



Florida A&M University

Cooperative Extension Programs

Record Keeping for Small-Scale Farm Operations

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WHY KEEP RECORDS?

- ❖ Maintain control of farm business.
- ❖ Satisfy legal and institutional requirements.
- ❖ Analyze the farm business.
- ❖ Serve as a basis for future planning and budgeting.

RECORDS CAN AID IN CONTROL OF FARM BUSINESS

- Record bills paid and income received.
- Record accounts to be paid by the farmer (accounts payable).
- Record accounts owed to the farmer (accounts receivable).
- Record loan transactions.
- Record inventories.

KEEP RECORDS FOR LEGAL AND INSTITUTIONAL REQUIREMENTS

- Accurate records are necessary for income tax reporting, and aid in minimizing the amount of taxes paid.
- Records are important for determining the correct amount of taxes for both the farmer and hired labor.
- In the case of death of the farmer, records can be used to prove payments, past practices, etc. to aid in settling the estate.
- Records can also help determine appropriate insurance coverage, damage claims, and provide evidence of loss.

FARM RECORDS ARE ESSENTIAL FOR ANALYZING THE BUSINESS PERFORMANCE

Discover business trends.

- Comparing other similar farm businesses.
- Identify strong and weak areas of the business.
- Changes in the business can be planned and carried out with greater confidence based on past performance.

RECORDS ARE VALUABLE FOR FUTURE PLANNING AND BUDGETING

- Provides a past history of average yields and costs for the business.
- Allows future credit needs and repayment to be projected with greater confidence.

*Source: Record Keeping on the Farm, Vocational Agriculture Service, University of Illinois
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