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OREGON FARM INVENTORY BOOK

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A Six-Year Record

To be used in conjunction with
the
OREGON FARM RECORD BOOK

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DISCARD

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USE OF THIS BOOK

This book is designed for use with the Oregon Farm Record Book (a one-year record of receipts and expenses) in the preparation of income tax reports and in studying the farm business. It contains the depreciation schedules necessary for reporting income tax under both the cash and accrual systems. Those farmers who report taxes under the accrual system will

find inventory tables of crops and livestock.

This book provides sufficient space to record information over a period of six years. By completing the summaries on page 54, a farmer can obtain a picture of changes in capital investment and changes in his equity of that capital.

EXAMPLES OF DEPRECIATION

In the table below examples are given of acceptable methods of recording items in the depreciation schedules. Note that the information on many items has been carried from a previous record book.

The barn was remodeled in 1952 at a cost of \$1,200. This amount was added to the uncovered cost of the old barn reported at the end of 1951. The new

book cost of the barn was \$2,560 (\$1,360 + \$1,200). The remodeled barn, instead of the old one, was depreciated in the year of remodeling. If one desires, he may set up the cost of remodeling on a new line and make no changes in handling the depreciation of the original barn.

ITEM	YEAR BOUGHT OR BUILT	COST	EST. YEARS OF LIFE	1948			1949		
				REMAINING COST AT BEGINNING OF YEAR	DEPRECIATION THIS YEAR	REMAINING COST AT END OF YEAR	DEPRECIATION THIS YEAR	REMAINING COST AT END OF YEAR	
Barn	4/6/29	3200 00	40	1680 00	80 00	1600 00	80 00	1520 00	
potato cellar	9/16/50	1000 00	25						
Remodeled barn (\$1,200 cost)	11/4/52	2560 00	30						
Combine	7/18/40	1800 00	12	600 00	150 00	450 00	150 00	300 00	
plow	2/24/41	300 00	15	160 00	20 00	140 00	20 00	120 00	
Combine	6/14/51	2300 00	12						
5 Acres peaches (set out in 1939) bearing 1945		500 00	10	350 00	50 00	300 00	50 00	250 00	
Dairy cow #12	8/24/45	200 00	6	200 00	0 00	200 00	0 00	200 00 ^{mature}	
Horse - Bally	8/30/45	160 00	12	160 00	0 00	160 00 ^{mature}	20 00	140 00	
Dairy heifer	4/13/46	80 00	10	80 00	0 00	80 00 ^{freshened}	0 00	80 00	
Dairy bull	11/2/49	280 00	7				0 00	280 00	

In 1951 the 1940 combine was traded on a new one priced at \$2,400. The dealer allowed \$250 on the old combine and yet note that the book value was only \$150. Income tax procedure requires that the \$100 gained on the trade must be subtracted from the book value of the new machine. Therefore the cost price of the new combine will be reported on the books at \$2,300. If a loss had been incurred on the trade-in it could have been added to the price of the new machine.

Recent law requires that the preparatory costs in the development of an orchard, farm, or ranch must be capitalized. Therefore, the costs of setting out an orchard are not deductible expenses for the year in

which the costs are incurred but must be set up in the depreciation schedule. As in the example given, a farmer will not want to start depreciating the cost of the orchard until it is mature or at least until it starts bearing fruit.

It is not necessary to depreciate purchased livestock in the first year of the purchase. It is better to defer depreciation until the livestock are mature. The depreciation rate should be set to leave the approximate market value at the time of disposal. The dairy heifer bought for \$80 may never be depreciated since her disposal value quite likely will never be lower than \$80.

1950		1951		1952		19.....	
DEPRECIATION THIS YEAR	REMAINING COST AT END OF YEAR	DEPRECIATION THIS YEAR	REMAINING COST AT END OF YEAR	DEPRECIATION THIS YEAR	REMAINING COST AT END OF YEAR	DEPRECIATION THIS YEAR	REMAINING COST AT END OF YEAR
80 00	1440 00	80 00	1360 00	Remodeled			
40 00	960 00	40 00	920 00	40 00	880 00		
				85 33	2474 67		
50 00	150 00	Traded					
20 00	100 00	20 00	80 00	20 00	60 00		
		191 67	2108 33	191 67	1916 66		
50 00	200 00	50 00	150 00	50 00	100 00		
20 00	180 00	20 00	160 00	Sold			
20 00	120 00	20 00	100 00	20 00	80 00		
0 00	80 00	0 00	80 00	0 00	80 00		
0 00	^{mature} 280 00	30 00	250 00	30 00	220 00		

DEPRECIATION SCHEDULE FOR

ITEM	YEAR BOUGHT	COST		EST. YEARS OF LIFE	19.....			19.....						
					REMAINING COST AT BEGINNING OF YEAR	DEPRECIATION THIS YEAR	REMAINING COST AT END OF YEAR	DEPRECIATION THIS YEAR	REMAINING COST AT END OF YEAR					
TOTALS														

DEPRECIATION SCHEDULE

TOTALS														
FARM SHARE..... %														

DEPRECIATION SCHEDULE FOR ORCHARDS

TOTALS														

VALUE OF FARM REAL ESTATE (Land and Buildings)

REAL ESTATE BY IDENTIFICATION (I.E. NORTH PLACE, HILL PASTURE)	19.....		19.....	19.....	19.....	19.....	19.....
	BEGINNING OF YEAR	END OF YEAR	END OF YEAR	END OF YEAR	END OF YEAR	END OF YEAR	END OF YEAR
TOTALS							

Enter farm real estate at normal value. Adjust value only when you feel there is a definite change in normal value. If you change value, be sure to adjust both beginning and ending years' values to prevent distortion of inventory changes for the year.

