



# 8 Reasons Why FarmERP is Perfect for Agri focused Accounting

## Summary

To be successful today, agribusinesses cannot rely solely on good farm management. The influence of agri accounting practices on the growth of agribusinesses has also increased a great deal. Having a well-defined system of planning, bookkeeping, and financial reporting is the key to keep all your farm business activities on track. FarmERP's advanced agri accounting software can be extremely useful in keeping your farm records up-to-date. It can also offer numerous features and functionalities that can help in establishing and maintaining an effective accounting system for your agribusiness.

Find out more about the major benefits of FarmERP's agri accounting software in this whitepaper. Learn how it can simplify financial management and accounting functions for your agribusiness. Download this whitepaper to know more.

# Whitepaper



Tech-based accounting systems are an integral part of modern business functions. Advancements in technology have introduced a whole new level of accounting activity automation and scalability. The advent of enterprise resource planning software has also contributed immensely to revolutionising the record-keeping functions of organisations.

Accounting activities associated with various industries have witnessed a breakneck pace of progress in recent times. On the other hand, agri accounting is still evolving at a rather slow speed. New-age technologies are now starting to alleviate accounting burdens and help in improving the financial health of agricultural businesses and enterprises.

FarmERP's agri accounting software, with its valuable functions, is the best platform to get a better perspective about the financial condition of your agribusiness. Along with the common features available in the system, FarmERP's accounting software also has new innovative offerings which give it an edge over other agri accounting systems. Here are 8 groundbreaking features that make FarmERP the go-to agri accounting software for agribusinesses and enterprises across the world.



# Real-time Income and Expense Tracking

Agribusinesses today are constantly looking for ways to have more visibility into and control over their expenditures as well as revenues. With FarmERP's farm accounting software, agribusinesses can enjoy the real-time tracking of their income and expenses. This tracking can also help in determining the costs of inputs such as seeds, fertilisers, pesticides, etc for a specific plot.

FarmERP enables the reporting of man, machinery and material utilisation and the resulting costs incurred for individual crops or plots. Moreover, with transaction parallel posting, whenever any of these resources (man, machinery, and material) are consumed, their relevant accounting entries are automatically passed by the system in real-time.

## Benefits of Real-time Income and Expense Tracking



**Easier Money Management**



**Simplified Tax Planning**



**Accurate Business Forecasting**



**Preparation of Realistic Budgets**

With FarmERP's agri accounting system, agribusinesses are provided with profit and loss statements which are effective in identifying the potential risks and opportunities for your business. Our agricultural ERP software also makes available balance sheets, cash flow statements, creditor and

debtor ageing reports, as well as details about receivables, payables. All of these reports and statements are crucial for enterprises in shaping future business plans.



2

## Consolidated Financial Reporting for Multiple Companies and Currencies

With globalisation in full force, farm businesses have started partnering with companies across the world. While working with these major enterprises, farm businesses are also having transactions with their subsidiary companies. However, this can unnecessarily add to the burden of record-keeping functions as well as complexities due to varying currencies and accounting standards across the world.

FarmERP acts as the saviour for businesses in such a scenario. With our highly effective farm accounting system, agribusinesses can consolidate the accounting records of several companies into a combined report of the parent company. This can not only be useful in simplifying the transactions but also helps to accurately interpret the financial health of your agribusiness.

If you are working with a client and its several subsidiaries that are situated across different parts of the world, FarmERP makes it possible to consolidate the book of accounts in a single currency as well. Furthermore, filing goods and services tax (GST) returns and GST calculations can also be managed using our cutting-edge accounting system.





3

## Management of Movable, Immovable and Biological Assets

FarmERP's farm accounting software also includes asset tracking functionality. This helps in keeping a record of the capital work in progress and capitalisation for movable assets such as tractors, harvesters, etc as well as immovable assets like buildings, cold storages, packhouses, etc. Our system also offers real-time depreciation view till date calculations which eliminate tedious and time-consuming manual data entry tasks.

With the 'asset grouping for farm machinery' feature, we enable the assembly of multiple assets to form a single new asset. The utilisation and capitalisation of the grouped assets in such a scenario is carried out together, considering the combination as an independent, individual asset.

