



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

	Aug. '15	Sep. '15	Oct. '15	Nov. '15	Dec. '15	Jan. '16	Feb. '16	Mar. '16	Apr '16	May '16	June '16	July'16
Change From Prior Week	-02	+02	+04	+02	+11	+19	+24	+28	+13	+03	-12	+13

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 projected rations. We have had discussions with several customers recently about incorporating projected rations into MARGINSMART®. We have, and continue, to encourage customers to utilize the best information related to what they expect to experience on their dairy in future months. That will allow even more accurate projections to be made. We have identified in past Tip of the Week segments that we would like to include projected future rations for months when those will be fed. MARGINSMART® can incorporate an unlimited number of rations so we can utilize current rations for the months they are being fed and then switch to the new rations when they are projected to be fed. For example, in this manner we can use projected rations with new forage results and different ingredients to project profitability well in advance of actually feeding those forages to get advance insight to make decisions. Call us with questions.

Milk: The final Aug '15 announced Class III price was \$16.27 per cwt. – down \$.06 from July '15 and down \$5.98 from Aug '14. The final Aug '15 Class IV price was \$12.90 per cwt., down \$.25 from July '15, and down \$10.99 per cwt. from Aug '14.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

This week we will take a look at some livestock related items. Ground beef prices on the USDA wholesale reporting are down from a year ago – most significantly for blends made with 50% trim from fed steers. 50% trim is down nearly 50% from a year ago. A combination of higher levels of imported trim, lower exports of US beef and cheaper protein (pork and poultry) alternatives appear to have had an impact on fat trim and ground beef prices. ***This may have had an impact on cull cow prices as they have moved lower. The number of beef cows that are culled after they are removed from pasture this fall will also impact cull cow prices. Bull calf prices moved lower last week.***

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!**

DIRECT: 920-264-9139

EMAIL: mark@marginsmart.com

Market Price Updates (As of 9/4/2015 Close)

	Aug'15	+/-*	Sep '15	+/-*	Oct '15	+/-*	New Crop	+/-*	Jan '16	+/-*	Feb'15	+/-*	Mar'16	+/-*
Class III Milk	16.27	-04	16.14	-03	16.37	-03	16.18	+01	15.68	+14	15.65	+20	15.74	+29
Class IV Milk	12.90	+10	15.27	+59	16.10	+1.06	15.32	+37	14.25	+20	14.53	+18	14.93	+15
Cash Butter	2.04	+03	2.45	+15	2.45	+17	2.27	+12	1.76	+00	1.78	+01	1.80	+00
Cash Cheese	1.74	+00	1.73	+00	1.76	+01	1.74	+00	1.72	+02	1.71	+02	1.71	+02
Corn			3.49	-14			3.63	-12					3.74	-14
Soybeans	9.78	+00	8.77	-16			8.66	-19	8.70	-21			8.71	-21
Soybean Meal	331	+00	314	-07	308	-07	307	-06	305	-06			303	-03

*Change from the Previous Week Price

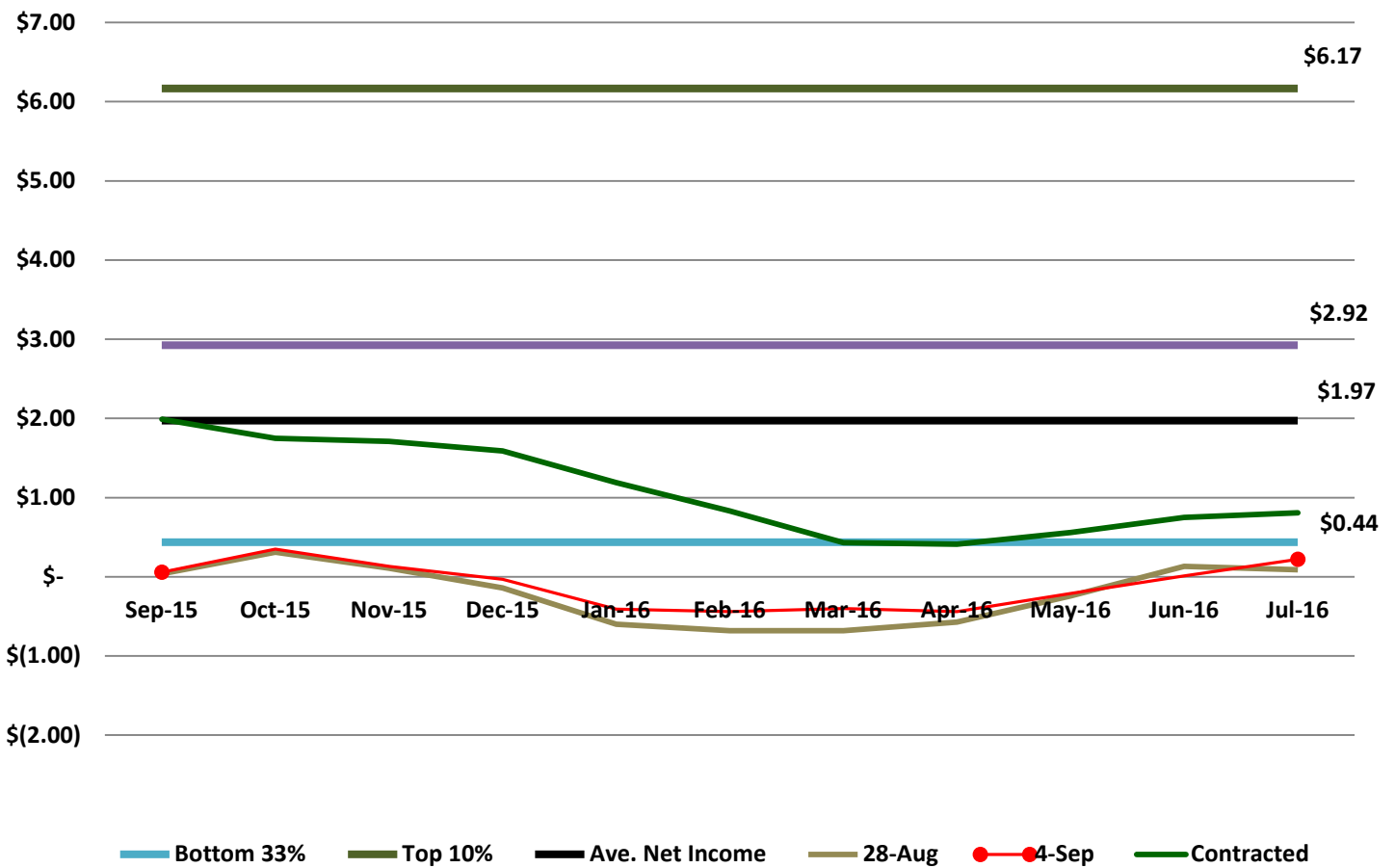
**New Crop: Milk (Nov.), Corn (Dec.), Soybeans (Nov.), Soybean Meal (Dec.)

