

RECORDKEEPING BASICS

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Why keep farm records?

**Make better
business
decisions**

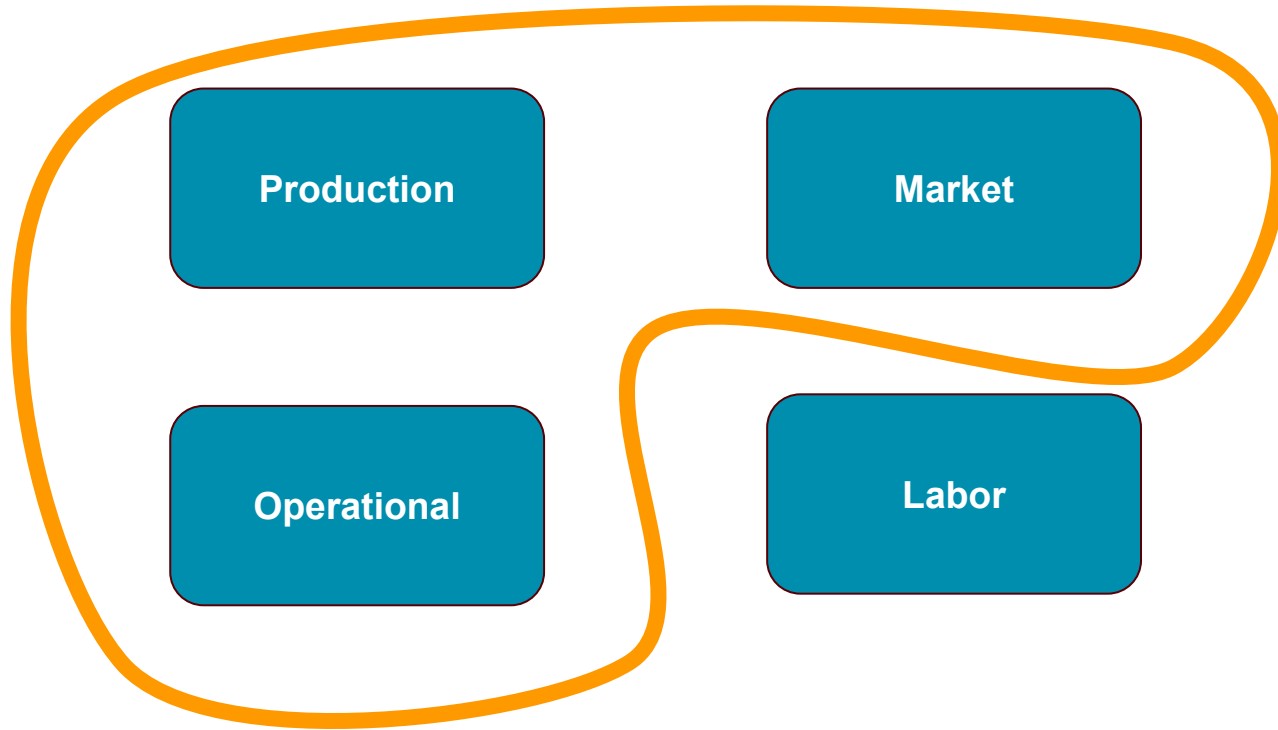
Filing taxes

**Evaluate business
performance**

**Apply for grants,
loans and
insurance**



Types of farm business records



Answer these questions:

- **When**
- **Where**
- **What**
- **How much?**



What records does FSA need?

Example: Non-insured Crop Disaster Assistance Program

- Acreage and production records for a minimum of 4 crop years
- What crops are grown? How much of each? Where?

→ FSA uses this to calculate “approved yield” = the average of the actual production history for the last 4-10 years

More specifically:

Example: Non-insured Crop Disaster Assistance Program

- Name of the crop (example: Lettuce)
- Type and variety (example: Butter lettuce, Boston Bibb)
- Location and acreage of the crop (example: field, sub-field, etc.)
- Share of the crop and the names of other producers with an interest in the crop
- Type of practices used to grow the crop (example: irrigated or non-irrigated, organic, IPM, etc.)
- Date the crop was planted in each field
- Intended use of the commodity (example: fresh, processed, etc.)



Production



House

Fire hydrant



North

Broccoli -
Belstar

Broccoli -
Belstar

Broccoli -
De Cicco

Broccoli -
De Cicco



Front Street

Farm
Shed

Bed 1

Bed 2

Bed 3

Bed 4



UNIVERSITY OF MINNESOTA EXTENSION

Crop Production Recordbook

SPECIALTY CROP TEMPLATE

Year:													
Crop Name:												TOTAL AREA:	0
Crop Variety:													
Fields/Beds:													
Area in production (length x width) Write in units here:											TOTAL AREA:	0	
Date planted:													
MANAGEMENT													
Irrigation	[Yes or no; if yes, list what type and frequency]												
Fertility	[Describe amendments added like compost, Sustane, urea, etc. and what date applied]												
Pest/disease/weed management	[Describe practices here. For example: hand pull weeds, pesticide name and what date applied]												
HARVEST													
Harvest Dates:													
Harvested Variety:													
Harvested Amount: Write Units Here:													
											TOTAL HARVESTED:	0	

Add footer



What records does FSA need?

