

Dec 2nd, 12:00 AM

Records! Records! Records! AGMASTER Computerized Farm Accounting

Rob Holcomb
Iowa State University

Follow this and additional works at: <https://lib.dr.iastate.edu/icm>

 Part of the [Agricultural and Resource Economics Commons](#), [Agricultural Economics Commons](#),
and the [Economics Commons](#)

Holcomb, Rob, "Records! Records! Records! AGMASTER Computerized Farm Accounting" (1993). *Proceedings of the Integrated
Crop Management Conference*. 10.

<https://lib.dr.iastate.edu/icm/1993/proceedings/10>

This Event is brought to you for free and open access by the Conferences and Symposia at Iowa State University Digital Repository. It has been accepted for inclusion in Proceedings of the Integrated Crop Management Conference by an authorized administrator of Iowa State University Digital Repository. For more information, please contact digirep@iastate.edu.

RECORDS! RECORDS! RECORDS! AGMASTER COMPUTERIZED FARM ACCOUNTING

Rob Holcomb
Iowa Farm Bureau
Farm Management Analyst

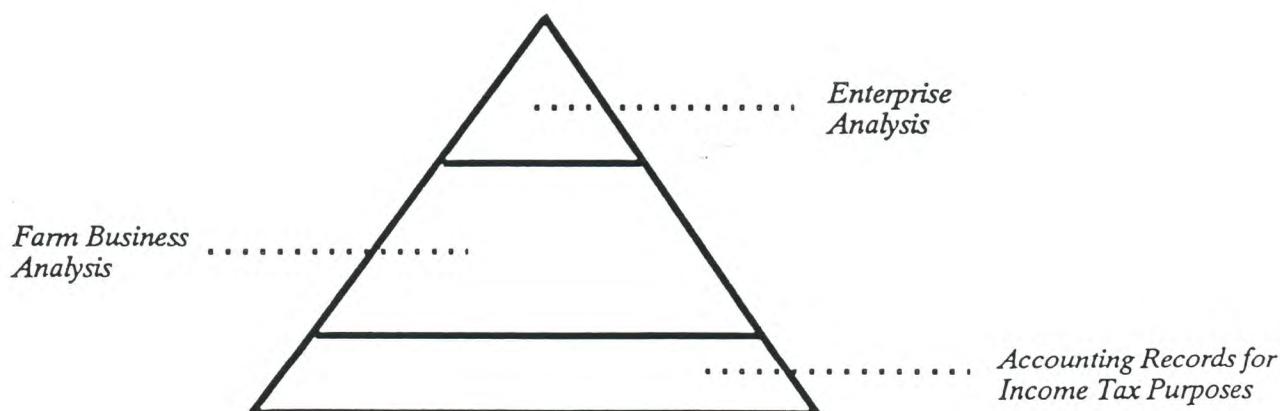
Sound financial management begins with a good farm accounting system. Every Farmer should be certain that their financial records management system meets today's business information needs. Making the right decisions is a tough chore for farmers in today's economic climate. Emphasis in any business should always be on profits, because without profit, credit will not always be available, nor does a business have to worry about taxes.

Farm Bureau offers you an opportunity to modernize your farm record keeping chores, to manage capital, credit and taxes, just as you have all the other farm operations.

The Farm Bureau AGMASTER program is designed entirely for farm business. Since its beginning in 1966, it has become one of the most efficient, accurate and easy-to-use farm records systems available anywhere.

Of all the members that use AGMASTER we can categorize the usage by using a hierarchy of use (see Figure 1). At the bottom of the pyramid is the group of farmers that utilize their farm accounting records for income tax purposes only.

Figure 1 - AGMASTER Hierarchy of usage



The second step up the scale are the individuals that utilize their farm accounting records to perform whole-farm business analysis. In short, these farmers use their records to determine whether or not the farming operation as a whole is operating profitably. The components of the business analysis consist of: Balance Sheet (market value and cost basis), Accrual Income Statement, Statement of Owners Equity, Financial Ratio Analysis, Farm Business Analysis, Comparative Trend Analysis and Statement of Cash Flows. A host of supporting schedules also accompany the Farm Business Analysis for documentation purposes.

The third and final step in the hierarchical scale is the use of enterprise analysis. Enterprise analysis examines each individual enterprise to determine profitability and cost of production. As an example, enterprise analysis may be used to determine whether the corn, beans, hogs or cattle on an individual basis have been operating profitably. In addition, AGMASTER members may then view an enterprise analysis report to determine the reasons for profit or loss in a given enterprise.

AGMASTER's three step hierarchy represents a mastery learning concept. Individuals should exhibit proficiency in the lower level before advancing. As one moves up the scale additional effort and knowledge will be required to obtain accurate information. Farm Business Analysis and Enterprise Analysis are valuable components of a Farm Accounting system, but the user needs to have a basic understanding of how numbers are calculated in order to fully benefit.