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## Use of a diary for farm accounts

E. H. Thomson

O. A. Juve

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# FARMERS' BULLETIN 782

UNITED STATES DEPARTMENT OF AGRICULTURE

MONDAY May 10

Fair and Warm  
Morning - Plowed corn ground

	HOURS	
	MAN	HOR
	5	1

seed  
the out

	8	
--	---	--

After

	5 1/2	11
--	-------	----

Smith

		4
--	--	---

With

11. This

ate

## The Use of a Diary for Farm Accounts

	RECEIVED	PAID OUT
Sold 10 doz. of	4 00	
" 5 lbs. butter @ 45¢	2 25	
Bought 1 sack dairy feed		2 59
Paid ferry for work to date six days @ \$2.00		12 00

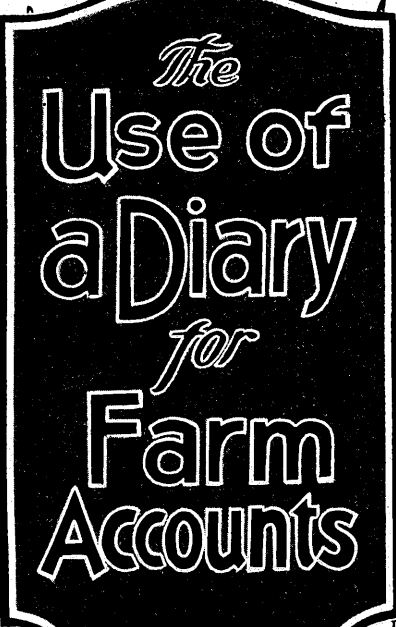


# FARMERS' BULLETIN 782

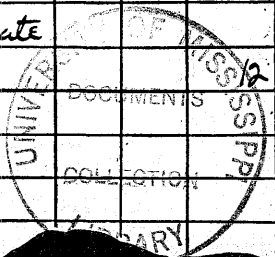
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**T**HIS BULLETIN tells how a diary may be used for keeping certain farm records. Farmers have need of two kinds of accounts—first, those in which are recorded items of a financial nature, such as receipts and expenditures, and, second, those in which are kept records of farm work and production, such as dates of planting and of harvesting, crop yields, feed fed to live stock, etc. On the average farm, where the business is not too large, a diary is a very convenient means of keeping all these records.

The farm home and the farm business are intimately associated; the one is indeed the headquarters of the other. A carefully kept diary embodies a chronicle of the affairs of both which is of permanent value, not only from a personal and sentimental standpoint, but also as a continuous record of the farm business.

In the following pages several different kinds of such diaries are described with suggestions as to how various farm accounts may be kept in diary form.

Contributions from the Office of Farm Management and Farm  
Economics

G. W. FORSTER, Acting Chief

Washington, D. C.

Issued January, 1917; reprint, March, 1922

# THE USE OF A DIARY FOR FARM ACCOUNTS.

E. H. THOMSON,

*Formerly Assistant Chief, Office of Farm Management.*

Revised by

O. A. JUVE,

*Scientific Assistant.*

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Many farmers have found a diary more or less helpful for keeping a record of their farm operations. Some farmers use it merely to record the daily happenings of the farm or those of a personal nature, while others use it to keep a fairly complete record of their farm business. The possibilities of the diary for farm accounting are not generally understood. With a little care and thought its value for this purpose can be greatly increased.

A successful New York farmer kept a diary from the time when he began farming as a young man until he retired recently after 40 years of active farm work. In these diaries he has a record of all farm operations, the machines used, the dates of planting and harvesting, the yields of crops, and daily notes on the weather. In the back of each diary is a financial account of his farm business, giving the amount of products sold, with prices, a list of all expenses, and a memorandum of transactions with his neighbors. Aside from all the strictly business items, there are daily notes of personal interest, of plans and ambitions, and of neighborhood happenings, which in themselves make a valuable record. Thus the value of these diaries to him lies not only in the practical farm accounts, but also in the pleasures of reminiscence he derives from reading their pages. For years his farm neighbors have looked to him and his diaries to settle arguments as to the date when certain events happened in the community.

The one important essential in which a diary differs from ordinary bookkeeping records is that it contains items of a personal as well as of a business nature. It holds the farmer's interest, whereas farm accounts without the accompanying diary become in a few years dry reading.

