



## Basics to Recordkeeping Guide

*The following are general guidelines to help you establish a recordkeeping system for your operation. We recommend you also watch our video series on Recordkeeping for Crop Insurance that is available at [rafiusa.org](http://rafiusa.org).*

Recordkeeping is important not only for improving and growing your business, but it is also a key factor in qualifying you for crop insurance. Crop insurance and other risk management programs require differing levels of records and this guide will help walk you through these details.

Recordkeeping can seem like an intimidating task that's why one of our basic rules for recordkeeping is-keep it simple! Seriously don't get overwhelmed. We're going to start by walking through the basics of what you'll need to get started and then move into how you can actually get going on keeping these records.

So let's start with the basics.

### 1. Farm Number

- If you haven't already go the Farm Service Agency (FSA) and register your operation. It's free! All you need to provide is written proof of your connection to the land. Here's a how to guide to walk you through this process: <http://www.wikihow.com/Visit-the-Farm-Service-Agency-Office-for-the-First-Time-as-a-Farmer>

### 2. Get a field map of your operation

- FSA will provide you with an aerial shot of your property and you can add the following information: field numbers, wetlands, water sources, organic vs. conventional, row numbers, buffers, contours

### 3. Decide what to track based on what you want to get out of your records

- For crop insurance, it is mainly about establishing your yield and price

### 4. Track Yield

- Keep track of how much you plant and harvest. Do this on a daily basis!

### 5. Track Price

- Keep logs of market and farm stand transactions-keep track of how much you sell and at what price
- Can also use contracts and Schedule Fs to track your operation's profits





- If you have contracts or receipts keep these to provide additional verification of your records, it's always helpful when you can back up your own records with information from another source.

Now we're going to transition into how you actually go about keeping your records. Figure out what works best for you! You might prefer using spreadsheets on a computer or maybe keeping track in a notebook, experiment and figure out what's best. Keep it simple, choose whichever method gets you keeping records on a daily basis.

Here's some tips for while you're getting started with recordkeeping:

1. Keep your records handy.
  - That could be a notebook in the dash of your truck or a smart phone that you carry with you
2. Protect your records from the elements!
  - This is especially important if you're using paper or electronics (keep them in ziploc bags)
3. You don't have to have just one copy of your records. You can keep multiple copies in different locations.
  - For example maybe it makes sense to have harvest records in the truck and sales records by the cooler.
4. Keep your records updated. Update you records every day!
  - It is much easier to keep records as your season progresses rather than trying to sit down at the end of the season, or month, or even week and try to recreate what happened.
5. Keep you records clear and consistent
  - These are your records, so do what works best for you!
6. Date everything.





- This is essentially the same as number 4, but that's how serious we are. Date it! It will be so much easier if you keep records every day. It is much less overwhelming that way and provides the most thorough information.

As I'm sure you're understanding now there are multiple ways that you can keep records. If you're looking for a template to get you started we have forms for Planting, Harvesting and Sales. We've also included links to some other organizations who have great recordkeeping resources as well

#### Additional Resources:

- North Carolina Cooperative Extension: <https://www.ces.ncsu.edu/>
- Farmers' Legal Action Group (FLAG): <http://www.flaginc.org/2015/12/now-available-updated-farmers-recordkeeping-toolkit/>
- Southern Sustainable Agricultural Working Group: <http://www.ssawg.org/gfp-recordkeeping/>
- National Center for Appropriate Technology ATTRA: [https://attra.ncat.org/intern\\_handbook/farm\\_records.html](https://attra.ncat.org/intern_handbook/farm_records.html)
- Carolina Farm Stewardship Association: <https://www.carolinafarmstewards.org/record-keeping/>

Here's also some additional electronic resources that might be worth considering for your recordkeeping purposes (we do not endorse any products, just wanted to give you some options)

