

Computerized Farm Records

Resources by Peg Brune

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2015

Women in Ag Conference

Kearney, NE

The following resources and examples are an extended session of the 2014 workshop of getting yourself started or cleaning up a record keeping system such as Quicken or Quickbooks.

The handouts for 2014 are included at the end of these 2015 handouts.

Additional Resources

Financial Notebook - Large notebook with yearly tabs. Put only your most pertinent papers for the year in each yearly tab. Tax return, balance sheet, financial statements from bank, livestock yearly summary, crop yearly summaries, tax prep reports, and budgets.

Disaster Plan - Compile all your important information for the event if you were to suddenly pass so your family will be able to find all your stuff and fulfill your wishes. Handout examples are on Women in Ag site: wia.unl.edu/wiaconference go to 2015 for all the handouts.

Excel Training - (Copy & Paste in your browser address bar) <https://support.office.com/en-us/article/Excel-2013-training-courses-videos-and-tutorials-aaae974d-3f47-41d9-895e-97a71c2e8a4a?CorrelationId=b9125fc7-d097-403f-9856-a69b8f2b5f94&ui=en-US&rs=en-US&ad=US>

Record Keeping Handouts - <http://wia.unl.edu/wiaconference>

Your bank - Check for online banking... Transfer funds, check loans for interest vs. principal, pay bills etc.

Google- Google Drive & Google Calendar (access from any computer anywhere) - Share calendars and documents.

Dropbox - Store documents, files, pictures etc. 'In the Cloud' can access anywhere and can share individual folders or files with others.

Primo Pdf - <http://www.primopdf.com/> Turn any document, file, picture etc. into a pdf document for printing or sending via email

Carbonite - www.carbonite.com Online continuous backup of all your files. Can access from any computer from anywhere. \$5/mo Stores all your files in the cloud.

Teamviewer - www.teamviewer.com - Access your computer from any computer also running team viewer. Can log on to your computer or others to help them.

Farmlogs.com - Tracking all your individual fields, rainfall, operations, grain inventory. (FREE)

Profit & Loss for different commodities - Cropwatch.unl.edu/economics/budgets#corn Great spreadsheets to use for analyzing any of your individual commodities - Using your own inputs, or nebraska common inputs.

Looking for a new app? http://njk.okstate.edu/presentations/2014/11-12-2014/Ag_Apps.11.18.pdf
This professor has narrowed the search for you. Several very good ag apps to try.

More Apps - www.farms.com/agriculture-apps

Pioneer Cost of Production Calculator -

<https://www.pioneer.com/home/site/us/agronomy/tools/production-cost-calculator/>

When setting up a record keeping system, use your tax documents to name your categories in Quicken or income and expense accounts in Quickbooks. Be sure to clear out old categories or preset categories before entering your own. Refer to Page 2 in 2014 Handouts.

**SCHEDULE F
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)
Name of proprietor

Profit or Loss From Farming

▶ Attach to Form 1040, Form 1040NR, Form 1041, Form 1065, or Form 1065-B.
▶ Information about Schedule F and its separate instructions is at www.irs.gov/schedulef.

OMB No. 1545-0074

2014
Attachment
Sequence No. 14

A Principal crop or activity **B** Enter code from Part IV ▶ | | | | | | | | **C** Accounting method: Cash Accrual **D** Employer ID number (EIN), (see instr)

E Did you "materially participate" in the operation of this business during 2014? If "No," see instructions for limit on passive losses Yes No
F Did you make any payments in 2014 that would require you to file Form(s) 1099 (see instructions)? Yes No
G If "Yes," did you or will you file required Forms 1099? Yes No

Part I Farm Income—Cash Method. Complete Parts I and II (Accrual method. Complete Parts II and III, and Part I, line 9.)

| | | | | |
|-----------|---|-----------|---------------------------|-----------|
| 1a | Sales of livestock and other resale items (see instructions) | 1a | | |
| b | Cost or other basis of livestock or other items reported on line 1a | 1b | | |
| c | Subtract line 1b from line 1a | | | 1c |
| 2 | Sales of livestock, produce, grains, and other products you raised | | | 2 |
| 3a | Cooperative distributions (Form(s) 1099-PATR) | 3a | 3b Taxable amount | 3b |
| 4a | Agricultural program payments (see instructions) | 4a | 4b Taxable amount | 4b |
| 5a | Commodity Credit Corporation (CCC) loans reported under election | | | 5a |
| b | CCC loans forfeited | 5b | 5c Taxable amount | 5c |
| 6 | Crop insurance proceeds and federal crop disaster payments (see instructions) | | | |
| a | Amount received in 2014 | 6a | 6b Taxable amount | 6b |
| c | If election to defer to 2015 is attached, check here <input type="checkbox"/> | 6d | Amount deferred from 2013 | 6d |
| 7 | Custom hire (machine work) income | | | 7 |
| 8 | Other income, including federal and state gasoline or fuel tax credit or refund (see instructions) | | | 8 |
| 9 | Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50 (see instructions) | | | 9 |

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses (see instructions).

| | | | | | | | | | |
|-----------|---|------------|--|--|--|--|--|--|--|
| 10 | Car and truck expenses (see instructions). Also attach Form 4562 | 10 | | | | | | | |
| 11 | Chemicals | 11 | | | | | | | |
| 12 | Conservation expenses (see instructions) | 12 | | | | | | | |
| 13 | Custom hire (machine work) | 13 | | | | | | | |
| 14 | Depreciation and section 179 expense (see instructions) | 14 | | | | | | | |
| 15 | Employee benefit programs other than on line 23 | 15 | | | | | | | |
| 16 | Feed | 16 | | | | | | | |
| 17 | Fertilizers and lime | 17 | | | | | | | |
| 18 | Freight and trucking | 18 | | | | | | | |
| 19 | Gasoline, fuel, and oil | 19 | | | | | | | |
| 20 | Insurance (other than health) | 20 | | | | | | | |
| 21 | Interest: | | | | | | | | |
| a | Mortgage (paid to banks, etc.) | 21a | | | | | | | |
| b | Other | 21b | | | | | | | |
| 22 | Labor hired (less employment credits) | 22 | | | | | | | |
| 23 | Pension and profit-sharing plans | 23 | | | | | | | |
| 24 | Rent or lease (see instructions): | | | | | | | | |
| a | Vehicles, machinery, equipment | 24a | | | | | | | |
| b | Other (land, animals, etc.) | 24b | | | | | | | |
| 25 | Repairs and maintenance | 25 | | | | | | | |
| 26 | Seeds and plants | 26 | | | | | | | |
| 27 | Storage and warehousing | 27 | | | | | | | |
| 28 | Supplies | 28 | | | | | | | |
| 29 | Taxes | 29 | | | | | | | |
| 30 | Utilities | 30 | | | | | | | |
| 31 | Veterinary, breeding, and medicine | 31 | | | | | | | |
| 32 | Other expenses (specify): | | | | | | | | |
| a | | 32a | | | | | | | |
| b | | 32b | | | | | | | |
| c | | 32c | | | | | | | |
| d | | 32d | | | | | | | |
| e | | 32e | | | | | | | |
| f | | 32f | | | | | | | |
| 33 | Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions | 33 | | | | | | | |
| 34 | Net farm profit or (loss). Subtract line 33 from line 9 | 34 | | | | | | | |
| 35 | Did you receive an applicable subsidy in 2014? (see instructions) | | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 36 | Check the box that describes your investment in this activity and see instructions for where to report your loss. | | | | | | | | |
| a | <input type="checkbox"/> All investment is at risk. | b | <input type="checkbox"/> Some investment is not at risk. | | | | | | |

Part III Farm Income—Accrual Method (see instructions).

| | | | | | |
|------------|--|------------|--|------------|----------------|
| 37 | Sales of livestock, produce, grains, and other products (see instructions) | | | 37 | |
| 38a | Cooperative distributions (Form(s) 1099-PATR) | 38a | | 38b | Taxable amount |
| 39a | Agricultural program payments | 39a | | 39b | Taxable amount |
| 40 | Commodity Credit Corporation (CCC) loans: | | | | |
| a | CCC loans reported under election | | | 40a | |
| b | CCC loans forfeited | 40b | | 40c | Taxable amount |
| 41 | Crop insurance proceeds | | | 41 | |
| 42 | Custom hire (machine work) income | | | 42 | |
| 43 | Other income (see instructions) | | | 43 | |
| 44 | Add amounts in the right column for lines 37 through 43 (lines 37, 38b, 39b, 40a, 40c, 41, 42, and 43) | | | 44 | |
| 45 | Inventory of livestock, produce, grains, and other products at beginning of the year. Do not include sales reported on Form 4797 | 45 | | | |
| 46 | Cost of livestock, produce, grains, and other products purchased during the year | 46 | | | |
| 47 | Add lines 45 and 46 | 47 | | | |
| 48 | Inventory of livestock, produce, grains, and other products at end of year | 48 | | | |
| 49 | Cost of livestock, produce, grains, and other products sold. Subtract line 48 from line 47* | | | 49 | |
| 50 | Gross income. Subtract line 49 from line 44. Enter the result here and on Part I, line 9 | | | 50 | |

*If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 48 is larger than the amount on line 47, subtract line 47 from line 48. Enter the result on line 49. Add lines 44 and 49. Enter the total on line 50 and on Part I, line 9.

Part IV Principal Agricultural Activity Codes



Do not file Schedule F (Form 1040) to report the following.

- Income from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural, or management for a fee or on a contract basis. Instead file Schedule C (Form 1040) or Schedule C-EZ (Form 1040).
- Income from breeding, raising, or caring for dogs, cats, or other pet animals. Instead file Schedule C (Form 1040) or Schedule C-EZ (Form 1040).
- Sales of livestock held for draft, breeding, sport, or dairy purposes. Instead file Form 4797.

These codes for the Principal Agricultural Activity classify farms by their primary activity to facilitate the administration of the Internal Revenue Code. These six-digit codes are based on the North American Industry Classification System (NAICS).

Select the code that best identifies your primary farming activity and enter the six-digit number on line B.

Crop Production

- 111100 Oilseed and grain farming
- 111210 Vegetable and melon farming

- 111300 Fruit and tree nut farming
- 111400 Greenhouse, nursery, and floriculture production
- 111900 Other crop farming

Animal Production

- 112111 Beef cattle ranching and farming
- 112112 Cattle feedlots
- 112120 Dairy cattle and milk production
- 112210 Hog and pig farming
- 112300 Poultry and egg production
- 112400 Sheep and goat farming
- 112510 Aquaculture
- 112900 Other animal production

Forestry and Logging

- 113000 Forestry and logging (including forest nurseries and timber tracts)

When preparing reports for your accountant or banker, start with a pre-made profit and loss or cash flow report in your program. Be sure you have enter all checks and deposits for the reporting period. Be sure all transactions have an income or expense account in Quickbooks assigned, or category in Quicken. After opening one of the premade reports, customize it to read only the transactions you need. For taxes customize to read tax related transactions only in Quicken and in Quickbooks, you can use the report with all transactions and highlight the taxable transactions or go into the customize report section and filter to read only the taxable income and expense accounts.

