

From Shoeboxes to Spreadsheets: An Overview of Farm Financial and Production Record Keeping

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Overview

Effective farm management depends on accurate record-keeping. Although easy to overlook, a detailed and precise set of records is a valuable tool for agricultural producers. While it may seem like a daunting task, maintaining accurate records is worth the time and effort, especially if a financial issue arises. These records help track income, expenses, and production activities, supporting informed business decisions. Farm financial and production records should be complete, clear, neat, simple, and consistent. These qualities ensure that records are useful for daily operations as well as long-term planning, such as securing loans or grants, meeting legal and financial obligations, and preparing essential tax documentation. It's never too early (or late) to develop a record-keeping system tailored to your operation(s).

Basic Record Keeping

Record keeping involves collecting, organizing, and storing information about an operation.



It covers both production records (what is grown or raised and/or resource management) and financial records (expenses and income). An effective farm record-keeping system doesn't need the latest technology, but it must be simple to follow and update regularly.

Record Keeping Tools

A successful and efficient record-keeping system depends not only on what information a producer collects, but also on how it is recorded, stored, accessed, and used over time. Tools used to manage farm records should match the scale of the operation, the producer's comfort level with technology, and the intended purpose of the records. There is no single, universally effective method of record-keeping that works for all agricultural producers. The key

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to success is selecting a process that makes consistent and accurate record-keeping as simple as possible.

Many farmers start with a paper-based record system, especially for keeping daily field notes. Spiral notebooks, binders with printed forms, or pre-made record-keeping templates can be customized by crop type, field, or live-stock type. These paper tools are inexpensive and easy to use. However, they can be challenging to keep organized, especially when records are needed for production year summaries or annual tax filings. Microsoft Excel and Google Sheets are affordable digital options for producers comfortable with electronic recording methods. Spreadsheets simplify calculations, sorting, and organization, and they can be easily backed up to physical drives or to cloud storage. Additionally, this method makes data sharing more straight-forward.

As an operation expands, farm-specific record-keeping software may become worthwhile if a producer needs more in-depth analysis. There is no shortage of specialized farm-specific software for record-keeping, including some that provide mobile apps for real-time data entry from the field, integration with GPS or yield monitors, and automatically generated reports (Wantoch, 2025). Program and subscription costs vary significantly and can be expensive depending on the size of the operation.

Table 1: Attributes of Record-Keeping Systems

Feature	Paper Record System	Digital Record System
Cost	Low (notebooks, printed forms)	Varies (free to subscription-based)
Ease of Use	Easy to start and maintain	Initial learning curve, but better organization
Accessibility	Requires physical access	Access from phone, tablet, or computer
Data Analysis	Manual	Built-in tools for reports, charts, and summaries
Backup	Store physically	Digital backup and data protection
Scalability (Farm Size)	Difficult to maintain as the operation grows	Cost-prohibitive to smaller operations, but is integral for larger operations

General accounting software (e.g., Quick-Books) is a valuable tool specifically for financial record-keeping. These platforms make it easier to track income and expenses, categorize transactions, generate invoices, and reconcile bank accounts. When used correctly, this type of software can produce accurate and essential financial statements quickly. There is usually a steep learning curve and cost associated with most accounting software; however, many accountants are familiar with it, which can make tax season or loan applications smoother processes.

Regardless of the chosen system, digital backup and security should be integral to any record-keeping setup. Paper records should be regularly scanned or photographed, and electronic files ought to be stored on external hard drives or cloud-based platforms. Access should be restricted to trusted individuals. Consider using passwords for additional protection of sensitive information. Table 1 outlines the key differences between paper and digital record-keeping systems.

Production Records

Production records keep track of the physical activities and inputs needed for a farm’s production, such as growing crops or raising livestock. Detailed and accurate production records allow producers to evaluate and compare performance over time, make better management decisions, and enhance the overall efficiency and profitability of their operation. Proper production records should be organized so that producers can access and analyze them easily. Regardless of the method used, these records are most useful when updated frequently—ideally daily or weekly—and organized by crop type, field, or animal group. Backup records should be stored in a location that is easily accessible, whether physical or digital. An example of a production record template is included in Table 3. This template is not meant to be a comprehensive or perfect document; it offers a foundation for building more detailed records.