It is the purpose of this bulletin to explain some of the different types of diaries available and the methods of utilizing them for farm records, attention being given to a discussion of such accounts as can readily

**Wednesday, May 17, 1916**

*Cold west wind, cloudy, showers last evening.*

*Turned cattle on hill pasture for the first time this season. Grass is good for time of year.*

*Finished harrowing corn ground. Expect to begin planting tomorrow.*

*Took chickens out of incubator. Had 136 from 180 eggs.*

*Renewed subscription to daily paper.*

FIG. 1.—Typical page of diary used for farm records.

be kept in a farm diary and which will be found of value to the average farmer.

#### TYPE OF DIARIES.

The most common form of diary is a book containing a blank page for each day's record and space in the back of the book for financial accounts. Most diaries of this kind are similar in arrangement and

vary in price according to the quality of paper and the binding. (See fig. 1.)

Another form of diary has a page for each day divided to provide space for two successive years' records. A similar type pro-

**Thursday, April 1, 1915**

Clean N. W. Wind cold

Finished burning young orchard

Fred Atter began work today  
Hired for 8 months at \$30

Mr and Mrs Hill here for dinner

**Saturday, April 1, 1916.**

Rain. East wind.

Cleaned out machine shop and granary  
Took part of grain drill to town for  
repairs

Received from Mr. B. Jones interest  
to date on note given last January

FIG. 2.—Form of diary designed for two years' records.

vides space on each page for five successive years' records. Neither of these forms is in as common use as that illustrated in figure 1. They are designed primarily for a memorandum of work and do not appear to be well suited to the farmer's use. (See fig. 2.)

A blank book sometimes called a "daily journal" may be used for a diary and for farm accounts. This book, with a page for each

day, contains space enough for notes and records of the farm work, and for a memorandum of financial transactions at the bottom of the page. (See fig. 3.) This arrangement permits having on one page a complete record of each day's farm business. With some extra

Thursday, Sept. 14, 1916

	Man		Horse	
	Hours	Min.	Hours	Min.
<i>Cloudy South wind. Rain in evening</i>				
<i>Finished drilling wheat in south field</i>	4		12	
<i>Used 18 bushels seed and 2400# commercial fertiline</i>				
<i>At town in P.M. Arranged for renewal of insurance on buildings and for \$500 more on farm contents</i>				
<i>Bob and team helped Smith</i>				
<i>Work with silo filling</i>				
<i>Financial Account</i>				
	Received		Paid Out	
<i>6 doz eggs @ 34¢</i>	2 04			
<i>2 bus. apples @ 80¢</i>	1 60			
<i>Paid Andrews &amp; Co for seed wheat</i>				
<i>24 bushels @ \$1.25</i>			30 00	
<i>2 bags wheat bran @ \$1.40</i>			2 80	
<i>Strap for harness</i>			30	

FIG. 3.—Sample page of a diary with two columns on the right, used for a memorandum of farm work and of financial transactions.

pages in the back for the farm inventory and summary, this book can easily be used to keep a financial record of the ordinary farm business.

No diary is really practical for complete accounts of a large farm business where extensive records are necessary. On the other hand, a diary used as a memorandum will be a very useful supplement in furnishing information ordinarily omitted from financial records.



**SUGGESTIONS FOR KEEPING A DIARY.**

It takes time to learn how to keep a diary in a way that will be most useful. Good judgment must be exercised in the selection of what items are worth mentioning. No rules are possible, as each individual must be guided according to his own interests. It is a fine art to distinguish between those things which are of interest only for the present and those thoughts and actions the recollections of which will be cherished in after years. It is important to write the records regularly, counting it a part of the daily farm work. Be careful not to make the records too general in character, since then each day's record will tend to be like any other. Be specific, and never let a day go past without putting down something. No day is so idly spent that it has no thought or action worth mentioning.

Whatever form of diary is used it should be of good size, of a good grade of paper, and strongly bound. A suitable one can usually be purchased for from \$1 to \$2. It will not pay to use a book of inferior binding or paper, as part of the satisfaction of keeping the records is having them in good, permanent form. Records should be written in ink, as lead-pencil writing will become dim after a few years. A fountain pen will be found very useful in this connection.

**ACCOUNTS FOR FINANCIAL SUMMARY OF THE FARM BUSINESS.**

The prime essential in keeping farm accounts is to ascertain at the outset what records are necessary to give the desired information about the farm business. With this clearly in mind the actual keeping of the records becomes a simple matter. Generally speaking, there are three specific purposes in keeping farm accounts:

(1) To determine the farm investment, receipts, and expenses and thereby the net income from the farm business as a whole.

