



WEEKLY NEWSLETTER

"For SMART Management"

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MARGINSMART® Sample Farm Profitability Changes From Last Report

	June '15	July '15	Aug. '15	Sep. '15	Oct. '15	Nov. '15	Dec. '15	Jan. '16	Feb. '16	Mar. '16	Apr '16	May '16
Change From Prior Week	+06	+27	+22	+20	+23	+18	+05	-04	-01	-01	-02	+04

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 highlight the Ingredient monthly pricing section of MARGINSMART®. This area allows you to incorporate changing market prices for each ingredient that you feed within your projections. This works extremely well for various commodities that have price changes due to availability or old crop/new crop switch over. For example, if you purchase corn silage you can utilize the exact cost of your 2014 corn silage through the month it is expected to be gone and if you have already committed to the price for the 2015 crop you can then incorporate that price into the months when the 2015 crop will be fed. We can incorporate the same thought process for any other ingredient that has fluctuating prices. Can us to answer any questions you may have, or to set this up for you.

Market News

Milk: USDA Class III price forecast is raised for 2015 on stronger cheese prices but reduced for 2016 on lower whey prices. Class IV prices for 2015 and 2016 are lowered on weaker product prices. The all milk price is forecast at \$17.15 to \$17.55 per cwt for 2015 and \$17.45 to \$18.45 per cwt for 2016.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

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

- Corn emergence is at 97% vs. the 5 yr avg. of 95%
- Corn rated good and excellent 73% vs. 76% in '14
- US SB planted is at 87% vs. 5 year avg. of 90%
- SB rated good and excellent 67% vs. 73% in '14
- States of Kansas and Missouri have had excessive moisture and corn & SB are behind or unplanted
- Pasture and rangeland 65% rated good and excellent vs. 54% last year
- Soil top and sub-soil moisture conditions are also well ahead of 2014. Despite some cases of excessive flooding; current moisture levels will sustain plants if extending dry periods develop.

MARGINSMART® Insight

Our Sample Farm that had entered into contracts for milk and feed for a portion of its production for 2015 continues to outperform our Sample Farm which is completely at the market. See Page 2.

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

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Market Price Updates (As of 6/12/2015 Close)

	June '15	+/-*	July'15	+/-*	Aug'15	+/-*	Sep '15	+/-*	Oct '15	+/-*	New Crop	+/-*	Mar '16	+/-*
Class III Milk	16.76	+06	17.16	+25	17.30	+22	17.45	+19	17.47	+26	17.42	+16	16.72	-03
Class IV Milk	14.06	-11	14.40	-09	14.64	-14	14.90	-15	15.00	-22	15.20	-30	15.55	-01
Cash Butter	1.92	-03	1.96	-10	1.99	+08	1.97	-12	1.97	-13	1.94	-04	1.81	+00
Cash Cheese	1.72	+00	1.79	+03	1.82	+03	1.83	+02	1.84	+03	1.85	+03	1.77	+01
Corn			3.53	-07			3.59	-08			3.69	-09	3.81	-08
Soybeans			9.40	+02	9.21	-03	9.07	-09			9.04	-10	9.15	-11
Soybean Meal			317	+12	308	+10	302	+07	296	+04	294	+02	291	+01