Tax Report Example:

| | |
|--|-------------------|
| <input type="checkbox"/> INCOME | 1,156,500.24 |
| <input type="checkbox"/> BEAN SALES | 424,818.35 |
| <input type="checkbox"/> COOP DIVIDEND | 2,696.13 |
| <input type="checkbox"/> CORN SALES | 689,205.43 |
| <input type="checkbox"/> CROP INS PROCEEDS | 9,645.00 |
| <input type="checkbox"/> CUSTOM WORK | 26,729.51 |
| <input type="checkbox"/> GOV'T PROGRAMS | 165.00 |
| <input type="checkbox"/> INTEREST | 29.46 |
| <input type="checkbox"/> MISC | 3,211.36 |
| <input type="checkbox"/> EXPENSES | -840,835.84 |
| <input type="checkbox"/> BEAN STORAGE | -3,441.66 |
| <input type="checkbox"/> BUILDING REPAIRS | -33,530.72 |
| <input type="checkbox"/> CHEMICAL | -98,780.99 |
| <input type="checkbox"/> CORN STORAGE | -5,824.73 |
| <input type="checkbox"/> CROP INSURANCE | -23,877.00 |
| <input type="checkbox"/> ELECTRIC | -15,681.60 |
| <input type="checkbox"/> EMPLOYEE BENEFITS | -2,156.47 |
| <input type="checkbox"/> EQUIPMENT RENT | -2,578.90 |
| <input type="checkbox"/> EQUIPMENT REPAIR | -49,710.11 |
| <input type="checkbox"/> FARM INSURANCE | -9,619.00 |
| <input type="checkbox"/> FEES, DUES, SUBS | -2,525.17 |
| <input type="checkbox"/> FERTILIZER | -143,451.59 |
| <input type="checkbox"/> FUEL | -56,926.86 |
| <input type="checkbox"/> HEALTH INS | -9,475.26 |
| <input type="checkbox"/> HIRED LABOR | -4,500.00 |
| <input type="checkbox"/> INTEREST EXP | -32,655.73 |
| <input type="checkbox"/> LAND RENT | -137,321.99 |
| <input type="checkbox"/> MACHINE HIRE | -16,589.44 |
| <input type="checkbox"/> MARKETING | -1,500.00 |
| <input type="checkbox"/> MEDICAL-DENTAL | -5,165.56 |
| <input type="checkbox"/> PHONE | -2,828.19 |
| <input type="checkbox"/> SEED | -130,871.81 |
| <input type="checkbox"/> SUPPLIES | -15,842.25 |
| <input type="checkbox"/> TAXES | -33,561.21 |
| <input type="checkbox"/> TRUCK INSURANCE | -2,419.60 |
| OVERALL T... | 315,664.40 |

Keep your categories simple.

On this tax report, clicking on the + sign will open the category to show you all the transactions that made up this report. In quickbooks, just click on the number to see all the transactions.

You can fill in your accountants tax preparation forms, be sure to send a copy of your report so if they have questions, they may find the answer on your report.

You will also need to print out a report of your asset purchases for the depreciation schedule.

November or December is an important time to catch all your data entry up so you can run this report for your accountant to help you do tax planning to give you time to sell or defer grain or buy equipment to help decrease your taxes.

| Account | 2/24/2015 Balance |
|-------------------------------------|----------------------|
| ASSETS | |
| Cash and Bank Accounts | |
| CHECKING | 10,889.38 |
| GRAIN INVENTORY | 580,623.95 |
| PREPAID EXPENSES | 272,791.24 |
| TOTAL Cash and Bank Accounts | 864,304.57 |
| Other Assets | |
| EQUIPMENT INVENTORY | 1,395,658.18 |
| LAND & BUILDINGS | 2,380,762.02 |
| TOTAL Other Assets | 3,776,420.20 |
| TOTAL ASSETS | 4,640,724.77 |
| LIABILITIES | |
| Other Liabilities | |
| 315 MAGNUM | 128,148.36 |
| CAMENZIND | 171,038.96 |
| COMBINE LOAN | 55,415.06 |
| DRYER LOAN | 66,226.24 |
| MASTER NOTE | 63,879.79 |
| PLANTER LOAN | 114,470.50 |
| TOTAL Other Liabilities | 599,178.91 |
| TOTAL LIABILITIES | 599,178.91 |
| OVERALL TOTAL | 4,041,545.86 |

Bank & Management Reports -

Balance Sheet or Net Worth Statement

All your asset accounts minus your liability accounts is your net worth.

A good report is to compare year to year. (Customize to read two or more years with years as the column title) The net worth change is really your yearly net profit. If you add your daily living total to this number, this is what you can compare to others when they say they make so much a year. This is the number that would equal their W2.

You need to be sure all accounts including inventories (Grain, Livestock, Equipment, Land etc) are up to date at least once a year on Dec 31 each year.

Below is a nice graph showing your yearly net worth change.



Quickbooks Inventory:

PREPAIDS: (Paid in current tax year, carried over to new year) Gets on current year taxes, and is part of Year-end balance sheet.

Purchasing Prepaids: #1 Enter in Checking account #2 Enter in PREPAID Account (Current Asset Account)

Sometime between May & August: Clear out prepaids (This asset is in the ground now) You can zero the whole account in one transaction.

| | | | | | | |
|------------|---------|-------------------|---------------------------------|-----------|-----------|-----------|
| 12/01/2011 | 1111 | Coop Elevator | | 20,000.00 | | 23,013.98 |
| | CHK | FERTILIZER | 28.57 Ton Anhydrous @ \$700/ton | | | |
| 12/15/2011 | 1140 | Pioneer | | 18,000.00 | | 5,013.98 |
| | CHK | SEED | 50 Bags Pioneer Seed Corn | | | |
| 06/01/2011 | | | | 24,235.00 | | 0.00 |
| | TRANSFR | RETAINED EARNINGS | Clear out Prepaids | | | |
| 12/01/2011 | | Coop Elevator | | | 20,000.00 | 20,000.00 |
| | DEP | RETAINED EARNINGS | 28.57 Ton Anhydrous @ \$700/ton | | | |
| 12/15/2011 | | Pioneer | | | 18,000.00 | 38,000.00 |
| | DEP | RETAINED EARNINGS | 50 bags Pioneer Seed Corn | | | |
| 06/01/2012 | | | | 38,000.00 | | 0.00 |
| | TRANSFR | RETAINED EARNINGS | Clear out Prepaids | | | |

EQUIPMENT: Example # 1 Purchasing straight out with no loans: Open Checking Account:

| | | | | | | |
|------------|------|---------------------|-------------------------------------|------------|--|------------|
| 11/25/2011 | 1111 | Victors Equipment | | 120,000.00 | | 210,013.98 |
| | CHK | EQUIPMENT INVENTORY | 2008 MX Tractor 450 Hrs Model# 7860 | | | |

Equipment Inventory Account: (Will be automatically entered from the checking account using above example)

| | | | | | | |
|------------|------|-------------------|--------------------------------------|--|------------|------------|
| 11/25/2011 | 1111 | Victors Equipment | | | 120,000.00 | 605,611.23 |
| | CHK | CHECKING 15222 | 2008 MX Tractor 450 hrs Model # 7860 | | | |

Example #2 Purchasing with a loan & Downpayment:

| 07/25/2011 | 1102 | Victors Equipment | | 12,000.00 | Deposit | 15,143.95 | | | | | | | | | | | | | | | | | | | | | |
|---|-------------|-------------------------------------|-------------------------------------|-----------|---------|-----------|---------|--------|------|--------------|-----------|--|--|---------------------|------------|-------------------------------------|--|--|--|--|--------------|-------------|--|--|--|--|--|
| | CHK | -split- | 2008 MX Tractor 450 Hrs Model# 7860 | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Account</th> <th>Amount</th> <th>Memo</th> <th>Customer:Job</th> <th>Billable?</th> <th colspan="2"></th> </tr> </thead> <tbody> <tr> <td>EQUIPMENT INVENTORY</td> <td>120,000.00</td> <td>2008 MX Tractor 450 hrs Model# 7860</td> <td></td> <td></td> <td colspan="2"></td> </tr> <tr> <td>TRACTOR LOAN</td> <td>-108,000.00</td> <td></td> <td></td> <td></td> <td colspan="2"></td> </tr> </tbody> </table> | | | | | | | Account | Amount | Memo | Customer:Job | Billable? | | | EQUIPMENT INVENTORY | 120,000.00 | 2008 MX Tractor 450 hrs Model# 7860 | | | | | TRACTOR LOAN | -108,000.00 | | | | | |
| Account | Amount | Memo | Customer:Job | Billable? | | | | | | | | | | | | | | | | | | | | | | | |
| EQUIPMENT INVENTORY | 120,000.00 | 2008 MX Tractor 450 hrs Model# 7860 | | | | | | | | | | | | | | | | | | | | | | | | | |
| TRACTOR LOAN | -108,000.00 | | | | | | | | | | | | | | | | | | | | | | | | | | |

Example #3 Purchase with a loan & no down payment: Open new loan account to enter transaction:

| | | | | | | |
|------------|---------|---------------------|-------------------------------------|------------|--|------------|
| 07/25/2011 | | Victors Equipment | | 120,000.00 | | 228,000.00 |
| | GENJRNL | EQUIPMENT INVENTORY | 2008 MX Tractor 450 hrs Model# 7860 | | | |

Equipment Inventory Account: (Will be automatically entered from the loan account using above example)

| | | | | | | |
|------------|---------|-------------------|--------------------------------------|--|------------|------------|
| 07/25/2011 | | Victors Equipment | | | 120,000.00 | 485,611.23 |
| | GENJRNL | TRACTOR LOAN | 2008 MX Tractor 450 hrs Model # 7860 | | | |

Loan Payment Example: (In all types of loans... Principal only is transferred in loan accounts, interest stays in checking)

| 06/25/2012 | 1550 | Farmers Bank | | 21,300.00 | Deposit | 150,713.98 | | | | | | | | | | | | | | | | | | | | | |
|--|-----------|--------------|----------------------|-----------|---------|------------|---------|--------|------|--------------|-----------|--|--|--------------|-----------|-----------|--|--|--|--|------------------|----------|----------|--|--|--|--|
| | CHK | -split- | Tractor Loan Payment | | | | | | | | | | | | | | | | | | | | | | | | |
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| Account | Amount | Memo | Customer:Job | Billable? | | | | | | | | | | | | | | | | | | | | | | | |
| TRACTOR LOAN | 20,000.00 | Principal | | | | | | | | | | | | | | | | | | | | | | | | | |
| INTEREST EXPENSE | 1,300.00 | Interest | | | | | | | | | | | | | | | | | | | | | | | | | |

BREEDING STOCK:

Inventory Accounts: Breeding Stock Inventory, Calf or Hog Inventory.