(2) To determine the net returns from any individual farm enterprise, but more especially to furnish specific information, such as amount of feed fed to each kind of live stock, amount of milk or number of eggs produced, and in the case of crops to show the efficiency of the methods used in the production of each.

(3) To furnish a memorandum of what other people owe you and what you owe other people.

Investigations show that fully 40 per cent of all farmers keep some kind of accounts. The great majority of these attempt only a record of receipts and expenses. This probably is the most important, for much depends on a knowledge of the income and outgo of the entire farm business.

The following outline shows what records are needed to complete this financial summary of the farm business. Each of these items is

taken up more in detail in the succeeding paragraphs and explanations are given as to how they can be kept in a diary.

OUTLINE OF FINANCIAL SUMMARY OF THE FARM BUSINESS.

Inventory of farm investment-----	{	Real estate. Live stock. Feed and supplies. Machinery and tools. Cash to run the business\$.
Receipts-----	{	Increase, if any, in value of live stock during year. Increase, if any, in amount of feed and supplies. Sales of crops. Sales of live stock. Sales of live-stock products. Miscellaneous.
Expenses-----	{	Decrease, if any, in value of live stock during year. Decrease, if any, in amount of feed and supplies. Live stock purchased. Current (labor, feed, repairs, etc.). Depreciation of buildings and machinery.

Farm income (difference between receipts and expenses).

Interest on farm investment.

Farmer's labor income (farm income less interest on investment).

Value of house rent and farm supplies used by farmer and his family.

Total return for operator's labor (labor income plus value of house rent and supplies).

It may seem odd to speak of the farm summary in the beginning of the discussion on what accounts to keep. The reason for this is that the summary is used to construct the accounts, just as the architect's plan is used to construct the building. In other words, one can not tell what accounts to keep until he has looked at the plan of summarizing and learns what accounts are needed.

FARM INVENTORY.

The inventory, or list of farm property at the beginning and end of the year, is one of the most important features of any form of farm accounting. Such a record is also of great value in adjusting insurance in case of fire. It should be made either in the winter or early spring prior to the commencing of spring work.

An extra blank book, devoted entirely to annual inventories, will prove helpful when diaries are used for the other accounts. Such a

book, which might be called an inventory or property book, could be ruled to permit grouping all the values of any article for a period of years. It will save copying the items into each year's diary. The following is a sample page from such a book:

HORSES.

Name.	Age.	Value.						
		1910	1911	1912	1913	1914	1915	1916
Jess. (Bought in March, 1908).....	4	200	200	225	225	215	215	200
Kit. (Died April, 1913).....	11	150	140	130	120			
Jack. (Bought June, 1912, age 5).....	5				175	180	200	200

*Real estate.*—Under the heading of “Real estate” is included the value of land, buildings, fences, woodlot, and all other items attached to the land. These may be thought of as part of the farm and inventoried in a lump sum, but in order to determine the depreciation of buildings, it is usually advisable to value these separately, as shown in Form I.

FORM I.—*Real estate.*

Total value of farm.....	\$15,000
Dwelling.....	1,000
Barns.....	800
Other buildings.....	1,200
Total value of buildings.....	3,000
Land and other improvements.....	12,000

*Live stock.*—Form II is for the live-stock inventory. Space is left for entering only the total for each class of animals. If desired, however, the individual animals in each class can be valued separately, using an extra book, as explained above, or blank pages in the back of the diary for this purpose.

FORM II.—Statement showing summary of live-stock inventory.

Animals—kind.	Beginning of farm year.			End of farm year.		
	No.	Value.	Total.	No.	Value.	Total.
Cows.....						
Heifers.....						
Calves.....						
Bulls.....						
Steers.....						
Oxen.....						
Horses.....						
Mules.....						
Colts.....						
Ewes.....						
Lambs.....						
Brood sows.....						
Other hogs.....						
Pigs.....						
Chickens.....						
Turkeys.....						
Ducks.....						
Bees.....						
Total.....						

*Feeds, crops and supplies.*—It is sometimes difficult to estimate closely the amount of feed and supplies of various kinds on hand and to determine the proper value for same. Yet this is important, in that much of the income of the farm may be in the form of grain or roughage held for feed. When the total of these items is more at the end of the year than at the beginning it represents a gain and is counted as a receipt; when less at the end of the year, an expense. Care must be used in listing the items to include all farm supplies, such as binding twine, fertilizers, machine oil, lumber, etc.