#### Electronic Resources:

Microsoft Excel: <https://products.office.com/en-us/excel>

- Basic option for electronic spreadsheets

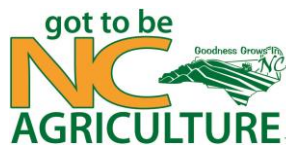
Quickbooks: <https://quickbooks.intuit.com/var3/?#/>

- Accounting software for businesses

Veggie Compass: <http://www.veggiecompass.com/>

- It is a whole farm profit management tool. So it is designed specifically for farm operations

AgSquared: <http://www.agsquared.com/>



This work is supported by the North Carolina Department of Agriculture and Consumer Services Specialty Crop Block Grant Program



- It is a planning, management, and record keeping software for your farm

## ***Recordkeeping for the Noninsured Crop Disaster Assistance Program (NAP)***

NAP is available through FSA and it essentially provides coverage to crops that don't have an individual crop insurance policy. If you'd like more information on NAP please see our Farmer Resources Page.

In terms of records for NAP you need to provide 3 main things for each crop:

- Amount planted
- Amount harvested
- Amount sold

In addition, you will also need to establish your approved yield for each crop you want to cover under NAP.

Approved yield is the official number in FSA records that shows how much yield your operation generates. It is based on your actual production history, so it is really important to keep records in order to have an accurate approved yield. FSA typically asks for 4-10 years of consecutive yield records to determine your approved yield.

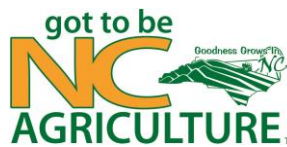
If you don't have this many years of records then you can use a transitional yield. T-yields are the expected average for your county, so they tend to not be as good as the yields for your specific operation.

For NAP keep daily records

- Keep a daily harvest record. This will include harvest dates, amount harvested, and your harvesting unit (so if you pick in terms bins or buckets, note that)
- NAP requires a daily record of amount sold to be turned in at the end of each season. If you're selling wholesale, keep track of your contracts and bills of lading. If you're selling direct, record the amount of product you bring to your market or farm stand. At the end of the market day, record the amount you have left over. This lets you calculate how much you sold without much hassle (you can subtract the amount leftover from the amount you brought to market)

## ***Recordkeeping for the Whole Farm Revenue Protection (WFRP) policy***

WFRP covers your whole farm in a single policy – other kinds of coverage, like NAP, only work on a crop-by-crop basis. WFRP incentivizes diversification, this means that to get better coverage, it benefits you spread your crop income as equally as possible across more than two crops. If you'd like more detailed



This work is supported by the North Carolina Department of Agriculture and Consumer Services Specialty Crop Block Grant Program



information on WFRP please see our Farmer Resources webpage. We include educational information and the USDA factsheet on WFRP.

In terms of records for WFRP you need one main thing:

- You need to be able to show your revenue through 5 consecutive years of tax statements, like Schedule F's
  - \* There are some exceptions to how many years of tax statements you need – check with your crop insurance agent to figure out if these apply to you.

For WFRP you'll need to provide the following:

- Farm plan for the year. This is basically just a record of what crops or livestock you plan to raise and how much of each you're planning to produce. You will also include what markets you're planning on selling to (i.e. wholesale, restaurants, direct, etc.) and the prices you expect to receive for this crop year (your historic records can help establish price)
- Historic revenue. Historic revenue is based on 5 consecutive years of your Schedule F's. If you don't file a Schedule F, you can use other tax forms for your farm and create what's called a Substitute Schedule F. For more details, talk to a crop insurance agent.
- Projected revenue. **Projected revenue** is an estimate of how much money is expected off your operation. Your crop insurance agent will calculate your projected revenue based on your intended farm plan and the historic revenue that you have received.

Remember just start with the basics. If WFRP seems out of reach right now, don't be intimidated! Start by tracking your yield and price each season and you'll quickly build up your records.

Keep it simple, keep it easy and do what works for your operation!



This work is supported by the North Carolina Department of Agriculture and Consumer Services Specialty Crop Block Grant Program