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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.

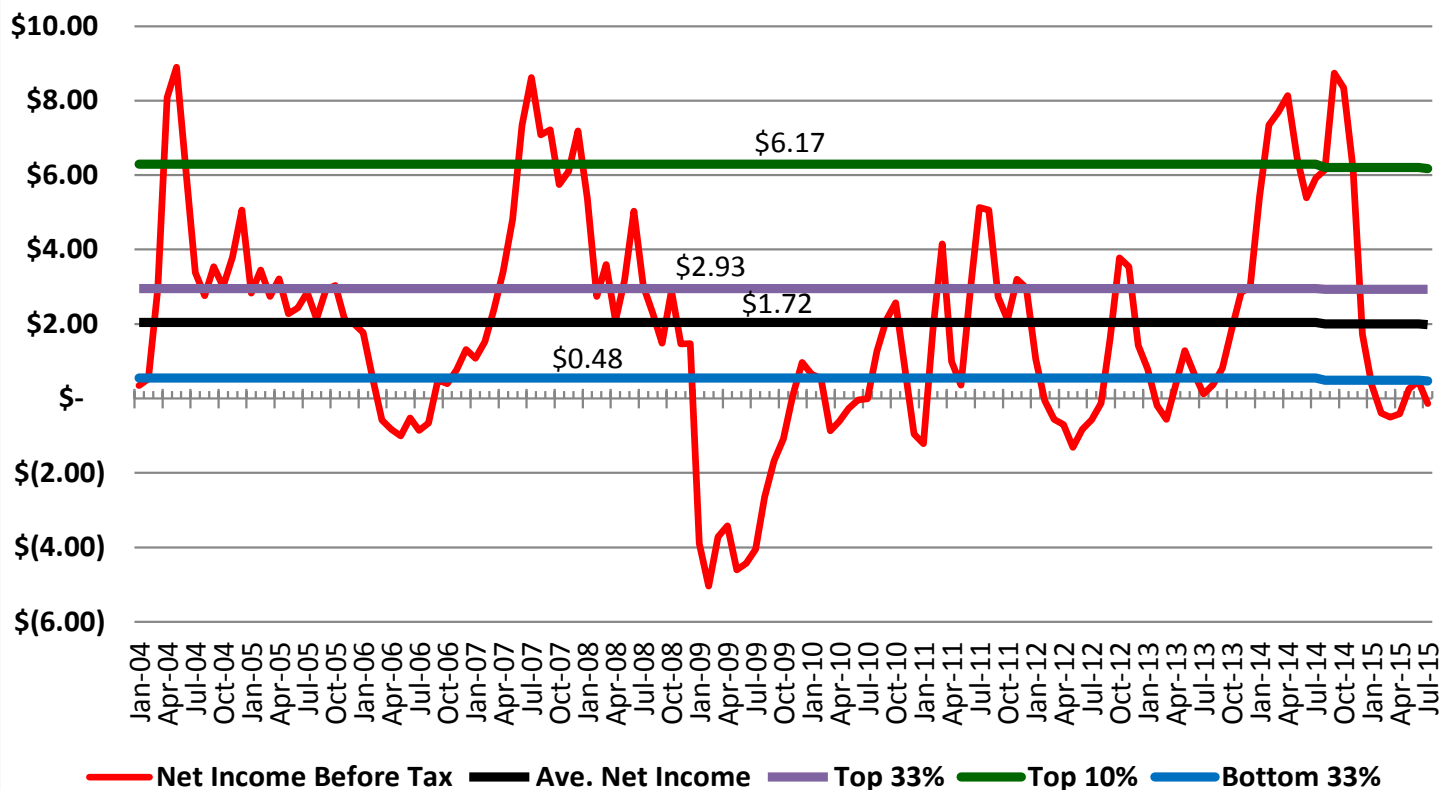
Net Income Available September 4, 2015





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		