Farm Funds Harvested Crop Changes (ver. 2011.06.481)

Summary: The way Harvested Crops are handled in Farm Funds has changed. No longer will sales of harvested crops be allocated back to the fields where the crop came from. Instead, at the time of the harvest, crops are given a value and are transferred to a Marketing Enterprise. Later, when the crops are sold, the revenue for the sale is shown on the Marketing Enterprise. By doing this, the Field Enterprise Statements are designed to reflect the profit/loss for each field excluding any profit/loss from the actual marketing of the crop. Typically the value that will be assigned to the crop will be the value that the crop could have been sold at if it were sold at the time it was harvested. The Crop Marketing enterprise will then reflect any profit/loss from the sale of the crop. This Profit/Loss will be computed by taking the difference in the amount assigned to the crop at harvest and the price that it was actually sold for. This profit is then adjusted for any additional expenses (such as drying and storage costs) and income (such as hedging gains) to come up with the actual Marketing Gain/Loss.

Recording a Harvest.

1) When a harvest is recorded, the Farming box will have a spot where you can enter a "Unit Price". The price entered here will be used on the Field Enterprise Statement. This will

Harvest Information	
bu/ac	180.00
Total Qty	18,000.000
Landlord's quantity	0.000
Unit Price	6.50
Scale Tickets	Scale Tickets
Harvest Destination	Bin 1

typically be the price that the crop could be sold for if it were sold at harvest.

Note: The price will default to the amount setup in commodity Setup dialog.

2) When the harvest is recorded, the crop is effectively sold from the field enterprise to the marketing enterprise.

3) Any adjustments that are made in the Accounting area (by selling more than is on-hand or using the Adjust Harvested Crops box) will

Commodity Properties

General

Commodity

Description: Corn

RMA Identity: Corn (041)

Properties

Units: bushel

Density: 56 lbs/bu

Standard Moisture: 15.50 %

Value: $6.50 /bu

Color: [yellow]

✔ OK   ✗ Cancel

have no affect on the quantity harvested from each field. If the harvested amount is incorrect, it will be necessary to go back and adjust the harvest job (in the Jobs tab).

4) It will now be possible to change the quantity harvested after the crop has been sold. If this is done, the program will increase or decrease the quantity of crop that is available to be sold which will affect the Crop Marketing Enterprise.

Recording the sale of a Harvested Crop.

1) When a harvested crop is sold, the Harvested Crop Sale box will now list crops by enterprise (such as 2011 Corn) instead of just by the name of the crop.

   Harvested Crop Sale

Crop	2011 Corn ▼
Location	Bin 1 ▼
Quantity on Hand	18000.000 bushels

Quantity Sold	18000 bushels
Unit Price	$7.25
Total Sale	$130,500.00

   ✔ OK   ✗ Cancel   ? Help

2) There is no longer the option to choose "Specified Fields" or "Quantity on Hand" and thus the **Allocate Sale of Harvested Crops** spreadsheet dialog will never come up. All sales are allocated directly to the crop's marketing enterprise and will have no affect on the harvested quantity on the Field Enterprise.

3) The Storage Revenue option is no longer available. There is no reason to enter Storage Revenue as the program is designed so that all actual storage costs (such as dryer gas, bin depreciation and maintenance) should be allocated to the Marketing Enterprises.

4) If you sell more of a crop than you have in a storage location you will receive a warning message. Typically selling more of a crop than what you have on hand is a sign that the original harvest job was recorded for an incorrect quantity (the harvest was too small). If this is the case, you should cancel out of the sale and go back and adjust the harvest job and correct the quantity harvested. If you click OK to the warning message, the program will not change the quantity harvested. Instead it will show the additional bushels that were sold as a gain to the marketing enterprise. This is making the assumption that the

   Harvested Crop Sales

   ⚠ Warning: More Harvested Crop is being sold than is at the current location.

   Harvested crop adjustments affect Marketing Enterprise Statements but do not affect Field Enterprise Statements.
   Adjustments should be made by adding/editing harvest jobs to increase the quantity harvested.

