

THE CAMBRIDGE FARM ACCOUNT BOOK

Obtainable from

**The Farm Economics Branch
Department of Agriculture
Cambridge University**

9(1): 87.3.14

G6

21817

PRICE THREE SHILLINGS NET, POSTAGE 6d.

Advice on keeping and interpretation of farm accounts and costs can be obtained from the Advisory Economist, Farm Economics Branch, School of Agriculture, Cambridge.

The County Agricultural Organisers are prepared to give advice in regard to such matters as livestock rations, fertilisers, soil analysis, etc. Enquiries should be made to the Organiser responsible for the County in which your farm is situated. The following is a list of the names and addresses of the various County Organisers :—

<i>Bedfordshire</i>	J. W. DALLAS, Shire Hall, Bedford.
<i>Cambridgeshire</i>	J. A. McMILLAN, Shire Hall, Cambridge.
<i>Essex</i>	J. C. LESLIE, Institute of Agriculture, Chelmsford, Essex.
<i>Hertfordshire</i>	J. HUNTER-SMITH, Oaklands, St. Albans, Herts.
<i>Lincoln (Kesteven)</i>	F. WAKERLEY, County Offices, Sleaford, Lincs.
<i>Lincoln (Holland)</i>	J. C. WALLACE, Kirton Agricultural Institute, Lincs.
<i>Norfolk</i>	F. RAYNS, Agricultural Station, Sprowston, Norwich.
<i>Suffolk, East</i>	A. W. OLDERSHAW, County Hall, Ipswich.
<i>Suffolk, West</i>	R. SAYCE, Shire Hall, Bury St. Edmunds.

If you wish another account book similar to this one, tear out this slip and post it, together with 3/6, to the Advisory Economist, School of Agriculture, Cambridge.

Please send me a Cambridge Farm Account Book, for which I enclose 3/6.

Name _____

Address _____

FARM ACCOUNTS.

1. This account book should meet the requirements of the majority of mixed arable farmers in the eastern counties of England, but is not suitable for fruit growers, market gardeners, and other "specialist" types of producers.

2. This account book is grouped for convenience into six sections, viz. : (i) Valuations, (ii) Livestock Sales and Purchases, (iii) Crop Sales, and Miscellaneous Receipts, (iv) Labour, Purchased Foods, and Other Expenses, (v) Balance Sheets and Profit and Loss Account for the year, and (vi) Interpretation of the year's figures.

3. The most important reason for keeping accounts is to obtain information which will help to increase the "economic efficiency" of the farm organisation. The more dissatisfied a farmer is with the profits he is obtaining, the more need is there for him to keep accounts. The principal difference between this account book and others on the market is that it suggests [in Section (vi)] a method of interpreting the year's book-keeping results.

4. In keeping farm accounts it is essential to make a valuation of the farm live and dead stock on the first and last day of the financial year, and to determine the debtors and creditors on the same dates. Section (i) is designed for this purpose. It will be obvious that the closing valuation for one year will act as the opening valuation for the next year.

5. In keeping a record of the payments and receipts occurring during the financial year a few simple rules will simplify the work as well as adding to the accuracy of the accounts. (a) *Pay all receipts, whether cheque or cash, into the farm bank account as soon as possible*, entering the details as fully as may be necessary on the counterfoils of the "Pay-in slips" provided by the bank. Never use cash received from sales of eggs, milk, etc. for paying current expenses, and pass all cheques received through the bank account. If this is done the bank pass book will contain a record of *all* receipts, and the "pay-in" slip counterfoils will act as a reference for the details. (b) *Pay as many bills as possible by cheque*, entering the details carefully on the cheque counterfoils. (c) *Cash required* for paying wages and petty cash expenses should be obtained by drawing a cheque on "self" at the bank weekly for the amount required. *The wages paid* to each employee should be entered in a separate note book (e.g., the Labour Book), and the weekly *totals* copied into the labour account on page 44 of this book. *Petty cash expenses* at market or elsewhere should be entered as they are made in the farmer's pocket diary and transcribed once a week into the appropriate pages of this account book. A check on the accuracy of these records of cash expenses should be made periodically, preferably once a week. This can be done easily by adding the cash drawn from the bank (shown on cheque counterfoils) to the petty cash in hand at the beginning of the period, and comparing this total with the labour and other cash expenses (noted in the labour book and pocket diary) plus the petty cash in hand at the end of the period. Probably a small sum will be "unaccounted for" at each reckoning, and this should be included under "miscellaneous expenses" or "private expenses." (d) *Private Expenses* paid either by cash or by cheque should be dealt with in exactly the same way as farm expenses, but must be transcribed to the "Private Expenses Account" on page 56 of this account book.

