

Extension Bulletin E-1144, Revised November 1996

FILE COPY  
DO NOT REMOVE

# Farm Records Book For Management

Prepared by Gerald Schwab  
Department of Agricultural Economics

MICHIGAN STATE  
UNIVERSITY  
EXTENSION

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

YEAR \_\_\_\_\_

## YOUR FARM ACCOUNT BOOK

This farm account book has been prepared to help you do a better job of managing your farm. Knowing your farm's financial performance is a necessity in the highly competitive, commercialized business of farming today.

With this record book, you can keep an organized account of cash income and expenses. The column headings correspond to those on the farm income tax form, Schedule 1040-F. The most important use that can be made of this record is to help you analyze your farm business and make needed improvements. Michigan State University Extension can provide other assistance, too. We suggest that you:

1. Keep the income and expense accounts current as the year progresses. Close the book at end of year by summarizing the income and expenses. Take inventory to prepare an end of year net worth statement.
2. Compare the figures for your farm business with those of other farmers. Identify the strengths and weaknesses of your farm business. Your MSU Extension agent can provide you with a Telfarm business analysis report for various types of farms.
3. Maintain the strong points of your farm business and improve or eliminate the weak points.
4. Consult with your Extension management or agricultural agent and/or creditor about ideas or changes you have in mind to improve the business.
5. Use this book when planning your credit needs. Present the facts to your creditor and discuss the plans with him/her.
6. Know the facts about your farm business. This knowledge can help you succeed and at the same time build a strong agriculture.

## INDEX

SECTION	PAGE
I. FARM DESCRIPTION	1
II. FARM EXPENDITURES	
A. Cash Farm Expenses	
1. Instructions	2-3
2. Recording	4-55
3. Summary	56-57
B. Hired Labor Record	
1. Instructions	58
2. Recording	59-57
C. Purchases of Business Property and Depreciation (Cost Recovery)	
1. Instructions	68-69
2. Recording	70-73
D. Loan Transactions	
1. Instructions	74
2. Recording	75-81
III. FARM INCOME	
A. Cash Farm Receipts	
1. Instructions	82-83
2. Recording	84-95
3. Summary	96-97
B. Sales of Business Property	
1. Instructions	98
2. Recording	99-104
IV. CASH FLOW STATEMENT	105
V. SCHEDULE F	106
VI. PERSONAL TAX DEDUCTIONS	107
VII. CROP PRODUCTION	108
VIII. INVENTORY	109
IX. NET WORTH STATEMENT	110-111
X. LABOR AND LIVESTOCK INFORMATION	112

**I. FARM DESCRIPTION**

FARM RECORD FOR YEAR \_\_\_\_\_

FARM NAME \_\_\_\_\_

OPERATOR'S NAME \_\_\_\_\_ SOC. SEC. NO. \_\_\_\_\_ FARM ID NO. \_\_\_\_\_

SPOUSE'S NAME \_\_\_\_\_ SOC. SEC. NO. \_\_\_\_\_

ADDRESS \_\_\_\_\_

**FARM ACREAGE**

Acres owned:

Description	Crop acres	Pasture	Woods	Other	Total
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
<b>Total acres owned:</b>	_____	_____	_____	_____	_____

Acres rented: (your share only)

Land rental arrangement (cash, crop share, etc.)	Crop acres	Pasture	Woods	Other	Total
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
<b>Total acres rented:</b>	_____	_____	_____	_____	_____

II. A.1. CASH FARM EXPENSES							SCHEDULE F PART II ITEMS							
LINE	DATE	PAID TO (VENDOR)	TOTAL AMOUNT	NO. OR HEAD	QUANTITY (e.g. CWT)	FEEDER LIVESTOCK BOUGHT Sch. F Part 1 Line 2	CAR, TRUCK Line 12	CHEMICALS Line 13	CONSERVATION Line 14	CUSTOM HIRE Line 15	EMPLOYEE BENEFITS Line 17	FEED PURCHASED Line 18	FERTILIZER AND LIME Line 19	FREIGHT, TRUCKING Line 20
			1	2	3	4	5	6	7	8	9	10	11	12
1	1-5	Petro Supply	\$820.	900	gal	\$	\$	\$	\$	\$	\$	\$	\$	\$
2	1-16	Milk Assn	874.	193,500	lbs									874.
3	1-20	Equip Inc	3,420.	-	-									
4	1-21	Mineral Mike	1,829.	4.6	ton							1,829.		
5	1-30	Brady Top	8,449.	500	acres									
6	2-6	Vol Assn	25.	-	-									
7	2-15	Aunt Mabel	2,125.	120	acres									
8	3-1	Fert. Coop	4,200.	30	ton K								4,200	
9														
10														
11														
12														
13														
14														
15														

## II. FARM EXPENDITURES

### RECORDING OPERATING EXPENSES (Pages 4-55)

#### INTRODUCTION:

Income tax regulations specify the items which can be included as cash operating expense and reported in Schedule F Part II. Tax-deductible operating expenses are ordinary and necessary costs for purchased inputs and services used for operating a farm for profit. Operating expense items are normally used up within a year of purchase. The cost of capital purchases such as dairy, breeding and work stock, machinery, tile and buildings is recovered through annual depreciation and must be handled separately.

#### INSTRUCTIONS

Columns 1, 2 and 3 are to be used for recording quantities and dollar amounts in journal fashion. The quantities of some items are necessary for business analyses and planning.

This is especially true of purchased feed and feeder livestock. The total of column 1 can be used as a cross-check of the totals of all other columns to guard against posting errors.

Also, it can be used for initial recording during rush periods and the figures posted to the proper itemized column when more time is available. Space is provided on pages 56 and 57 to record monthly totals for each kind of expense.

Column 4 - Record the cost of the purchased feeder livestock which, when sold, will be entered in column 5 of receipts. Since some of these animals may have been purchased in the previous tax year, special care should be taken with the costs recorded here. One way is to keep a separate record of feeder livestock when purchased and then record the cost in this book at the time sold. Where it is difficult to keep the identity of animals straight, it is possible to use a first-in, first-out method of reporting.

Column 5 - The farm business share of automobile expense and truck expense is entered here.

Column 6 - Enter all chemicals used in crop production.

Column 7 - Enter conservation expenses (see the Farmers' Tax Guide) and land clearing expenses.

Column 8 - Record any custom work hired such as combining, silo filling or planting.

Column 9 - Enter employee benefit plans and the amount you put into a retirement plan which qualifies for deduction from taxable income for your employees.

Column 10 - List all feed purchased, including grain, hay and supplement. Commonly included is the cost of grinding and minerals.

Column 11 - Record the cost of fertilizer and lime, as well as the cost of soil testing.

Column 12 - Enter all trucking costs.

II. A. 1

CASH FARM EXPENSES

SCHEDULE F PART II ITEMS

LINE	GAS, OIL, FUEL Line 21	INSURANCE (other than health) Line 22	INTEREST Line 23	MACHINE LEASE Line 25a	RENT OR LEASE Line 26b	REPAIRS, MAINTENANCE Line 27	SEEDS, PLANTS Line 28	STORAGE Line 29	SUPPLIES Line 30	TAXES Line 31	UTILITIES Line 32	VETER., BREEDING, MEDICINE Line 33	OTHER Line 34	EXPLANATION
	13	14	15	16	17	18	19	20	21	22	23	24	25	
1	\$ 820.	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
2														
3						3,420.								
4														
5										8,449				
6														25. Dues-1996
7					3,125.									
8														
9														
10														
11														
12														
13														
14														
15														

Column 13 - Record the cost of gasoline, oil, diesel fuel and other farm fuel.

