
CHAPTER 8

REPORTS MENU

Besides enterprise budgets and traditional financial statements, various reports on machinery, irrigation and labour are available.

Select reports from the main menu to display the broad categories of reports (see Figure 8.1). Each submenu comprises several reports. Click in the white gap in front of a specific report. Subsequently click on the **OK** button to view the report on screen. All reports can also be printed by clicking the print button at the top of the report.

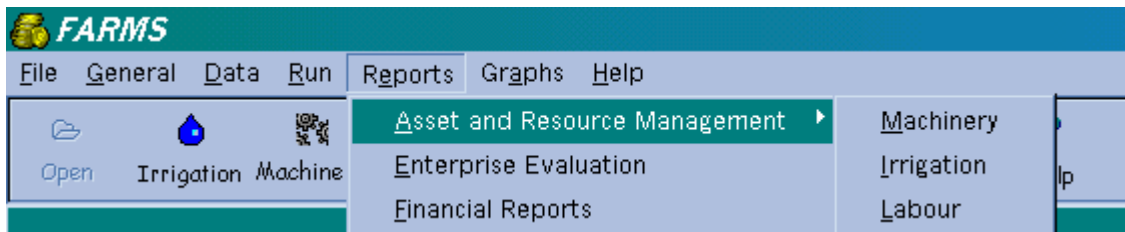


FIGURE 8.1 THE OPTIONS UNDER REPORTS IN THE MAIN MENU

8.1 ASSET AND RESOURCE MANAGEMENT

Machinery hours and costs, irrigation hours, water and costs, as well as labour hours are reported on in this section.

8.1.1 MACHINERY (*Reports / Asset and resource management / Machinery*)

8.1.1.1 ANNUAL FIXED MACHINERY COSTS

The annual fixed machinery costs of each machine and implement is divided into different categories.

LICENCE FEE (R)

The fee to be paid each year for tractors, trailers, lorries and light delivery vehicles that travel on national roads.

INSURANCE (R)

The annual amount payable.

INTEREST (R)

The opportunity cost of the capital used to purchase the machines is calculated.

DEPRECIATION (R)

Depreciation is calculated to provide for the replacement of the machines.

8.1.1.2 ANNUAL VARIABLE MACHINERY COSTS

Among others the annual variable machinery costs of each machine are divided into different categories.

HOURS USED

The total number of hours that a specific machine is used.

VARIABLE COST (R/h)

Variable cost per hour comprises repairs and maintenance for implements and unutilised machines. For utilised machines this cost comprises repairs and maintenance as well as fuel calculated at 70% workload.

FUEL (R)

The fuel cost of machines is calculated in this column.

LUBRICATION (R)

Lubrication cost is calculated for machines with fuel cost.

REPAIRS (R)

Repairs and maintenance are calculated for machines and implements that were utilised.

8.1.1.3 ANNUAL MACHINERY COST SUMMARY

Hours used and variable cost per hour as well as per year are carried forward from the annual variable machinery cost report. Annual fixed cost is carried forward from the annual fixed machinery cost report.

8.1.1.4 MONTHLY MACHINERY HOURS FOR PLANTED CROP AREAS

The total hours per month of each machine is presented in this table. The total number of field hours for each month is given at the top. If the actual hours exceed the available field hours the former value is shown in red.

8.1.1.5 MONTHLY MACHINERY HOURS PER CROP ENTERPRISE

A list of all the crop enterprises appears if this option is viewed. Double-click on the name of the specific crop or once on the name and the OK button.

The hours of each machine are shown in these tables.

8.1.2 IRRIGATION (*Reports / Asset and resource management / Irrigation*)

8.1.2.1 IRRIGATION COST SUMMARY PER SYSTEM

A monthly list of all the crop irrigation systems appears if this option is viewed. Double-click on the name of the specific crop or once on the name and OK button.

Annual irrigation costs are broken down in various fixed and variable cost categories. Irrigation management information appears at the bottom of the page. Systems with a high fixed cost component and low usage can be identified quite easily.

ANNUAL FIXED IRRIGATION COSTS

INSURANCE

The annual amount payable.

INTEREST

The opportunity cost of the capital used to purchase the irrigations system is calculated.

DEPRECIATION

Depreciation is calculated to provide for the replacement of the system.

ELECTRICITY

A fixed monthly charge for each point of delivery which is payable whether electricity is consumed or not.

WATER

The amount paid for the quota per hectare (listed area).

