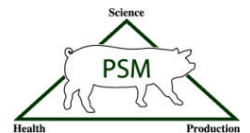


System Wide Accounting Approach

Gary Donley

Professional Swine Management

FBS User Conference Sep 3 2015



Who We Are

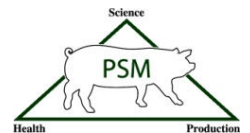
Professional Swine Management, LLC - 2015



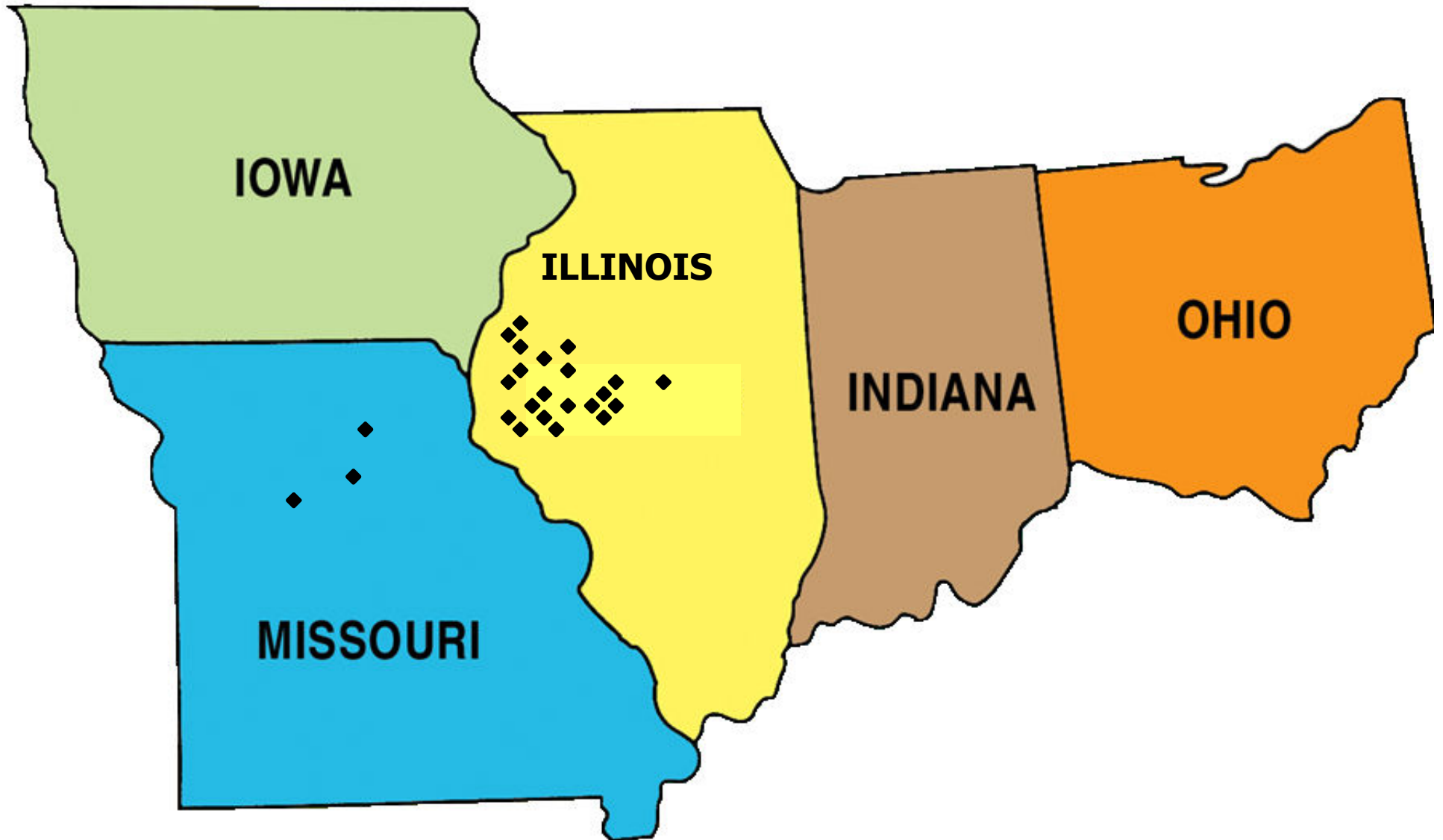
What We Do

Provide comprehensive management services