Columns 14, 22 and 23 - Include only the farm share of these costs. Any reasonable division which can be defended in a tax review is satisfactory. Taxes, insurance and utilities for the personal residence of the taxpayer cannot be included.

Column 16 - All interest paid on farm business debts is a legitimate operating expense and should be kept separate from principal payments and recorded in this column. This includes interest on real estate debt.

Column 18 - Record lease payments for machinery and equipment used on farm.

Column 17 - Cash rents paid for use of land, buildings and facilities.

Column 18 - Record repairs to buildings, tile and fence which do not materially lengthen the useful life. These include paint, minor repairs and upkeep. The same rules apply for machinery repairs. Small tools, which have a short useful life, are also commonly included as an annual cost.

Column 19 - Include all purchases of seeds and plants used for farm production.

Column 20 - Record grain storage costs here.

Column 21 - Schedule F Part II provides a line for supplies. This is for items of a general nature. (For good business analysis, items which can clearly be identified as crop, livestock or machinery should be recorded in those columns.)

Columns 22 and 23 - See column 14.

Column 24 - Combine all items of livestock expenses in this column. Included are veterinary, medicine, breeding fees, milkhouse supplies and registration. The cost of chicks or pullets also goes here.

Column 25 - Can be used as a catch-all for expense items not previously categorized. The last column can be used to identify the expense item in column 25.

II. A. 2.

CASH FARM EXPENSES

							SCHEDULE F PART II ITEMS							
LINE	DATE	PAID TO (VENDOR)	TOTAL AMOUNT	NO. OR HEAD	QUANTITY (e.g. CWT)	FEEDER LIVESTOCK BOUGHT Sch. F Part 1 Line 2	CAR, TRUCK Line 12	CHEMICALS Line 13	CONSERVATION Line 14	CUSTOM HIRE Line 15	EMPLOYEE BENEFITS Line 17	FEED PURCHASED Line 18	FERTILIZER AND LIME Line 19	FREIGHT, TRUCKING Line 20
			1	2	3	4	5	6	7	8	9	10	11	12
1			\$			\$	\$	\$	\$	\$	\$	\$	\$	\$
2														
3														
4														
5														
6														
7														
8														
9														
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														
21														
22														
23														
24														
25														
26														
27														
<b>TOTALS</b>			\$			\$	\$	\$	\$	\$	\$	\$	\$	\$

II. A. 2.

CASH FARM EXPENSES

SCHEDULE F PART II ITEMS

LINE	GAS, OIL, FUEL Line 21	INSURANCE (other than health) Line 22	INTEREST Line 23	MACHINE LEASE Line 26a	RENT OR LEASE Line 26b	REPAIRS, MAINTENANCE Line 27	SEEDS, PLANTS Line 28	STORAGE Line 29	SUPPLIES Line 30	TAXES Line 31	UTILITIES Line 32	VETER. BREEDING, MEDICINE Line 33	OTHER Line 34	EXPLANATION
	13	14	15	16	17	18	19	20	21	22	23	24	25	
1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
2														
3														
4														
5														
6														
7														
8														
9														
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														
21														
22														
23														
24														
25														
26														
27														
Σ	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	TOTALS

II. A. 2.

CASH FARM EXPENSES

							SCHEDULE F PART II ITEMS							
LINE	DATE	PAD TO (VENDOR)	TOTAL AMOUNT	NO. OR HEAD	QUANTITY (e.g. CWT)	FEEDER LIVESTOCK BOUGHT Sch. F Part 1 Line 2	CAR, TRUCK Line 12	CHEMICALS Line 13	CONSERVATION Line 14	CUSTOM HIRE Line 15	EMPLOYEE BENEFITS Line 17	FEED PURCHASED Line 18	FERTILIZER AND LIME Line 19	FREIGHT, TRUCKING Line 20
			1	2	3	4	5	6	7	8	9	10	11	12
1			\$			\$	\$	\$	\$	\$	\$	\$	\$	\$
2														
3														
4														
5														
6														
7														
8														
9														
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														
21														
22														
23														
24														
25														
26														
27														
TOTALS			\$			\$	\$	\$	\$	\$	\$	\$	\$	\$



II. A. 2.

CASH FARM EXPENSES

SCHEDULE F PART II ITEMS

LINE	GAS, OIL, FUEL Line 21	INSURANCE (other than health) Line 22	INTEREST Line 23	MACHINE LEASE Line 26a	RENT OR LEASE Line 26b	REPAIRS, MAINTENANCE Line 27	SEEDS, PLANTS Line 28	STORAGE Line 29	SUPPLIES Line 30	TAXES Line 31	UTILITIES Line 32	VETER. BREEDING, MEDICINE Line 33	OTHER Line 34	EXPLANATION
	13	14	15	16	17	18	19	20	21	22	23	24	25	
1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
2														
3														
4														
5														
6														
7														
8														
9														
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														
21														
22														
23														
24														
25														
26														
27														
Σ	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	TOTALS

II. A.3.

ANNUAL SUMMARY OF FARM EXPENSES

						SCHEDULE F PART II ITEMS							
LINE	MONTH	TOTAL AMOUNT	NO. OR HEAD	QUANTITY	FEEDER LIVESTOCK BOUGHT Sch. F Part 1 Line 2	CAR TRUCK Line 12	CHEMICALS Line 13	CONSERVATION Line 14	CUSTOM HIRE Line 15	EMPLOYEE BENEFIT Line 17	FEED PURCHASED Line 18	FERTILIZER AND LIME Line 19	FREIGHT TRUCKING Line 20
		1	2	3	4	5	6	7	8	9	10	11	12
1	JANUARY	\$			\$	\$	\$	\$	\$	\$	\$	\$	\$
2	FEBRUARY												
3	MARCH												
4	APRIL												
5	MAY												
6	JUNE												
7	JULY												
8	AUGUST												
9	SEPTEMBER												
10	OCTOBER												
11	NOVEMBER												
12	11 MONTHS TOTALS for income tax management												
13	DECEMBER	\$			\$	\$	\$	\$	\$	\$	\$	\$	\$
14	TOTAL FOR YEAR	\$			\$	\$	\$	\$	\$	\$	\$	\$	\$

II. A.3.

ANNUAL SUMMARY OF FARM EXPENSES

SCHEDULE F PART II ITEMS

LINE	GAS, OIL, FUEL Line 21	INSURANCE (other than health) Line 22	INTEREST Line 23	MACHINE LEASE Line 26a	LAND RENT Line 26b	REPAIRS, MAINTENANCE Line 27	SEEDS, PLANTS Line 28	STORAGE Line 29	SUPPLIES Line 30	TAXES Line 31	UTILITIES Line 32	VETER., BREEDING, MEDICINE Line 33	OTHER Line 34
	13	14	15	16	17	18	19	20	21	22	23	24	25
1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