PURCHASE:

| | | | | | | |
|------------|-------|--------------------------|---------------------------|-----------|--|------------|
| 11/25/2011 | 13395 | Kansas Beefers | | 35,400.00 | | 174,613.98 |
| | CHK | BREEDING STOCK INVENTORY | 35 Hd Cows (\$1011.42 ea) | | | |

SALE:

| | | | | | | |
|------------|--------|--------------------------|---------------|----------|---------|------------|
| 07/06/2012 | Number | Sale Barn | | 4,200.00 | Deposit | 111,113.98 |
| | CHK | BREEDING STOCK INVENTORY | Culled 5 Cows | | | |

| Account | Amount | Memo | Customer:Job | Billable? |
|--------------------------|-----------|---|--------------|-----------|
| BREEDING STOCK INVENTORY | 5,507.10 | 1101.42 each from Inventory | | |
| RETAINED EARNINGS | -1,307.10 | Remove diff. from purchase to sale in inventory | | |

RAISED LIVESTOCK:

SALE: From Checking Acct:

| | | | | | | |
|------------|-------|--------------|--------------------------|-----------|--|------------|
| 11/25/2011 | 13396 | Sale Barn | | 48,000.00 | | 126,613.98 |
| | CHK | CATTLE SALES | 40 HD @ 1000# @ 1.20/cwt | | | |

INVENTORY: (Inventory is really only important when wanting to update your balance sheet, which should be done at least every year-end for yearly analysis net worth)

| | | | | | | |
|------------|-----|-------------------|----------|-----------|--|-----------|
| 12/31/2010 | | 65 Hd 600# Calves | | 46,800.00 | | 46,800.00 |
| | DEP | RETAINED EARNINGS | 1.20/cwt | | | |

PURCHASED LIVESTOCK:

PURCHASE: Checking Acct: (Inventory account will be adjusted due to the transfer in the account field)

| | | | | | | |
|------------|-------|------------------|------------------------|-----------|--|----------|
| 09/01/2011 | 13395 | Kansas Beefers | | 36,720.00 | | 5,104.73 |
| | CHK | CATTLE INVENTORY | 75 Heifers #480 @ 1.02 | | | |

SALE: Checking Acct: (Inventory account will be adjusted due to the transfer from Cattle Inventory in the splits)

| | | | | | | |
|------------|-----|---------|----------------------|--|------------|------------|
| 06/01/2012 | | IBP | | | 103,514.80 | 185,408.78 |
| | DEP | -split- | 72 Hd #1370 @ \$1.07 | | | |

SPLIT:

| From Account | Memo | Amount |
|---------------------|----------------------|------------|
| CATTLE SALES | 72 HD #1370 @ \$1.07 | 105,544.80 |
| COST OF CATTLE SOLD | 75 Hd | -36,720.00 |
| CATTLE INVENTORY | 75 Hd (3 deads) | 36,720.00 |
| TRUCKING | Grainger Trucking | -2,030.00 |

Inventory will always be updated, you may have to make entries on Dec 31 to increase the values of livestock for you balance sheet, then January 1st, make an entry to decrease that value to keep cost of animals only in this account.

GRAIN INVENTORY:

Putting all your unsold or contracted grain in an inventory account will help complete your balance sheet for year-end yearly financial analysis. (All raised products need to get into your balance sheet by the offsetting account of retained earnings or any other equity account, you could even create an equity account just for raised product inventories). This type of account is for tracking & completing balance sheets only, it should not be used in conjunction with your checking accounts, it does not affect your bank accounts.

| | | | | | | |
|------------|---------|----------------------------------|----------------------|--------------|------------|--------------|
| 12/31/2010 | | CORN - Bins on Farm | | | 250,000.00 | 250,000.00 |
| | DEP | RETAINED EARNINGS | 50,000 bu @ \$5.00 | | | |
| 12/31/2010 | | CORN @ Coop | | | 10,000.00 | 260,000.00 |
| | DEP | RETAINED EARNINGS | 20,000 bu @ \$5.00 | | | |
| 12/31/2010 | | BEANS Contracted Jan. Delivery | | | 100,000.00 | 360,000.00 |
| | DEP | RETAINED EARNINGS | 8,000 bu @ \$12.50 | | | |
| 12/31/2010 | | BEANS - Bins Unsold | | | 35,200.00 | 395,200.00 |
| | DEP | RETAINED EARNINGS | 3,200 bu @ \$11.00 | | | |
| 05/01/2011 | | | | 395,200.00 | | 0.00 |
| | TRANSFR | RETAINED EARNINGS | Clear out Sold Grain | | | |
| 12/31/2011 | | CORN - Bins on Farm | | | 843,750.00 | 843,750.00 |
| | DEP | RETAINED EARNINGS | 75,000 bu @ \$11.25 | | | |
| 12/31/2011 | | CORN Contracted January Delivery | | | 270,000.00 | 1,113,750.00 |
| | DEP | RETAINED EARNINGS | 20,000 bu @ \$13.50 | | | |
| 12/31/2011 | | BEANS @ Coop | | | 60,500.00 | 1,174,250.00 |
| | DEP | RETAINED EARNINGS | 5,500 @ \$11.00 | | | |
| 08/01/2012 | | | | 1,174,250.00 | | 0.00 |
| | TRANSFR | RETAINED EARNINGS | Clear out Sold Grain | | | |

NOTES:

#1: The biggest thing to remember loans are set up as liabilities. Principal only is transferred to loans, no interest expense should be part of the loan accounts.

#2: The only way to get raised livestock & grain into inventories is to use an equity account such as retained earnings or a special equity account you set up just for raised products.

#3: You need to take inventory out for the same value you have them in for or your balance will be off.

#4: Purchased livestock needs to carry the purchase price at the time of sale. 'Cost of cattle sold' or 'Cost of hogs sold'.

Raised animals are just cattle or hog sales, there is no purchase price, just depreciation on the breeding stock.

#5: On equipment, one tip for running a report on all current inventory: In the clear column, put a check mark in all the equipment that is gone (Check in the clear column is a reconciliation function, but you won't need that for an inventory account). Be sure to put two checks on each piece that is no longer in inventory, one for the date it entered and one for the date taken out of inventory) Run a transaction report and filter it to read all un-reconciled transactions.

Remember to take it out of inventory for the same value you have it in for no matter what you sold or traded it for.



FINANCIAL MEASURES

Use your financial software to complete all areas of your balance sheet. All accounts including inventories and liabilities need to be up-to-date (at least yearly) and data entry must be consistent for accurate measures of your financial positions.

CURRENT RATIO

Current Assets ÷ Current Liabilities

Below 1.25 - Problem ~ 1.25 to 1.5 - OK ~ Above 1.5 - Most Desirable

Measures liquidity, or the ability to meet short term debt obligations, production expenses, and unexpected cash expenses without severe interruption of the daily farm/ranch operation.

WORKING CAPITAL

Current Assets - Current Liabilities

No "Benchmark Normal"

Measures the amount of funds available to purchase inputs and inventory items after the sale of current assets and payment of all current liabilities. (Assists when measuring risk on buying equipment)

EQUITY TO ASSET (Solvency)

Equity ÷ Assets

30% - Problem ~ 50% Minimum ~ 70% Strong

Measures the proportion of total assets that are funded by the owner's equity capital.

The ability to pay off all debt if the business were sold.

(Farm Credit Standards: below 60%- High Risk, Above 70% Low Risk)



DEBT TO ASSET

Total Liabilities ÷ Total Assets

30% Good ~ 40% Problem ~ 70% Irreversible Condition

Measures the percentage of total assets that are funded by borrowed money.

Measures Solvency, the ability to repay all liabilities by selling all assets.

NET WORTH CHANGE

Simply graphing your yearly net worth to monitor increases and decreases in your overall operation.

This change is actually your yearly earnings, just as you were to get a paycheck from an employer.

OPERATING EXPENSE RATIO

Operating Expenses (excluding interest, depreciation and loan payments) ÷ Farm Production Income

Above 80% good ~ 65%-80% average ~ Below 65% Problem

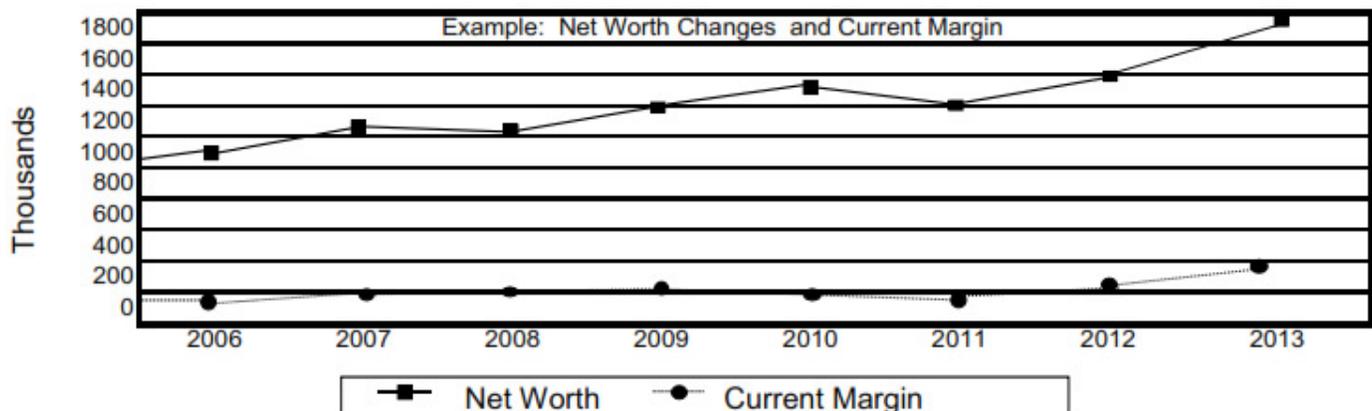
Measures the efficiency of the operation, the ability to generate revenues and control costs.

INTEREST EXPENSE RATIO

Interest Expense ÷ Farm Production Income

Below 10% Good ~ 10%-15% okay ~ Above 15% Problem

Measures the percent of income used to pay interest, indicates the ability to generate revenue and control costs.