The provision of biological asset management can be beneficial in tracking the expenses associated with individual trees in plantations, orchards, etc. It can help in determining the costs incurred to grow and maintain every tree so that agribusinesses can sell their biological assets for a profitable price.



# Automated and Accurate Calculation of Labour Wages

## Issues With Manual Labour Wage Calculations



**Human Errors can Result in Miscalculations**



**Inconsistency in Data Entry**



**Time Consuming Procedure**



**Possibility of Malpractices**

This leads to discrepancies in the wage calculations of agricultural workers. But FarmERP's empowers agribusinesses with an automated system to keep track of the tasks carried out by labourers in real-time.

Initially, the fixed amount for every agricultural activity is fed to our agri accounting software. With

automated record-keeping, FarmERP helps in precisely capturing data pertaining to the activities carried out and the amount of time spent by labourers on the field. Our agri accounting system utilises all of this information to accurately calculate the wages of every farm worker.



## Precise Packhouse Wastage Computations

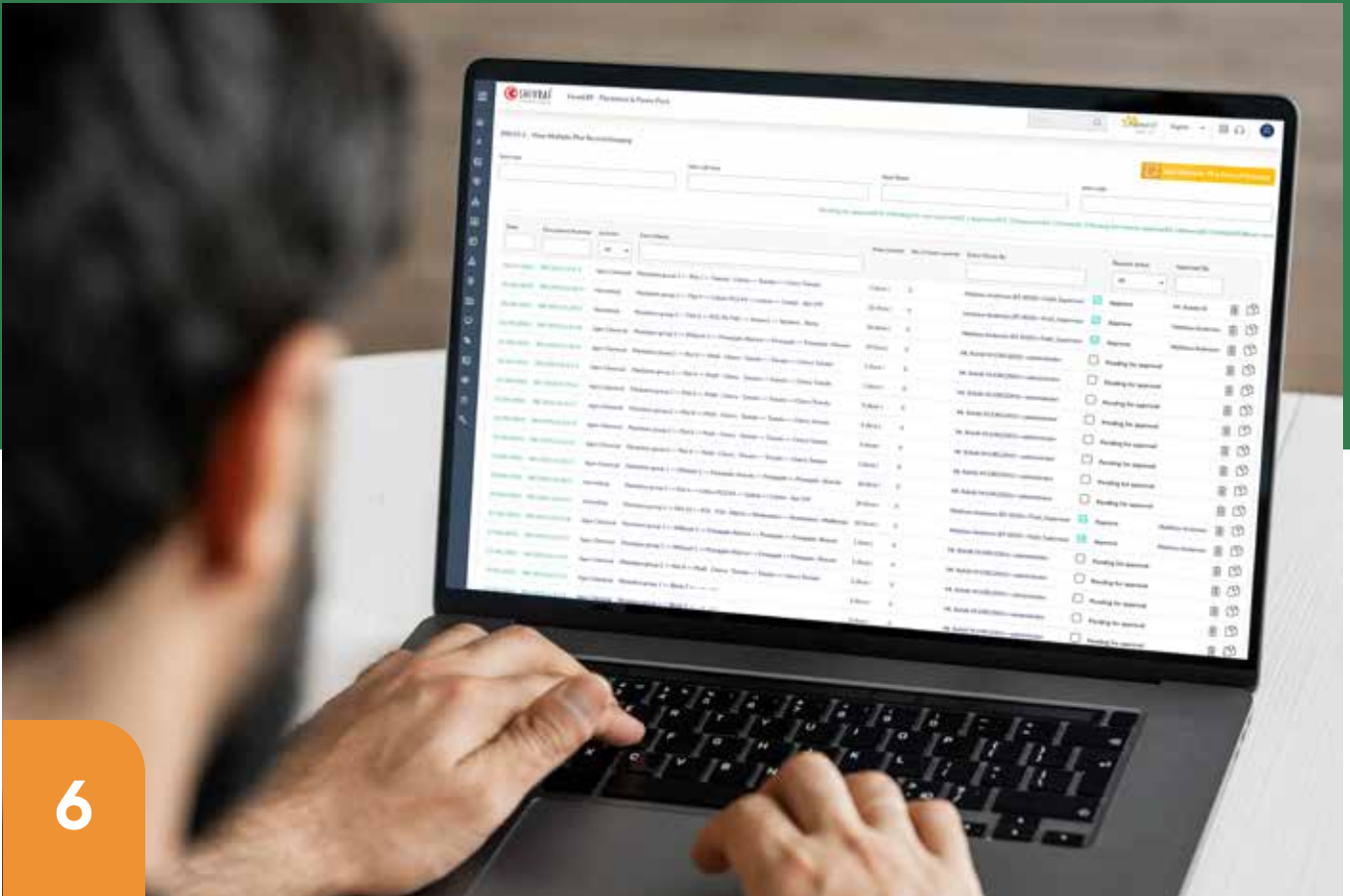
When it comes to the record-keeping of packhouse operations, many agribusinesses across the world still rely on low-tech and manual activities. This can lead to disparities in the data collection processes. More importantly, it can introduce errors in the wastage calculations pertaining to grading, sorting and other packhouse operations.