   Click OK to make an adjustment to the harvested crop Marketing Enterprise on 2/9/2011, click CANCEL to cancel.

   OK   Cancel

storage and marketing of the grain resulted in having more crop to sell than was harvested.

Adjusting Harvest Jobs

The Job tab can be used to edit any farming jobs. This is an ideal area to make change to previously recorded harvests. Changes can include adjusting the price that was used or changing the quantity harvested. Changes can be to a job at any time up until the year that the job was recorded in is closed. To make changes to harvest jobs:

1) Go to the Jobs tab.

2) Use the Edit Filter button to filter the jobs as desired. When changing harvest jobs, you will likely want to filter based on the Crop Year, Commodity, and Job Type.
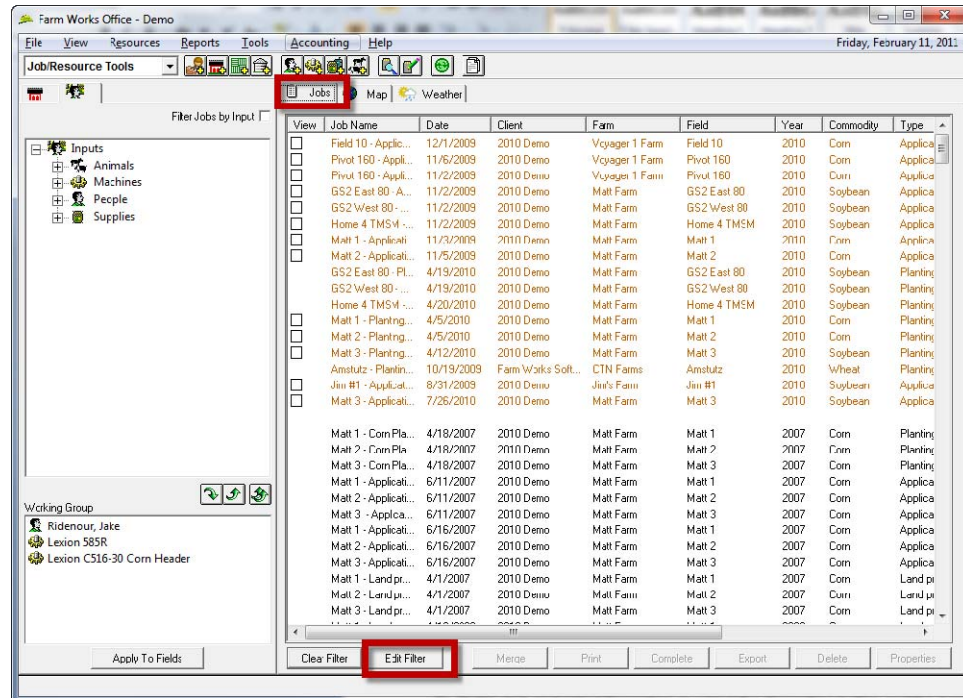
3) The Edit Filter button will restrict the Job tab so that it only displays jobs that meet the criteria. You can select all jobs by clicking on the first job in the list and then holding down the <Shift> key on the keyboard while clicking on the last job.

