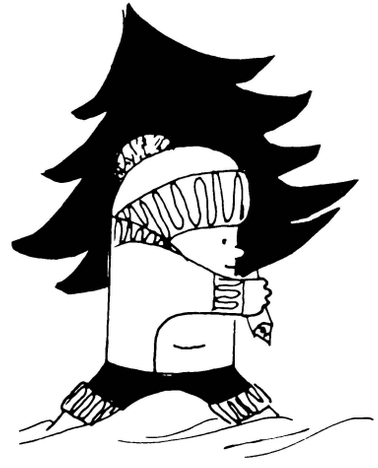
Christmas Tree Growers'

Record Book

Year_____



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Preface

Records are useful to a grower in three main ways: First, as an indicator of business success; second, as a "service" tool for such direct applications as filling out an income tax return; and third, as a tool for making management decisions.

The most valuable use of the record is as a "diagnostic" tool for locating ills in the enterprise by identifying the strong and weak points of the business and determining why it is not as healthy as you would like it to be.

Such questions as: What species of tree are most profitable? What returns do I receive on my labor? What returns do I receive on my investment? What rent do I receive on my land? can be answered by keeping records over time.

Keep a complete and accurate record and use it.

Instructions

Costs: For analysis purposes, handle as a cash account book. Enter costs for items purchased at the time of purchase.

For tax purposes, adjustments need be made for items not paid for in year of purchase.

Income: For analysis purposes, enter receipts for items sold at time of sale.

For tax purposes, adjustments need be made in payment for sales not received in year sold.

Information for entering records is given below each form.

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*ANNUAL EXPENSES

Date	Amount Paid Out	Item and To Whom Paid	No.	Seed-lings	Labor		Machinery		Tools & Supplies	Tax	Int. on Borrowed Capital	Other
					Hired	Opr. & Family	Hired	Owned				
	$			$	$	$	$	$	$	$	$	$
Total		xxxxx	xxx									
	(1)	(2)	(3)			(4)		(4)			(5)	

(1) Include full charges for all expenses including operator and family labor and machinery.
(2) Include species of tree, type of supplies, etc.
(3) Number of units of itemized entries as hours of labor; hours of machinery; gallons of spray.
(4) It will be necessary to enter a unit cost for hours of unpaid family and operator's labor, hours of tractor and machinery use for analysis purposes. A typical hourly tractor and associated equipment charge is:

small tractor	$2.25
medium tractor	2.60
large tractor	3.50

(5) Use for tax purposes only.

* Items set up on a depreciation schedule, such as the cost of a tractor, are not entered on this page.

ANNUAL INCOME

Date	Amount	Item and To Whom Sold	Block No.	No. Sold	Species				
	$				$	$	$	$	$
Total		xxxxx	xxx						
		(1)	(2)				(3)		

(1) Itemize separately as; cut trees, greenery, balled trees, etc.
(2) Particular area or planting site designation.
(3) Enter species of tree sold at head of each column.

YEARLY INVENTORY OF TREES

Species _____

Block Identification	Beginning of Year			End of Year		
	No. Trees	Value Per Tree	Total Value	No. Trees	Value Per Tree	Total Value
A.		$	$		$	$
B.						
C.						
D.						
E.						
F.						
G.						
H.						
I.						
Total		xxx			xxx	
(1)		(2)			(2)	

Species _____

Block Identification	Beginning of Year			End of Year		
	No. Trees	Value Per Tree	Total Value	No. Trees	Value Per Tree	Total Value
A.		$	$		$	$
B.						
C.						
D.						
E.						
F.						
G.						
H.						
I.						
Total		xxx			xxx	
(1)		(2)			(2)	

(1) Particular area or planting site designation.

(2) Estimated value of standing tree. One method of determining tree value follows:

$$\frac{\text{Value of standing tree at date of harvest minus establishing cost}}{\text{Years of growth}} = \text{Value of annual growth}$$

Example:

Estimated value of standing tree at date of harvest	$2.00
Establishment cost	$0.08
Years of growth until harvested	8

$\frac{2.00 - 0.08}{8}$ = $0.24 = Value of Annual Growth

Annual growth + establishing cost = value at end of year one.
$0.24 + 0.08 = $0.32 Inventory value per tree at end of year one.
After year one, add value of annual growth for each year.
At end of 4 years' growth, value would be 0.32 + (0.24 x 3) = $1.04.