II. B.1.

HIRED LABOR RECORD

NAME: <i>Hans Arbeiter</i>	DATE HIRED: <i>1-1-96</i>
ADDRESS: <i>101 Pleasant Drive; Midtown, Mi 48824</i>	
SOCIAL SECURITY NUMBER: <i>343-21-1198</i>	RATE OF PAY: <i>\$400/wk</i>

						(WITHHOLDING)					
DATE PAID	PERIOD COVERED	HRS.	GROSS EARNINGS 1	EMPLOYEE CONTRIBUTION (FSA, retirement) 2	TAXABLE EARNINGS 3 = 1-2	FEDERAL TAXES 4	FICA (Social Security & MEDICARE) DEDUCTED 5	STATE TAXES 6	NET AMT. PAID 7 = 3 - (4+5+6)		
<i>1-28</i>	<i>1-1 to 1-28</i>	<i>160</i>	<i>1,600<sup>00</sup></i>	<i>—</i>	<i>1,600<sup>00</sup></i>	<i>184<sup>00</sup></i>	<i>122<sup>40</sup></i>	<i>61<sup>95</sup></i>	<i>1,231</i>	<i>65</i>	
TOTALS			\$	\$	\$	\$	\$	\$	\$	\$	

**INSTRUCTIONS:**

Hired labor and management can be a major cost item for today's farms. The entire amount of reasonable wages (salary) paid before withholding is a tax-deductible expense for the employer. Because of the importance and the number of data entries associated with hiring employees, a separate recording location distinct and separate from the other cash farm expenses is provided. The form is designed to have a separate page for each employee.

Column 1 is used to reflect the gross dollar amount of the wage (salary) for the specified time period.

Column 2 can be used to recognize the elective decision by the employee to contribute part of his/her before-tax wages to his/her retirement and flexible spending agreements (FSA) for child care, health care and other provisions allowed by the IRS.

Column 3 is the taxable earnings to the employee, which may or may not be different from gross wages, depending on the elective decisions recognized in column 2.

Column 4 is used to recognize the withholding for federal income tax.

Column 5 is used to record the withholding for the Federal Insurance Contributions Act (FICA); i.e. Social Security and Medicare.

Column 6 is used to record the withholding for state income tax.

Column 7 represents the net amount received by the employee. This amount reflects the deductions due to his/her elective contributions plus the mandated withholding for income tax and FICA.

II. B.2.

HIRE LABOR RECORD

NAME:										DATE HIRED:																			
ADDRESS:																													
SOCIAL SECURITY NUMBER:										RATE OF PAY:																			
										(WITHHOLDING)																			
DATE PAID		PERIOD COVERED		HRS.		GROSS EARNINGS 1		EMPLOYEE CONTRIBUTION (FSA, retirement) 2		TAXABLE EARNINGS 3 = 1 - 2		FEDERAL TAXES 4		FICA (Social Security & MEDICARE) DEDUCTED 5		STATE TAXES 6		NET AMT. PAID 7 = 3 - (4+5+6)											
TOTALS																													

HIRED LABOR RECORD

NAME:										DATE HIRED:				
ADDRESS:														
SOCIAL SECURITY NUMBER:								RATE OF PAY:						
						<b>(WITHHOLDING)</b>								
DATE PAID	PERIOD COVERED	HRS.	GROSS EARNINGS 1		EMPLOYEE CONTRIBUTION (FSA, retirement) 2		TAXABLE EARNINGS 3 = 1-2		FEDERAL TAXES 4	FICA (Social Security & MEDICARE) DEDUCTED 5		STATE TAXES 6	NET AMT. PAID 7 = 3 - (4+5+6)	
TOTALS														

## II. C.1.

**PURCHASES OF BUSINESS PROPERTY**  
**(BREEDING LIVESTOCK, MACHINERY & EQUIPMENT, BUILDINGS & IMPROVEMENTS)**  
 Non-operating Expenditures

Line	Date purchased 1	Description 2	Cash paid 3	Undepreciated value of trade-in 4	Original cost basis 5 = 3 + 4	Sec. 179 deduction 6	Cost basis for depreciation 7 = 5 - 6
1	3-1-96	Planter	\$22,200. <sup>00</sup>	\$3,800. <sup>00</sup>	\$26,000. <sup>00</sup>	\$6,000. <sup>00</sup>	\$20,000. <sup>00</sup>
2	4-15-96	8 Bred Heifers	9,600. <sup>00</sup>	—	9,600. <sup>00</sup>	—	9,600. <sup>00</sup>

## II. C.1.

**DEPRECIATION (COST RECOVERY)**

Line	DEPR. METHOD (Check one column)		CONVENTION (Check one column)		RECOVERY % 12	DEPR. IN FIRST YEAR 13	REMAINING COST BASIS END OF YEAR 14 = 7 - 13
	MACRS 150% D.B. 8	ST. LINE 9	HALF-YEAR 10	MID-QUARTER 11			
1	✓		✓		10.71	\$2,142. <sup>00</sup>	\$17,858. <sup>00</sup>
2	✓		✓		15.0	1,440. <sup>00</sup>	8,160. <sup>00</sup>

## INSTRUCTIONS:

**Recording Purchases of Business Property**  
(Non-operating Expenditures)

**Livestock:** Record purchases of dairy, breeding and working livestock which are held and used in the farm business for production of income.

**Machinery and equipment:** Record the purchase of any new or used machinery or equipment that is ready and available for use on the farm.

**Buildings and improvements:** Record the cost of buildings and permanent improvements that were purchased and used in the farm business for production of income. Drainage tile, fences and improvements that have a determinable useful life longer than one year should be included here, not as a cash farm expense.

**Original cost basis (column 5)** is defined as the cash paid, including any fees and charges associated with the purchase plus the undepreciated book value of any like item traded in.

**Section 179 deduction (column 6)** is an elective decision to expense out or deduct in the year of purchase all or part of the cost of qualifying property. The dollar amount of the Sec. 179 reduces the remaining cost basis of the property for depreciation cost recovery purposes.

**Depreciation (cost recovery) provisions** allow for an annual expense for purchased property that has a useful life of more than one year. The annual depreciation expense is determined by the cost basis for depreciation (column 7), the cost recovery method chosen (column 8 or 9) and the recovery period in years (see Table I-1). The most common cost recovery alternatives are the Modified Accelerated Cost Recovery System (MACRS) 150% declining balance (see Table I-2) and the straight-line. The convention chosen (column 10 or 11) affects the cost recovery amount that can be deducted in year 1. Consult the current year's Farmers' Tax Guide, Publication 225, for an update and additional details on cost recovery provisions.

Table I - 1. Farm property recovery periods.

