



WEEKLY NEWSLETTER

"For SMART Management"

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MARGINSMART® Sample Farm Profitability Changes From Last Report

	Apr '17	May '17	Jun '17	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	Jan '18	Feb '18	Mar '18
Change From Prior Week	+0.02	+0.43	+0.47	+0.39	+0.36	+0.26	+0.14	+0.18	+0.11	+0.06	+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 will review fluctuations of corn futures prices during the spring planting season. The following shows a few highlights over the past 4 years:

2013 – May '13 futures varied by \$.85 per bushel from 3/15 – 5/15/13. December futures during the 3/15 – 5/31/13 planting season averaged \$5.21/bu and closed out in Dec 13 at \$4.23/bu
2014 – May '14 futures varied by \$.37 per bushel from 3/15 – 5/15/14. December futures during the 3/15 – 5/31/14 planting season averaged \$4.92/bu and closed out in Dec 14 at \$3.96/bu
2015 – May '15 futures varied by \$.39 per bushel from 3/15 – 5/15/15. December futures during the 3/15 – 5/31/15 planting season averaged \$3.93/bu and closed out in Dec 15 at \$3.73/bu
2016 – May '16 futures varied by \$.44 per bushel from 3/15 – 5/15/16. December futures during the 3/15 – 5/31/15 planting season averaged \$3.85/bu and closed out in Dec 16 at \$3.52/bu
 While in each of the 4 years above harvest prices dropped from planting time until harvest, in 2012 (drought year) the prices went up from spring through harvest. Call with any questions.

Milk: MARCH MILK PRODUCTION (NASS): Milk production in the 23 major States during March totaled 17.5B pounds, up 1.8% from March 2016. Production per cow in the 23 major States averaged 2,012 pounds for March, 18 pounds above March 2016.

Market News

Grains/Cattle

Summary of USDA 4/24/17 Crop Progress Report

This is the first report with soybeans.

- Corn – 17% planted vs. 28% last year and 18% for 5 yr. avg
- Corn Emerged - 4% vs. 4% last yr and 4% for 5 yr avg
- Soybeans - 6% planted vs. 3% last yr and 3% for 5 yr avg
- Winter wheat condition – 54% good & excellent vs. 59% last year
- Topsoil moisture levels – 87% in '17 vs. 83% in '16
- Subsoil moisture levels – 84% in '17 vs. 83% in '16

As noted in farmdocDaily, the total economic cost per bushel in Illinois in 2016 to grow corn ranged from \$3.81 to \$4.92, and to grow soybeans ranged from \$9.44 to \$10.77.

MARGINSMART Insight

AVERAGE 2017 CLASS III MILK FUTURES INCREASED LAST WEEK FOR ONLY THE 4TH WEEK SO FAR IN 2017. CLASS IV MILK FUTURES WERE ALSO SLIGHTLY UP ON AVERAGE, FOR ONLY THE 2ND WEEK INCREASE OF 2017

Contact us for a **FREE** MARGINSMART® Demo!

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Market Price Updates (As of 4/10/2017 Close)

	Apr'17	+/-*	May'17	+/-*	Jun'17	+/-*	July'17	+/-*	Sep'17	+/-*	Oct'17	+/-*	New Crop	+/-*
Class III Milk	15.20	-0.03	15.64	+0.44	15.87	+0.49	16.26	+0.40	16.78	+0.30	16.73	+0.23	16.55	+0.18
Class IV Milk	13.95	-0.07	14.23	+0.07	14.46	+0.24	14.55	+0.09	15.00	+0.01	15.19	-0.05	15.30	-0.08
Cash Butter	2.11	-0.02	2.10	+0.02	2.13	+0.03	2.14	+0.01	2.15	-0.01	2.16	-0.01	2.15	+0.00
Cash Cheese	1.49	-0.01	1.56	+0.03	1.60	+0.04	1.67	+0.03	1.73	+0.02	1.72	+0.00	1.71	+0.00
Corn			3.57	-0.14			3.64	-0.14	3.71	-0.13			3.82	-0.12
Soybeans			9.51	-0.04			9.61	-0.05	9.60	-0.04			9.59	-0.03
Soybean Meal			310	-8			314	-8	315	-7	315	-5	316	-4

