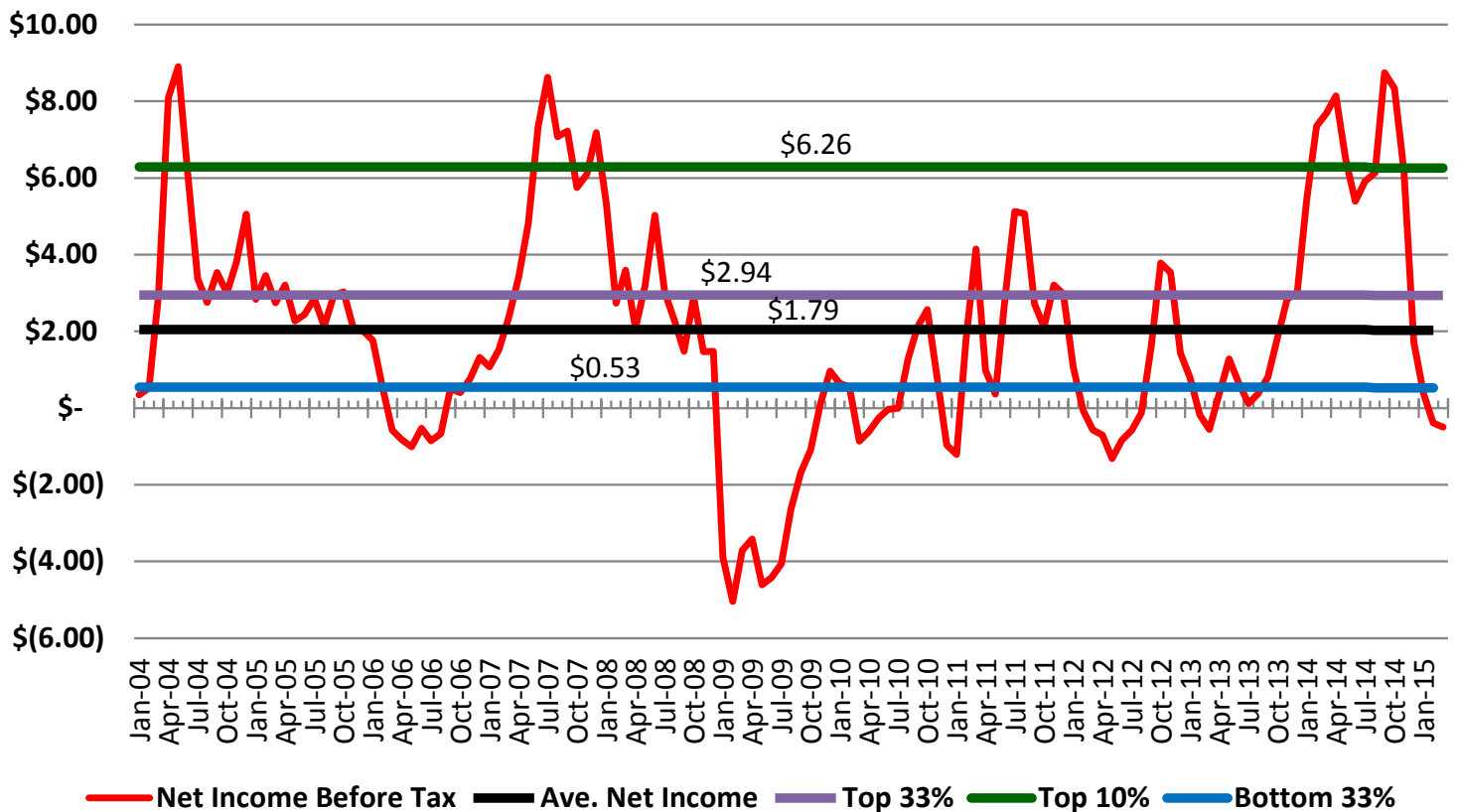
Net Income Available May 1, 2015





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





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			