2014 CASH FLOW - BUDGET

| | Jan | Febr | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | TOTAL |
|---------------------|----------------|---------------|----------------|---------------|----------------|--------------|----------------|----------------|--------------|---------------|--------------|---------------|------------------|
| INCOME | | | | | | | | | | | | | |
| BEAN SALES | 86,018 | 51,000 | 85,000 | 85,000 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | | | | 307,018 |
| CORN SALES | 171,908 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | | | | 671,908 |
| CORN DIVIDENDS | | | | | | | | | | | 2,400 | | 2,400 |
| CUSTOM FARMING | | | | | | | | 5,200 | | | | 38,000 | 43,200 |
| OUTSIDE WAGES | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 24,000 |
| GOV'T PROGRAM | | | | | | | | | | 15,000 | | | 15,000 |
| HOG INCOME | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 27,500 |
| EXTRAS | 9,645 | | 1,500 | | | | | 2800 | 1000 | | | | 15,945 |
| TOTAL INCOME | 269,571 | 55,500 | 214,500 | 91,000 | 129,500 | 4,500 | 129,500 | 137,500 | 5,500 | 20,500 | 6,900 | 42,500 | 1,106,971 |

EXPENSES

| | | | | | | | | | | | | | |
|-----------------------|----------------|----------------|----------------|---------------|---------------|----------------|---------------|---------------|----------------|----------------|----------------|-----------------|----------------|
| ASSET PURCHASE | | | | | | | | | | | | | 0 |
| AUTO INSURANCE | | | | | | | | | 4,500 | | | | 4,500 |
| BUILDING REPAIRS | 7,000 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 16,900 |
| CHEMICALS | | | 14,000 | | 13,000 | | 9,000 | | 9,000 | | | | 45,000 |
| CROP INSURANCE | 900 | 1,100 | 2,700 | 900 | 800 | 800 | 800 | 800 | 20,000 | 8,000 | 8,000 | 8,000 | 28,000 |
| ELECT/PHONE/INTERNET | 4,800 | 4,800 | 4,800 | 4,800 | 4,800 | 4,800 | 4,800 | 4,800 | 800 | 700 | 4,000 | 1,600 | 15,900 |
| EQUIPMENT REPAIRS | | 2,000 | | | | | | | 4,800 | 4,800 | 4,800 | 4,800 | 57,600 |
| EQUIPMENT RENT | | | | | | | | | | | | | 2,000 |
| DONATIONS | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 |
| FAMILY LIVING | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 48,000 |
| FARM INSURANCE | | | | 9,600 | | | | | | | | | 9,600 |
| FEES, DUES, SUBSCR | 1,200 | 250 | 250 | 250 | 250 | 1,200 | 250 | 250 | 250 | 250 | 250 | 250 | 4,900 |
| FERTILIZER | 7,000 | 5,000 | | | | 2,000 | | | 45,000 | | | | 64,000 |
| FUEL | 1,000 | 1,000 | 1,000 | 1,000 | 10,000 | 1,000 | 5,000 | 3,000 | 6,000 | 25,000 | 500 | 8,000 | 62,500 |
| HEALTH INS | 926 | 926 | 926 | 926 | 926 | 926 | 926 | 926 | 926 | 926 | 926 | 926 | 11,112 |
| HIRED LABOR | 1,200 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 6,700 |
| HOME IMPROVEMENT | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 |
| INCOME TAXES | | 58,000 | 1,940 | | | 1,940 | | | | 1,940 | | 1,940 | 65,760 |
| INTEREST EXP | | | | | | 3,255 | | | | 1,086 | | 10,652 | 14,993 |
| LAND RENT | | 22,360 | | 12,890 | | 76,261 | 30,672 | 15,930 | | 6,430 | 74,188 | | 131,798 |
| LOAN PRINC PAYMNT | | | | | | | | | | 12,716 | | | 69,599 |
| MACHINE HIRE | | | | | | | | | | | 2,000 | 2,000 | 4,000 |
| MEDICAL | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 12,000 |
| SEED | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 52,000 | 62,000 | 62,000 | 114,000 |
| SUPPLIES & MISC | 1,400 | 1,400 | 1,400 | 13,000 | 1,400 | 1,400 | 1,400 | 15,500 | 1,400 | 1,400 | 1,400 | 1,400 | 16,800 |
| TAXES | | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 29,900 |
| EXTRAS | | | | | | | | | | | | | 3,600 |
| TOTAL EXPENSES | 32,726 | 104,136 | 34,316 | 52,066 | 38,476 | 50,882 | 60,098 | 49,906 | 99,976 | 64,118 | 79,606 | 180,056 | 846,362 |
| Y-T-D Accum Total | 136,862 | 171,178 | 223,244 | 261,720 | 312,602 | 372,700 | 412,606 | 522,582 | 586,700 | 666,306 | 846,362 | | |
| 2014 PROFIT | 236,845 | -48,636 | 180,184 | 38,934 | 91,024 | -46,382 | 69,402 | 87,594 | -94,476 | -43,618 | -72,706 | -137,556 | 260,609 |

BANK ACCOUNT FLOW 61,567 17,931 193,115 222,049 222,073 276,691 346,093 433,687 339,211 295,593 272,887 85,331
 -175,278

(Bank + Line of Credit)

Definitions

- Transaction- The performance or management of business (Checks, deposit, or transfers)
- Category- The fundamental classes among which all things can be distributed (Fuel, rent, Corn sales)
- Class or Tag- Group with common interest (hogs, cattle, corn, beans)
- Enterprise- A venture, one calling for determination, energy and initiative, A commercial or industrial undertaking / Job (hogs, cattle, corn, beans)
- Prorating- To distribute or divide proportionately
- Distribution- Classification or arrangement (esp of statistical information)

| <u>Category Examples:</u> | <u>Subcategories</u> | <u>Class or Tag Examples:</u> | <u>Subclasses or Tags:</u> |
|---------------------------|----------------------|-------------------------------|----------------------------|
| Corn Sales | Fuel: Diesel | Hogs | Petersen B |
| Bean Sales | Propane | Cattle | Petersen C |
| Seed | Gas | 2006 | South Q B |
| Chemical | Oil | 2007 | South Q C |
| Fuel | Ins: Farm | 2008 | |
| Insurance | Truck | 2009 | |
| Rent | Crop | | |

Field name followed by B for beans, C for corn, A for alfalfa etc.

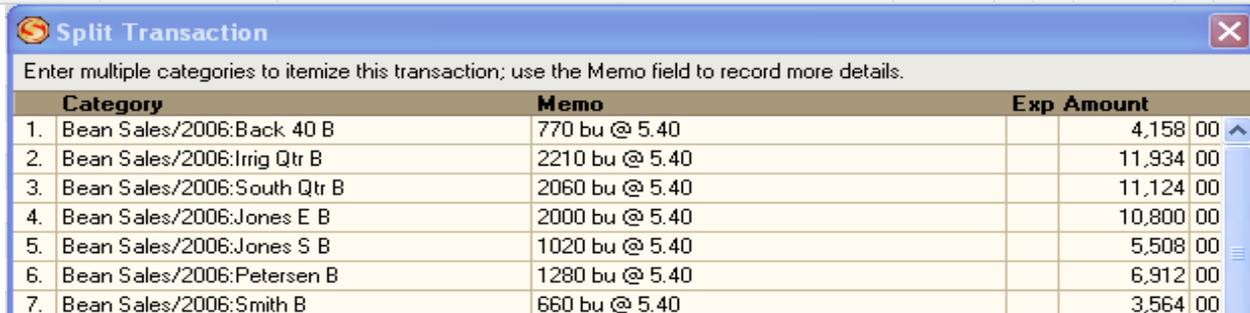
Each year all you need to add is the year to the class list and you can reuse the subclasses or add new ones if you obtain more farms.

Order of Entry (Category field in each transaction)

Category:Subcategory/Class (Tag):Subclass (Sub Tag):

- Rule #1: All transactions must have a category
- Rule #2: All enterprised transactions must have a class (tag)
- Rule #3: All crop transactions must have a year as the class (tag) and farm name as a subclass (sub tag).

| | | | | | | |
|-----------|------|-------------------------|--------------------------|--------|-----------|-----------|
| 11/4/2006 | DEP | IBP | | | 6,048 00 | 30,785 27 |
| | | 60 butchers #240 @ .42 | Hogs Sales:Butchers/Hogs | | | |
| 11/4/2006 | 2041 | Dodge Veterinary Clinic | | 153 20 | | 30,632 07 |
| | | Vaccines | Vet Supplies/Hogs | | | |
| 11/5/2006 | DEP | Coop | | | 54,000 00 | 84,632 07 |
| | | sold 10000 bu beans | -Split- | | | |

