RED WING SOFTWARE

Easily Conquer Your Farm's Financial Management

A practical guide from Red Wing Software

Running a successful farm today takes more than good yields — it takes financial clarity. By managing your records the right way, you can understand which areas of your operation are profitable, plan for the future, and make decisions with confidence. These practical steps will help you strengthen your financial foundation and take control of your farm's business.

1. See Your Farm from Both Cash and Accrual Perspectives

Cash accounting helps you manage day-to-day cash flow, while accrual accounting gives you a clearer picture of overall profitability. With CenterPoint Accounting for Agriculture, you can view your operation both ways — cash for tax purposes and accrual for management insight — without maintaining separate records. For example, you can record fertilizer purchased in the spring and still see how it aligns with fall harvest revenue, giving you a complete and accurate view of your farm's performance.

2. Separate Enterprises for Clarity

If your operation includes crops, livestock, and custom work, record each as its own enterprise. Doing so lets you analyze which areas are driving profits and which need improvement. A farmer who tracks cattle and row crops separately might realize the livestock operation is more profitable than expected — or vice versa — helping guide future investment decisions.

3. Match Costs to Production Cycles

Timing is everything. Aligning expenses and revenue within a production cycle reveals a more accurate breakeven analysis. For example, matching seed, fertilizer, and chemical costs to the crop year instead of the calendar year prevents profit fluctuations that can mislead your decision-making.

4. Connect Production Data with Finances

Link your production records — acres, fields, herds, or barns — directly to your accounting data. When you assign income and expenses to specific fields or livestock groups, you can compare yields and costs per acre or per head and instantly see where efficiency gains are possible.

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5. Keep Records for You — Not Just for Taxes

Your accountant or banker needs certain information, but keeping detailed records benefits you the most. With accurate data, you can make informed choices about pricing, expansion, or when to buy equipment. It's also much easier to work with consultants and lenders when your numbers are organized and current.

6. Turn Your Numbers into Insights

Don't let data sit idle. Use dashboards and reports to quickly view cash flow trends, profitability by enterprise, and debt levels. Set up alerts for expenses that exceed budget or when a crop's breakeven point is near. The more often you review your numbers, the faster you can adjust to changing conditions.

7. Forecast for Stability

Build a simple budget for each enterprise and compare actuals to your plan each month. If you expect higher feed costs or lower crop prices, planning ahead keeps you from scrambling later. Forecasting cash flow also helps ensure funds are available for taxes, loan payments, or unexpected repairs.

8. Simplify Labor Tracking and Payroll

Labor is one of your biggest costs, but it's also one of the easiest to manage when tracked properly. Assign employee hours to specific fields, barns, or projects. This not only simplifies payroll but also gives you visibility into the labor efficiency of each enterprise.

9. Don't Overlook Support

Choosing software that's built for agriculture — and backed by real, U.S.-based experts — makes all the difference. When you have questions about allocating feed costs or tracking inventory, you want someone who speaks your language and understands farm accounting, not a generic help desk.

10. Use Tools Built for the Farm

CenterPoint Accounting & Payroll for Agriculture combines all these capabilities in one place — from accrual reporting to enterprise analysis, budgeting, and payroll. It's been helping real farmers since 1979, providing a trusted foundation that keeps pace with modern farm management.

Take control of your farm's financial future today.

Sign up for a demo and learn more about simplifying the way you manage your farm's books — for clearer insight, smarter decisions, and stronger profits.