ANNUAL VARIABLE IRRIGATION COSTS

REPAIRS AND MAINTENANCE

Repairs and maintenance are calculated in terms of the hours that the irrigation system was in operation.

ELECTRICITY

This is the total annual electricity cost which was dependent on the quantity consumed.

WATER

The total cost of extra water purchases is calculated.

IRRIGATION MANAGEMENT INFORMATION

PUMP HOURS

This is the total number of hours that the irrigation system was in operation.

QUANTITY IRRIGATED (m³)

The total quantity of water applied with the specific system.

VARIABLE COST (c/mm.ha)

Variable cost (cent) of applying one millimetre of water to one hectare.

VARIABLE COST (R/h)

The variable cost if the irrigation system is in operation for one hour.

8.1.2.2 TOTAL NUMBER OF PUMP HOURS PER MONTH FOR EACH CROP ENTERPRISE

The total number of pump hours per month for each crop enterprise is shown in this table.

8.1.2.3 CUBIC METRES OF WATER NEEDED MONTHLY FOR EACH CROP ENTERPRISE

The total quantity of water (m³) per month for each crop enterprise is presented in this table.

8.1.3 LABOUR (*Reports / Asset and resource management / Labour*)

8.1.3.1 PERMANENT MAN-HOURS AVAILABLE AND UTILISED PER ENTERPRISE

The number of permanent man-hours available appear at the top of the report. Utilised man-hours appear in red if those available are exceeded.

8.1.3.2 TEMPORARY MAN-HOURS PER ENTERPRISE

An information dialogue box stating that no temporary man-hours are needed appears if it is indeed the case.

8.1.3.3 TOTAL NUMBER OF MAN-HOURS UTILISED PER ENTERPRISE

This report summarises the previous labour reports or sections thereof. The user can easily assess how many man-hours a specific enterprise requires during each month.

8.2 ENTERPRISE EVALUATION (*Reports / Enterprise evaluation*)

8.2.1 FUND FLOW FOR CROP AND LIVESTOCK ENTERPRISES

A list of the crop or livestock enterprises appears depending on which option was chosen. Double-click on the name of the specific enterprise or once on the name and the OK button.

Crop reports extend over 36 months and livestock reports over 12 months. Although the analyses are performed for 12 months, cultivation practices necessitate that crop reports extend over 36 months. Negative amounts appear in red.

8.2.2 CROP AND LIVESTOCK ENTERPRISE BUDGETS

A list of the crop or livestock enterprises appears depending on which option was chosen. Double-click on the name of the specific enterprise or once on the name and the OK button.

Enterprise budgets are also compiled for the whole area. Allocated ownership costs are included in the budgets. Consequently the profitability of the enterprises that employ an implement have to justify its ownership.

8.3 FINANCIAL REPORTS (*Reports / Financial reports*)

A credit and cash flow as well as income statement and balance sheet can be compiled.

8.3.1 CREDIT FLOW STATEMENT

This statement reflects the cooperative account. The latter is discharged and the remaining money deposited into the banking account if a harvest is delivered to the cooperative. The final

closing balance is either negative or zero depending on the option chosen when FARMS was run (see section 7.1.1).

8.3.2 CASH FLOW STATEMENT

The cash flow statement reflects the banking account. Whether a negative final closing balance is retained or adjusted to zero depends on the option chosen when FARMS was run (see section 7.1.2).

8.3.3 INCOME STATEMENT

All calculations in the income statement are performed on a before-tax basis. Consequently no tax payment is included.

8.3.4 BALANCE SHEET

Six ratios appear at the bottom of the balance sheet. These are subsequently listed together with a short description.

Own capital ratio = $(\text{Net worth} / \text{Total assets}) \times 100$

The ratio between total own capital and total assets of the business.

Leverage ratio = $(\text{Total liabilities} / \text{Net worth}) \times 100$

This ratio gives an indication of the ability of the farmer to meet all liabilities with own capital.

Current liabilities: Total liabilities = $(\text{Current liabilities} / \text{Total liabilities}) \times 100$

The contribution of current liabilities to total liabilities.

Current ratio = $(\text{Current assets} / \text{Current liabilities}) \times 100$

Gives an indication of liquidity.

Return on total capital = $(\text{Net farm income} / \text{Total capital}) \times 100$

This is a measure of the profitability of the business.

Return on own capital = $(\text{Farm profit} / \text{Own capital}) \times 100$

Return on own capital after borrowed capital has been compensated for.