FORM III.—Feeds, crops and farm supplies.

Kind.	Beginning of year.			End of year.		
	Amount.	Price.	Value.	Amount.	Price.	Value.
Hay.....						
Silage.....						
Roots.....						
Corn.....						
Oats.....						
Barley.....						
Seeds.....						
Fertilizers.....						
Twine, crates, etc.....						
Oil, gasoline, etc.....						
Total.....						

*Machinery and tools.*—A suggestive list of some of the more common implements is given in Form IV. It is time well spent to go through the buildings each year and make a list of the machines and tools, using the best judgment possible in placing the values on different articles.

FORM IV.—Statement showing list of machinery.

LIST OF MACHINERY.

No.	Kind.	Value at beginning of year.	No.	Kind.	Value at beginning of year.
.....	Heavy wagons .....	.....	.....	Mowing machine.....	.....
.....	Light wagons .....	.....	.....	Hayrake.....	.....
.....	Pleasure wagons .....	.....	.....	Tedder.....	.....
.....	Sleighs.....	.....	.....	Hay fork and stacker.....	.....
.....	Walking plows.....	.....	.....	Manure spreader.....	.....
.....	Sulky plows.....	.....	.....	Corn shredder.....	.....
.....	Disk harrow .....	.....	.....	Ensilage cutter.....	.....
.....	Spike-tooth harrow.....	.....	.....	Corn sheller.....	.....
.....	Spring-tooth harrow.....	.....	.....	Potato planter.....	.....
.....	Roller.....	.....	.....	Potato sprayer.....	.....
.....	Weeder.....	.....	.....	Potato digger.....	.....
.....	Corn planter.....	.....	.....	Orchard sprayer.....	.....
.....	1-horse cultivator.....	.....	.....	Gasoline engines.....	.....
.....	2 or 3 horse cultivator.....	.....	.....	Dairy equipment.....	.....
.....	Corn binder.....	.....	.....	Poultry equipment.....	.....
.....	Grain binder.....	.....	.....	Evaporator.....	.....
.....	Grain drill.....	.....	.....	Harness.....	.....
.....	Hay loader.....	.....	.....	Minor equipment.....	.....
.....	.....	.....	.....	.....	.....
.....	Total.....	.....	.....	.....	.....

*Cash to run the business.*—A certain amount of money is necessary for carrying on the farm business. This amount will vary widely on different farms, according to whether the farm receipts are distributed throughout the year or received at one time. It should represent the average amount of money that the farmer has on hand at all times during the year for the purpose of paying current farm expenses. The amount of cash to run the business will range from \$25 to \$100 on most farms.

*Total investment.*—The total investment is made up of the sum of the five divisions enumerated in the preceding paragraphs—real estate, live stock, feed and supplies, machinery and tools, and cash to run the business. The ordinary form of diary does not have space for making a complete list of all the items included in the farm investment. These can be put in a separate book, as previously suggested, and only the totals copied into the diary.

FORM V.—*Farm investment.*<sup>1</sup>

Real estate, Form I.....	
Live stock, Form II.....	
Feeds and supplies, Form III.....	
Machinery, Form IV.....	
Cash to run farm (estimated average for year).....	
Total investment.....	

<sup>1</sup> Value at beginning of year.

FORM VI.—*Statement for area, yields, and sales of crops.*

CROP RECORD.

Crops.		Yield.		Sales.		
Kind.	Acres.	Per acre.	Total.	Amount.	Price.	Value.
Corn for grain.....						
Corn for silage.....						
Other corn.....						
Potatoes.....						
.....						
Spring wheat.....						
Winter wheat.....						
Rye.....						
Oats.....						
Barley.....						
Buckwheat.....						
Straw.....						
.....						
Hay.....						
Alfalfa.....						
Oat hay.....						
Oats and barley.....						
Oats and peas.....						
.....						
Field beans.....						
Cabbage.....						
Tobacco.....						
Cotton.....						
Hops.....						
Beets.....						
.....						
Seeds.....						
.....						
Apples, bearing.....						
Apples, not bearing.....						
.....						
Peaches.....						
Cherries.....						
Pears.....						
Strawberries.....						
.....						
Total.....						

FORM VII.—Statement for live stock, animal products, and miscellaneous receipts.