ASSETS	RECOVERY PERIOD IN YEARS FOR:	
	GDS	ADS
Agricultural structures (single purpose) .....	10	15
Airplanes (including helicopters) <sup>1</sup> .....	5	6
Automobiles .....	5	5
Calculators and copiers .....	5	6
Cattle (dairy or breeding) .....	5	7
Communication equipment <sup>2</sup> .....	7	10
Computers and peripheral equipment .....	5	5
Cotton ginning assets .....	7	12
Drainage facilities .....	15	20
Farm buildings <sup>3</sup> .....	20	25
Farm machinery and equipment .....	7	10
Fences (agricultural) .....	7	10
Goats and sheep (breeding) .....	5	5
Grain bin .....	7	10
Hogs (breeding) .....	3	3
Horses (age when placed in service)		
Breeding & working (12 yrs. or less) .....	7	10
Breeding & working (more than 12 yrs.) .....	3	10
Racing horses (more than 2 yrs.) .....	3	12
Horticultural structures (single purpose) .....	10	15
Logging machinery and equipment <sup>4</sup> .....	5	6
Non-residential real property .....	39 <sup>5</sup>	40
Office equipment (not calculators, copiers or typewriters) .....	7	10
Office furniture or fixtures .....	7	10
Residential rental property .....	27.5	40
Tractor units (over-the-road) .....	3	4
Trees or vines bearing fruit or nuts .....	10	20
Truck (heavy duty, unloaded weight 13,000 lbs. or more) .....	5	6
Truck (weight less than 13,000 lbs.) .....	5	5
Typewriter .....	5	6

<sup>1</sup>Not including airplanes used in commercial or contract carrying of passengers.

<sup>2</sup>Not including communication equipment listed in other classes.

<sup>3</sup>Not including single purpose agricultural or horticultural structures.

<sup>4</sup>Used by logging and sawmill operators for cutting of timber.

<sup>5</sup>For property placed in service after May 12, 1993; for property placed in service before May 13, 1993, the recovery period is 31.5 years.

Table I -2. 150% declining balance (D.B.) method

Year	3-Year	5-Year	7-Year	20-Year
1	25.0%	15.0%	10.71%	3.75%
2	37.5	25.5	19.13	7.219
3	25.0	17.85	15.03	6.677
4	12.5	16.66	12.25	6.177
5		16.66	12.25	5.713
6		8.33	12.25	5.285
7			12.25	4.888
8			6.13	4.522



II. C.2.

**PURCHASES OF BUSINESS PROPERTY**  
**(BREEDING LIVESTOCK, MACHINERY & EQUIPMENT, BUILDINGS & IMPROVEMENTS)**  
**Non-operating Expenditures**

LINE	DATE PURCHASED 1	DESCRIPTION 2	CASH PAID 3	UNDEPRECIATED VALUE OF TRADE-IN 4	ORIGINAL COST BASIS 5 = 3 + 4	SEC. 179 DEDUCTION 6	COST BASIS FOR DEPRECIATION 7 = 5 - 6
1			\$	\$	\$	\$	\$
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22	<b>TOTALS</b>		\$	\$	\$	\$	\$

Line	DEPR. METHOD (Check one column)		CONVENTION (Check one column)		RECOVERY % 12	DEPR. IN FIRST YEAR 13	REMAINING COST BASIS END OF YEAR 14 = 7 -13
	MACRS 150% D.B. 8	ST.LINE 9	HALF-YEAR 10	MID-QUARTER 11			
1						\$	\$
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22	<b>TOTALS</b>					\$	\$

**(BREEDING LIVESTOCK, MACHINERY & EQUIPMENT, BUILDINGS & IMPROVEMENTS)**  
**Non-operating Expenditures**

<b>L I N E</b>	<b>DATE PURCHASED 1</b>	<b>DESCRIPTION 2</b>	<b>CASH PAID 3</b>	<b>UNDEPRECIATED VALUE OF TRADE-IN 4</b>	<b>ORIGINAL COST BASIS 5 = 3 + 4</b>	<b>SEC. 179 DEDUCTION 6</b>	<b>COST BASIS FOR DEPRECIATION 7 = 5 - 6</b>
1			\$	\$	\$	\$	\$
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
<b>22</b>	<b>TOTALS</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

Line	DEPR. METHOD (Check one column)		CONVENTION (Check one column)		RECOVERY % 12	DEPR. IN FIRST YEAR 13	REMAINING COST BASIS END OF YEAR 14 = 7 - 13
	MACRS 150% D.B. 8	ST.LINE 9	HALF-YEAR 10	MID-QUARTER 11			
1						\$	\$
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22	<b>TOTALS</b>					\$	\$

II. D. 1.

LOAN TRANSACTIONS

DATE	CREDITOR	BEGINNING PRINCIPAL OWED 1	ADDITIONAL BORROWING 2	PAYMENTS			ENDING PRINCIPAL OWED 6 = 1 + 2 - 4
				TOTAL PAYMENT 3 = 4 + 5	PRINCIPAL PAYMENT 4	INTEREST PAYMENT 5	
6-15	Farm Bank	\$ 100,000. <sup>00</sup>	\$ —	\$ 5,827. <sup>00</sup>	\$ 827. <sup>00</sup>	\$ 5,000. <sup>00</sup>	\$ 99,172. <sup>20</sup>
12-15	Farm Bank	99,172. <sup>20</sup>	10,000. <sup>00</sup>	6,362. <sup>00</sup>	1,403. <sup>32</sup>	4,958. <sup>61</sup>	107,768. <sup>01</sup>
7-1	Short Line Mack	22,200. <sup>00</sup>	—	1,492. <sup>00</sup>	826. <sup>00</sup>	666. <sup>00</sup>	21,374. <sup>00</sup>
10-1	Short Line Mack	21,374. <sup>00</sup>	—	1,492. <sup>00</sup>	850. <sup>78</sup>	641. <sup>22</sup>	20,523. <sup>22</sup>

LOAN TRANSACTIONS

INSTRUCTIONS:

Making payments on farm debt obligations is a cash expenditure. A debt service payment most often consists of both a debt reduction (the principal payment) and an interest expense. The principal portion of the debt service payment is an expenditure of funds but is not a tax-deductible expense. The interest portion of the debt service payment is a tax-deductible expense. For these important distinctions, it is necessary that farm records provide an accurate accounting of these expenditures.

This loan transaction form provides space to keep track of debt service payment to each creditor. After specifying the creditor and date of transaction:

Column 1 is used to record the beginning principal owed.

Column 2 can be used to recognize an additional borrowing from this credit source.

Column 3 is used to record the total debt service payment.

Column 4 represents the principal portion of the debt service payment.

Column 5 is the interest portion of the debt service payment. Interest totals from this section can be carried to the "Annual Summary of Farm Expenses," Column 15 and/or entered on Schedule F, line 23a for mortgage interest and line 23b for other interest on farm business debt.

Column 6 provides the opportunity to determine the ending principal balance owed. This amount will eventually need to be reconciled with the statement provided by your creditor.