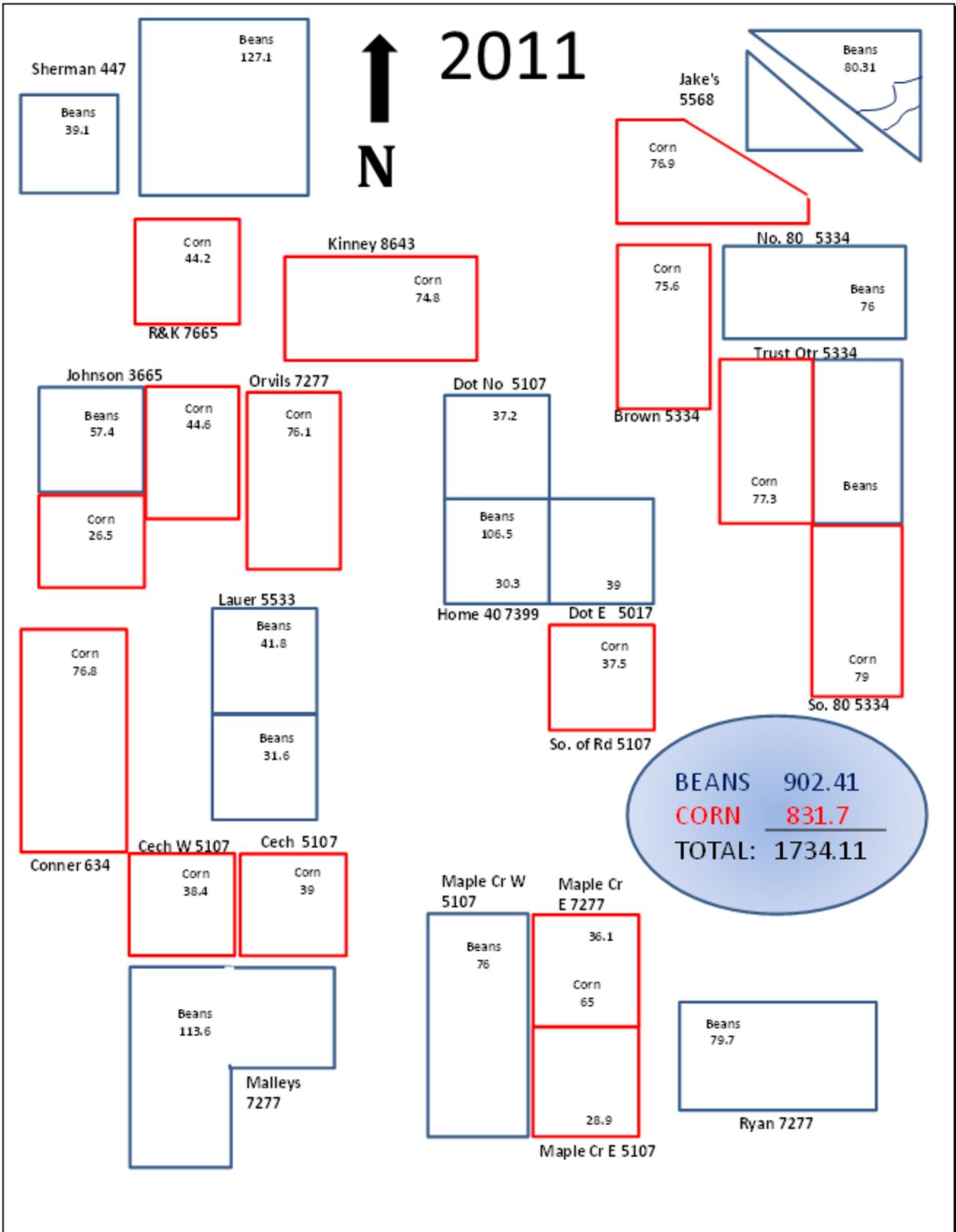


CROP PRODUCTION

TOM BROWN CROP PRODUCTION

2011 Crops

| Farm # | Name | Crop | Acres | | | Production | | |
|---------------|-------------------------|-------|---------------|---------------|--------------|-----------------|--------------|-----------------|
| | | | Total | Our Share | Landlord's | Total Bu | Yield | Ours |
| 5599 | Johnson | | 128.5 | | | | | |
| | W | beans | 57.4 | 57.4 | | 3261.0 | 56.8 | 3261.0 |
| | E/S | corn | 71.1 | 71.1 | | 14015.2 | 197.1 | 14015.2 |
| 7277 | Orvils | corn | 76.1 | 76.1 | | 14659.3 | 192.6 | 14659.3 |
| 5334 | Brown | | 381.2 | | | | | |
| 5334 | South 80 | corn | 79 | 47.4 | 31.6 | 14236.0 | 180.2 | 8541.6 |
| 5334 | Kriz | corn | 75.6 | 45.4 | 30.2 | 13598.3 | 179.9 | 8159.0 |
| 5334 | North 80 | beans | 72 | 43.2 | 28.8 | 4556.8 | 63.3 | 2734.1 |
| 5334 | Trust Qtr | corn | 77.3 | 46.4 | 30.9 | 12568.5 | 162.6 | 7541.1 |
| 5334 | Trust Qtr | beans | 77.3 | 46.4 | 30.9 | 4655.3 | 60.2 | 2793.2 |
| 5107 | Ray's | | 296 | | | | | |
| 5107 | Dot's East | beans | 39 | 39 | | 2556.0 | 65.5 | 2556.0 |
| 5107 | Dot's North | beans | 37.2 | 37.2 | | 2468.5 | 66.4 | 2468.5 |
| 5107 | Dot's South | corn | 37.5 | 37.5 | | 7233.0 | 192.9 | 7233.0 |
| 5107 | Cech E | corn | 39 | 39 | | 7369.0 | 188.9 | 7369.0 |
| 5107 | Cech W | corn | 38.4 | 38.4 | | 7469.3 | 194.5 | 7469.3 |
| 5107 | Maple Cr W | beans | 76 | 76 | | 5106.6 | 67.2 | 5106.6 |
| 5107 | Maple Cr E (65 ac) | corn | 28.9 | 28.9 | | 6859.3 | 237.3 | 6859.3 |
| 7277 | Home 40 | beans | 30.3 | 30.3 | | 2106.2 | 69.5 | 2106.2 |
| 5533 | Lauer | beans | 73.4 | 73.4 | | 4899.2 | 66.7 | 4899.2 |
| 7665 | R&K | corn | 44.2 | 26.5 | 17.7 | 7546.0 | 170.7 | 4527.6 |
| 7277 | Maple Cr (65 ac) | corn | 36.1 | 36.1 | | 6235.0 | 172.7 | 6235.0 |
| 7277 | Malley's | beans | 113.6 | 113.6 | | 7888.5 | 69.4 | 7888.5 |
| 8643 | Kinney | corn | 74.8 | 74.8 | | 15652.5 | 209.3 | 15652.5 |
| 634 | Connor | corn | 76.8 | 76.8 | | 14665.8 | 191.0 | 14665.8 |
| 7277 | Ryan | beans | 79.7 | 79.7 | | 5548.0 | 69.6 | 5548.0 |
| | | CORN | 754.8 | 644.4 | 110.4 | 142107.2 | 188.3 | 122927.7 |
| | | BEANS | 655.9 | 596.2 | 59.7 | 43046.1 | 65.6 | 39361.3 |
| | TOTAL ACRES: | | 1410.7 | 1240.5 | 170.2 | | | |
| CUSTOM | | | | | | | | |
| 447 | Sherman | | 166.2 | | | | | |
| | | beans | 127.1 | 76.3 | 50.8 | 7511.0 | 59.1 | |
| | | beans | 39.1 | 23.5 | 15.6 | 1979.3 | 50.6 | |
| 5568 | Jake's | | 163.04 | | | | | |
| | | corn | 76.9 | | 75.1 | 15644.0 | 203.4 | |
| | | beans | 86.14 | | 86.1 | 4818.8 | 55.9 | |



2013 CORN

Example of tracking
Grain Inventory & Sales

| | | | |
|-------------------------|-------------------|------------------|------------------|
| STARTING BUSHELS | 131,387 | REMAINING | 25,339.68 |
| BUSHELS SOLD | 105,122.77 | % SOLD | 80.7% |
| EST. ADJ. | 924.38 | | |

| DATE | SOLD TO | NOTES | \$/BU | MOVED | BU SOLD | REMAINING |
|-------------|---------|---------------------------------|-------------|----------|-----------|----------------------------|
| FARM | | | | | | BUSHELS: 107,051.00 |
| 11/8/2013 | | Moved dry corn to Coop | | 20146.79 | | 86,904.21 |
| 10/16/2013 | ADM | Sold 2 Loads | 4.85 | | 2,314.28 | 84,589.93 |
| 11/8/2013 | | Moved to Coop - Cored Bin | | 3,278.21 | | 81,311.72 |
| 12/10/2013 | ADM | Cont #710245 Jan Del | 4.38 | | 10,000.00 | 71,311.72 |
| 10/16/2013 | Coop | Delivered to ADM - Dec Delivery | 5.65 & 4.23 | | 10,245.71 | 61,066.01 |
| 10/4/2013 | ADM | Cont # 0706312 Jan 1-15 Del | 5.13 | | 10,000.00 | 51,066.01 |
| 1/9/2014 | ADM | Cont # 710888 Jan 15-31 | 4.13 & 4.30 | | 5,640.36 | 45,425.65 |
| 1/9/2014 | ADM | Cont # 710890 Feb 15-28 | 4.13 & 4.33 | | 5,652.85 | 39,772.80 |
| 1/15/2014 | ADM | Cont # 711208 Jan 27- Feb 15 | 4.35 & 4.32 | | 5,687.51 | 34,085.29 |
| 3/25/2014 | ADM | Cont # 712972 July Delivery | 4.73 & 3.70 | | 15,755.00 | 18,330.29 |
| 3/31/2014 | ADM | Sold 4 loads | 4.70 | | 4,320.36 | 14,009.93 |
| | | | | | | 14,009.93 |
| | | | | | | 14,009.93 |
| | | | | | | 14,009.93 |

| COOP | | | | | | BUSHELS: 13,601.23 |
|-------------|--|--------------------------|------|---------|-----------|---------------------------|
| 11/8/2013 | | Moved Dry Corn from Bins | | 23425 | | 37,026.23 |
| 11/8/2013 | | Shrink to 14% | | -224.37 | | 36,801.86 |
| 12/10/2013 | | Sold - Deferred to Jan | 4.06 | | 5,000.00 | 31,801.86 |
| 1/9/2014 | | Sold | 3.84 | | 10,000.00 | 21,801.86 |
| 1/16/2014 | | Sold | 4.01 | | 10,000.00 | 11,801.86 |
| 1/16/2014 | | Shrink again! | | -30.41 | | 11,771.45 |
| | | | | | | 11,771.45 |
| | | | | | | 11,771.45 |
| | | | | | | 11,771.45 |
| | | | | | | 11,771.45 |
| | | | | | | 11,771.45 |
| | | | | | | 11,771.45 |

| FRONTIER | | | | | | BUSHELS: 10,734.60 |
|-----------------|--|------------|--------|---------|----------|---------------------------|
| 1/9/2014 | | Sold | \$3.86 | | 5,000.00 | 5,734.60 |
| 1/16/2014 | | Sold | \$4.05 | | 5,506.70 | 227.90 |
| | | Shrink/Dry | | -227.90 | | 0.00 |
| | | | | | | 0 |

YEARLY CROP SUMMARIES

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| INCOME: | | | | | |
| BEAN SALES | | | | | |
| \$/bu | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| COOP DIVIDEND | | | | | |
| CORN SALES | | | | | |
| \$/bu | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| CROP INS PROCEEDS | | | | | |
| CUSTOM WORK | | | | | |
| GOV'T PROG | | | | | |
| \$/acre | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| MISC | | | | | |
| TOTAL INCOME: | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| inc/acre | 0 | 0 | 0 | 0 | 0 |
| EXPENSE: | | | | | |
| BEAN STORAGE | | | | | |
| BUILDING REPAIR | | | | | |
| CHEMICAL | | | | | |
| \$/acre | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| CORN STORAGE | | | | | |
| CROP INSURANCE | | | | | |
| \$/acre | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| ELECTRIC | | | | | |
| EQUIP REPAIR | | | | | |
| FARM INSURANCE | | | | | |
| FERTILIZER | | | | | |
| \$/acre | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| FUEL | | | | | |
| \$/acre | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| HIRED LABOR | | | | | |
| \$/acre | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| INTEREST | | | | | |
| LAND RENT | | | | | |
| \$/acre | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| MACHINE HIRE | | | | | |
| MARKETING | | | | | |
| PHONE | | | | | |
| SEED | | | | | |
| \$/acre | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SUPPLIES | | | | | |
| TAXES | | | | | |
| TRUCK INS | | | | | |
| TOTAL EXPENSES: | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| exp/acre | 0 | 0 | 0 | 0 | 0 |
| PROFIT: | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| profit/acre | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| BEAN ACRES | | | | | |
| Own Bean Acres | | | | | |
| Bean Bushels | | | | | |
| AVE BEAN YIELD | 0 | 0 | 0 | 0 | 0 |
| CORN ACRES | | | | | |
| Own Corn Acres | | | | | |
| Corn Bushels | | | | | |
| AVE CORN YIELD | 0 | 0 | 0 | 0 | 0 |
| TOTAL ACRES | 0 | 0 | 0 | 0 | 0 |

This reports summarizes each year's financial & production numbers. You can use it as quick reference of your history and put it in your yearly financial notebook.

On a spreadsheet you will be able to include the income & expenses that only pertain to your operation. On some of the main items you can also give a quick glance of \$/acre or \$/bu for analysis as well as putting together future crop budgets and also to help make managerial decisions on renting/purchasing more ground.

You can use this spread sheet to track all your farms or each individual. This is helpful for finding rate of returns: Just add lines at the bottom to include your investment in the parcels to figure rate of return on your investment or rate of return on the current going price of the parcel if you were to sell it.

Rate of return per acre =

WOMEN IN AG

FEBR. 20-21, 2014 ~ KEARNEY, NE

Computerized Farm Records

Peg Brune ~ Dodge, NE

Agricultural Bookkeeping: Quickbooks or Quicken????