LIVE STOCK.

Animals—kind.	Sales.			Purchases.			Died.
	No.	Value.	Total.	No.	Value.	Total.	No.
Cows.....							
Heifers.....							
Calves.....							
Bulls.....							
Steers.....							
Oxen.....							
Horses.....							
Mules.....							
Colts.....							
Ewes.....							
Lambs.....							
Brood sows.....							
Other hogs.....							
Pigs.....							
Chickens.....							
Turkeys.....							
Ducks.....							
Bees.....							
Total.....							

RECEIPTS FROM STOCK PRODUCTS.

	Amount.	Price.	Value.
Butter.....			
Creamery milk.....			
Market milk.....			
Cheese.....			
Wool.....			
Eggs.....			
Hides.....			
Honey.....			
Breeding fees.....			
Total.....			

RECEIPTS, MISCELLANEOUS SOURCES.

	Amount.	Price.	Value.
Labor.....			
Machine work.....			
Cash rent for.....			
Rent of buildings.....			
Sirup and sugar.....			
Lumber, posts, etc.....			
Total.....			

## FARM RECEIPTS AND EXPENDITURES.

Receipts may be divided into six groups, as shown in the diagram on page 8. The first two of these, namely, increase in live stock and in feed and supplies, can only be obtained at the end of the year by comparing the new inventory with that of the preceding year. Often there will be no increase in either of these items, but rather a decrease, which should be put under expenditures instead of receipts.

## FORM VIII.—Statement for current expenses.

## CURRENT EXPENSES.

	Total amount.
Regular hired labor.....mo.	
Extra hired labor.....mo.	
Board of hired labor.....mo.	
Family labor.....mo.	
Board of family labor.....	
Repair of machinery.....	
Repair of buildings.....	
Repair of fences.....	
Feed: Hay, silage, etc.....	
Feed: Grain and concentrates.....	
Feed grinding.....	
Silo filling.....	
Corn shredding.....	
Milk hauling.....	
Horseshoeing.....	
Breeding fees.....	
Veterinary.....	
Seed, plants, trees.....	
Fertilizer, manure.....	
Spray materials.....	
Twine.....	
Thrashing.....	
Baling.....	
Machine work hired.....	
Fuel and oil for farm work.....	
Bags, barrels, crates.....	
Cotton ginning.....	
Insurance.....	
Taxes on farm property.....	
Water tax.....	
Cash rent.....	
Total.....	
DEPRECIATION ON EQUIPMENT AND BUILDINGS.	
Dwelling, .. per cent of value, Form I.....	
Other buildings, .. per cent of value, Form I.....	
Machinery, .. per cent of value, Form IV.....	
Total.....	



Whether the receipts from crops and other sources are kept under their respective headings in the back of the diary or are entered each day at the bottom of the pages, as shown in figure 3, it will be a great help to make out a crop summary as given in Form VI. This gives a statement of the area and yield of each crop, quantity sold, and amount received therefor. This kind of a statement is also desirable for the live stock, live-stock products, and miscellaneous receipts. (See Form VII.)

The farm expenses may be grouped into the divisions shown in the outline on page 8, or if desired, they may be subdivided in more detail, as is done in Form VIII, for current expenses.

RECEIPTS				EXPENSES			
POTATOES				FEED			
Aug 8	4 bu.	@ 1.05	4 20	Apr 2	1/2 Ton Bran @	28	14 00
" 31	4 "	@ 1.00	4 00	- 15	2 " Continued "	34	68 00
Sept 4	10 "	" 90	9 00	28	2 Wagon Chuk feed	2 00	4 00
" 8	12 "	" 90	10 80	May 15	1 Ton Bran "	27	27 00
" 15	3 "	" 85	2 55				
" 18	7 "	" 80	5 60				

FIG. 4.—Sample pages showing method of entering receipts and expenses directly to respective accounts. (Compare with method of making daily entries at bottom of each page as suggested in fig. 3, p. 6.)

There are two or three ways of keeping a record of receipts and expenses, depending upon the form of diary used. For example, a page or part of a page in the back of the book may be set aside for a record of each class of receipts and expenses. (See fig. 4.) This method necessitates turning to different places in the diary each time a financial transaction is entered. However, it has the great advantage of having in one place all the items pertaining to any crop or kind of expense. As a rule an entire account will go on a single page, where it can be easily added.