II. D. 2.

LOAN TRANSACTIONS

DATE	CREDITOR	BEGINNING PRINCIPAL OWED 1	ADDITIONAL BORROWING 2	PAYMENTS			ENDING PRINCIPAL OWED 6 = 1 + 2 - 4
				TOTAL PAYMENT 3 = 4 + 5	PRINCIPAL PAYMENT 4	INTEREST PAYMENT 5	
		\$	\$	\$	\$	\$	\$
<b>TOTALS</b>		-	\$	\$	\$	\$	-

## III. A. 1

## CASH FARM RECEIPTS

L I N E	DATE	ITEM DESCRIPTION	BUYER	TOTAL AMOUNT	NO. OR HEAD	QUANTITY (e.g., CWT, BU)	SCHEDULE F PART I (Write in column headings for your business)					
							RAISED LIVESTOCK SOLD (NOT BREEDING STOCK)	PURCHASED FEEDER LIVESTOCK SOLD	MILK	SOYS	WHEAT	
				1	2	3	4	5	6	7	8	9
1	1-16	Milk	Co-op	\$ 27,335. <sup>00</sup>	19,3500	Lbs.	\$	\$	\$ 27,335. <sup>00</sup>	\$	\$	\$
2	1-20	Calves	Dealer	90. <sup>00</sup>	3	head	90. <sup>00</sup>					
3	1-25	Soybeans	Grow Inc	3,250. <sup>00</sup>	500	bushel				3,250. <sup>00</sup>		
4	2-1	97C Corn	USDA	13,640. <sup>00</sup>	620	acres						
5	2-3	Meeting	Brady	40. <sup>00</sup>	—	—						
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												

## RECORDING FARM INCOME

## INSTRUCTIONS:

Farm income can be placed into two categories—ordinary income and capital gains. Ordinary income originates from sales of products produced and services rendered. Examples of ordinary income are grain sales, livestock products such as milk, and feeder or market livestock sold. Capital gains income is generated from the sale of capital assets; e.g., breeding livestock, machinery and real estate. This income, commonly referred to as Form 4797 items, does not affect Social Security qualification and must be kept separate from ordinary income items.

Ordinary income items are reported for income tax purposes on Schedule F and will be discussed first in this farm income section.

Columns 1, 2 and 3 are to be used for recording quantities and dollar amounts in journal fashion. The quantities are necessary for business analysis and planning. The total of column 1 can be used as a cross-check of the totals of all other columns to guard against posting errors. Also, it can be used for initial recording during rush periods and the figures posted to the proper itemized column when more time is available. Space is provided on pages 96 and 97 to record monthly totals of quantities and dollars for each kind of income.

Many items of income are erroneously reported on Schedule F which should be reported on a Schedule B, C or D and totaled on the individual's Form 1040.

For a more complete discussion, get a copy of the "Farmers' Tax Guide" from your county agricultural agent or the Internal Revenue Service.

## OPERATING INCOME

## 1. SCHEDULE F PART I

Column 4 is for the income from raised market livestock which do not qualify for capital gain treatment. Included are raised slaughter livestock (cattle, hogs and lambs).

Column 5 is for the sale of feeder livestock that was purchased to be fed out and resold.

Columns 6 - 12 are for income from the sale of crops and livestock products. Be sure to place headings in the same order on each page to avoid confusion.

III. A. 1.

CASH FARM RECEIPTS

SCHEDULE F PART I (Write in column headings for your business)

L I N E	CCC LOANS AS INCOME	CROP INSURANCE PROCEEDS	PATRONAGE DIVIDENDS AND REFUNDS	AGRL PROGRAM PAYMENTS	CUSTOM MACHINE WORK	FOREST PRODUCTS	OTHER	EXPLANATION			
	10	11	12	13	14	15	16	17	18	19	20
1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
2											
3											
4							13,640.				
5										40.	Planning 7/09
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											

Column 13 is for Commodity Credit Corporation grain loans that are claimed as income when received.

Column 14 is for crop insurance indemnity payments received. If on cash method of accounting, you may elect to report crop insurance payments in the year following indemnity payment if the damaged crops would normally be converted to income in that year.

Column 15 is for patronage dividends and refunds which result from the operation of the business.

Column 16 is for government payments for production flexibility contracts and agricultural conservation practices, e.g., SP53.

Column 17 is for custom income received.

Column 18 has been provided for the sale of maple products, Christmas trees, pulpwood and timber. Under special conditions, timber can be a Form 4797 item. See the Farmers' Tax Guide for details.

Column 19 is for any other miscellaneous income not reported elsewhere.



III. A. 2

CASH FARM RECEIPTS

SCHEDULE F PART I (Write in column headings for your business)

L I N E	DATE	ITEM DESCRIPTION	BUYER	TOTAL	NO. OR	QUANTITY	RAISED LIVESTOCK	PURCHASED FEEDER				
				AMOUNT	HEAD	(e.g., CWT, BU)	SOLD (not breeding stock)	LIVESTOCK SOLD	1	2	3	4
				1	2	3	4	5	6	7	8	9
1				\$			\$	\$	\$	\$	\$	\$
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
TOTALS												

III. A. 2.

CASH FARM RECEIPTS

SCHEDULE F PART I (Write in column headings for your business)

L I N E	SCHEDULE F PART I (Write in column headings for your business)										
				OCC LOANS AS INCOME	CROP INSURANCE PROCEEDS	PATRONAGE DIVIDENDS AND REFUNDS	AGRI PROGRAM PAYMENTS	CUSTOM MACHINE WORK	FOREST PRODUCTS	OTHER	EXPLANATION
	10	11	12	13	14	15	16	17	18	19	20
1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
<b>TOTALS</b>											

III. A.3.

ANNUAL SUMMARY OF FARM INCOME

SCHEDULE F PART I

LINE	MONTH	TOTAL	RAISED	PURCHASED				
		AMOUNT	LIVESTOCK	FEEDER				
		1	SOLD (not breeding stock)	LIVESTOCK	6	7	8	9
				SOLD				
1	JANUARY	\$	\$	\$	\$	\$	\$	\$
2	FEBRUARY							
3	MARCH							
4	APRIL							
5	MAY							
6	JUNE							
7	JULY							
8	AUGUST							
9	SEPTEMBER							
10	OCTOBER							
11	NOVEMBER							
12	11 MONTHS TOTALS for income tax management							
13	DECEMBER							
14	TOTAL FOR YEAR							

III. A.3.

ANNUAL SUMMARY OF FARM INCOME

SCHEDULE F PART I

			CCC LOANS AS INCOME	CROP INSURANCE PROCEEDS	PATRONAGE DIVIDENDS & REFUNDS	AGR'L PROGRAM PAYMENTS	CUSTOM MACHINE WORK	FOREST PRODUCTS	OTHER
10	11	12	13	14	15	16	17	18	19
	\$		\$	\$	\$	\$	\$	\$	

III. B.1.

**SALES OF BUSINESS PROPERTY  
(BREEDING LIVESTOCK, MACHINERY & EQUIPMENT, BUILDINGS & IMPROVEMENTS)**

LINE	DATE SOLD 1	DESCRIPTION 2	DATE ACQUIRED 3	SALES PRICE 4	ORIGINAL COST BASIS <sup>1</sup> 5	COST RECOVERY FROM DEPRECIATION & SEC. 179 6	TOTAL GAIN 7=(4-5+6)
1	3-15-96	Drill	4-1-1986	\$ 2,500. <sup>00</sup>	\$ 12,000. <sup>00</sup>	\$ 12,000. <sup>00</sup>	\$ 2,500. <sup>00</sup>
2	4-16-96	5 sows	3-20-1995	600. <sup>00</sup>	1,500. <sup>00</sup>	375. <sup>00</sup>	- 525. <sup>00</sup>
3	7-1-96	2 Cows-raised	1991 birth yr	960. <sup>00</sup>	—	—	960. <sup>00</sup>
4							
5							
6							
7							
8							
9							

**INSTRUCTIONS:**

**Reporting Sales of Business Property**

Income generated from the sale of capital assets such as breeding livestock, machinery and real estate is treated differently from ordinary income. Because capital gains income is reported for income tax purposes on IRS Form 4797 and is not earned income for self-employment Social Security purposes, it is wise to record separately this income in your farm account book.