Crop Records

Crop records include all essential details about planting, input use, maintenance practices, and harvest. Planting dates, crop varieties, field locations, seed sources, and seeding rates should be recorded. As the season advances, crop records should be continually updated with information regarding fertilizer and pesticide applications, including the product name, rate, and application date. Irrigation schedules and methods should also be documented. Detailed notes on pest and disease observations should be recorded, along with records of any mitigation steps taken. Harvest data should be documented, including yield by field (or enterprise) and harvest dates. Consistently collecting this type of data allows for comparisons across years, varieties, and production plans, supporting better future decision-making.

Livestock Records

Livestock records should include animal identification numbers or names, sex, breed, and birth dates. Daily or weekly records might include feeding schedules, weight gains, pasture movements, breeding and calving or farrowing dates, and any health issues and veterinary treatments. Vaccinations and medications need to be accurately tracked for regulatory com-

pliance. Mortality and culling records can help identify management or environmental issues impacting herd or flock health. It may also be helpful for producers to track production outputs, such as milk yield, egg count, or carcass weight, depending on the enterprise's goals.

Labor Records

Labor records help track and manage workforce efficiency and costs. Records should include workers' names, dates and hours worked, tasks performed, and wages paid. Monitoring labor inputs for specific tasks, such as planting, application, and harvesting, can help identify which production operations are most labor-intensive and reveal opportunities for cost savings.

Weather Records

Weather records are crucial for understanding production results and are useful in planning future strategies. Consider tracking daily high and low temperatures, along with any extreme weather events such as frost, hail, droughts, floods, or excessive heat. Usually, this data can be collected using a simple on-farm weather station or accessed online if a National Oceanic and Atmospheric Administration (NOAA) weather station is available.

Table 2: General Production Recordkeeping Checklist

Task	Completed	Notes
Record planting and harvesting dates for each field/crop		
Track fertilizer, pesticide, and herbicide applications (product, rate, date)		
Record labor hours per activity (per field, per crop if necessary)		
Track irrigation amounts		
Record machinery uses and fuel costs		
Record yield per field at harvest (or livestock group at sale)		
Maintain receipts (or logs) for input purchases.		
Maintain sales receipts		
Record severe weather events impacting production		
Document necessary changes or observations for the next production season		

Table 3: Simple Production Recordkeeping Template

General Information					
Farm Name					
Field #					
Crop/Livestock					
Season/Year					
Variety/Breed					
Field Activities & Inputs Log					
Date	Activity	Input	Rate	Amount Used	Weather Conditions
Labor & Equipment Use Log					
Date	Task	Labor Hours	Rate	Equipment	Fuel Used (gal)
Harvest Record Log					
Date	Crop	Yield	Unit	Acreage	Moisture %
Season-end Observations or Issues:					

Financial Records

Financial records help farmers understand their farm's financial position and performance (Loy and Ahrendsen, 2023). While production records document the physical aspects of farming, financial records show how money moves through the operation. Proper financial records are essential for managing risk, planning for growth, securing credit, and meeting tax and legal requirements. Like production records, accuracy, consistency, and organization are vital for financial records to be useful, no matter the methods used to keep them.

A basic financial record-keeping system tracks income, expenses, assets, liabilities, and net worth, also called equity. Income records should include all revenue sources, such as sales of livestock, crops, value-added products, and any off-farm income related to the farm. It's important to record not just the totals but also the date, source, and type of income (such as direct sales at a farmers market, a wholesale contract, or government support). Expense records should document all farm-related costs, including input purchases (like seed, fertilizer, and feed) and operating expenses (such as fuel,

repairs, utilities, and hired labor). Each entry should clearly state the date, vendor, purpose, and amount paid. Capital expenditures, like equipment purchases or building improvements, should be recorded separately from regular farm operating costs.

Along with income and expenses, keep a record of assets, liabilities, and owner's equity. These details are essential for creating key financial statements, including the income statement, balance sheet, and cash flow statement, which can be prepared monthly, quarterly, or annually based on a farm's needs. Refer to additional chapters for detailed explanations and examples of a farm balance sheet, income statement, and cash flow statement. Developing and maintaining these statements are the most crucial parts of financial record-keeping.

Strong financial records not only support a producer's daily decision-making but also help demonstrate credibility to lenders, insurers, and government programs. They enable producers to monitor profitability by enterprise, set goals for future investments into their business, and adjust practices based on economic results. Especially during times of uncertainty, having accurate and current financial records can be a vital tool for producers to respond effectively to situations and access available support.

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