



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	-0.16	-0.76	-0.99	-0.71	-0.35	-0.13	-0.08	-0.12	-0.17	-0.10	-	+0.05

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 recent volatility in the marketplace and how that can affect your profitability. As we have reported in recent weeks the milk futures markets have been extremely volatile for the May – September 2015 months recently. We have met with a number of our customers who have been busy planting crops and have not paid as close of attention directly to the futures prices on the board. In some cases they may have normally “missed” some opportunities, however, due to MARGINSMART®’s target and text features for our Platinum customers they have been completely kept apprised of what has been happening and have been able to take advantage of recent opportunities in the nearby markets. Please call us with any questions on how we can also set this up for your dairy.

Market News

Milk: A look at milk production around the world...Western Europe – Initial Mar '15 estimates are 1.8% below 2014, Eastern Europe is also down 1-2%, New Zealand – Mar '15 milk down .9%, but milk solids up 1.1% from Mar '2014

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

Highlights from the 5/18/15 Crop Progress Report:

- US corn planted is at 85% vs. 75% 5 year avg.
- IL and IA are at 93% vs. 5 year avg. of 83%
- Corn emergence is at 56% vs. the 5 yr avg. of 40%
- US SB planted is at 45% vs. 5 year avg. of 36%
- Soil top and sub-soil moisture conditions are also well ahead of 2014
- Newborn bull calf prices are extremely high - going over \$600 per head in some areas. There is no guarantee how long this will continue so we advise having a plan to take advantage of these.

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 4 weeks the average profitability for the next 6 months was up \$.62/cwt, down \$.39, up \$.64 and last week was down \$.52.

Contact Curtis Gerrits for a **FREE**
MARGINSMART® Demo!!
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Market Price Updates (As of 5/15/2015 Close)

	May '15	+/-*	June '15	+/-*	July '15	+/-*	Aug '15	+/-*	Sep '15	+/-*	Oct '15	+/-*	New Crop	+/-*
Class III Milk	16.21	-0.17	16.57	-0.79	16.7	-1.00	17.04	-0.66	17.39	-0.32	17.48	-0.14	17.24	-0.16
Class IV Milk	14.08	-0.02	14.45	-0.95	15.08	-0.69	15.41	-0.73	15.87	-0.59	16.21	-0.26	16.44	+0.17
Cash Butter	1.88	+0.00	1.99	-0.06	1.99	-0.06	2.01	-0.04	2.00	-0.04	2.00	-0.03	1.95	-0.03
Cash Cheese	1.66	-0.01	1.70	-0.07	1.73	-0.09	1.76	-0.05	1.80	-0.03	1.82	+0.00	1.79	-0.01
Corn	3.61	+0.03			3.65	+0.02			3.72	+0.04			3.83	+0.05
Soybeans	9.63	-0.21			9.53	-0.23	9.46	-0.23	9.37	-0.20			9.34	-0.18
Soybean Meal	311	-4			303	-10	301	-10	300	-9	297	-9	298	-8