Accounting:

Accountants prefer Quickbooks, mostly because a lot of them use it and are familiar with it

Quickbooks - Double entry system (always need an offsetting account for transactions)

Quicken - Single entry system (Don't always have to have a category or transfer account) Good for entering inventories

Quickbooks - Automatically carries over net income to retained earnings (equity) the following year

Both programs track cash or accrual basis on reports

Payroll:

Quickbooks - better for payroll, tracks wages/salary/payroll taxes

Quicken - Manually set up categories to track payroll

Inventory:

Quickbooks- not user friendly for inventory, although if used correctly very accurate and up-to-date

Quicken - Very easy, open new account for each type of inventory, update as often as desired

Ease of Use:

Quickbooks - Nice flow chart to pick task to perform

Quickbooks - Balance sheet takes working knowledge to keep updated & accurate

Quicken - Very user friendly, menu navigation, customizable quick buttons for getting around

Recommendation:

Quicken - Farmers

Quickbooks - Businesses, Lots of payroll or Corporations

FILES ~ ACCOUNTS ~ CATEGORIES

EXAMPLE OF FILES: Individual files DO NOT share accounts, categories or reports.

| | | |
|-------------------|---|--|
| Farm File | } | Checking Savings Line of Credit Grain Inventory Land & Buildings |
| Jr's Files | } | Checking Savings Line of Credit Grain Inventory |
| Booster Club File | } | Checking |

LIST OF ACCOUNTS: (For a single file)
Accounts to complete the balance sheet

| | |
|--|--|
| <p><u>Bank Account</u> Farm Checking Savings Pers Checking</p> <p><u>Loans</u> FSA Land Equipment Operating</p> | <p><u>Inventory</u> Equipment Grain Livestock Land/Buildings Prepaids</p> <p><u>Investments</u> Stocks, Bonds, CD's IRA's</p> |
|--|--|

Common Agriculture Categories (Accounts in Quickbooks)

Farm Income:

- Purchased Cattle
 - Purchased Hogs
 - Raised Cattle
 - Raised Hogs
 - Corn
 - Beans
 - Oats
 - Hay
 - Capital Sale
 - Coop Dividend
 - Gov't Pymnt
 - CCC Grain Loans
 - Crop Ins. Proceeds
 - Machine Work
 - Gas Tax Refund
 - Culled Bulls & Cows
 - Culled Sows & Boars
 - Other
-
-

Farm Expenses:

- * Asset Purchase
 - Conservation
 - Machine Hire
 - Depreciation
 - Employee Benefits
 - Feed
 - Fees, Dues, Subscriptions
 - Fertilizer
 - Chemical
 - Freight & Trucking
 - Fuel & Oil
 - Insurance (crop, farm, truck)
 - Interest
 - Labor
 - Land Rent
 - Professional Fees
 - Rent (machine/equip)
 - Repairs
 - Seed
 - Storage
 - Supplies
 - Taxes (real, pers p, payroll)
 - Utilities (elect, phone, water)
 - Vet & Medication
 - Other
-

Non-Farm Income:

- Interest Income
 - Dividend Income
 - Unemployment Comp
 - Soc Sec Benefits
 - Salaries
 - Other
-
-

Family Living Expenses:

- Family Living
 - IRA & Keogh Contrib
 - Student Loan Int. Paid
 - Health Ins. Premiums
 - Child Care Expenses
 - Medical/Dental/Rx
 - Auto Taxes (non business)
 - Interest on Home
 - Home Real Estate Taxes
 - Investment Interest Paid
 - Donations
 - * Gas
 - * Auto
 - * Daily Living
 - * Education
 - * Utilities
 - * Life Insurance
 - * Phone
 - * Income Taxes
 - Other
-
-

* Nontaxed Expenses

Be sure to open your category list in Quicken or account list in Quickbooks and delete all the categories/accounts in the list that were put there by the software company.

Only add categories/accounts that pertain to your operation. Keep the list to as few as possible, according to what you need for taxes and bank forms. Also keep in mind subcategories will automatically add two lines in all reports, try not to use these too much, unless you truly need a category split into more areas for making decisions, such as Fuel: gas, diesel, propane, oil can be subcategories. Insurance is another example for using subcategories.

In Quicken, Be sure to check the appropriate categories as taxable while setting them up so that you can generate reports filtered to call up only taxable categories.

Setting up a Category in Quicken or Account in Quickbooks (Income, Expense, Bank Acct, Asset Acct, Liability Acct, or Equity Acct)

Transaction Examples

Quicken Screen: Check Register (Checks, Deposits, Transfers, Online Pmt, Electronic Fund Transfer & Splits)

| | | | | | | | | |
|------------|------|--|--------------|--------------------------|------------|---|------------|------------|
| 11/8/2013 | 1091 | Tom Petersen 42 bales @ \$50/ton | FEED | CATTLE:101 | 1,699 00 | R | | 52,201 70 |
| 11/10/2013 | DEP | Tyson 72 Hd #1370 @ 1.30 | CATTLE SALES | CATTLE:101 | | R | 128,232 00 | 180,433 70 |
| 11/10/2013 | OL | City Bank Cattle 101 Loan Payoff | --Split-- | --Split-- | 44,398 20 | | | 136,035 50 |
| 11/12/2013 | EFT | Farmers Mutual Insurance Mo. Ins Prem | | FAMILY LIVING:HEALTH IN: | 202 20 | R | | 135,833 30 |
| 11/15/2013 | TXFR | | | [SAVINGS] | 120,000 00 | R | | 15,833 30 |

| | Category | Tag | Memo | Amount |
|----|------------------|------------|-----------|-----------|
| 1. | [CATTLE 101] | | Principal | 42,000 00 |
| 2. | INTEREST EXPENSE | CATTLE:101 | Interest | 2,398 20 |

All transactions need a category

Quick Books Screen: Check Register

| | | | | | | |
|------------|---------|-------------------------------|---------------------|------------|------------|------------|
| 11/03/2013 | | Frontier Coop | | | 53,900.70 | 53,900.70 |
| | DEP | BEAN SALES | 4227.5 bu @ 12.75 | | | |
| 11/08/2013 | 1091 | Tom Petersen | | 1,699.00 | | 52,201.70 |
| | CHK | FEED | 42 bales @ \$50/Ton | | | |
| 11/10/2013 | DEP | Tyson | | | 128,232.00 | 180,433.70 |
| | DEP | CATTLE SALES | 72 Hd #1370 @ 1.30 | | | |
| 11/10/2013 | OL | City Bank | | 44,398.20 | | 136,035.50 |
| | CHK | -split- | | | | |
| 11/12/2013 | EFT | Farmers Mutual Insurance | | 202.20 | | 135,833.30 |
| | CHK | FAMILY LIVING:HEALTH INS PREM | Mo. Premiums | | | |
| 11/15/2013 | TX | | | 120,000.00 | | 15,833.30 |
| | TRANSFR | SAVINGS | Funds Transfer | | | |

All transactions need an offsetting account

Offsetting Account: Income, Expense, or Transfers to Equity Accounts, Asset Accounts (Inventory), Liability Account

The programs have many short cuts you can find and develop along the way, here are just a few of them: When entering the date, there are several ways, you should try all the different ways until you find the one you are most comfortable with, or you can switch between different methods depending upon your task. Here are a few ways of entering the date: This works in Quicken, MS Money, and Quickbooks.

1. Type in the actual characters **2/10/14**
2. Click on the **calendar icon** in the date field, then use the arrows to move between months and click on the date of the transaction.
3. Use the following **one-key shortcuts**:

| | |
|--|---|
| T Today | Other Common Shortcuts: |
| M First day of month | Alt S Opens split window |
| H Last day of month | Ctrl Enter Enters transaction & Closes split window |
| Y First day of year | Shift Tab Backs up a field at a time |
| R Last day of year | N Next Check Number (+ & - also increase or decrease this column by one) |
| +/- Forward or Back one day at a time | |

To scroll through transactions, you can use a scroll mouse, click on the down or up arrow at the right side of the register, or click and hold your left mouse button on the scroll bar itself at the right edge of the register, then move it in either direction. The date and check number will appear as you move the bar up and down, this allows you to scroll much quicker through the register. The up and down arrow keys on keyboard also scroll through transactions. The "Find" function is also valuable when looking for a particular item such as date, check number, payee, amount or memo. The up and down arrow keys also scroll through transactions.

Reminder - "Tab" is to move from field to field within a transaction, and "shift tab" backs you up one field at a time. "Enter" accepts the transactions and moves you to the next one.

Use your memo for reference: (types & amounts)

REPORTS - Yearly Reports for Accountant, Banker, Financial Notebooks:

Tax Report – All taxable income & expense accounts (Does not include family living or transfers). Expand categories to get a detailed report of all transactions for each category, could be quite lengthy, but helps answer questions for your accountant.

| | |
|---------------------|--------------------|
| INCOME | 178,039.33 |
| + BEAN SALES | 119,317.13 |
| + COOP DIVIDENDS | 7.30 |
| + CORN SALES | 18,221.77 |
| + CROP INSURANCE... | 32,429.00 |
| + FARM WAGES | 5,717.52 |
| + GOV'T PROGRAM | 1,804.00 |
| + INTEREST | 462.61 |
| + OUTSIDE INCOME | 80.00 |
| EXPENSES | -114,537.17 |
| + BEAN STORAGE | -128.75 |
| + CHEMICALS | -4,949.01 |
| + CORN STORAGE | -378.76 |
| + CROP INSURANCE | -3,229.00 |
| + ELECTRICITY | -410.82 |
| + FAMILY LIVING | -404.40 |
| + FEED | -37,950.17 |
| + FEES DUES & SUBSC | -969.00 |
| + FERTILIZER | -9,249.35 |
| + FUEL | -3,402.54 |
| + INTEREST EXPENSE | -11,463.82 |
| + MACHINE HIRE | -18,788.64 |
| + PHONE | -997.11 |
| + REPAIRS | -1,557.20 |
| + SEED | -13,030.45 |
| + SUPPLIES | -730.96 |
| + TAXES | -6,037.19 |
| + TRUCK INSURANCE | -860.00 |
| OVERALL T... | 63,502.16 |

Income & Expense – All income & expense categories (Does include family living, but not transfers)

| | |
|-----------------------|--------------------|
| INCOME | 306,471.33 |
| + BEAN SALES | 119,317.13 |
| + CATTLE SALES | 128,232.00 |
| + COOP DIVIDENDS | 7.30 |
| + CORN SALES | 18,221.77 |
| + CROP INSURANCE P... | 32,429.00 |
| + FARM WAGES | 5,717.52 |
| + GIFT REC | 200.00 |
| + GOV'T PROGRAM | 1,804.00 |
| EXPENSES | -168,800.02 |
| + ASSET PURCHASE | -26,938.99 |
| + BEAN STORAGE | -128.75 |
| + CHEMICALS | -4,949.01 |
| + CORN STORAGE | -378.76 |
| + CROP INSURANCE | -3,229.00 |
| + ELECTRICITY | -410.82 |
| + FAMILY LIVING | -27,728.26 |
| + AUTO | -12.50 |
| + DAILY LIVING | -17,954.34 |
| + ELECTRICITY | -1,232.41 |
| + GAS | -2,820.04 |
| + GIFTS | -1,640.61 |
| + HEALTH INS PREM | -404.40 |
| + HOUSE FUEL | -237.80 |
| + HOUSING RENT | -3,016.65 |
| + LIFE INSURANCE | -29.51 |
| + PROPERTY INSU... | -380.00 |
| + FEED | -37,950.17 |
| + FEES DUES & SUBSC | -969.00 |
| + FERTILIZER | -9,249.35 |
| + INTEREST EXPENSE | -11,463.82 |
| + MACHINE HIRE | -18,788.64 |
| + PHONE | -997.11 |
| + REPAIRS | -1,557.20 |
| + SEED | -13,030.45 |
| + SUPPLIES | -730.96 |
| + TAXES | -6,037.19 |
| + TRUCK INSURANCE | -860.00 |
| OVERALL T... | 137,671.31 |

Quickzoom Reports – While in any report, putting your mouse over any given number and clicking or clicking on the + in front of the category brings up a new report with a break down of all transactions that are included in that number. You can then put the mouse over any of the transactions and click to bring you to that transaction in the register, you can make changes on anything you may need to, be sure to enter the transaction before closing out of the register to get back to your report.