4) Right-click and select Properties or select the Properties button and the Farming box will appear.
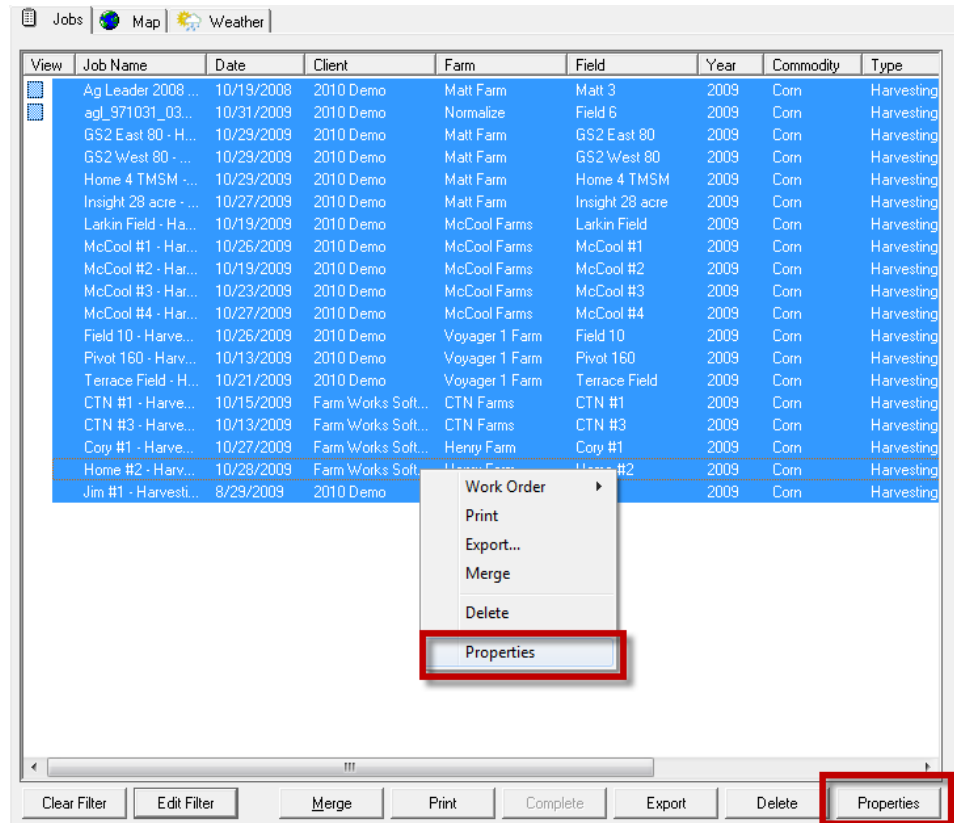
5) Make any desired changes. If you wish to change the total harvested, enter the correct quantity in the Total column. The cost for all enterprises may also be updated in the Total column.

Harvest Information			
bu/ac		176.48	187.02
Total Qty	226,994.719	5,631.396	1,311.042
Landlord's quantity	6,930.000	0.000	0.000
Unit Price	0	3.50	3.50
Scale Tickets	Scale Tickets	Scale Tickets	Scale Tickets
Harvest Destination		Bin 1	Bin 1

Allocating Costs to Crop Marketing Enterprises

1) The Other Expense and Loan Payment boxes will now have an option to allocate costs to Crop Marketing Enterprise(s). This can be used to allocate costs such as Grain Dryer Gas, Hedging Losses, and Interest Expense to the Marketing Enterprise.

Allocating Other Revenue to Crop Marketing Enterprises

1. The Other Revenue box will now have an option to allocate other revenues to Crop Marketing Enterprise(s). This can be used to allocate revenues other than the sale of the crop to the Marketing Enterprise. This would be used

primarily to allocate hedging gains to the marketing enterprise.