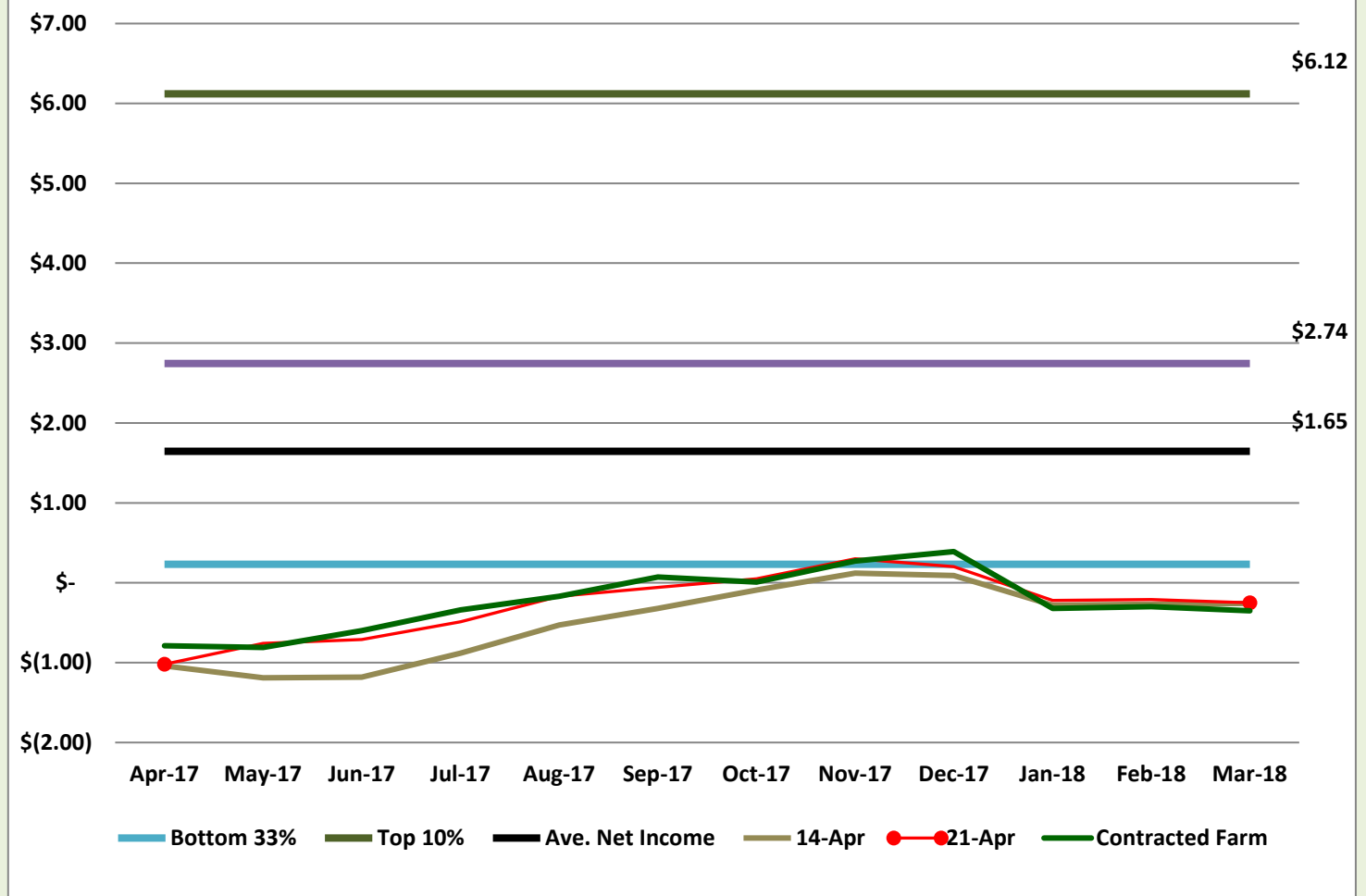
*Change from the Previous Week Price

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



MARGINSMART® maintains a Sample Farm with 1,500 mature cows and 87 #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. We also show a green line for our Sample Farm that has executed milk and feed contracts as part of a price risk management strategy. **Effective 8/8/16, adjustments have been made to transition to no BST use by 3/31/17 which reduces milk production back to 83#s of milk per cow.**