SUMMARY OF CAPITAL INVESTMENT

ASSETS	FROM PAGES	19.....		19.....	19.....	19.....	19.....	19.....
		BEGINNING OF YEAR	END OF YEAR	END OF YEAR	END OF YEAR	END OF YEAR	END OF YEAR	END OF YEAR
REAL ESTATE	54							
MACHINERY	44-45							
AUTO (FARM SHARE)	44-45							
ORCHARDS, OTHER IMPROVEMENTS	44-45							
LIVESTOCK	52-53							
CROPS, FEEDS, SUPPLIES	50-51							
TOTAL ASSETS								
CHANGES DURING YEAR (TO PAGE 33, SEC. III, LINE 2 OR S)		INCREASE OR DECREASE						
AVERAGE OF BEGINNING AND END								
INTEREST ON AVERAGE CAPITAL AT 5% (TO PAGE 33, SEC. III, LINE 9)								

LIABILITIES AND OPERATOR'S EQUITY

LIABILITIES AND OPERATOR'S EQUITY	19.....		19.....	19.....	19.....	19.....	19.....
	BEGINNING OF YEAR	END OF YEAR	END OF YEAR	END OF YEAR	END OF YEAR	END OF YEAR	END OF YEAR
ACCOUNTS PAYABLE							
NOTES PAYABLE							
MORTGAGES							
TOTAL LIABILITIES							
OPERATOR'S EQUITY							
TOTAL (SAME AS TABLE ABOVE)							

NOTES

NOTES

RULES FOR MEASURING

SILAGE IN PARTLY EMPTY SILO. Find the amount of silage in the silo when it was settled one month or more after filling. Subtract the amount of silage removed to get the silage remaining.

Example:

14-foot silo filled and settled to 32 feet	97 tons
Present level of silage 8 feet	
Silage fed (32—8) 24 feet	70 tons
Silage remaining	27 tons

GRAIN IN RECTANGULAR BIN. Length \times width \times depth \times 0.8
= number bushels.

GRAIN IN ROUND BIN. ($\pi r^2 h \times 0.8$)
 $3.14 \times \frac{1}{2}$ diameter $\times \frac{1}{2}$ diameter \times depth \times 0.8 = number bushels.

HAY IN MOW OR STACK. For stacks obtain length (L), width (W), distance over (O), and circumference at the ground (C) in feet. See U.S.D.A. Leaflet No. 72:

For low round-type rectangular stacks, the volume in cubic feet equals
($0.52 \times O - 0.44 \times W$) \times WL.

For high, round-topped rectangular stacks, the volume in cubic feet equals
($0.52 \times O - 0.46 \times W$) \times WL.

For square, flat-topped rectangular stacks the volume in cubic feet equals
($0.56 \times O - 0.55 \times W$) \times WL.

For round stacks, the volume in cubic feet equals
($0.04 \times O - 0.012 \times C$) \times C².

For hay in mow, the volume in cubic feet equals L \times W \times H (Height) of the hay.

**Estimated Weight of Settled Corn Silage
One Month or More After Filling**

Depth of silage in feet	Inside diameter of silo in feet				
	10	12	14	16	18
<i>Feet</i>	<i>Tons</i>	<i>Tons</i>	<i>Tons</i>	<i>Tons</i>	<i>Tons</i>
6	8	11	16	20	26
8	11	16	21	28	35
10	14	20	27	35	44
12	17	24	33	43	54
14	20	29	39	51	64
16	23	33	45	59	75
18	26	38	51	67	85
20	29	42	58	75	95
22	33	47	64	84	106
24	36	52	70	92	116
26	39	56	77	100	127
28	43	61	83	109	138
30	46	66	90	118	149
32	49	71	97	126	160
34	53	76	103	135	170
36	56	81	110	143	181
38		86	117	152	192
40		90	123	161	203
42			130	169	214
44			136	178	225

Standard Weights per Bushel in Pounds

Wheat	60
Oats	32
Barley	48
Hull-less Barley	60
Shelled Corn	56
Dry Ear-Corn	70
Clover	60
Alfalfa	60
Beans	60
Potatoes	60
Onions	52
Peas, Seed	60
Vetch, Seed	60
Prunes, Fresh	60
Apples (Average)	50
Milk, per gallon	8.6

CUBIC FEET IN A TON OF HAY OR STRAW

Loose hay:

In shallow mow	512
In deep mow	444

Baled hay

Baled loose	113
Baled tight	100

Chopped hay:

Long cut	250
Short cut	167

Straw:

Loose	512
Baled	167