Allocating Inputs Marketing Enterprises

1. The Alocate Inputs box will now have an option to allocate any inputs to Crop Marketing Enterprise(s). This can be used to allocate Expenses & Revenues that were originally left as unallocated to the Crop Marketing Enterprise.
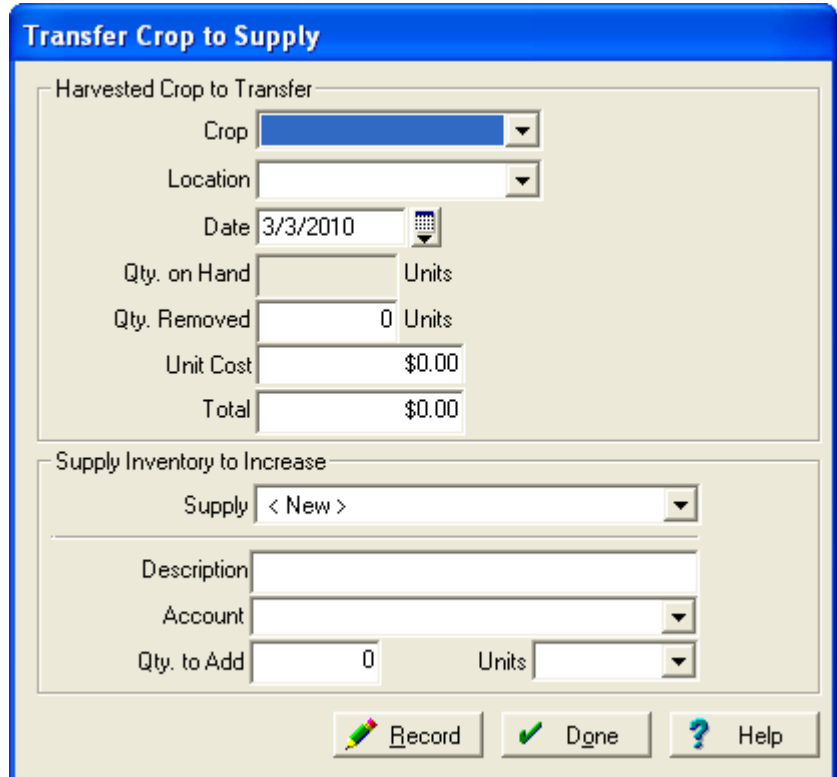

2. This can also be used to allocate Supplies to the Crop Marketing Enterprise. Examples include any supplies used to treat a crop after it has been harvested such as treating a crop that is in a storage location.

3. This can also be used to allocate Equipment to the Crop Marketing enterprise. Examples would be allocating Grain Trucks that are used to haul the grain from a storage bin to an elevator or co-op.

4. This can also be used to allocate People to the Crop Marketing enterprise. This can be used to allocate the cost of people who are marketing or hedging a crop. It could also include time for people hauling a crop to an elevator or co-op.

Transferring a Crop to a Supply

1) When a harvested crop is transferred to a supply (such as transferring a crop to a feed supply to be used with livestock), the Transfer Crop to Supply box will now list crops by enterprise (such as 2011 Corn) instead of just by the name of the crop.
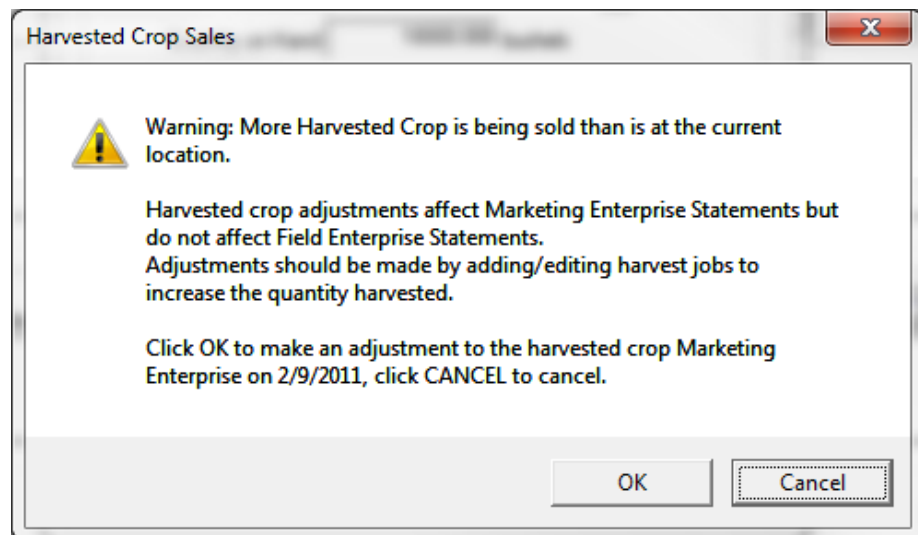
Transfer Crop to Supply