It should be carefully noted that personal items are not included in these expenses. It is the farm income that is wanted, not the amount of money saved after all living and personal items of expense have been deducted from the gross receipts. Many persons confuse the amount of money on hand at the end of the year with

the net return from the farm business. It makes no difference how profitable the farm may be, the farmer will not be able to save much if the living expenses are out of proportion to the income. Often the man who operates the more successful farm fails to accumulate money as fast as the less successful farmer who saves all he gets. The farm and its possibilities are one thing and the standard of living of the farmer and his family are another. Although a farm may produce a handsome profit yearly, the owner of it may grow poorer from year to year if the family living expenses exceed the profits of the farm business.

When a form of diary is used where the memoranda of work and the financial transactions are all put on one page, as in figure 3,

### MONTHLY SUMMARY OF CROP SALES

Month	Potatoes	Hay	Apples	Wheat		
Jan.		140.00				
Feb.		14.00	32.00	324.00		
Mar.	24.00					
Apr.	28.00	64.00				
May						
June						
July						
Aug.						
Sept.						
Oct.						
Nov.						
Dec.						
Total	52.00	218.00	32.00	324.00		

FIG. 5.—Statement of monthly summary receipts from crop sales. This statement is useful in connection with form of diary shown in fig. 3.

it is desirable to make a monthly summary of each class of receipts and expenses. An excellent way of doing this is illustrated in figure 5. This monthly summary should be in the back of the book and contain only the totals for each kind or class of receipts and expenditures. This method makes a little more work than does that in which the items are entered directly in the separate accounts, but this is largely offset by having all the original records for one day on one page.

#### FARMER'S LABOR INCOME.

Having determined the total farm receipts and expenses, it is an easy matter to subtract one from the other and find the farm income. This sum represents the amount of money the farmer receives for his

labor and his investment. This same capital, however, if otherwise invested, would earn him a reasonable rate of interest without much work on his part. Therefore to find what he receives for his labor alone it is necessary to subtract interest on his farm investment from the farm income. The remainder is called the farmer's "labor income."<sup>1</sup> It very often happens that the farm, at present value, does not pay the current rate of interest on the total investment. This results in the labor income being a minus quantity. A farmer may have a minus labor income and yet live comfortably, the reason being that he has the interest on his investment to use for his living expenses. But when the farm income—that is, the difference between receipts and expenses—is a minus quantity, he will not have a good living, because it means that he has paid out more than he received without even allowing himself any pay for his labor or interest on his farm investment.

#### VALUE OF HOME SUPPLIES USED BY FAMILY.

Approximately two-thirds of the cost of the farmer's living is furnished by the farm without direct expenditure in money.<sup>2</sup> On a small farm this constitutes a large part of the total farm income, and it should always be taken into account when considering the net income from the farm business. If desired, a record of these items may be kept by the housewife in connection with family or personal expenses. It is very doubtful, however, whether the farmer will want to go to the trouble of keeping these items in his farm diary.

FORM IX.—*Farm products used by household.*

Product.	Value.
Rent for dwelling.....	.....
Meats.....	.....
Dairy products.....	.....
Eggs.....	.....
Potatoes.....	.....
Vegetables.....	.....
Fruits.....	.....
Fuel.....	.....
Total.....	.....

<sup>1</sup> Labor income is farm income less interest on investment in farm business. It is what the farmer receives for his labor and supervision of the farm business in addition to the use of a dwelling and to that part of the family living furnished by the farm.—Rept. Com. on Terminology, American Farm Economics Association.

<sup>2</sup> See Farmers' Bulletin No. 410, "Value to Farm Families of Food, Fuel, and Use of House."

FORM X.—*Sample summary.*<sup>1</sup>

Item.	1918	1919	1920
Increase, if any, in live stock (Form II).....	500	600	.....
Increase, if any, in feeds and supplies (Form III).....	.....	400	.....
Sales of crops (Form VI).....	1,000	800	.....
Sales of live stock (Form VII).....	500	600	.....
Sales of live-stock products (Form VII).....	1,000	1,600	.....
Miscellaneous receipts (Form VII).....	500	300	.....
Total receipts.....	3,500	4,300	.....
Decrease, if any, in live stock (Form II).....	.....	.....	.....
Decrease, if any, in feeds and supplies (Form III).....	500	.....	.....
Live stock purchased (Form VII).....	400	500	.....
Current expenses (Form VIII).....	1,000	1,800	.....
Depreciation (Form VIII).....	100	100	.....
Total expense.....	2,000	2,400	.....
Farm income.....	1,500	1,900	.....
Interest on investment (Form V).....	500	490	.....
Operator's labor income.....	1,000	1,410	.....
Total amount furnished by farm to household (Form IX).....	200	240	.....
Total return for operator's labor.....	1,200	1,650	.....