to operate swine farms

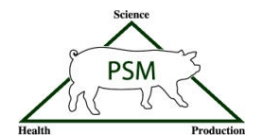
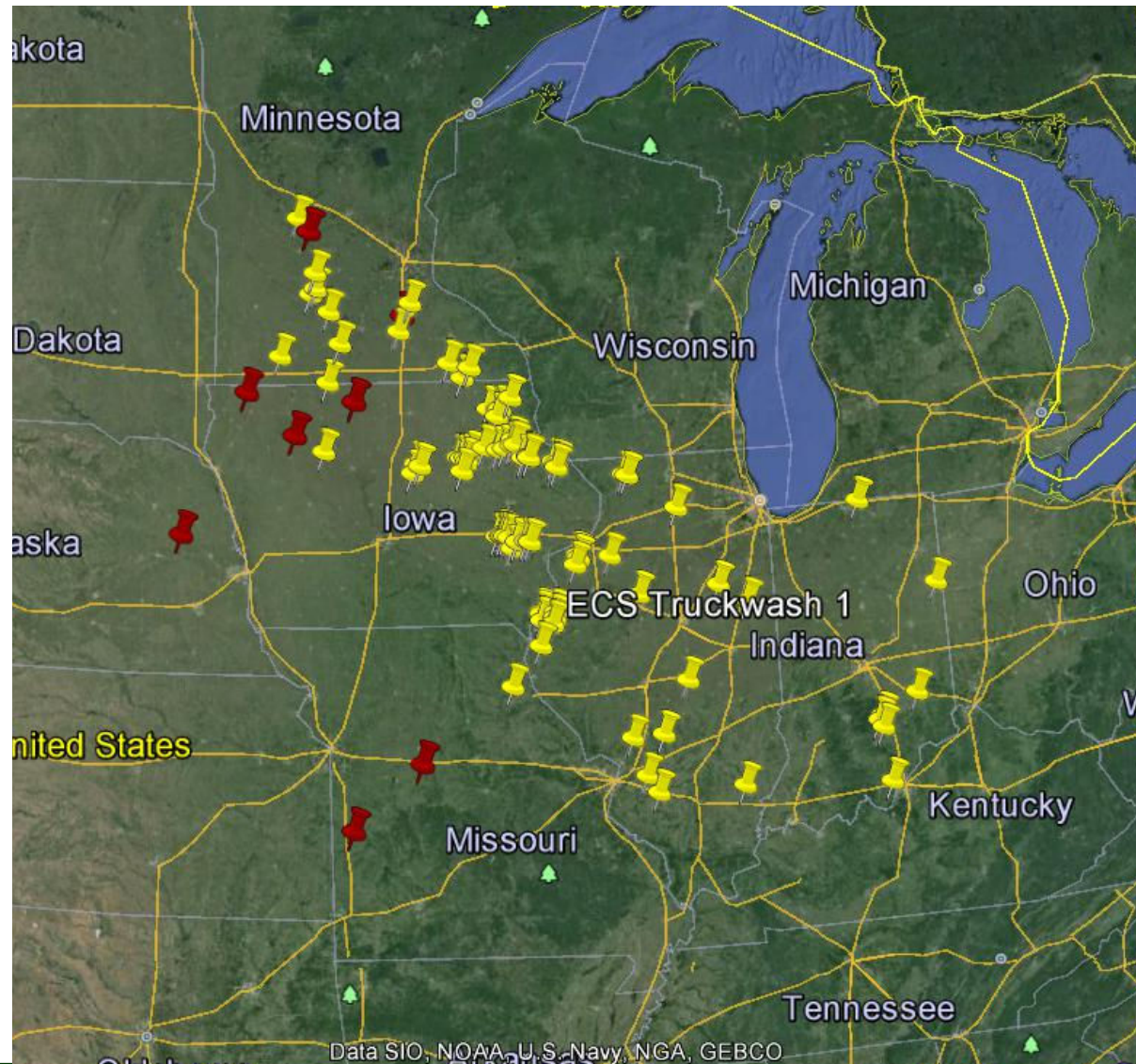
- Production
- Nutrition
- Human Resources
- Administration
- Logistics
- Environmental
- Accounting



Where We Are

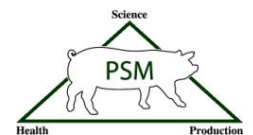
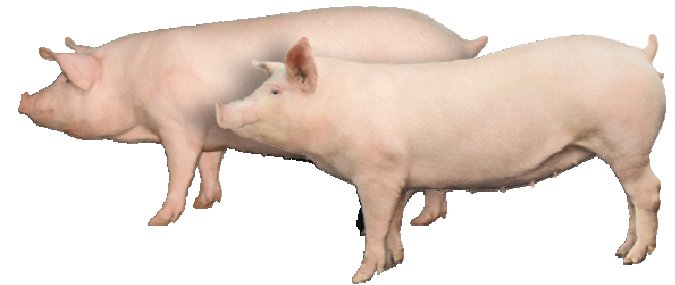


