



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	-0.10	-0.25	-0.18	-0.10	-0.19	-0.18	-0.12	-0.13	-0.04	-0.11	-0.08	-0.08

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 review the impact that weather conditions and USDA stock reporting and industry estimates can have on feed and grain prices. Whether you ever had an Economics class or not these markets are supply and demand driven. Also small % changes in volume drive multiples in price changes. For example let's look at the latest USDA Stock Reporting from last week. On 6/19/15, Dec '15 corn futures were \$3.69 per bu. Over the following 2 weeks it became apparent heavy rains may impact some corn yield and the USDA Stock Reporting indicated slightly more usage of corn in the current '14-15 crop year so that 6/1/15 stocks were projected at 4.465B bu. or 80M bushel below analyst estimates. This is down just 1.8%. Dec '15 corn futures closed at \$4.32 on 7/1/15 after the release, up 17% in 12 days. Call us to answer any questions you may have.

Market News

Milk: The final June '15 announced Class III price was \$16.72 per cwt. – up \$.53 from May '15 and down \$4.64 from June '14. The final June '15 Class IV price was \$13.90 per cwt., down \$.01 from May '15, and down \$9.90 per cwt. from June '14.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

Highlights from the 7/6/15 Crop Progress Report:

- Corn rated good and excellent 69% vs. 75% in '14
- Corn which has silked is at 12% vs 5 yr avg of 18%
- SB emerged is at 93% vs. 5 year avg. of 97%
- SB rated good and excellent 63% vs. 72% in '14
- Most small grains are farther along this year than last year
- Several states including Kansas and Missouri have had excessive moisture and corn & SB are behind in planting and condition
- Pasture and rangeland 66% rated good and excellent vs. 56% last year

MARGINSMART® Insight

PAY ATTENTION TO GRAIN AND FEEDSTUFF PRICING DUE TO THE EXCESSIVE RAIN AND MOISTURE ACROSS MAJOR PORTIONS OF THE USA FUTURES PRICES FOR CORN, SB AND SBM HAVE ALL RISEN IN RECENT WEEKS

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

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Market Price Updates (As of 7/03/2015 Close)

	June '15	+/-*	July'15	+/-*	Aug'15	+/-*	Sep '15	+/-*	Oct '15	+/-*	New Crop	+/-*	Mar '16	+/-*
Class III Milk	16.72	+0.03	16.11	-0.04	16.51	+0.01	16.57	-0.06	16.60	-0.10	16.66	-0.09	16.48	-0.03
Class IV Milk	13.90	+0.01	13.89	-0.01	14.00	-0.01	14.10	-0.15	14.41	-0.18	14.49	-0.24	14.48	-0.52
Cash Butter	1.91	+0.00	1.93	+0.02	1.97	+0.03	1.95	+0.02	1.98	+0.03	1.94	+0.03	1.78	+0.01
Cash Cheese	1.72	+0.00	1.68	-0.01	1.73	+0.00	1.74	-0.02	1.76	-0.01	1.77	+0.00	1.75	+0.00
Corn			4.20	+0.35			4.28	+0.36			4.37	+0.35	4.46	+0.33
Soybeans			10.45	+0.43	10.38	+0.40	10.31	+0.42			10.30	+0.44	10.29	+0.39
Soybean Meal			357	+16	350	+15	346	+26	344	+18	344	+18	339	+16

