



B.C. DAIRY TALK

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Accounting for Successful Farm Management

“Model Financial Statements for Canadian Agricultural Producers - Dairy”

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To maximize farm profits, farm managers need high quality management information. Across Canada, farm managers, accountants, lenders, and business advisors have consistently recognized that varying accounting and reporting practices are a serious impediment to the agricultural industry's ability to benefit from the powerful management tools that other industry sectors now use to maximize operations and improve profitability.

The Canadian Farm Business Management Council, through its Agricultural Accounting Standardization Committee, has developed a series of "Accounting For Successful Farm Management" publications for the agricultural industry. The first ones to be released are dairy and grains/oilseeds. Others to follow include poultry, beef, swine, and horticulture.

These standard financial statements provide:

- the committee's recommendations, supplemented with explanations, easy to understand illustrations and examples
- sample chart of accounts
- practical guidance for preparing financial statements
- model financial statements
- Word and Excel templates

The model financial statements:

- are practical and easy to apply for most manual or computerized record systems, including double-entry and accrual basis records
- are prepared on a single-enterprise basis (e.g. dairy)
- comply with generally accepted accounting principles (**GAAP**) formulated by the Accounting Standards Board of the **Canadian Institute of Chartered Accountants**
- provide essential measurement of operational efficiency (e.g. contribution margin, percentages of production expenses)

The publication "Accounting For Successful Farm Management" and computer template for a dairy are available at a cost of \$45 plus GST = \$48.15 from:

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