Where the Pigs Go



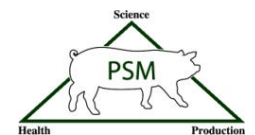
What Makes up the Carthage System

- 30 Breed-Wean Entities
- 125,000 Sows
- 100,000 Finishing Spaces
- 450 Farm Employees
- 4 Boar Stud Locations
- 2 Truckwash Locations
- 180 Owners

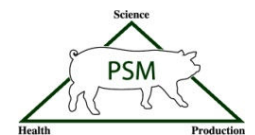


How we use FBS

- Construction Process
- Production Measures
- Payroll
- Accounting Function



Construction



Construction

New Building

Hawthorne Ridge

Ledger Account Detail

Date 8/26/2015 at 05:43 PM Page 4

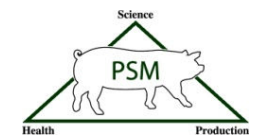
Start of year: 07/01/2011 Period: 07/01/2011 to 08/31/2015 Divisions: 0-zzzzzz

- ✓ We assign division codes to segments of the construction process.

- ✓ Today we are using over 100 unique codes to identify various construction areas.

- ✓ Then routinely thru the course of the project we dump this into a spreadsheet file.

Date	Number	Vendor	Div.	Div. Desc.	Amount	Description	Quantity
14600 Building & Improve							
11/21/2011	590	PHX Construction, LLC	01005	Site Supervision	1,543.00	D.Casotti	0.000
11/21/2011	590	PHX Construction, LLC	06300	Farrow Framing	10,780.00	framing labor	0.000
11/30/2011	534	Gunn Construction Co.	02450	Rock Contingency	278.22	rock/trucking	0.000
11/30/2011	534	Gunn Construction Co.	00900	Miscellaneous	2,627.50	crane	0.000
12/01/2011	636665	Mixer Insulation	07100	BG3 Insulation	4,017.00	insulation	0.000
12/02/2011	1182	Ellis Construction, LLC	06300	Farrow Framing	9,000.00	labor	0.000
12/02/2011	1182	Ellis Construction, LLC	06600	Hallway Framing	1,500.00	labor	0.000
12/02/2011	1182	Ellis Construction, LLC	01005	Site Supervision	2,550.00	super.	0.000
12/05/2011	81919	Energy Panel Structures, Inc	05300	Farrow Package	398.44	door	0.000
12/09/2011	6012	Astoria Trucking, Inc.	02450	Rock Contingency	2,347.82	rock + trucking	0.000
12/12/2011	604	PHX Construction, LLC	01000	Construction Fee	13,500.00	Mgmt Fee	0.000
12/16/2011	22549	Midwest Service Enterprise	01523	Sanitary Facilities	88.50	dumpster rental	0.000
12/17/2011	49	Pro Builders	03050	BG Concrete	800.00	concrete labor	0.000
12/20/2011	928000677064	Allied Waste Services	01523	Sanitary Facilities	566.40	Rolloffs	0.000
12/23/2011	2120	IL Dept of Agriculture	00900	Miscellaneous	250.00	Final Const Paperwor	0.000
12/31/2011	CVS 12'11	Carthage Vet Service	11100	Equipment	43.12	SPRING	4.000
12/31/2011	CVS 12'11	Carthage Vet Service	11100	Equipment	15.98	BALL VALVE 3/4"	6.000
12/31/2011	CVS 12'11	Carthage Vet Service	11100	Equipment	3.01	U BOLT 5/16	8.000
12/31/2011	CVS 12'11	Carthage Vet Service	11100	Equipment	1.74	NUT LOCK SS 5/16	16.000
12/31/2011	CVS 12'11	Carthage Vet Service	11100	Equipment	11.39	CLAMP CABLE GALV 1/8	50.000

