

Is the most basic tool always the best one for your farming operation? Do you just choose the cheapest option, when purchasing equipment like a certain brand or type of equipment? You likely do have a favorite brand, and research extensively before making a purchase. The same logic applies to the software you use to manage your farm. Software is a crucial piece of equipment that can help your farm stay financially on track, and also help increase your profits. Rather than just choosing the most common and basic accounting program, have a careful look at your options to determine what is best for your farm. You might find that the basic program is not cutting it, and you could be doing much more. So the question is, with so many basic programs available out there, who needs accounting software made for agriculture?



Farmers who want to know how they are doing compared to established guidelines.

Industry benchmarks can help you pinpoint areas of strength and weakness in your farm, so you can increase profits and reverse negative trends. These kinds of tools, made specifically for agriculture, are not found in basic business accounting programs. The term for this tool is ratio analysis, and it includes guidelines, ratios, and indices that are specific to agriculture, so you won't have to guess how you are doing. You can see for yourself, using the numbers you have already entered into your system.

Farmers who want to plan how much profit they will have, and where it will come from.

Smart farming means being able to understand all areas of your business, and that means tracking the information that is most useful to you, whether it's by profit center, enterprise, by account, and more. Accounting software made specifically for agriculture can help with this, while basic programs cannot. Tracking information helps you understand which areas of your farm are profitable, so you can focus on your income generating enterprises and increase your profits. Another helpful tool for planning is the ability to run 'what if' scenarios. Doing this allows you to project future sales, cash flow, income statements, and assets and liabilities. Once this information is tracked and reported consistently, managing your finances becomes much easier and can become more goal-oriented.

Farmers who want information in their own language.

Basic accounting programs likely won't contain anything about enterprises, farms, fields, production, or other farm-related activities. That's because those programs have to fit a huge variety of business types. Software made specifically for agriculture presents tools and features to you in a way that is familiar and makes more sense.

Using an Ag-specific program to run your farm can make your information much easier to enter and understand. No matter which program you choose, make sure it can provide you with the financial information you need, in the way you want to see it.