Columns 1, 2 and 3 are used to identify the capital asset sold and the relevant dates of purchase and sale.

Column 4 is used to record the sales price.

Column 5 is for the original cost basis of the capital asset sold. This amount will be subtracted from the sales price in determining capital gains.

Column 6 is used to recognize the depreciation cost recovery claimed on the capital asset during the time of ownership and use by the farm business. This amount must be added back in when determining total capital gains (Column 7). For income tax purposes, capital gains up to the amount of depreciation cost recovery (Column 6) are categorized as an ordinary gain and are fully taxable. Remaining capital gains over the ordinary gain may be taxed at a lower rate than the ordinary gains.

III. B.2.

**SALES OF BUSINESS PROPERTY  
(BREEDING LIVESTOCK, MACHINERY & EQUIPMENT, BUILDINGS & IMPROVEMENTS)**

<b>L I N E</b>	<b>DATE SOLD 1</b>	<b>DESCRIPTION 2</b>	<b>DATE ACQUIRED 3</b>	<b>SALES PRICE 4</b>	<b>ORIGINAL COST BASIS<sup>1</sup> 5</b>	<b>COST RECOVERY FROM DEPRECIATION &amp; SEC. 179 6</b>	<b>TOTAL GAIN 7=(4 - 5 + 6)</b>
1				\$	\$	\$	\$
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
<b>TOTALS</b>			-	\$	\$	\$	\$

<sup>1</sup> Cost basis for raised breeding livestock is zero if production costs are expense items on Schedule F.

III. B.2.

**SALES OF BUSINESS PROPERTY  
(BREEDING LIVESTOCK, MACHINERY & EQUIPMENT, BUILDINGS & IMPROVEMENTS)**

L I N E	DATE SOLD 1	DESCRIPTION 2	DATE ACQUIRED 3	SALES PRICE 4	ORIGINAL COST BASIS <sup>1</sup> 5	COST RECOVERY FROM DEPRECIATION & SEC. 179 6	TOTAL GAIN 7=(4 - 5 + 6)
1				\$	\$	\$	\$
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
<b>TOTALS</b>			-	\$	\$	\$	\$

<sup>1</sup> Cost basis for raised breeding livestock is zero if production costs are expense items on Schedule F.

## IV.

CASH FLOW CHART  
(By 3-month time periods)

OPERATING INCOME	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year
Crops					
Livestock					
Livestock products					
Government payments					
1. Total operating income					
<b>CAPITAL SALES</b>					
Livestock (cull, breeding)					
Machinery					
2. Total capital sales					
<b>NON-FARM INCOME</b>					
Wages					
3. Total non-farm income					
<b>OPERATING EXPENSES</b>					
11. Feeder livestock purchases					
12. Car, truck					
13. Chemicals					
14. Conservation					
15. Custom hire					
17. Employee benefits					
18. Feed purchased					
19. Fertilizer and lime					
20. Freight, trucking					
21. Gas, oil, fuel					
22. Insurance					
23. Interest					
24. Labor hired					
25. Pension plans					
26. Rent					
27. Repairs, maintenance					
28. Seeds, plants					
29. Storage					
30. Supplies					
31. Taxes					
32. Utilities					
33. Veterinary, breeding, medicine					
34. Total operating expenses					
<b>CAPITAL EXPENDITURES</b>					
40. Livestock (dairy, breeding)					
41. Machinery					
42.					
43. Total capital expenditures					
<b>OTHER EXPENDITURES</b>					
50. Family & non-farm business					
60. Prior year's debt—principal payment					
61. Prior year's debt—interest payment					
<b>CASH FLOW SUMMARY</b>					
70. Beginning bank balance					
71. Total income (1+2+3)					
72. Total expenditures (34+43+50+6+61)					
73. Cash difference (70+71-72)					
74. Borrowing necessary					
75. Current year's debt—principal payment					
76. Current year's debt—interest payment					
77. Ending bank balance (73+74-75-76)					



V.  
**SCHEDULE F**  
 (Form 1040)

**Profit or Loss From Farming**

OMB No. 1545-0074

19

Attachment  
 Sequence No. 14

Department of the Treasury  
 Internal Revenue Service (M)

▶ Attach to Form 1040, Form 1041, or Form 1065.

▶ See instructions for Schedule F (Form 1040).

Name of proprietor \_\_\_\_\_ Social security number (SSN) \_\_\_\_\_

A Principal product. Describe in one or two words your principal crop or activity for the current tax year. \_\_\_\_\_ B Enter principal agricultural activity code (from page 2) ▶ \_\_\_\_\_

C Accounting method: (1)  Cash (2)  Accrual \_\_\_\_\_ D Employer ID number (EIN), if any \_\_\_\_\_

E Did you "materially participate" in the operation of this business during 19\_\_? If "No," see page F-2 for limit on passive losses.  Yes  No

**Part I Farm Income—Cash Method. Complete Parts I and II (Accrual method taxpayers complete Parts II and III, and line 11 of Part I.)**  
 Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797.

1	Sales of livestock and other items you bought for resale . . . . .	1			
2	Cost or other basis of livestock and other items reported on line 1 . . . . .	2			
3	Subtract line 2 from line 1 . . . . .			3	
4	Sales of livestock, produce, grains, and other products you raised . . . . .			4	
5a	Total cooperative distributions (Form(s) 1099-PATR) . . . . .	5a		5b Taxable amount	5b
6a	Agricultural program payments (see page F-2) . . . . .	6a		6b Taxable amount	6b
7	Commodity Credit Corporation (CCC) loans (see page F-2):				
a	CCC loans reported under election . . . . .			7a	
b	CCC loans forfeited or repaid with certificates . . . . .	7b		7c Taxable amount	7c
8	Crop insurance proceeds and certain disaster payments (see page F-2):				
a	Amount received in current year . . . . .	8a		8b Taxable amount	8b
c	If election to defer to 19__ is attached, check here ▶ <input type="checkbox"/> . . . . .			8d	
	8d Amount deferred from 19__ . . . . .				
9	Custom hire (machine work) income . . . . .			9	
10	Other income, including Federal and state gasoline or fuel tax credit or refund (see page F-3) . . . . .			10	
11	Gross income. Add amounts in the right column for lines 3 through 10. If accrual method taxpayer, enter the amount from page 2, line 51. . . . .			11	

**Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses such as taxes, insurance, repairs, etc., on your home.**

12	Car and truck expenses (see page F-3—also attach Form 4562) . . . . .	12		25	Pension and profit-sharing plans . . . . .	25
13	Chemicals . . . . .	13		26	Rent or lease (see page F-4):	
14	Conservation expenses. Attach Form 8645. . . . .	14		a	Vehicles, machinery, and equipment . . . . .	26a
15	Custom hire (machine work) . . . . .	15		b	Other (land, animals, etc.) . . . . .	26b
16	Depreciation and section 179 expense deduction not claimed elsewhere (see page F-4) . . . . .	16		27	Repairs and maintenance . . . . .	27
17	Employee benefit programs other than on line 25 . . . . .	17		28	Seeds and plants purchased . . . . .	28
18	Feed purchased . . . . .	18		29	Storage and warehousing . . . . .	29
19	Fertilizers and lime . . . . .	19		30	Supplies purchased . . . . .	30
20	Freight and trucking . . . . .	20		31	Taxes . . . . .	31
21	Gasoline, fuel, and oil . . . . .	21		32	Utilities . . . . .	32
22	Insurance (other than health) . . . . .	22		33	Veterinary, breeding, and medicine . . . . .	33
23	Interest:			34	Other expenses (specify):	
a	Mortgage (paid to banks, etc.) . . . . .	23a		a	.....	34a
b	Other . . . . .	23b		b	.....	34b
24	Labor hired (less employment credits) . . . . .	24		c	.....	34c
				d	.....	34d
				e	.....	34e
				f	.....	34f

