



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

	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	+0.00	+0.39	+0.78	+0.60	+0.37	+0.27	+0.29	+0.14	-0.04	+0.11	+0.00	-0.02

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 revisit the opportunities for utilizing the Scenario Farm option within MARGINSMART®. To utilize this option, take the following steps:

1. When you are logged into MARGINSMART® your email address shows up in the upper right hand corner. Click anywhere on your email address.
2. A box will show up that says "Create Scenario Farm".
3. Click "Yes" to that and the next pop-up box.

You now have a duplicate farm to your live farm data. You can test all types of changes and see the impact without disrupting your real info! This is very powerful and can cover any "what-if" situation you have. Whether you want to see the impact of ration changes (including the combination of feed cost impact, as well as milk production and component changes), market vs. cost of grown feeds or any other scenario, MARGINSMART® can handle it all! Call us to review all your options.

Market News

Milk: On April 30, U.S. cold storage holdings of butter totaled 230.4 million pounds, up 25% from the previous month, and up 23% from April 2014.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

Highlights from the 6/1/15 Crop Progress Report:

- US corn planted is at 95% vs. 94% 5 year avg.
- Corn emergence is at 84% vs. the 5 yr avg. of 79%
- Corn rated good and excellent 74% vs. 76% last year
- US SB planted is at 71% vs. 5 year avg. of 70%
- Pasture and rangeland 60% rated good and excellent vs. 50% last year
- Soil top and sub-soil moisture conditions are also well ahead of 2014

Cull cow slaughter is still running behind 2014. For the week slaughter was 5% behind and YTD it is 9.8% behind last year. Total YTD USA beef production is 4.6% behind 2014.

MARGINSMART® Insight

Highly volatile prices in recent weeks make it essential that you understand your opportunities at all times.

We can help you with that!

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

DIRECT: 920-264-9139

EMAIL: mark@marginsmart.com

Market Price Updates (As of 5/29/2015 Close)

	May '15	+/-*	June '15	+/-*	July '15	+/-*	Aug '15	+/-*	Sep '15	+/-*	Oct '15	+/-*	New Crop	+/-*
Class III Milk	16.22	+0.00	16.82	+0.35	17.42	+0.77	17.42	+0.53	17.56	+0.31	17.51	+0.25	17.31	+0.11
Class IV Milk	13.98	-0.02	14.52	+0.17	15.35	+0.50	15.24	+0.02	15.92	+0.39	15.87	+0.04	15.74	-0.25
Cash Butter	1.88	+0.00	2.02	+0.08	2.08	+0.11	2.08	+0.09	2.08	+0.10	2.08	+0.10	1.98	+0.07
Cash Cheese	1.66	+0.00	1.73	+0.04	1.79	+0.08	1.80	+0.06	1.82	+0.03	1.82	+0.02	1.80	+0.01
Corn	3.61	+0.00			3.51	-0.09			3.57	-0.10			3.68	-0.10
Soybeans	9.63	+0.00			9.34	+0.10	9.19	+0.03	9.08	+0.01			9.06	-0.01
Soybean Meal	311	+0.00			306	+0.02	298	-2	295	-2	293	-2	293	-3