6. Sales and purchases should be entered in the account book only when the value concerned has been received or paid. Debts payable or receivable by the farm on the last day of the financial year must be ascertained and entered on pages 10 and 11 as well as in the livestock, crop, or expenditure accounts concerned. For example, if at the end of the year £200 is owing to a merchant, of which £170 is for foods, and £30 for fertilisers, appropriate entries will be made in the feeding stuffs and fertilisers accounts on pages 46 and 48, as well as in the list of debts payable on page 10. Amounts paid or received for purchases or sales carried out in the *previous* financial year must be entered as they arise in the produce or expenditure accounts concerned. For example, a payment made for cake purchased in the previous year will be entered in the feeding stuffs account. Adjustment for such items is made at the end of the year by subtracting the debts payable or receivable at the beginning of the year (see pages 10 and 11) from the various livestock, crop, or expenditure accounts concerned.

7. If any sales or purchases are made by exchange, for example, where feeding stuffs purchased from a merchant are paid for by selling him grain, the purchase *and* sale *must be entered* in this account book just as if the transaction had taken place on a cash basis. That is, the amount and value of the feeding stuffs bought must be entered in the purchased feeding stuffs account, and the amount and value of the grain sold must be entered in the corn account.

8. It is advisable to keep all vouchers, invoices and receipts for a reasonable period.

9. Occupiers who own their holdings will find a special account for their commitments as Landlords on page 54.

10. A few blank pages are left at the end of each section to be used in the event of the space allowed in the ruled pages not proving adequate. In the general arrangement of the account book it has been assumed throughout that only one current bank account is used.

CONTENTS.

	PAGE
SECTION I. VALUATIONS	
Livestock	4
Crops	6
Tillages	7
Stores	8
Machinery, implements and plant	9
Debts payable	10
Debts receivable	11
SECTION II. LIVESTOCK AND LIVESTOCK PRODUCTS	
Register of births and deaths	14
Dairy Produce	16
Cattle	18
Pigs	20
Poultry	22
Sheep and Wool	24
Horses	25
Service Fees	25
Dairy and poultry produce purchased for re-sale	26
SECTION III. CROPS AND MISCELLANEOUS RECEIPTS	
Cropping record	80
Wheat	81
Barley	82
Oats, mixed corn and rye	88
Beans and field peas	84
Sugar beet	85
Potatoes	86
Market garden crops, fruit and flowers	87
Small seeds, hay and straw	88
Miscellaneous receipts	89
SECTION IV. LABOUR, FEEDING STUFFS AND OTHER EXPENSES	
Labour	44
Purchased feeding stuffs	46
Purchased fertilisers	48
Purchased seeds	48
Coal, oil and electricity	49
Contract cultivations and threshing	50
Road and rail transport	50
Machinery, implements, blacksmith and saddler	51
Miscellaneous expenses	52
Land and Buildings Income and Expenditure Account	54
Private expenses	56
SECTION V. SUMMARY OF YEAR'S ACCOUNTS	
Farm Balance Sheets	60
Farm Profit and Loss Account	61
Private Account	68
SECTION VI. INTERPRETATION, COST ESTIMATES, AND BUDGET	
Interpretation of Farm Profit and Loss Account	65
Disposal of crops used on farm	70
Weekly ration record for dairy herd	72
Cost estimate for dairy herd	73
Weekly ration record for pigs	74
Cost estimate for pigs	75
Weekly ration record for	76
Cost estimate for	77
Cost of producing sugar beet	78
Cost of producing	79
Budget for coming year	82