35 Total expenses. Add lines 12 through 34f . . . . . ▶ 35

36 Net farm profit or (loss). Subtract line 35 from line 11. If a profit, enter on Form 1040, line 18, and ALSO on Schedule SE, line 1. If a loss, you MUST go on to line 37 (estates, trusts, and partnerships, see page F-5) . . . . . 36

37 If you have a loss, you MUST check the box that describes your investment in this activity (see page F-5). If you checked 37a, enter the loss on Form 1040, line 18, and ALSO on Schedule SE, line 1. If you checked 37b, you MUST attach Form 8198. } 37a  All investment is at risk. 37b  Some investment is not at risk.

VI. PERSONAL INCOME TAX DEDUCTIONS

DATE	ITEM	TOTAL AMOUNT
------	------	--------------

Contributions:

	Church	\$	
	Other		

Taxes (personal share):

	Residence		
	State income		

Interest (personal share):

	Home		

DATE	ITEM	TOTAL AMOUNT
------	------	--------------

Medical

	Medical insurance	\$	
	Doctors (list)		
	Hospital		
	Medicine and drugs		

Misc. deductions:


VII.

CROP PRODUCTION

CROP GROWN	ACRES		YIELD		UNIT	TOTAL PRODUCTION		
	OWNED	RENTED	OWNED	RENTED		OWNED	RENTED	
							OPERATOR SHARE	LANDLORD SHARE
1	2	3	4	5	6	7	8	9
Corn for grain					Bu.			
Corn for silage					Ton			
Barley					Bu.			
Dry hay & hay silage (10% M dry hay equivalents)					Tons hay equivalent			
Pasture from fields from which a cutting of hay has been taken					Tons hay equivalent			
Pasture—do not include hay fields					Tons hay equivalent			
Oats					Bu.			
Dry edible beans					Cwt.			
Great Northern beans					Cwt.			
Cranberry beans					Cwt.			
Light red kidney beans					Cwt.			
Navy beans					Cwt.			
Potatoes					Cwt.			
Soybeans					Bu.			
Sugar beets					Ton			
Wheat					Bu.			
Apples—bearing					Bu.			
Apples—non-bearing								
Tart cherries—bearing					Lb.			
Tart cherries—non-bearing								
Non-government idle tillable acres								
TOTAL TILLABLE ACRES								
Woodland—not pastured								
Non-tillable plus roads and buildings								
TOTAL FARM ACRES								

VIII.

INVENTORY OF LIVESTOCK, FEED, CROPS AND SUPPLIES

DESCRIPTION OF LIVESTOCK, CROP OR PRODUCT	PURCHASED ITEMS		BEGINNING OF YEAR			END OF YEAR		
	DATE	COST	QUANTITY	INVENTORY VALUE		QUANTITY	INVENTORY VALUE	
				UNIT PRICE	TOTAL		UNIT PRICE	TOTAL
<b>TOTAL</b>								

## NET WORTH STATEMENT

FOR:										DATE:		
<b>I. CURRENT FARM ASSETS</b>				<b>Value (\$)</b>	<b>IV. CURRENT FARM LIABILITIES</b>						<b>Amount (\$)</b>	
1	Cash, checking balance				Farm accounts payable (include accrued interest, past due farm taxes and judgments)							
2	Seed and supplies											
3	Cash in growing crops				101							
4	Accounts receivable				102							
5	Hedging accounts				103							
	Crops held for sale or feed				104							
	Crop name	Price	Quantity		105							
7					106							
8					107							
9					108							
10					109							
11					110							
12					111							
	Government crops				112							
17					113							
18					114							
19					Current farm notes payable							
	Livestock held for sale				NAME OF CREDITOR							
	Livestock name	Price	Number			DUE DATE	INTEREST RATE	ANNUAL INSTAL.	AMOUNT DELING.	PRINCIPAL BALANCE		
23					115							
24					116							
25					117							
26					118							
27					119							
28					120							
29												
30	<b>TOTAL CURRENT FARM ASSETS (add line 1-29)</b>				121	<b>TOTAL CURRENT FARM LIABILITIES (add lines 101-120)</b>						

II. INTERMEDIATE FARM ASSETS				V. INTERMEDIATE FARM LIABILITIES					
Breeding livestock				NAME OF CREDITOR					
				DUE DATE	INTEREST RATE	ANNUAL INSTAL.	AMOUNT DELINQ.	PRINCIPAL BALANCE	
Livestock name		Price	Number	141					
41				142					
42				143					
43				144					
44				145					
45				146					
46				147					
47	Farm machinery			148					
48				149					
49				150					
50	PCA stock			151					
51	Total Intermediate Farm Assets (add lines 41-50)			152					
III. LONG-TERM FARM ASSETS				VI. LONG-TERM FARM LIABILITIES					
Farm real estate				NAME OF CREDITOR					
				DUE DATE	INTEREST RATE	ANNUAL INSTAL.	AMOUNT DELINQ.	PRINCIPAL BALANCE	
Farm real estate		Price	Acres	160					
60				161					
61				162					
62				163					
63				164					
64				165					
65				166					
66				167					
67				168					
68	FLB stock and co-op equity			169					
69	Total Long-term Farm Assets (add lines 60-68)			170	TOTAL FARM LIABILITIES (add lines 121 + 153 + 169)				
70	Total Farm Assets (lines 30 + 51 + 69)			200	NET WORTH (subtract line 170 from line 70)				

X.

## LABOR USED

## HOURS OF LABOR USED IN FARM BUSINESS PER MONTH

MONTH	Operator	Unpaid family (name)					Hired (name)				
	1	2	3	4	5	6	7	8	9	10	11
January											
February											
March											
April											
May											
June											
July											
August											
September											
October											
November											
December											
Total											

## LIVESTOCK INFORMATION

MONTH	Number dairy cows	Number beef cows	Beef calves weaned	Number ewes lambed	Lambs weaned	Number litters farrowed	Pigs weaned	Number laying hens
	1	2	3	4	5	6	7	8
January								
February								
March								
April								
May								
June								
July								
August								
September								
October								
November								
December								
Total or Average								

### SILO CAPACITIES OF CORNAGE PER FOOT OF HEIGHT

Approximate bushels of dry grain (15.5%)

Kernel moisture content	Conversion Factor	Inside silo diameter (feet)										
		8	10	12	14	16	18	20	25	24	26	30
SHELLED CORN (1.25 cubic feet per bushel at 15.5 percent moisture)												
15.5 (%)	1.0	40	63	90	123	160	204	251	304	362	424	540
24	.93	37	58	84	114	148	188	233	281	334	398	509
28	.89	35	56	80	109	142	180	224	270	320	376	468
32	.85	34	53	77	105	136	173	214	258	307	360	443
GROUND EAR CORN (1.94 cubic feet per bushel at 15.5 percent kernel moisture)												
15.5	1.0	30	41	59	80	103	131	162	196	233	274	413
24	.90	23	32	43	58	74	94	119	148	176	213	325
28	.86	22	30	40	54	69	90	114	141	169	203	308
32	.83	21	28	38	51	66	86	109	134	162	193	297

(\*) This list line is for dry grain and can be used to measure capacity of round bins for all small grains.