FarmERP's farm accounting system can track the crop outcomes at every stage in the packhouse to optimise [agricultural post-production management](#) and accurately determine the post-harvest costs. Our software can also enable agribusinesses to identify the major drivers of packhouse wastes and assist in taking proactive measures to minimise losses.

FarmERP's farm accounting software can help in

calculating the costs incurred for every finished agriproduct. Consequently, agribusinesses can have more clarity about the packhouse wastages and profit margins associated with each of their stock-keeping units (SKUs).





6

## Farmer Data Management for Contract Farming Companies

Storing details of and managing thousands of farmers across different farm locations can be extremely challenging for [contract farming](#) companies. FarmERP's advanced accounting ERP software can automate the tedious tasks of creating farmer profiles and keep track of all transactions associated with contract farmers.

When a farmer registers with your outgrower management firm, FarmERP's farm accounting system creates and maintains a ledger for that farmer. The provision of seeds, fertilisers, and other agricultural inputs by contract farming companies to the contract farmers are recorded in this ledger.

Our agri accounting system keeps track of procurements made by outgrower management

companies from the contract farmers. Any services offered by the contract farming company to the farmers are also entered in the ledger by the system. All these transactions and their subsequent costs are automatically adjusted by the accounting software while creating the final invoice.





7

## Project-specific Tracking and Management

While working on many projects and collaborating with multiple clients, it is important to weigh the pros and cons of individual projects. Project-based accounting helps in tracking transactions, time, and resources to gain insights into the progress of a project. It enables agribusinesses to assess financial implications and accordingly, plan out the roadmap of every project.

FarmERP's accounting software helps in evaluating the cost-benefits of each project and

delivers a better understanding of which projects are adding value to your business. This can be useful for regular, ongoing projects as well as one-off internal projects for in-house operations. Our accounting software can also assist in keeping track of resource allocations as well as funds management across different project activities.



# Budget vs Actual Reports

Agribusinesses set their financial objectives at the start of every year and generally break down these big goals into milestones. However, it is necessary to regularly assess your actual financial performance and compare it with the projections. This helps in understanding if you're on the right track to achieve your profit goals.

FarmERP facilitates a budget vs actual report to support agri enterprises in making sound decisions for their business. Comparing budgeted estimates with actual outcomes can help agribusinesses in understanding how far off they might be in terms of the goals and plans.

## Budget vs Actual Reports Can Help in Identifying:



Budgeting Problems



Inaccurate Decisions



Strategy Issues



Management Concerns

Our agri accounting system provides notifications and alerts whenever the expenditure or resource utilisation crosses pre-decided figures. The budget vs actual report can also serve as an effective tool to examine the financial aspect of every business activity. This can be useful for agribusinesses to gain valuable insights into financial health and always stay aligned with their long term goals.

These were the most useful and unique offerings that help FarmERP's agri accounting software stand above the other accounting systems. Have complete control over the financial health of your agribusiness with this state-of-the-art accounting system. [Get in touch](#) with us to know more about how our accounting software can streamline your record-keeping and report generation functions.