

USING QUICKBOOKS ACCOUNTING SOFTWARE TO IMPROVE FINANCIAL AND PRODUCTION RECORDS FOR BETTER DECISION MAKING

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Abstract

Increased price volatility and narrow profit margins in production agriculture emphasizes the importance of sound record keeping practices. This need has led Texas A&M AgriLife Extension personnel to develop materials for and conduct 41 QuickBooks financial software classes. A course overview is discussed that includes methods used, topics covered and projected impacts.

Introduction

Texas agricultural producers face numerous forms of risk. Many struggle to maintain economic viability while encountering undesirable weather conditions, escalating input costs and volatile commodity prices. This uncertainty has greatly increased the importance of accurate financial reporting. However, inadequate record keeping is a common problem encountered by agricultural lenders, who are often faced with requests for loan extensions due to an underestimation of costs or an overestimation of profits. A need exists to educate Texas farmers and ranchers on strong record keeping practices. To address this need, Texas A&M AgriLife Extension personnel developed two-day short courses teaching QuickBooks Financial Accounting Software. Workshops provided basic program understanding through agriculture case studies and hands-on examples.

Materials and Methods

Forty-one computer short courses were conducted primarily in the Texas High Plains and South Plains regions from 2002-2017 with 514 participants. Class demographics showed that 46% of attendees were farmers and ranchers, 6% were accountants/bankers, and 48% were small business owners. Agricultural producers reported approximately 171,000 irrigated crop acres, 158,000 dryland crop acres, 382,000 pasture acres, 23,000 head of cows and 50,100 stocker cattle.

Results

Evaluation results indicated QuickBooks short courses enhanced producer record keeping abilities. Participants showed improved program understanding after each workshop, with a 54% increase in knowledge gained. Over 96% planned to utilize their QuickBooks education to improve operational record keeping, with an estimated financial impact of \$2,500 per individual. Instructor expertise and course content were also given high marks. More than 96% of attendees felt that instructors demonstrated satisfactory program knowledge, and 95% indicated that materials were well presented.

Summary

QuickBooks is a strong financial accounting program that can be adapted for agricultural use. Texas High Plains and South Plains producers have gained program knowledge and improved record keeping abilities through Texas A&M AgriLife Extension short courses. These workshops enabled farmers and ranchers to increase their financial analysis capabilities, resulting in more effective production, financial and marketing decisions.