Conversion Factor—For any size not listed multiply the dry grain capacity of the storage by this factor at listed moisture content to determine equivalent in dry grain.

Density increases with depth but no allowance was made for compaction in this table. Silos 40 feet or higher may have 10 percent greater capacity than shown in table.

### CAPACITIES OF BINS AND CRIBS IN DRY GRAIN

To find the capacities in bushels, first find the volume in cubic feet:

For a crib or cube multiply the length x width x height (all in feet).

For round bins, cribs, or silos multiply the radius ( $\frac{1}{2}$  diameter) x radius x 3.1416 x height.

Then to convert cubic feet to bushels:

Multiply by .8 for small grain or shelled corn.

Multiply by .4 if ear corn.

Multiply by .515 if ground ear corn.

For round bins you may see the top line in Table and multiply by height in feet.

Crib capacities in bushels for ear corn per foot of length

Width in feet	Height in Feet				
	8'	10'	12'	14'	16'
3	16	20	24	28	32
6	19.2	24	28.8	33.6	38.4

### STANDARD WEIGHTS OF FARM PRODUCTS PER BUSHEL

Alfalfa.....	60	Corn (shelled).....	56	Rye.....	54
Apples (average).....	42	Corn kernel meal.....	50	Rye.....	54
Burley (cannon).....	48	Corn (wheat).....	50	Soybeans.....	60
Beans.....	60	Comps.....	60	Spelt.....	30-40
Bluegrass, (Kentucky).....	14-22	Flax.....	56	Sorghum.....	36
Bromegrass, Orchard grass.....	14	Millet (grain).....	50	Sudan grass.....	40
Buckwheat.....	50	Oats.....	32	Sunflower.....	24
Clover.....	60	Onions.....	32	Timothy.....	45
Corn (dry ear).....	70	Peas.....	60	Wheat.....	60
Corn and cob meal.....	45	Potatoes.....	60	Milk, per gallon.....	8.6

### RULE OF THUMB ON SILO CAPACITIES:

30' x 60' = 300 T.

30' x 50' = 200 T.

30' x 40' = 100 T.

30' x 70' = 375 T.

For any other size silo the radius squared expressed as a decimal (divided by 100) times the tonnage of a 30 ft. silo will give the capacity in tons.

Examples:

30' x 60'— $15 \times 15 = 2.25 \times 300$  or 1145 Tons

16' x 50'— $8 \times 8 = .64 \times 300$  or 250 Tons

12' x 40'— $6 \times 6 = .36 \times 300$  or 101 Tons

### TO CONVERT HIGH MOISTURE FORAGE TO DRY HAY EQUIVALENT

Method A—Read the tonnage from the Silo Capacity Table.

Then divide this figure by 3 to convert to dry hay equivalent. This will be a close estimate regardless of the moisture content of the grass or haylage.

Method B—Multiply the tonnage of green or wet material by the dry hay per ton equivalent in the following table.

Hay or Forage	Percent Moisture	Dry Hay Per Ton
Green chop.....	88	.25 tons
Grass silage.....	70	.34
Grass silage.....	65	.40
Haylage.....	60	.45
Haylage.....	50	.57
Haylage.....	40	.68

### SILO CAPACITY: TONS OF CORN OR GRASS SILAGE (68% MOISTURE) IN SETTLED UNOPENED SILOS

Depth of silage (in feet)	Inside diameter of silo in feet							
	12'	14'	16'	18'	20'	24'	26'	30'
8.....	11	15	20	25	31	45	52	70
12.....	19	25	33	42	52	75	88	117
16.....	29	38	49	62	77	111	130	173
20.....	38	51	67	85	105	151	177	236
24.....	49	66	87	110	135	194	228	304
28.....	61	83	108	137	169	243	286	380
32.....	74	100	131	166	205	295	346	461
36.....	87	118	155	196	242	348	409	543
40.....	101	138	180	229	280	403	473	630
44.....	117	159	207	261	320	461	541	720
50.....	137	186	248	310	389	560	673	875
55.....	—	212	283	365	444	639	750	999
60.....	—	—	319	415	500	720	845	1123
70.....	—	—	—	—	574	827	970	1290
80.....	—	—	—	—	650	1100	1230	1680
90.....	—	—	—	—	—	—	—	2470

NOTE: When a silo is partially unloaded from the top, the remaining silage is more tightly packed and heavier than the same volume in an unopened silo. Therefore, compute the weight remaining as follows:

#### EXAMPLE:

- Use the table to find the original 50' of settled silage in a 30' silo contents before the silo was opened. **Weight removed in 32' = 205 Tons.**
- Estimate depth of silage removed and determine its weight from table. **Weight removed in 32' = 205 Tons.**
- Subtract tonnage removed from original contents to find tonnage remaining. **389 T. (original contents) - 205 T. (removed in 32') = 184 T. (remaining in 18')**

### BUNKER SILO—Capacity For Corn Silage, 70 Percent Moisture

Formula:

Average length x width x settled depth (all in feet) x 40 lbs. = Tons  
1000 lbs.

Weight per cu. ft. will vary by amount of packing, seasons of cut, moisture content, and depth of material. Use the following table to estimate pounds per cu. ft. according to depth of pile.

Depth of silage	Pounds per cu. ft.
6 ft.	32 lbs.
8	36
12	40
20	49

### MEASUREMENT STANDARDS, HAY AND STRAW

	Average	Range
	cu. ft./ton	cu. ft./ton
Hay, baled.....	275	250-300
Hay, chopped—field cured.....	425	400-450
Hay, chopped—mow cured.....	325	300-350
Hay, long.....	500	475-525
Straw, baled.....	450	400-500
Straw, chopped.....	600	575-625
Hay, loose.....	480	370-390
Straw, loose.....	800	750-850



MICHIGAN STATE  
UNIVERSITY  
EXTENSION

MSU is an Affirmative-Action/Equal-Opportunity Institution. Extension programs and materials are available to all without regard to race, color, national origin, sex, disability, age or religion.

■ Issued in furtherance of Extension work in agriculture and home economics, acts of May 8 and June 30, 1914, in cooperation with the U.S.

Department of Agriculture. Arlen Leholm, interim Extension director, Michigan State University, E. Lansing, MI 48824. ■ This information is for educational purposes only. References to commercial products or trade names does not imply endorsement by the MSU Extension or bias against those not mentioned. This bulletin becomes public property upon publication and may be printed verbatim with credit to MSU. Reprinting cannot be used to endorse or advertise a commercial product or company. Produced by Outreach Communications and printed on recycled paper using vegetable-based inks.

File 17.141 (Farm Management) Major revision 11:96-10M-KMF-Ad, Price \$2.00, for sale only