



WEEKLY NEWSLETTER

"For SMART Management"

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MARGINSMART® Sample Farm Profitability Changes From Last Report

	Sep. '15	Oct. '15	Nov. '15	Dec. '15	Jan. '16	Feb. '16	Mar. '16	Apr '16	May '16	June '16	July'16	Aug'16
Change From Prior Week	-0.22	-0.43	-0.34	-0.21	-0.13	-0.11	-0.07	-0.06	-0.10	-0.11	-0.05	-0.06

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

The tip of the week relates to the sign up period for the MPP Program. Since the sign up period is fast approaching we wanted to identify a few of the highlights here:

1. The 2016 sign up deadline is September 30, 2015
2. If you participated in MPP last year, you are required to sign up again for 2016, even if it is just at the minimal level of \$4.00 coverage for \$100
3. If you did not choose to participate in MPP last and used LGM, you can choose to continue LGM or switch to MPP after your LGM ends (if you currently have LGM coverage)
4. 2016 Base Levels will be increased by 2.61% for dairies that had participated in MP during 2015
5. Premiums above the \$4.00 coverage level are due 25% by Feb 1, '16 and 75% by June 1 '16

We suggest dairy producers consider MPP coverage levels from \$4.00 - \$6.50 per cwt. at various percentages to coincide with other marketing strategies. Call us with questions.

Milk: In June '15, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.62 per cwt, up \$0.02 per cwt from the May '15 average, and down \$6.49 per cwt from the June '14 average.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

This week we will take the September 2015 WADSE:

- 2015 US corn prod. expected down approx. 100M bu, or 1.3 bushels per acre from August 2015
- Usage of 2015/16 corn down 20M bu in the US
- Carry-in from 2014/15 is down 40M bu
- Carry-over for 2015/16 is down 120M bu
- Global corn prod is expected down, with higher usage and lower carryover projected
- Global barley prod is expected higher to offset some of the corn shortfall, but not all
- US SB prod is expected up 19M bushels

Takeaways from all in US... Corn projected slightly tighter with minimal price increases, SB plentiful.

MARGINSMART® Insight

We will be at World Dairy Expo again this year on Sept 29 – Oct 3. Our Booth Has moved to the Exhibition Hall Booth EH 5010.

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

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Market Price Updates (As of 9/11/2015 Close)

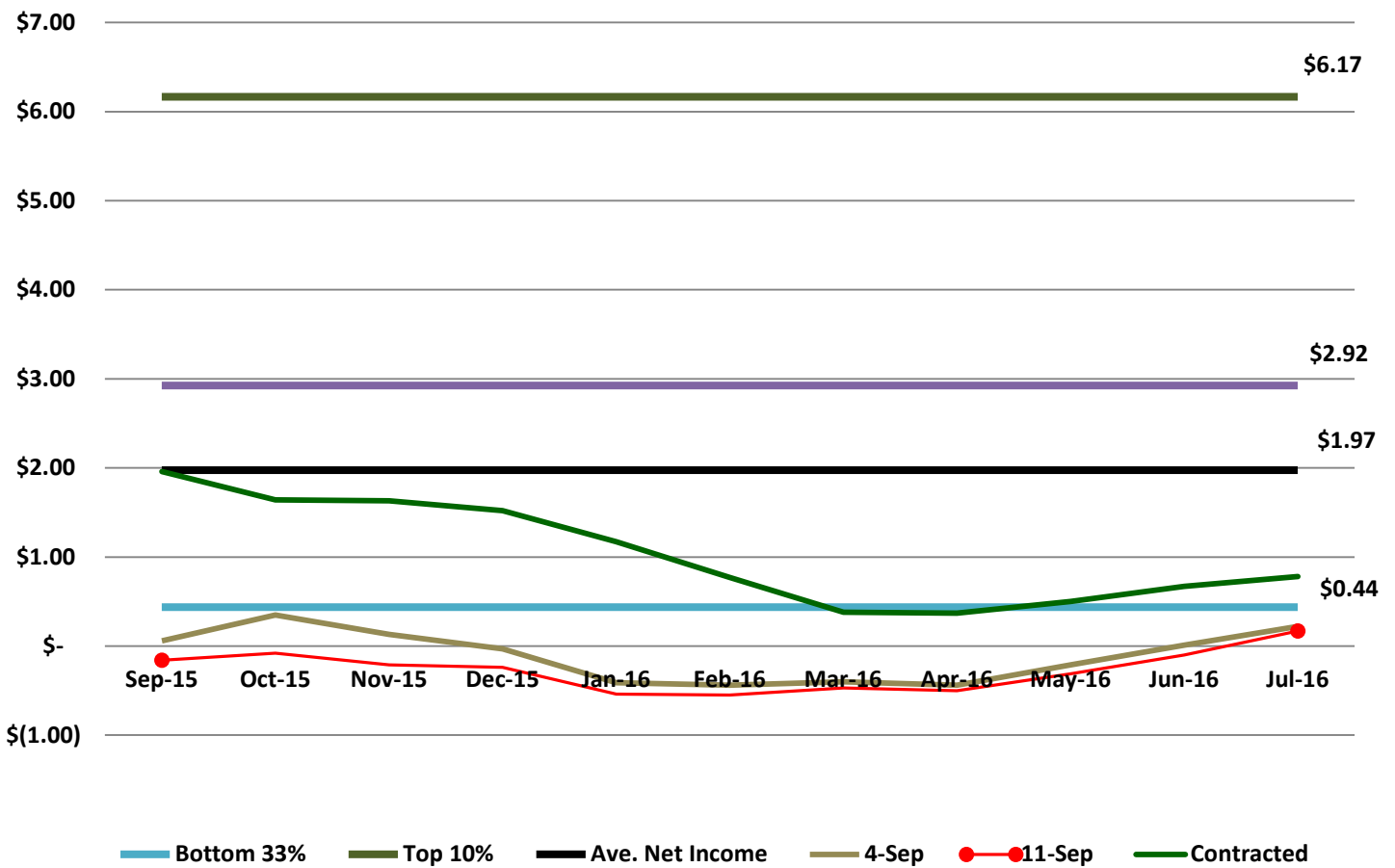
	Sep '15	+/-*	Oct '15	+/-*	Nov'15	+/-*	Dec'15	+/-*	Jan '16	+/-*	Feb'15	+/-*	Mar'16	+/-*
Class III Milk	15.97	-0.17	16.01	-0.36	15.96	-0.22	15.82	-0.10	15.62	-0.06	15.58	-0.07	15.68	-0.06
Class IV Milk	15.05	-0.22	16.10	+0.00	15.49	+0.17	14.23	-0.09	14.47	+0.22	14.75	+0.22	15.26	+0.33
Cash Butter	2.42	-0.03	2.50	+0.05	2.31	+0.04	1.96	+0.06	1.86	+0.10	1.87	+0.09	1.88	+0.08
Cash Cheese	1.72	-0.01	1.72	-0.04	1.73	-0.01	1.73	-0.01	1.71	-0.01	1.70	-0.01	1.70	-0.01
Corn	3.74	+0.25					3.87	+0.24					3.98	+0.24
Soybeans	8.88	+0.11			8.74	+0.08			8.77	+0.07			8.79	+0.08
Soybean Meal	314	+00	311	+03			309	+02	307	+02			305	+02