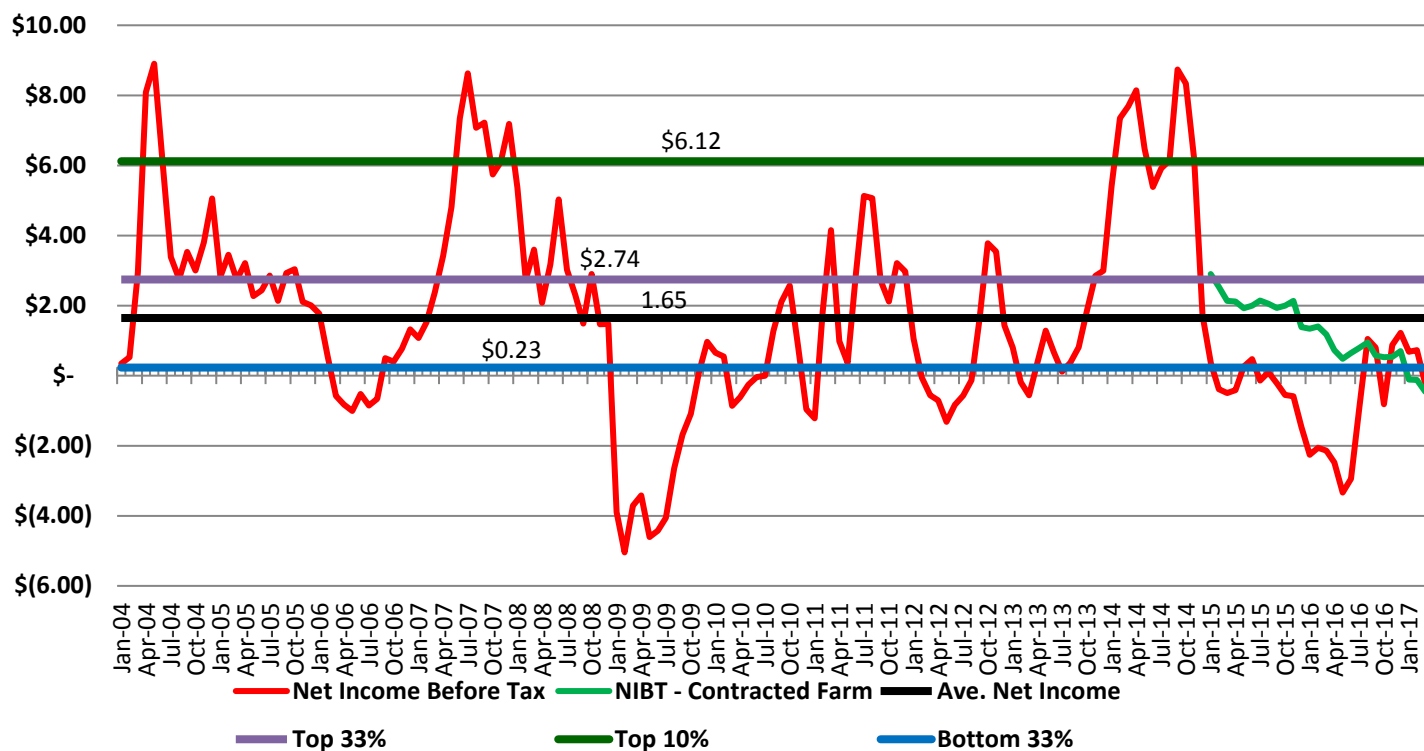
Net Income Available April 21, 2017





MARGINSMART® maintains a Sample Farm with 1,500 mature cows and 87#s (current level – this has increased over the past 12 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 12 years' results (with adj. milk / day). The red line on the chart below shows the net income before tax for the last 12 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.) **Effective 8/8/16, adjustments have been made to transition to no BST use by 3/31/17 which reduces milk production back to 83#s of milk per cow.**

2004-2017 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	2015	2016
4.04	2.67	0.07	5.21	2.89	-2.79	0.44	2.52	0.60	0.95	6.46	-.25	-1.01

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	.11	-.08	-.87
2016	-2.15	-2.92	0.31	.33