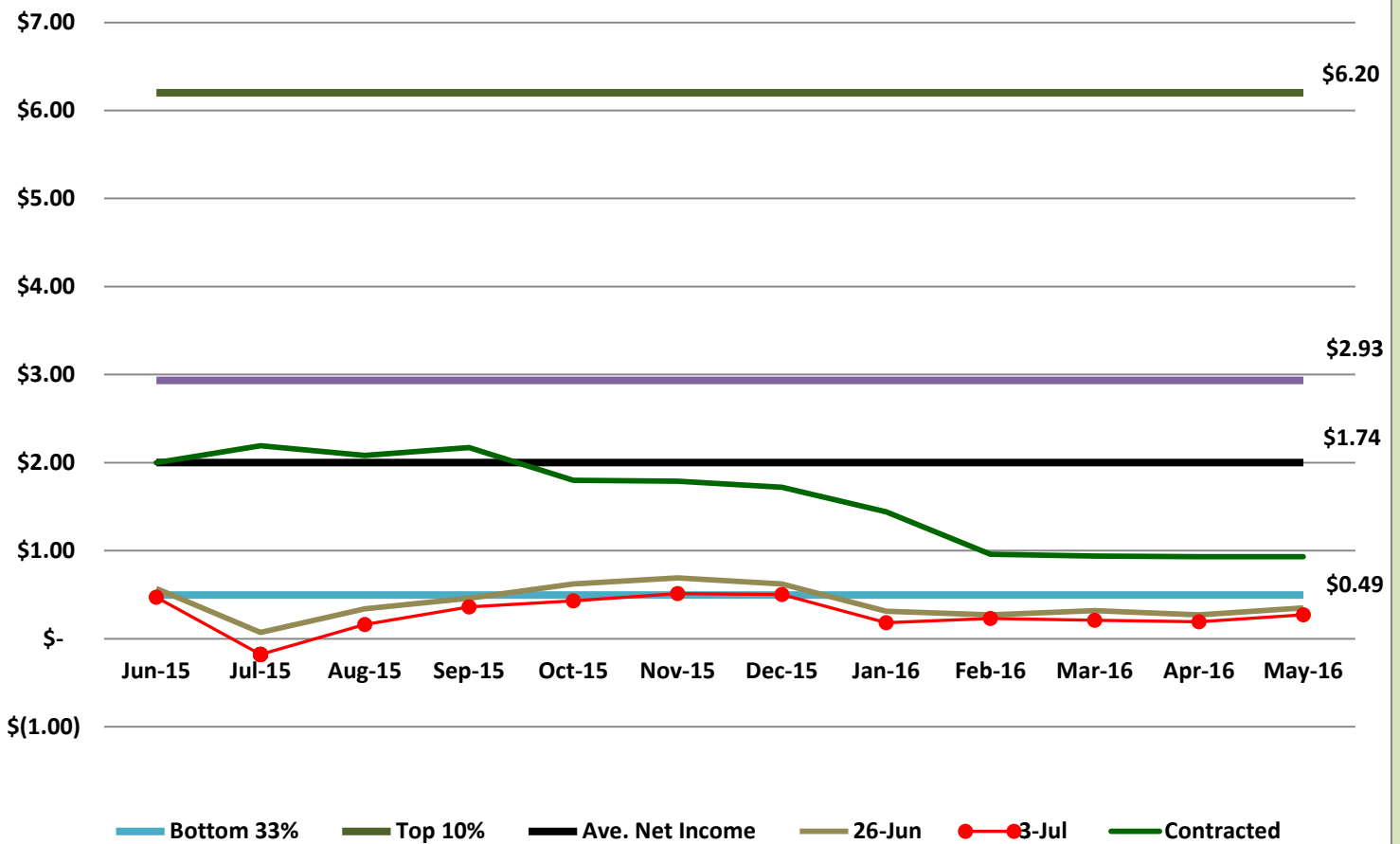
*Change from the Previous Week Price

**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.

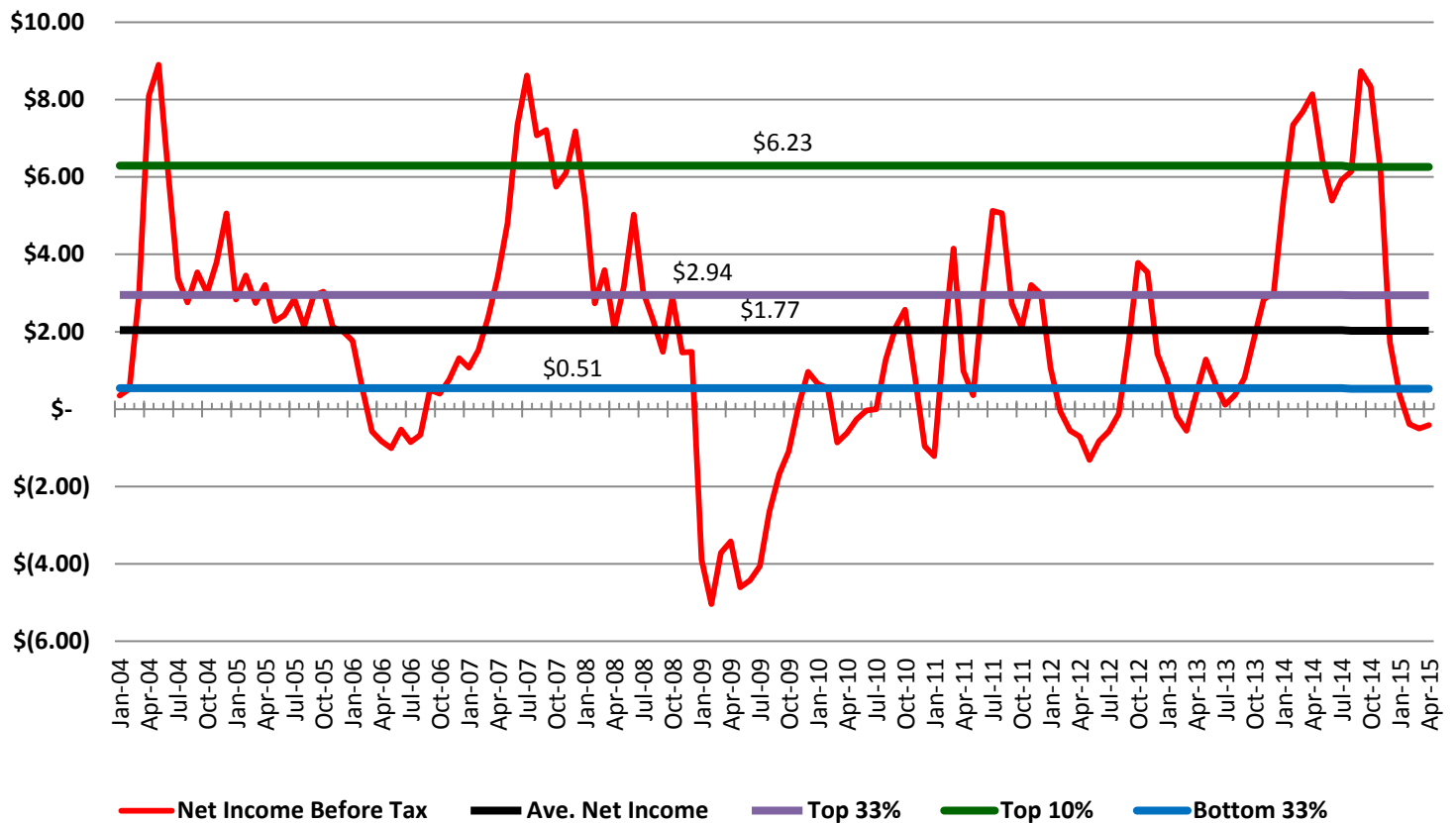
Net Income Available July 3, 2015





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			