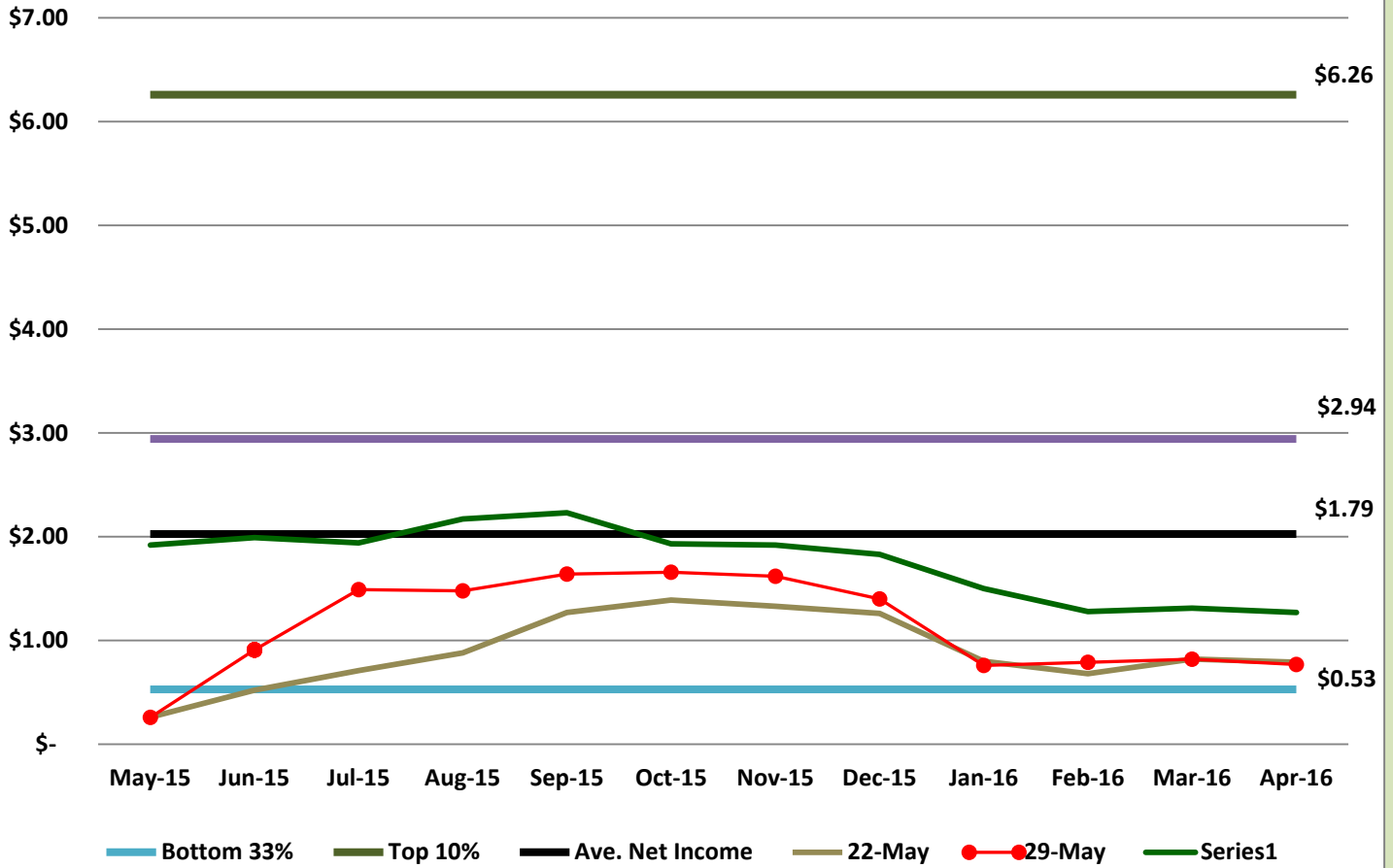
*Change from the Previous Week Price

**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.

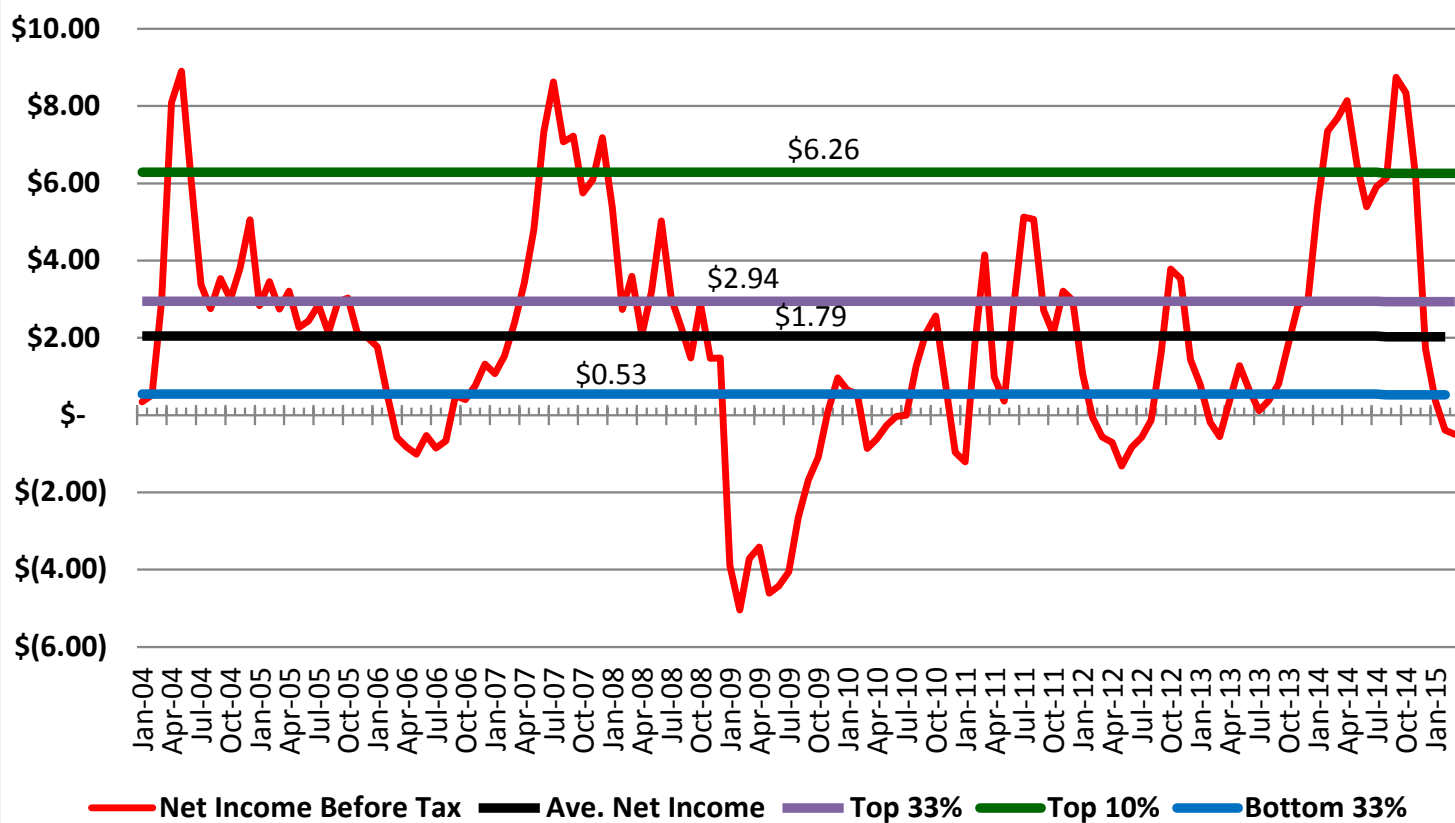
Net Income Available May 29, 2015





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





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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			