Transaction Reports – From the reports menu, click on transaction report, you can customize the report to pull out transactions pertaining to a particular date, category, or payee. Also you can sort or subtotal different fields of transactions.

Payee/Category Reports – Click on a transaction and depending on which version of Quicken you have you can open a quick report for that particular payee or category that is on that transaction. Version 2014 right click on transaction, Version 2010 it's under 'Account Actions', earlier versions under 'Quick Report'.

Printing Reports – Be sure for any reports that you are sharing with others or for your yearly notebooks, that you customize them with pertinent data such as your name and date range of the report. Also adjust the margins and font size to fit legibly on minimal paper. You can also save these reports for future use and put them on the button bar if you access them frequently.

LIVESTOCK TRACKING & PRODUCTION

For taxes it's a little tricky in tracking income & expense if you have more than one type of livestock and whether or not your livestock is purchased or raised. You can experiment with different tracking systems to see what works best for your operation. A few methods below can be used or changed to work for you.

Raised Livestock is very straight forward, you have categories for your expenses, and one for hogs or cattle sold. You will also need a category for breeding stock purchased since this is an asset and needs to be depreciated. When you sell breeding livestock, this can also have a separate category to deduct from your depreciation schedule if it has not been fully depreciated, as well as to get this amount out of your assets if you are tracking livestock inventory.

Purchased Livestock is different in the fact that it is the year of the sale that you will account for the purchase price of the cattle or hogs (which could have been in a previous year). One way to track Purchased Cattle Inventory (this is the method I recommend for most producers) is to use a separate account for cattle inventory, and a separate account for breeding stock as well. You will be using an account instead of a category for purchasing cattle and putting it into inventory.

Step 1: Set up an asset account called "Cattle Inventory", beginning balance of zero (you may also delete the opening balance entry, when opening this account)

Step 2: Purchasing cattle- Enter it as a check using [Cattle Inventory] in the category field (This puts it in the cattle inventory account. Put the Lot number or any tracking number as the class. This will allow you to track this group to find the purchase price when you sell them. Use the memo field for number of head, \$/hd etc.

Quicken:

| Date ▲ | Num | Payee | Payment | Clr | Deposit | Balance |
|----------|------|---|----------|-----|-----------|----------|
| | | Memo | Category | Tag | Exp | |
| 9/2/2009 | 3000 | SW Feeders | | | 36,720 00 | 8,953 92 |
| | | 75 hd #480 Ste [CATTLE INVEN CATTLE:101 | | | | |

Quickbooks:

| Date | Number | Payee | Payment | ✓ | Deposit | Balance |
|------------|--------|------------------|----------------------|---|---------|----------|
| | Type | Account | Memo | | | |
| 09/02/2009 | 3000 | SW Feeders | 36,720.00 | | | 8,953.92 |
| | CHK | CATTLE INVENTORY | 75 calves #480 @ 1.0 | | | |

Step 3: Selling cattle- Enter it as a deposit, put the exact amount of the check in the deposit column. Put the lot number in the memo for quick reference. Open the split window.

Quicken:

| | | | | | | |
|-----------|-----|------------------------|-----------|--|------------|-----------|
| 10/8/2010 | DEP | IBP | | | 103,514.80 | 26,786.36 |
| | | 72 Hd #1370 @--Split-- | --Split-- | | | |

| | Category | Tag | Memo | Exp | Amount |
|----|---------------------|-----|----------------------|-----|------------|
| 1. | CATTLE SALES | 101 | 72 hd #1370 @ \$1.07 | | 105,544.80 |
| 2. | COST OF CATTLE SOLD | 101 | 75 hd | | -36,720.00 |
| 3. | [CATTLE INVENTORY] | 101 | -75 Sold (3 deads) | | 36,720.00 |
| 4. | TRUCKING | 101 | Grainger Trucking | | -2,030.00 |

Quickbooks:

| 10/08/2010 | DEP | IBP | | | 103,514.80 | 171,036.36 |
|---------------------|------------|----------------------|----------------------|--|------------|------------|
| | | -split- | 72 Hd #1370 @ \$1.07 | | | |
| Account | Amount | Memo | Customer:Job | | Class | |
| CATTLE SALES | 105,544.80 | 72 Hd #1370 @ \$1.07 | | | 101 | |
| COST OF CATTLE SOLD | -36,720.00 | 75 Hd | | | 101 | |
| CATTLE INVENTORY | 36,720.00 | -75 Hd (3 Deads) | | | 101 | |
| TRUCKING | -2,030.00 | Grainger Trucking | | | 101 | |

Split #1: 'Cattle Sales/Lot' as the category, in the memo put number of head, \$/cwt etc, the amount of The check in the amount column.

Split #2: 'Cost of Cattle Sold/Lot' as the category, #hd, \$/hd purchased in the memo. In the amount column enter the number of head times the purchase price per head as a negative number. If you have sold the whole group, this will be the full purchase price of the group. If you sell Part of the group, you can enter just the number of head sold times the purchase price per head in the amount column as a negative number. On the last group to sell for this lot number, enter the remaining amount of purchase price for this lot which will also account for any deads.

Split #3: 'Cattle Inventory/Lot' as the category, #hd, \$/hd purchased in the memo column, and the Exact amount you entered in split #2 as a positive number.

NOTE: Split #2 & #3 should offset each other, you are taking the cattle out of the Cattle Inventory account and putting it toward Cost of Cattle Sold, this way you are getting the purchase price in the same year as the sale since you are removing it from inventory to cost of cattle sold the same day as you them. This is necessary for taxes.

Split #4: Misc expenses such as trucking that had been deducted from check.

2 TYPES OF CATTLE or LIVESTOCK REPORTS:

Current Cattle Inventory Report: Make a transaction Report customized to Cattle Inventory Account only. The key to making this report work, is to put an 'R' in the clr column of the purchase transaction and the sales transaction of all cattle that has been sold. Then set the report from the advanced tab (Modify – Filter tab in Quickbooks) in the customize window to read only the blank transactions, this will be your current inventory. You can call this report up any time you need a current print out, use the memo field for data that is pertinent to your operation. Be sure to include all dates, the report will be filtered by the clr column, the report is set to read only the blank transactions, and you will have put an 'R' in the clr column of all sold cattle. Also, be sure in the customize window under the accounts tab that you only have the Cattle Inventory Account selected for this report.

GROUP CATTLE REPORT:

This is a report of all transactions pertaining to one lot number (Lot 101). The Cattle sales, along with the Cost of Cattle sold and all expense items associated with group 101.

CATTLE 101 REPORT

| INCOME | |
|-----------------------|-------------------|
| CATTLE SALES | 105,544.80 |
| TOTAL INCOME | 105,544.80 |
| EXPENSES | |
| COST OF CATTLE SOLD | 36,720.00 |
| FEED | 5,439.00 |
| INTEREST EXP | 2,507.42 |
| TRUCKING | 2,030.00 |
| TOTAL EXPENSES | 46,696.42 |
| OVERALL TOTAL | 58,848.38 |

Keep these reports memorized and put them on a button bar for quick reference. When using the Cattle Lot Report, you will need to go into the customize window and go to the include tab and put the lot number you are looking for in the Class field under the matching section. Also when first setting up this report, in the customize window set the date to read all dates, give the report a name, and in the account tab click on the checking account only, not the cattle inventory account.

Example of a group of pigs production numbers. Feed totals figured using Quickbooks set up to track feed totals per group.

GROUP 130

STAGE FEED USAGE

| NURSERY | SEX | DATE IN | LBS | FEED COST | # IN | AGE | WT IN | # OUT | WT OUT | WT DAYS IN | DEAD | % | WT GAIN | DAILY FEED/GAIN | \$/PIG LB | FEED \$/TON | | |
|---------|-----|---------|--------|-----------|------|-----|-------|-------|--------|------------|------|------|---------|-----------------|-----------|-------------|---------|-----|
| E | M | 7/1/09 | 9,565 | \$1,864 | 167 | 20 | 15.0 | 165 | 53 | 42 | 2 | 1.2% | 38 | 0.90 | 1.364 | 1.51 | \$11.30 | 390 |
| W | M | 7/1/09 | 15,325 | \$2,980 | 284 | 20 | 15.0 | 277 | 53 | 42 | 7 | 2.5% | 38 | 0.90 | 1.285 | 1.42 | \$10.76 | 389 |

| FINISHER | SEX | DATE IN | LBS | FEED COST | # IN | AGE | WT IN | # SOLD | WT OUT | WT DAYS IN | DEAD | % | WT GAIN | DAILY FEED/GAIN | \$/PIG LB | FEED \$/TON | | |
|----------|-----|---------|---------|-----------|------|-----|-------|--------|--------|------------|------|------|---------|-----------------|-----------|-------------|---------|-----|
| West | B | 8/12/09 | 127,050 | \$10,933 | 216 | 62 | 53 | 212 | 259.2 | 116 | 4 | 1.9% | 206.16 | 1.78 | 5.068 | 2.85 | \$51.57 | 172 |
| Old | G | 8/12/09 | 150,550 | \$13,565 | 226 | 62 | 53 | 223 | 263.4 | 129 | 3 | 1.3% | 210.4 | 1.63 | 5.172 | 3.17 | \$60.83 | 180 |

GROUP SOLD INFO

| BARROW | PACK | ER | # SOLD | WT SOLD | AVE WT | \$/cwt | YIELD | LEAN | FAT | % BACK | LOIN | VALUE | AGE |
|----------|-------|----|--------|---------|---------|--------|-------|-------|------|--------|--------|-------|-----|
| 11/28/09 | Tyson | | 120 | 31144 | 259.53 | 44.4 | 76.88 | 55.70 | 0.69 | 2.77 | 13.781 | 170 | |
| 12/12/09 | Tyson | | 72 | 18457 | 256.35 | 49.17 | 76.07 | 55.70 | 0.65 | 2.72 | 8.927 | 184 | |
| 1/2/10 | Tyson | | 20 | 5341 | 267.05 | 49.65 | 77.50 | 56.80 | 0.6 | 2.9 | 2.666 | 205 | |
| | | | | | #DIV/0! | | | | | | | ##### | |
| | | | | | #DIV/0! | | | | | | | ##### | |
| | | | | | #DIV/0! | | | | | | | ##### | |
| | | | | | #DIV/0! | | | | | | | ##### | |
| 12/6/09 | | | 212 | 54942 | 259.16 | 46.20 | 76.66 | 55.80 | 0.67 | 2.77 | 25.384 | 178.1 | |

| GILTS | PACK | ER | # SOLD | WT SOLD | AVE WT | \$/cwt | YIELD | LEAN | FAT | % BACK | LOIN | VALUE | AGE |
|----------|-------|----|--------|---------|---------|--------|-------|-------|------|--------|--------|-------|-----|
| 11/28/09 | Tyson | | 70 | 18291 | 261.3 | 44.40 | 76.88 | 55.70 | 0.69 | 2.77 | 8.099 | 170 | |
| 12/12/09 | Tyson | | 34 | 8697.6 | 255.81 | 49.17 | 76.07 | 55.70 | 0.65 | 2.72 | 4.207 | 184 | |
| 1/2/10 | Tyson | | 119 | 31750 | 266.81 | 49.65 | 77.50 | 56.80 | 0.60 | 2.90 | 15.846 | 205 | |
| | | | | | #DIV/0! | | | | | | | ##### | |
| | | | | | #DIV/0! | | | | | | | ##### | |
| | | | | | #DIV/0! | | | | | | | ##### | |
| | | | | | #DIV/0! | | | | | | | ##### | |
| 12/18/09 | | | 223 | 58738 | 263.4 | 47.93 | 77.09 | 56.29 | 0.64 | 2.83 | 28.152 | 190.8 | |