Harvested Crop to Transfer

Crop	
Location	
Date	3/3/2010
Qty. on Hand	Units
Qty. Removed	0 Units
Unit Cost	$0.00
Total	$0.00

Supply Inventory to Increase

Supply	< New >
Description	
Account	
Qty. to Add	0 Units

✏ Record   ✔ Done   ? Help

2) There is no longer the option to choose "Specified Fields" or "Quantity on Hand" and thus the **Allocate Sale of Harvested Crops** spreadsheet dialog will never come up. All sales are allocated directly to the crop's marketing enterprise and will have no affect on the Field Enterprise.

3) If you transfer more of a crop than you have in a storage location you will receive a warning message. Typically transferring more of a crop than what you have on hand is a sign that the original harvest job was recorded for an incorrect quantity (the harvest was too small). If this is the case, you should cancel out of the transfer and go back and adjust the harvest job and correct the quantity harvested. If you click OK to the warning message, the program will not change the quantity harvested. Instead it will show the additional bushels that were transferred as a gain to the
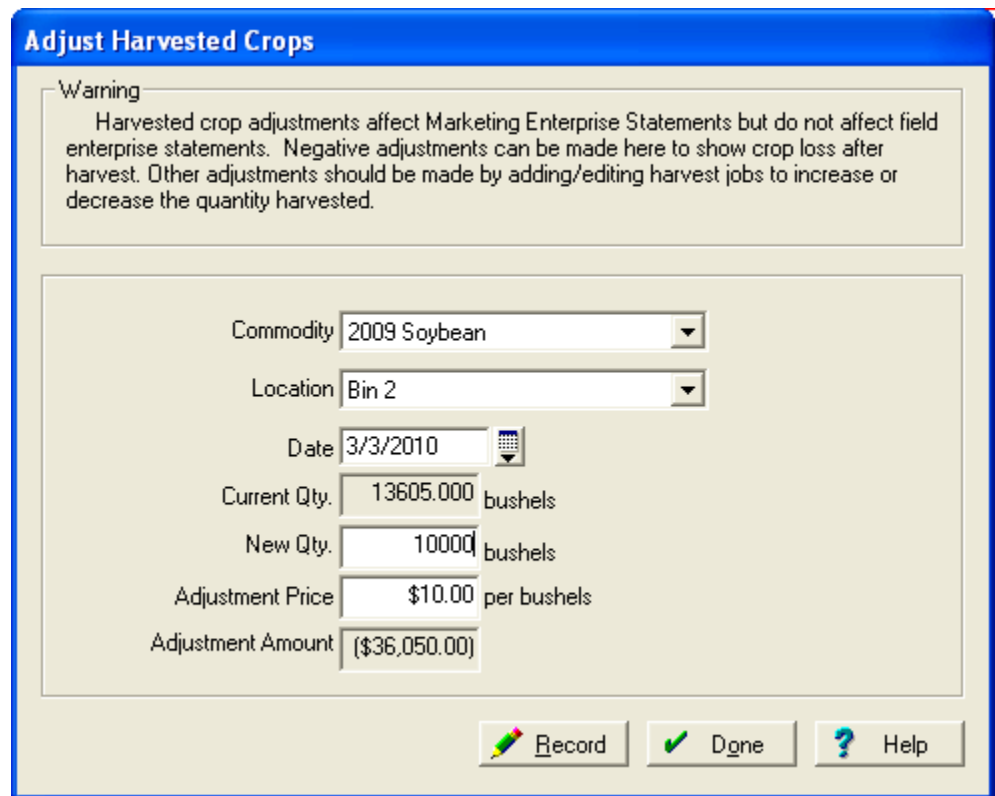
Harvested Crop Sales

⚠ Warning: More Harvested Crop is being sold than is at the current location.

Harvested crop adjustments affect Marketing Enterprise Statements but do not affect Field Enterprise Statements.
Adjustments should be made by adding/editing harvest jobs to increase the quantity harvested.