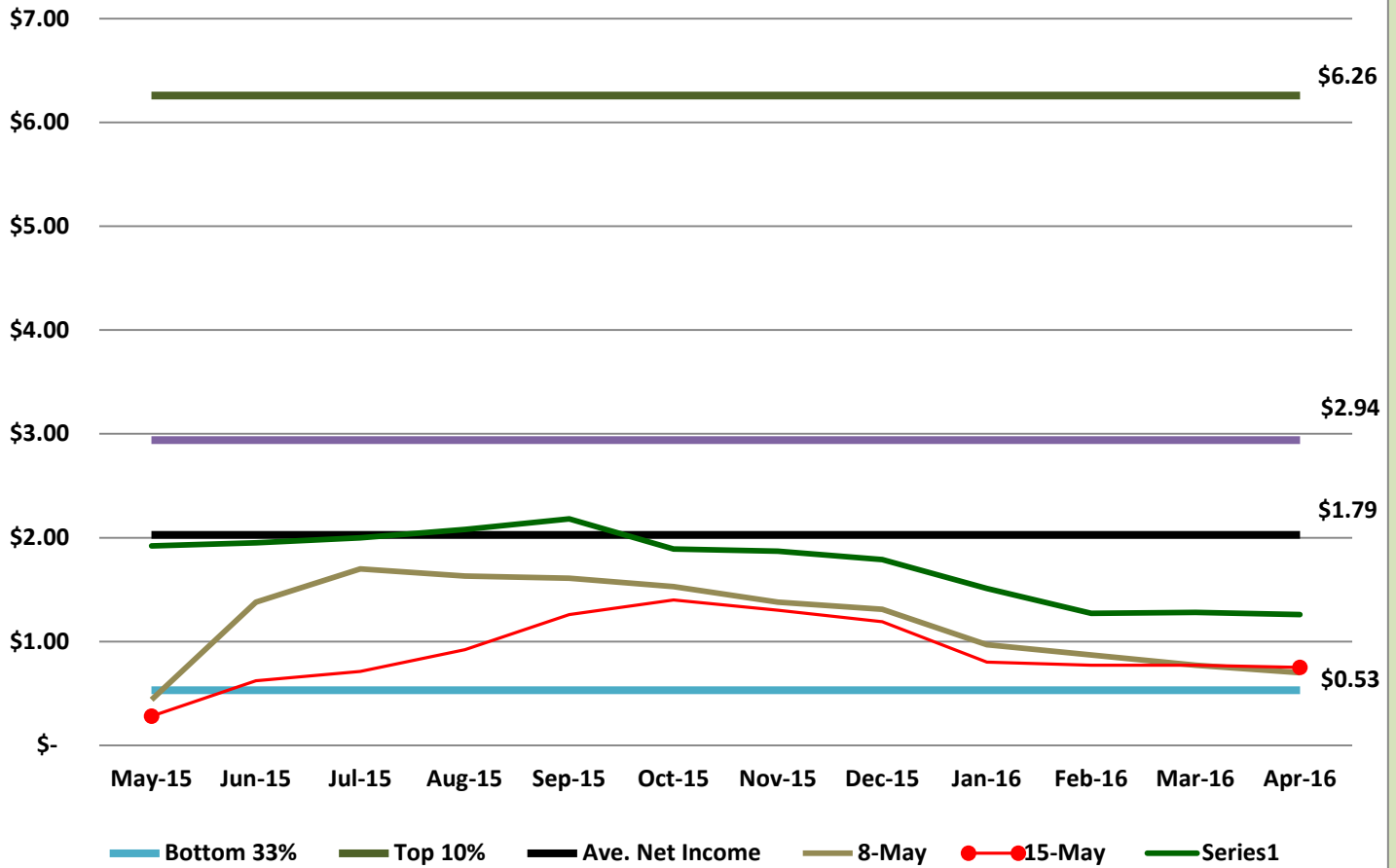
*Change from the Previous Week Price

**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.

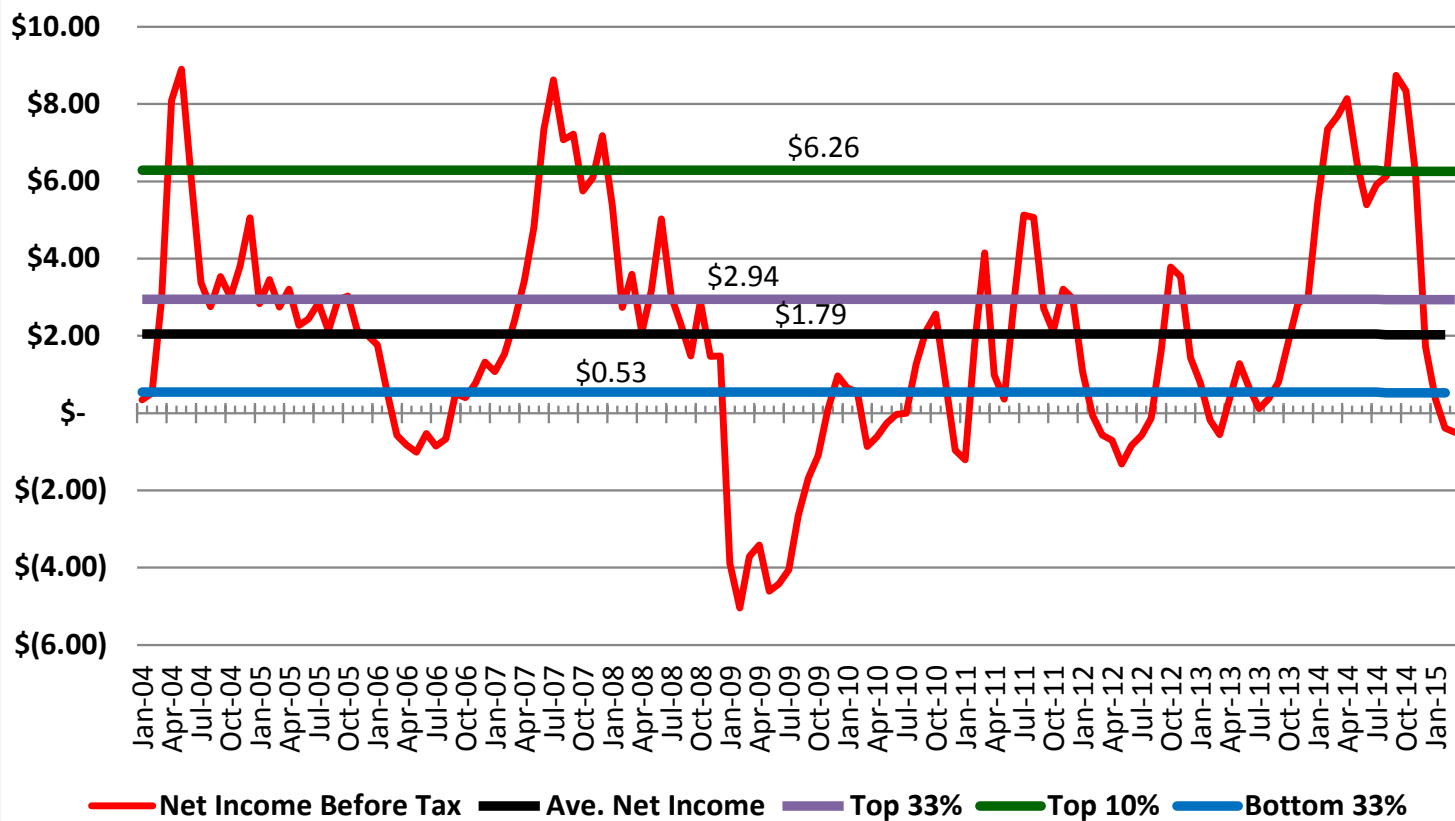
Net Income Available May 15, 2015





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 percentage), 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			