YEARLY INVENTORY OF TREES

Species _____

Block Identification	Beginning of Year			End of Year		
	No. Trees	Value Per Tree	Total Value	No. Trees	Value Per Tree	Total Value
A.		$	$		$	$
B.						
C.						
D.						
E.						
F.						
G.						
H.						
I.						
Total		xxx			xxx	
(1)		(2)			(2)	

Species _____

Block Identification	Beginning of Year			End of Year		
	No. Trees	Value Per Tree	Total Value	No. Trees	Value Per Tree	Total Value
A.		$	$		$	$
B.						
C.						
D.						
E.						
F.						
G.						
H.						
I.						
Total		xxx			xxx	
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Species _____

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	No. Trees	Value Per Tree	Total Value	No. Trees	Value Per Tree	Total Value
		$	$		$	$
A.						
B.						
C.						
D.						
E.						
F.						
G.						
H.						
I.						
Total		xxx			xxx	
(1)		(2)			(2)	

Species _____

Block Identification	Beginning of Year			End of Year		
	No. Trees	Value Per Tree	Total Value	No. Trees	Value Per Tree	Total Value
		$	$		$	$
A.						
B.						
C.						
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Total		xxx			xxx	
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(1) Estimated value.
(2) Take directly from totals on page 9.
(3) Take directly from totals on page 5, 6, and 7.
(4) Add beginning of year total and end of year total, then divide by 2.
(5) Choose interest rate and determined interest based on average investment.
(6) The difference between the two total investments measures the investment increase or decrease. Always subtract the smaller from the larger. If the opening (beginning) is smaller than the closing (end), there has been an increase; but if the opposite is true, the result is a decrease.
(7) Subtract total expenses from total receipts.
(8) Subtract interest charged on average investment from net from enterprise. Returns to management are profits remaining after all other costs have been recovered.

*INVENTORY OF MACHINERY, EQUIPMENT, AND BUILDINGS

Year _____

Kind	Date Bought	Initial Cost	Less Salvage Value	Depre-ciable Balance	Est. Years of Life	Method of Computing Depreciation	Remaining Cost At Beginning of Year	Depreciation This Year	Remaining Cost At End of Year
Tractor		$	$	$			$	$	$
Trailer									
Truck									
Motors									
Mower									
Sprayer									
Power Saw									
Buildings									
Total	xxx	xxx			xxx	xxx			

(1)

*Use only where machinery, equipment and buildings are used for Christmas tree farm only. Do not use when depreciation schedule is kept in a general farm account.

(1) To choose method for computing depreciation, refer to income tax instructions.

ANNUAL SUMMARY OF INVESTMENT AND RETURNS

Investment in	Beginning of Year	End of Year
(1) Land (acres)	$	$
(2) Machinery & Buildings		
(3) Trees (by species)		
1.		
2.		
3.		
4.		
5.		
6.		
Total Investment		
(4) Average Investment		$
(5) Interest Charged on Average Investment ____%		$

Expenses (cash and inventory decrease):

Total amount paid out (from page 1, except Col. 5) $ _____

(6) Decreased Investment $ _____

Total Expenses $ _____

Income (cash and inventory increase):

Total amount received (from page 2) $ _____

(6) Increased Investment $ _____

Total Receipts $ _____

(7) Net From Enterprise $ _____

Interest charged on average investment from above $ _____

(8) Returns to Management $ _____

Explanation on page [redacted].

(1) Interest on value of land and taxes allocated each year to this block.
(2) Allocated year incurred except for the year of sale which is placed in the Other cost column.
(3) Allocated year incurred, items such as pest control, harvesting, etc.
(4) Charge interest at chosen rate on previous year's accumulated total in column 5.
(5) Add previous year's accumulated total in column 5 and amounts from lines in columns 1, 2, 3, and 4 for that year.
(6) Enter total number sold yearly from this block (from page 2).
(7) Enter total yearly sales for this block (from page 2).
(8) Enter interest at chosen rate on accumulated total income and interest for previous year (column 9).
(9) Enter previous year's accumulated total income and interest (column 9) added to amounts from lines in column 7 and 8 for that year.
(10 & 11) Self-explanatory.
(12) Subtract amount in column 11 from that in column 10.

* Additional sheets are available upon request.

*ROTATION SUMMARY BY BLOCK

Block No. _____ Species _____ Date of Planting _____ Number Trees Planted _____

Area of Block (acres) _____

COST						INCOME			
Year	Land Rent or Charge	Establishing, Shaping and Base Pruning	Other	Interest at ____% on previous year's total cost including interest	Accumulated Total Costs Including Interest	No. Trees Sold	Annual Income	Interest at ____% on Previous Year's Income	Accumulated Total Income and Interest
	$	$	$	xxxx	$		$	xxxx	$
				$				$	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Summary of Costs and Returns

(10) Accumulated total income and interest (Col. 9) $ _____ ÷ by no. of trees sold (Col. 6) _____ = $ _____ returns per tree.

(11) Accumulated total cost and interest (Col. 5) $ _____ ÷ by no. of trees sold (Col. 6) _____ = $ _____ cost per tree.

(12) Net returns to management per block $ _____. Net returns to management per tree = $ _____.

Explanation on page 12.

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Block No. _____ Species _____ Date of Planting _____ Number Trees Planted _____

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Year	Land Rent or Charge	Establishing, Shaping and Base Pruning	Other	Interest at ____% on previous year's total cost including interest	Accumulated Total Costs Including Interest	No. Trees Sold	Annual Income	Interest at ____% on Previous Year's Income	Accumulated Total Income and Interest
	$	$	$	xxxx	$		$	xxxx	$
				$				$	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

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	$	$	$	xxxx	$		$	xxxx	$
				$				$	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

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	$	$	$	xxxx	$		$	xxxx	$
				$				$	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

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