Farmer Brown Hog Reports

FINANCIALS

| | <u>125</u> | <u>126</u> | <u>127</u> | <u>128</u> | <u>129</u> | <u>130</u> |
|------------------------|------------------|-------------------|------------------|------------------|------------------|------------------|
| Sales | 58,154.65 | 43,775.55 | 45,000.09 | 47,410.72 | 44,414.77 | 53,113.62 |
| Date Sold | 9/17/2008 | 12/12/2008 | 5/27/2009 | 7/23/2009 | 10/4/2009 | 12/12/2009 |
| Purchase Price | 15,687.00 | 16,460.64 | 16,773.12 | 17,216.78 | 16,393.94 | 13,655.44 |
| Feed | 40,469.31 | 33,833.69 | 28,946.80 | 29,084.39 | 29,750.03 | 29,343.27 |
| Grind/Mix/Deliver | 1,335.13 | 1,412.85 | 1,333.30 | 1,401.30 | 1,485.82 | 1,335.10 |
| Vet - Meds | 1,556.17 | 1,267.50 | 1,430.51 | 1,412.73 | 1,382.42 | 1,293.22 |
| Trucking | 1,125.00 | 1,022.56 | 920.00 | 1,026.57 | 1,065.20 | 1,104.26 |
| * Overhead Exp | 4,850.61 | 4,850.61 | 4,124.49 | 4,124.49 | 4,124.49 | 4,124.49 |
| Total Expenses | 65,023.22 | 58,847.85 | 53,528.22 | 54,266.26 | 54,201.90 | 50,855.78 |
| Ave \$/cwt Sold | 55.09 | 41.47 | 44.39 | 43.95 | 39.74 | 46.72 |
| Breakeven (\$/cwt) | 61.10 | 55.30 | 52.38 | 50.30 | 48.50 | 44.74 |
| Profit/Pig Sold | -17.61 | -37.97 | -22.68 | -16.64 | -22.24 | 5.19 |
| Profit | -6,868.57 | -15,072.30 | -8,528.13 | -6,855.54 | -9,787.13 | 2,257.84 |

PRODUCTION

| <u>NURSERY</u> | <u>Normal Ranges</u> | | | | | | |
|------------------------|----------------------|-----------|-----------|------------|-----------|-----------|----------|
| Date In | | 3/28/2008 | 6/28/2008 | 12/12/2009 | 2/11/2009 | 4/24/2009 | 7/1/2009 |
| Number In | | 419 | 417 | 420 | 440 | 462 | 451 |
| \$/pig | | 37.44 | 39.38 | 39.94 | 39.13 | 35.48 | 30.30 |
| Days in Nrsy | | 56 | 44 | 49 | 44 | 53 | 42 |
| East Nrsy Death Loss | *1 - 3 | 3.0% | 2.4% | 7.0% | 3.0% | 1.9% | 1.2% |
| West Nrsy Death Loss | *1 - 3 | 5.1% | 4.0% | 8.9% | 5.9% | 4.7% | 2.5% |
| Easy Nrsy Daily Gain | .86 - .99* | 0.91 | 0.86 | 1.03 | 0.95 | 0.98 | 0.90 |
| West Nrsy Daily Gain | .86 - .99* | 0.91 | 0.86 | 1.03 | 0.95 | 0.98 | 0.90 |
| East Nrsy Daily Feed | 1.4 - 1.8* | 1.42 | 1.29 | 1.62 | 1.55 | 1.56 | 1.36 |
| West Nrsy Daily Feed | 1.4 - 1.8* | 1.27 | 1.12 | 1.47 | 1.42 | 1.23 | 1.29 |
| East Nrsy Feed Eff | *1.44 - 1.7 | 1.57 | 1.49 | 1.57 | 1.62 | 1.60 | 1.51 |
| West Nrsy Feed Eff | *1.44 - 1.7 | 1.40 | 1.30 | 1.43 | 1.49 | 1.26 | 1.42 |
| East Nrsy Feed \$/pig | | 18.21 | 14.64 | 15.67 | 12.62 | 16.44 | 11.30 |
| West Nrsy Feed \$/pig | | 16.97 | 13.30 | 14.91 | 11.91 | 13.42 | 10.76 |
| East Nrsy \$/Pig lb | | 0.36 | 0.39 | 0.31 | 0.30 | 0.32 | 0.30 |
| West Nrsy \$/Pig lb | | 0.33 | 0.35 | 0.30 | 0.28 | 0.26 | 0.28 |
| East Nrsy Feed \$/ton | | 444 | 504 | 367 | 359 | 390 | 390 |
| West Nrsy Feed \$/ton | | 455 | 517 | 376 | 359 | 392 | 389 |
| FINISHER | | | | | | | |
| Number Sold | | 390 | 397 | 376 | 412 | 440 | 435 |
| Weight Sold | | 106,418 | 106,413 | 102,185 | 107,878 | 111,755 | 113,680 |
| Ave Wt Sold | | 272 | 268 | 272 | 262 | 254 | 261 |
| Gilt Death Loss | *3 - 6 | 3.0% | 1.0% | 1.6% | 1.4% | 0.4% | 1.3% |
| Barrow Death Loss | *3 - 6 | 2.5% | 2.0% | 3.5% | 2.0% | 1.8% | 1.9% |
| Gilts Days to Mrkt | *180 - 200 | 198 | 194 | 196 | 189 | 190 | 191 |
| Barrows Days to Mrkt | *180 - 200 | 188 | 183 | 177 | 177 | 177 | 178 |
| Gilt Daily Gain | 1.4 - 1.75* | 1.76 | 1.65 | 1.68 | 1.63 | 1.64 | 1.63 |
| Barrow Daily Gain | 1.4 - 1.75* | 1.85 | 1.83 | 1.87 | 1.80 | 1.79 | 1.78 |
| Gilt Daily Feed | 4.63 - 5.5* | 5.68 | 4.79 | 5.33 | 4.78 | 4.93 | 5.17 |
| Barrow Daily Feed | 4.63 - 5.5* | 5.21 | 5.52 | 5.64 | 5.37 | 5.28 | 5.07 |
| Gilt Feed Efficiency | *2.8 - 3.2 | 3.22 | 2.90 | 3.18 | 2.94 | 3.01 | 3.17 |
| Barrow Feed Efficiency | *2.8 - 3.2 | 2.82 | 3.01 | 3.01 | 2.97 | 2.94 | 2.85 |
| Gilt Feed \$/pig | | 92.15 | 68.74 | 63.82 | 57.30 | 54.86 | 60.83 |
| Barrow Feed \$/pig | | 79.45 | 73.63 | 59.20 | 59.19 | 50.99 | 51.57 |
| Gilt Feed \$/pig lb | | 0.43 | 0.32 | 0.30 | 0.28 | 0.29 | 0.29 |
| Barrow Feed \$/pig lb | | 0.39 | 0.34 | 0.29 | 0.29 | 0.27 | 0.25 |
| Gilt Feed \$/ton | | 257 | 218 | 185 | 189 | 189 | 180 |
| Barrow Feed \$/ton | | 267 | 219 | 187 | 192 | 183 | 172 |
| Com Bushels | | 3523 | 3448 | 3482 | 3429 | 3408 | 3771 |
| Com \$/bu | | 5.63 | 4.25 | 3.52 | 3.50 | 3.18 | 3.31 |
| Soybean Tons | | 17.0 | 16.8 | 16.3 | 16.9 | 17.4 | 16.8 |
| Soybean Meal \$/ton | | 415.56 | 391.47 | 342.20 | 402.69 | 430.15 | 383.20 |

TOM BROWN FEEDYARD

CLOSE OUT PERFORMANCE: 8/19/2011 **TAG:** Yellow **LOT:** 101

OWNERS: Doug Olsen 75%, Randy Brady 25%

CATTLE INFORMATION AS RECEIVED

| | | | |
|----------------------|-----------|----------|-------|
| KIND OF CATTLE | Steer | | |
| DATE FIRST BOUGHT | 4/22/2011 | | |
| NUMBER HEAD RECEIVED | 198 | | |
| PAY WEIGHT IN | 107,170 | PER HEAD | 541.3 |
| BUYER | RB | | |
| SOURCE | | | |

CATTLE INFORMATION AS SHIPPED

| | | | |
|------------------|-----------|----------|--------|
| DATE FINAL SALE | 8/20/2011 | | |
| NUMBER HEAD SOLD | 197 | | |
| PAY WEIGHT OUT | 161,581 | PER HEAD | 820.21 |
| SHRINK WEIGHT | 156,734 | % SHRINK | 3% |
| NUMBER OF DEADS | 1 | PERCENT | 0.51% |
| WEIGHT OF DEADS | 500 | | |

CONSUMPTION AND CONVERSION

| | | | |
|--------------------------|------------|------------------|------------|
| TOTAL POUNDS FED | 536,800 | COST/TON | 143.93 |
| TOTAL DRY POUNDS FED | 340,868 | DM % | 63.5% |
| CONSUMPTION AS FED | 30.6 | DRY BASIS | 19.4 |
| CONVERSION AS FED | 9.8 | DRY BASIS | 6.2 |

PERFORMANCE

| | | | |
|-----------------------|-------------|--------------|-------|
| TOTAL HEAD DAYS | 17534 | AVE DAYS FED | 88.6 |
| WEIGHT GAINED | 54,911 | PER HEAD | 277.3 |
| GAIN/HEAD/DAY | 3.13 | | |
| COST / LB GAIN | 0.88 | | |

COST SUMMARY

| | | | |
|-----------------------|----------|-----------|-------|
| COST OF FEED | 38629.89 | PER HDDAY | 2.20 |
| COST OF YARDAGE | 5260.26 | PER HDDAY | 0.30 |
| COST OF PROCESSING | 4391.68 | PER HEAD | 22.18 |
| COST OF MEDICATION | | PER HEAD | 0.00 |
| TOTAL COST OF FEEDING | 48281.83 | PER HDDAY | 2.75 |

PROFIT OR LOSS SUMMARY

| | | | | |
|-----------------------|--------|------------|----------|----------|
| SALE PRICE / CWT | 163.04 | 255,534.00 | PER HEAD | 1,297.13 |
| TOTAL COST OF FEEDING | | 48,281.83 | PER HEAD | 243.85 |
| PURCHASE PRICE / CWT | 150.75 | 161,559.38 | PER HEAD | 815.96 |
| PROFIT OR LOSS | | 45,692.79 | PER HEAD | 230.77 |
| BREAK EVEN / CWT | | 133.88 | | |