*Change from the Previous Week Price



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.

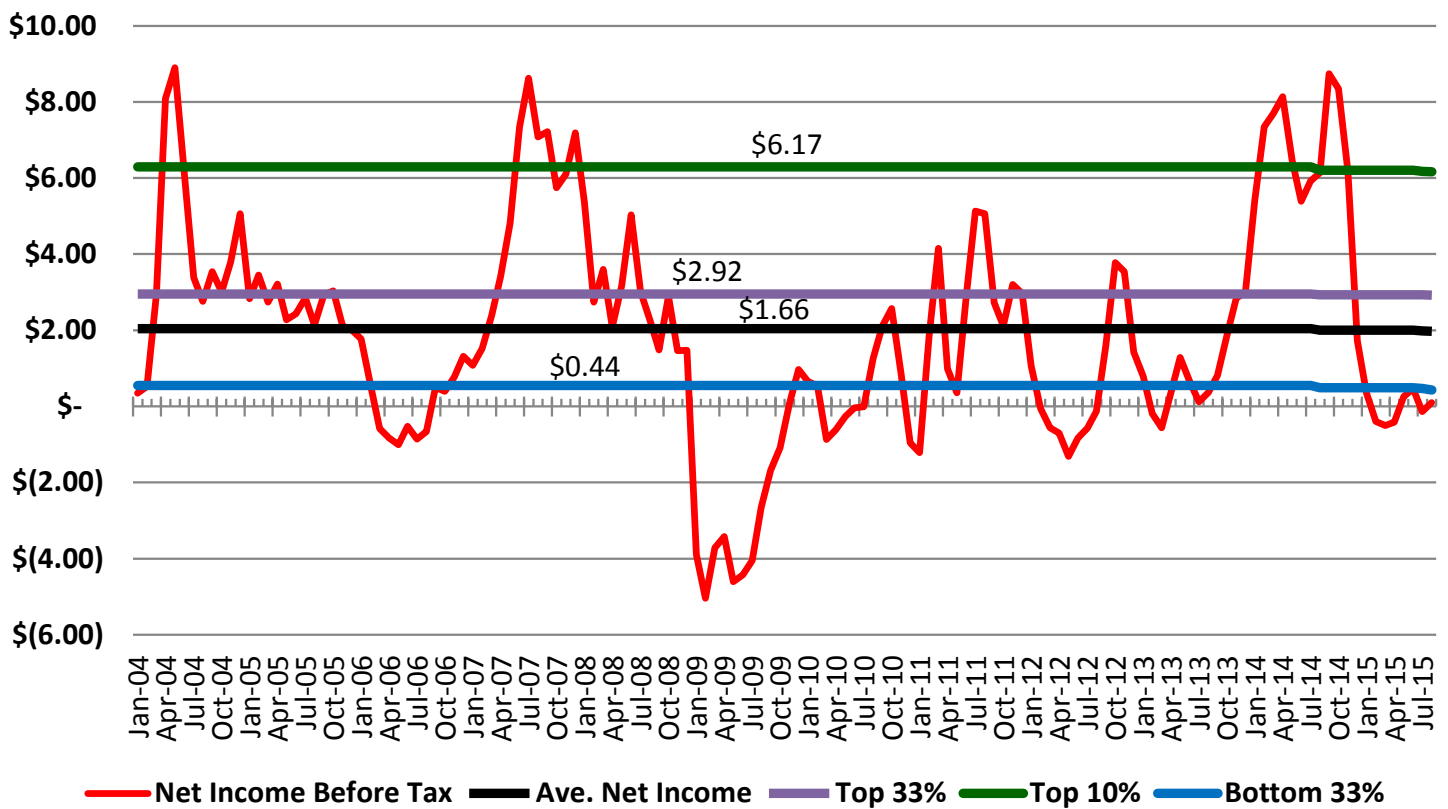
Net Income Available September 11, 2015





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	.11		