Example: Non-insured Crop Disaster Assistance Program:

- The natural disaster occurrence date
- Last planting date
- Date of damage or loss of production
- Normal harvest date
- Evidence of production
- Was crop marketable, unmarketable, salvaged or used differently than intended?



Market

Operational



Answer these questions:

- **When** did this income or expense happen? [DATE]
- **Where** did it come from? [COMPANY/BUYER NAME]
- **What** is the sale or expense for? [PRODUCT]
- **How much?** [PRICE]



Let's talk about receipts

ITEM	QTY	SALE/REG	EXT
032076660505	1.00	3.59	3.59
30380	BG/50		
STAPLE NM PLSTC 1/2"B650			
032076660758	1.00	4.99	4.99
30381	BG/50		
STAPLE NM PLSTC 3/4"B650			
032611320000	1.00	9.99	9.99
1605625	EACH		
COBBERT DUSTER 59"L			
071720870006	1.00	1.99	1.99
9207804	EACH		
DOTS ORIGINAL 6 50Z			
020066237912	1.00	39.99	39.99
1534122	EACH		
MOLD KILLING PRIMER 16L			
PAINT RECV FEE	1.00	0.99	0.99
	EACH		
Paint Recv Fee for item 1534122			
032247565233	1.00	13.99	13.99
7104052	EACH	17.99	
MG POTTING MIX SOIL 2CF			
IS318377	1.00	3.00	-3.00
7Z MAR22 RHB ALL			
DP122520	1.00	5.00	-5.00
90164125			NONTAX
BIRTHDAY\$50FFMAR			
SUBTOTAL \$		67.53	
TAX \$		5.57	
TOTAL \$		73.10	
CREDIT CARD		73.10	

Important: Add notes to receipts as soon as you buy the items!

Staples: General Business Expense

Dots Candy: NOT a business expense!

Paint: Capital Construction Project Expense

Potting Mix: Greenhouse Supply Expense

Ledger Entry

3.2.22 ACE Hardware (split)
\$4.99 General Business Expense - Staples
\$39.99 Capital Expense - Paint (new shed)
\$13.99 Greenhouse Supply - Potting Soil

Income and Expenses Recordbook

EXPENSES TEMPLATE

Year:	<i>Tips: Save receipts, 2.Record often, 3. Edit this template to make it work best for you!</i>			
PRODUCTION COSTS				
Description	Date Purchased	Quantity	Vendor	Cost
Seeds				
Plants				
Soil Amendments				
Tools and Materials				
Pest, Weed and Disease Mgmt				
TOTAL PRODUCTION EXPENSES:				0
MARKETING COSTS				
Description	Date Purchased	Quantity	Vendor	Cost
Packing Supplies				
Other supplies				

Income and Expenses Recordbook

INCOME TEMPLATE

Year:	<i>Tips: Quantity units should match harvest records units, 2.Record information after each sale event, 3. Edit this template to make it work best for you!</i>			
MARKET 1				
Market Date	Item Sold	Quantity	Unit price	Gross Income (\$)
[Date Here]				
[Date Here]				
[Date Here]				
[Date Here]				
TOTAL MARKET 1 INCOME:				0
MARKET 2				
Date	Items Sold	Quantity (lbs)	Unit Price	Gross Income (\$)
[Date Here]				
[Date Here]				



Calculate Net Income

Total Income - Total Expenses = Net Income



What are we leaving out?

- **Labor (yours and others)**
- **Taxes**
- **Mortgage payments**
- **Loan payments**
- **Assets**
- **Depreciation value of large equipment**
- **Utilities**
- **Professional services (tax prep, car/motor repairs, etc.)**



Closing thoughts

1. Do what works for you!
 - Paper or digital? Mix of both?
 - Customize your template; refine it each year.
2. Keep records organized
3. Develop a frequent record-keeping habit



More financial management resources

- **Extension web resource:**

<https://extension.umn.edu/business/managing-farm-business>

- **Course:** Urban Farm Business Management

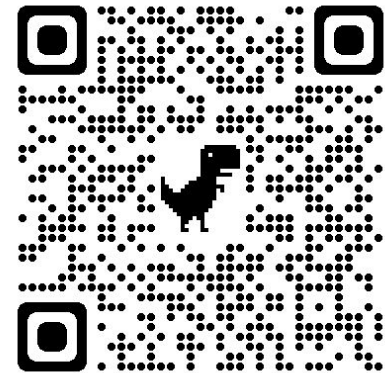
Course, Central Lakes College. Contact: Narayan Dhakal,
narayan.dhakal@clcmn.edu.

www.agcentric.org/urban-agriculture-farm-business-management/

- **A Beginning Farmer Workbook,**

Purdue University Extension. *Free download.* Google:
"Beginning farmer Workbook Purdue"

- **Download templates** Crop Production, Income and Expenses
[z.umn.edu/farm-recordkeeping-templates](https://extension.umn.edu/farm-recordkeeping-templates)



1. [Emergency Relief Program 2022](#), [Noninsured Crop Disaster Assistance Program](#), [Farm Storage Facility Loan](#), and [Farm Ownership Loans](#).

