**Tools and education are valuable resources to maintain a successful ag business**

By Harlee Kilber, BSC Assistant Professor of Farm Management

As we begin to transition to a new year, there are a few important things to keep in mind. Taxes will need to be completed, operating loans obtained, and a solid plan for the upcoming year will need to be developed. Although it may seem daunting, the Farm Management Education Program at various colleges across the state can assist you in setting yourself up to succeed. In this article, I will show how important accurate recording keeping is and provide you useful tools needed to run a successful ag-related business.

Each year, several questions are raised. How can I be prepared for tax season? How can I get more organized with my receipts? Below I have answers to these questions.

As you move throughout the year, it is good to keep the following items for your records: checking/savings balances, prepaid expenses/supplies, grain/feed inventories, livestock inventory, capital purchases, and loan information. When looking at recording income, it is helpful to document crop, livestock, and personal income. When recording expenses, it is good practice to record all expenses for both the farm and the family. These expenses can be easily separated within Quicken and QuickBooks.

The Bismarck State College (BSC) Farm Management Education Program provides individuals with the tools and knowledge to compile accurate records. Why is this important? Producers run a business and good record-keeping helps to plan and forecast for the next year. Lenders, government agencies, and insurance companies may require records of income and expenses and/or production records before approving a loan or signing producers up for certain agricultural programs.

In this two-course program, producers work hands-on with personal finance management tools such as Quicken and QuickBooks to manage their budget and track income and expenses. Instructors would assist to ensure the income and expenses are categorized accurately. Instructors and students also have access to Finpack, a financial accounting software specifically designed for agriculture businesses to see an in-depth financial picture of their operations. It assists in making informed management decisions about your future as well as analyze how your operation is doing with ratios that can be compared to other operations in your region.

In addition to software programs, the BSC Farm Management Education Program provides training using Farm Service Agency-approved documents that producers can use to track their income, expenses, and production histories. We can use those histories to project how the next year will go and whether the business will make or lose money. We can factor in capital purchases, sales and see how yield changes will affect your ending margin.

Although it may seem like a laundry list of items, accurate record keeping will save you time and money. It’ll allow you to understand your operation better and see where you can improve your business.

 If you are interested in the Farm Management Education Program at BSC or any of the other institutions across the state, reach out to your local North Dakota Farm Management Education instructor near you and we can help you obtain your personal and ag business goals.

For program details and instructor contact information visit ndfarmmanagement.com and @NDFarmManagementEducation on Facebook or contact the State Supervisor for Agricultural Education Craig Kleven at crkleven@nd.gov or 701-328-3162.

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