<sup>1</sup> See p. 7.**ACCOUNTS WITH CROPS OR LIVE STOCK.**

In the preceding discussion only those accounts have been considered which are necessary to determine the net income from the farm business as a whole. They will not tell whether any particular crop was grown at a profit or loss.

To obtain this information it is necessary to open an account with each enterprise, and then keep complete cost accounting records of feed, labor, interest, depreciation, etc., so that it will be possible at the end of the year to distribute each item of cost and return to the proper account. Records on some particular crop or class of live stock may be very desirable. The items which must be considered in a cost account with a crop are as follows:

**CHARGES.**

- Inventory of amount of work, seed, etc., if any, previous to beginning the account.
- Part of manure charge from previous crops.
- Value of manure applied for this crop.
- Commercial fertilizers, all or part to this crop.
- Seed, twine, crates, chemicals, etc.
- All man labor, including supervision.

All horse labor.  
 Use of machinery.  
 Use of buildings for storage of crops.  
 Use of land.  
 Overhead.  
 Other miscellaneous costs.

## CREDITS TO CROP.

All products sold, used by the family, fed on the farm, saved for seed, or used for bedding.

Probable value of manure left in soil but charged to crop.  
 Inventory, or amount on hand at end of year.

The items to consider in a cost-accounting record of live stock are as follows:

## CHARGES.

Inventory, or total value of stock, at beginning of year.  
 Live stock purchased.  
 Feed and bedding used.  
 Milk fed to stock.  
 Pasture.  
 Interest on investment in live stock.  
 All man labor, including supervision.  
 All horse labor.  
 Use of machinery.  
 Use of buildings, for shelter.  
 Overhead.  
 Miscellaneous costs, insurance, etc.

## CREDITS.

Sale of live stock and live-stock products.  
 Skim milk, etc., fed to other stock.  
 Products used by the family.  
 Value of manure.  
 Inventory at end of the year.

A diary is well adapted to keeping cost-accounting records when information is wanted on only a few enterprises. In writing up the diary each day it will take very little additional time to enter the hours and minutes spent in work on the crop under consideration. Along with the record of the work done notes should be made of the seed, fertilizer, etc., used (see fig. 3, p. 6).

If cost-accounting records are to be kept on all the farm enterprises, it will probably be desirable to have a page or so set aside for each crop and each class of live stock, and to enter all items pertaining to each enterprise direct. If the form shown in figure 3, page 6, is followed there is entailed the work of going through each day's record and picking out items pertaining to each enterprise. Many farmers, however, use a diary for this purpose, finding it very convenient for reference; then, if any time they want the total of the work spent on a crop, they have the necessary original records.

### ACCOUNTS WITH FIRMS OR INDIVIDUALS.

Accounts with outside firms or persons are necessary when any portion of the business is done on credit. Such accounts contain a record of what you owe and to whom, and what is owed you and by whom. Such accounts sometimes save paying a bill twice and help to avoid mistakes and disputes. The simplest way of keeping such records is to enter the items directly to the account with each person or firm. A few pages in the back of the diary can be used for this purpose. If there are only a few such items, the form of diary shown in figure 3 is excellent for this kind of records.

### MISCELLANEOUS RECORDS.

Many farmers find certain miscellaneous records exceedingly interesting and valuable. Among the more important of these are milk and egg records. The diary is especially well suited for keeping the latter. For milk records of individual cows special forms are desirable. In keeping these there is a greater tendency on the part of many dairymen to weigh the milk of each cow a few days each month instead of weighing the milk each day of the month. The record for each month is then computed from these weighings, thereby saving much work. Such records are accurate enough for most practical purposes.

### CONCLUSION.

Farm records should to some degree form a part of every farm business. The particular method of keeping them is not important so long as the accounts give the desired information. The great majority of farmers do not need elaborate accounts, as the size and limitations of their business will not justify the work. On the other hand, a memorandum of important transactions and of the daily farm happenings will prove to be extremely useful. At times it may save money and trouble. A large number of successful farmers have found a diary desirable in that it serves all their bookkeeping needs.