

## Handling Fluctuating Values of Ag Co-op Stock

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Our FINPACK support team recently received this question: “What is the proper way to handle Ag Co-op stock in a balance sheet in which the stock, such as sugar beets, changes in value from year-to-year?”

As harvest is underway and the analysis will soon follow, we feel it is a good time to clarify the proper way to handle this unique situation. The problem is that this change in market values can have an effect on the analysis in FINAN, especially the net farm income, since the accrual adjustments takes the value change into account. To avoid this problem, you can do one of the following two options:

### **Preferred:**

1. Add cost (or base) values to your balance sheets and keep the cost value constant from year-to-year. All accrual adjustments work from the cost values so you can change market values without impacting earnings. It is a simple process:
  - Edit + Copy Market to Cost - copies the market values to the cost column in the balance sheet
  - Enter the original cost (or a constant base value) of the co-op stock in the Cost column and then you can change the Market value as needed every year (it is suggested that this occur in the ‘Other Intermediate Assets’ detail)
  - Repeat this change in the other balance sheets used in your analysis

### **Alternative method:**

2. If you do not want to add cost values to your balance sheets, use this alternative method to update FINAN, which will reflect the change in value of the stock:
  - Enter the amount of the valuation change as a Capital Purchase (or Sale), which takes the change out of the Income Statement
  - Enter the same amount as Gifts Received (or Gifts Given) to make the cash balance

As always, feel free to contact [FINPACK Tech Support](#) at 1-800-234-1111 x11 if you have questions on this procedure.