Click OK to make an adjustment to the harvested crop Marketing Enterprise on 2/9/2011, click CANCEL to cancel.

OK   Cancel

marketing enterprise. This is making the assumption that the storage and marketing of the grain resulted in having more crop to sell than was harvested.

Adjusting Harvested Crops

1. The function of Adjusting Harvested Crops is changed from how it worked in past version. Adjustments made in this area will have no affect on the harvests. If an adjustment is due to the fact that the harvest is incorrect, then you should go to the Job tab and adjust the previous harvest jobs. Adjustments made in this area will cause a gain/loss on the Crop Marketing enterprise. These adjustments should reflect changes in the inventory that are due to the storage or transport of the crop. An example would be grain shrinkage.

2. When an adjustment is made, you will select the Commodity (year and crop), storage location and date for the adjustment.

3. The current quantity on hand will be displayed and the correct quantity can be entered

4. An "Adjustment Price" should be entered. This will typically be the market value of the crop that was lost (or gained). The program will compute an Adjustment Amount by multiplying the change in the quantity by the Adjustment Price. This Adjustment Amount will be reflected on the Crop Marketing Enterprise.

Reporting Crop Marketing Enterprises

1. The Enterprise Statement Report will now have an option to print Crop Marketing Enterprise Statements

2. When this option is selected, you can select which Crop Enterprises (Year and Crop) that you wish to see.

3. The Filters can be used to filter for a certain Year and or Commodity.

4. Additionally a Date Range can be entered.

5. The enterprise statements for Crop Marketing have the following format.
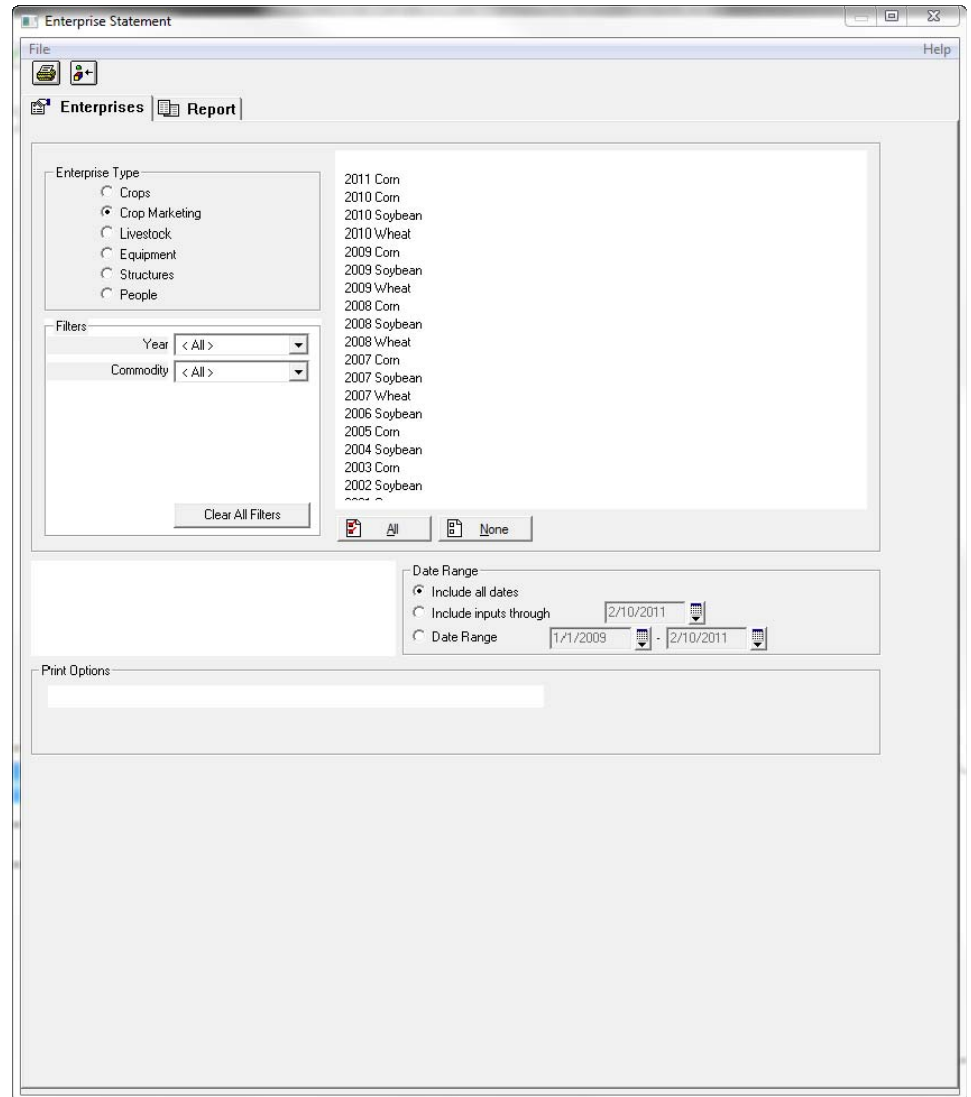
Enterprise Statement