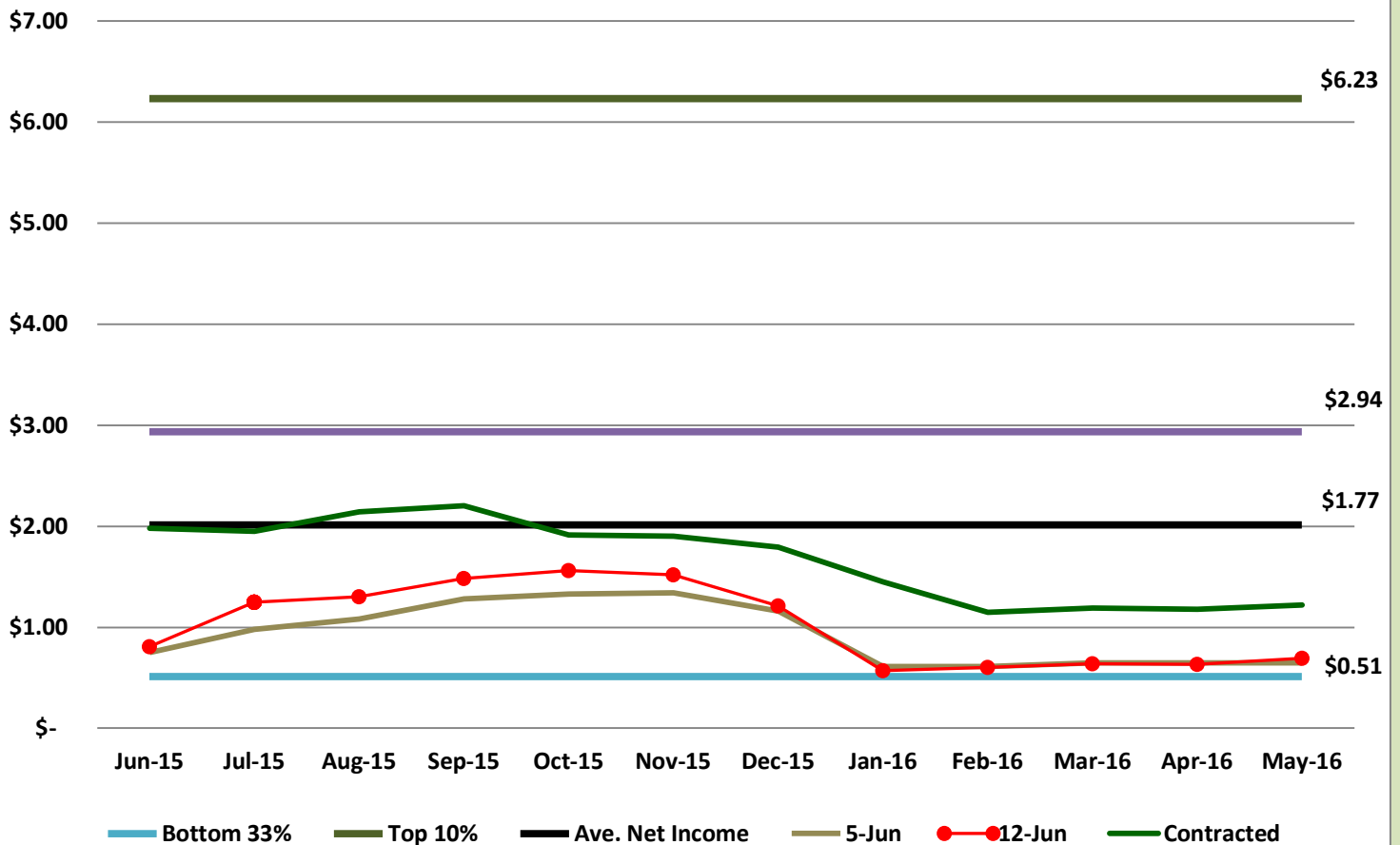
*Change from the Previous Week Price

**New Crop: Milk (Nov.), 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.

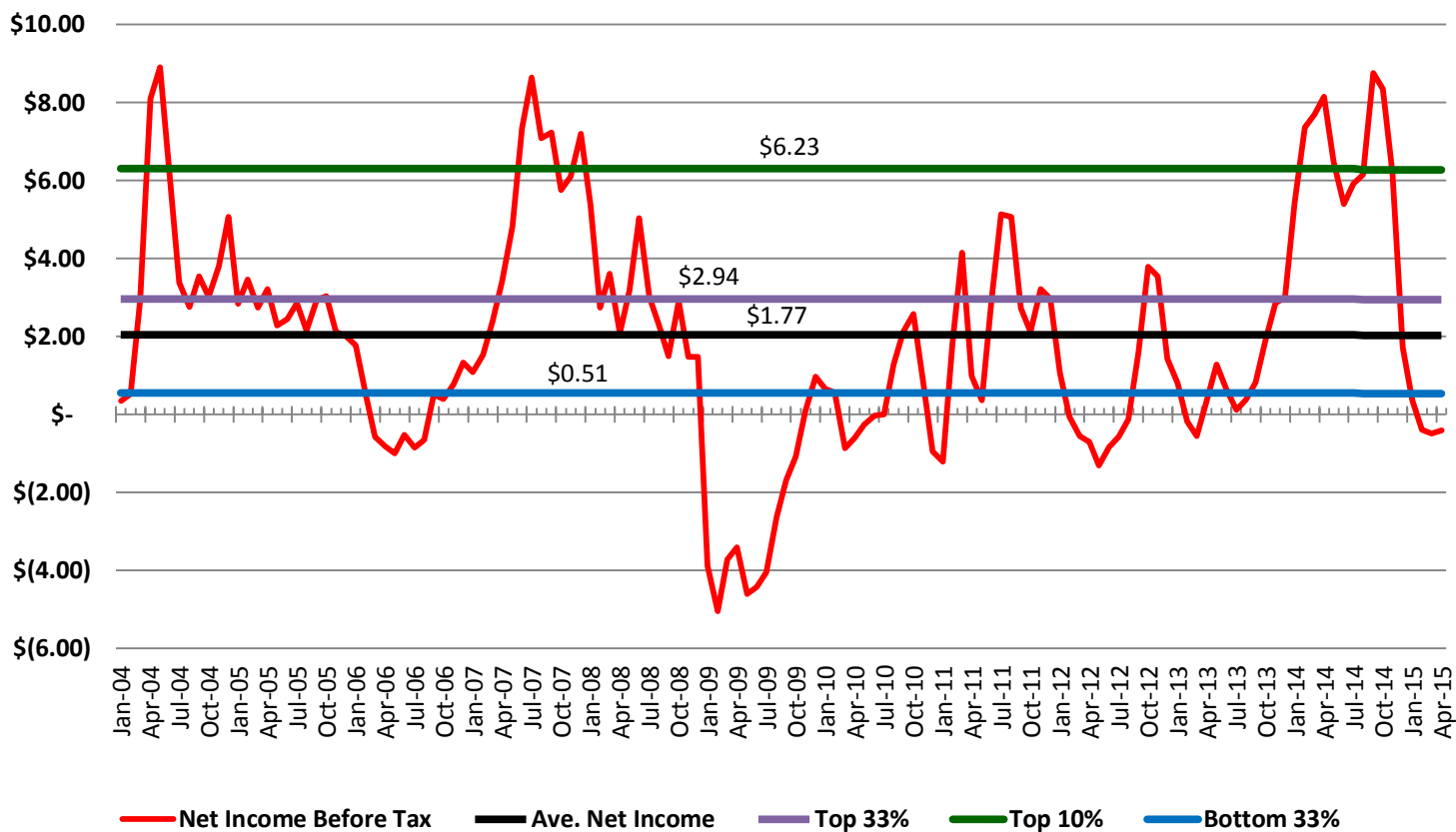
Net Income Available June 12, 2015





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	-.18			