File   Help

Enterprises   **Report**

Crops		Size		
2011 Corn		100.00 acres		

Harvested Crop Transfer Cost		Unit Cost	Total	
2011 Corn - Jim #2	20000.00 bu	6.500	130000.00	
Total Harvested	**20000.00 bu**	**6.500**	**$130000.00**	

Inputs	Qty.	Unit Cost	per bu	Total
Other Inputs				
Drying Expenses			$0.0800	$1500.00
Interest Expense			0.0800	1500.00
Total Other Inputs				**$3000.00**
Total Inputs				**$3000.00**
Total All Costs	**20000.00 bu**		**$6.65**	**$133000.00**

Other Revenue			per bu	Total
Hedging Gains/(Losses)			$0.0400	$750.00
Total Other Revenue				**$750.00**

Marketing Enterprise Profit/Loss	Qty.	per ac	per bu	Total
Sales	19900.00 bu	1592.00	8.00	159200.00
Sales to Enterprises		0.00		0.00
Other Revenue	19900.00 bu	7.50	0.04	750.00
Adjustments	-100.00 bu	7.00	7.00	-700.00
Less: Cost of Crop Sold	19900.00 bu	1323.35	6.65	-132335.00
Net Profit on Adj. Crop Sold	**20000.00 bu**	**269.15**	**1.35**	**$26915.00**

4) Field enterprise statements now have an option to include the marketing gain/loss in the Enterprise P/L area.

Print Options

☑ Print Marketing Gain/Loss on Field Enterprise Statements

Enterprise Profit/Loss	Qty.	Unit Cost	Total
Transfers to Marketing Enterprise	500.000 bu	10.000	5000.00
Less: Cost of Commodity Sold	500.000 bu	1.414	706.84
Net Profit/Loss			**$4293.16**
Marketing Gain/Loss	500.000 bu	19.333	9666.50
Net Profit/Loss after Mkting			**$13959.66**

5) Like the field enterprise statements, the Enterprise Summary in Pro now has an option to include the marketing profit/loss in the map calculations.

Enterprise Summary

Cell Data

Cell Size   50   ft

Search Radius   100   ft

Neighbors   12

Accounting Info

☐ Include Marketing Enterprise Profit/Loss

✔ OK   ✘ Cancel

6) In the Accrual Trial Balance, the details of the Harvested Crop account now list be crop instead of by field enterprise.

Trial Balance -- Accrual Method -- as of 3/3/2010

Corn - Accrual Method

File   View

Detail	Amount	Qty. 1		Per Unit	Qty. 2
2008 Corn	20,186.66	8,018.000	bu	2.518	
2009 Corn	138,515.97	130,433.323	bu	1.062	
2010 Corn	2,642.25	1,280.000	bu	2.064	
Total All Details	161,344.88	139,731.323			0.0