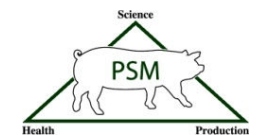


Construction

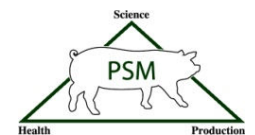
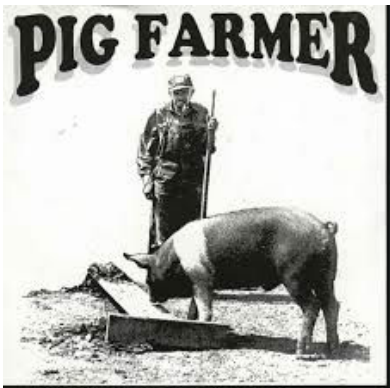
New Building

- ✓ We use the spreadsheet file populated with actual FBS data to measure progress versus budget

Hawthorne Ridge LLC Const Budget							
Sows		Current-Budget	Approved PO's	PO	Actual	Variance	Balance to Spend
Project Totals		5,600	or contracts	%			
		\$15,549,000.00	\$0.00	0.00%	\$0.00	\$15,549,000.00	\$15,548,150.00
		08/05/15			as of (date)		
	Vendor						
Div. 1 - General Requirements							
01000 - Miscellaneous	PSM,NaughtNaught,IL Dept of Ag	265,000.00	-	0.00%		265,000.00	265,000.00
01001 - Construction Management	Klingner & Assoc	230,000.00	-	0.00%		230,000.00	230,000.00
01002 - Engineering	Maurer Stutz	55,000.00	-	0.00%		55,000.00	55,000.00
01005 - Site Supervision		-	-	#DIV/0!		-	-
01100 - Equipment Rental		-	-	#DIV/0!		-	-
01200 - Forklift Rental	Forklift of Liberty	29,000.00	-	0.00%		29,000.00	29,000.00
01523 - Sanitary Facilities/Waste Removal		31,000.00	-	0.00%		31,000.00	31,000.00
Total Div. 1 - General Requirements		\$610,000.00	\$0.00	0.00%	\$0.00	\$610,000.00	\$610,000.00
Div. 2 - Site Work							
02275 - Dam Construction	Kerker Construction	40,000.00	-	0.00%		40,000.00	40,000.00
02280 - Road Construction	Kerker Construction	32,500.00	-	0.00%		32,500.00	32,500.00
02285 - Demo of existing structures		-	-	#DIV/0!		-	-
02290 - Tear out existing equipment		-	-	#DIV/0!		-	-
02300 - Rock for Roads	Kerker Construction	134,000.00	-	0.00%		134,000.00	134,000.00
02400 - Generator Lane	Kerker Construction	1,000.00	-	0.00%		1,000.00	1,000.00
02410 - Compost Pad/Bin Pads	Kerker Construction	2,500.00	-	0.00%		2,500.00	2,500.00
02450 - Rock Contingency	Kerker Construction	10,000.00	-	0.00%		10,000.00	10,000.00
02550 - Excavate Pits	Kerker Construction	256,000.00	-	0.00%		256,000.00	256,000.00
02600 - Fencing	Kerker Construction	7,000.00	-	0.00%		7,000.00	7,000.00
02700 - Backfill	Kerker Construction	48,000.00	-	0.00%		48,000.00	48,000.00
02800 - LP Tanks Prep	Propane Solutions	1,000.00	-	0.00%		1,000.00	1,000.00
02923 - Seeding/Rock Around Buildings		3,000.00	-	0.00%		3,000.00	3,000.00
Total Div. 2 - Site Work		\$535,000.00	\$0.00	0.00%	\$0.00	\$535,000.00	\$535,000.00
Div. 3 - Concrete							
03000 - Concrete raw materials	(before allocation to specific area)	-	-			-	-
03050 - BG Concrete	Alewelt, LCI, Carroll Supply	713,000.00	-	0.00%		713,000.00	713,000.00
03551 - BG Slats	HogSlat	444,000.00	-	0.00%		444,000.00	444,000.00
03210 - GDU Concrete (incl ISO)	Alewelt, LCI, Carroll Supply	221,000.00	-	0.00%		221,000.00	221,000.00
03211 - GDU Slats (incl Iso)	HogSlat	116,000.00	-	0.00%		116,000.00	116,000.00



Production

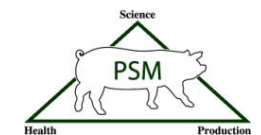


Production

Closeouts

- ✓ A custom developed program reads FBS database and generates a Group Closeout Report.
- ✓ The report summarizes biological measures - Death Loss, Feed Conversion, Ave Daily Gain
- ✓ The report also includes financial results for the group.

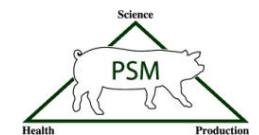
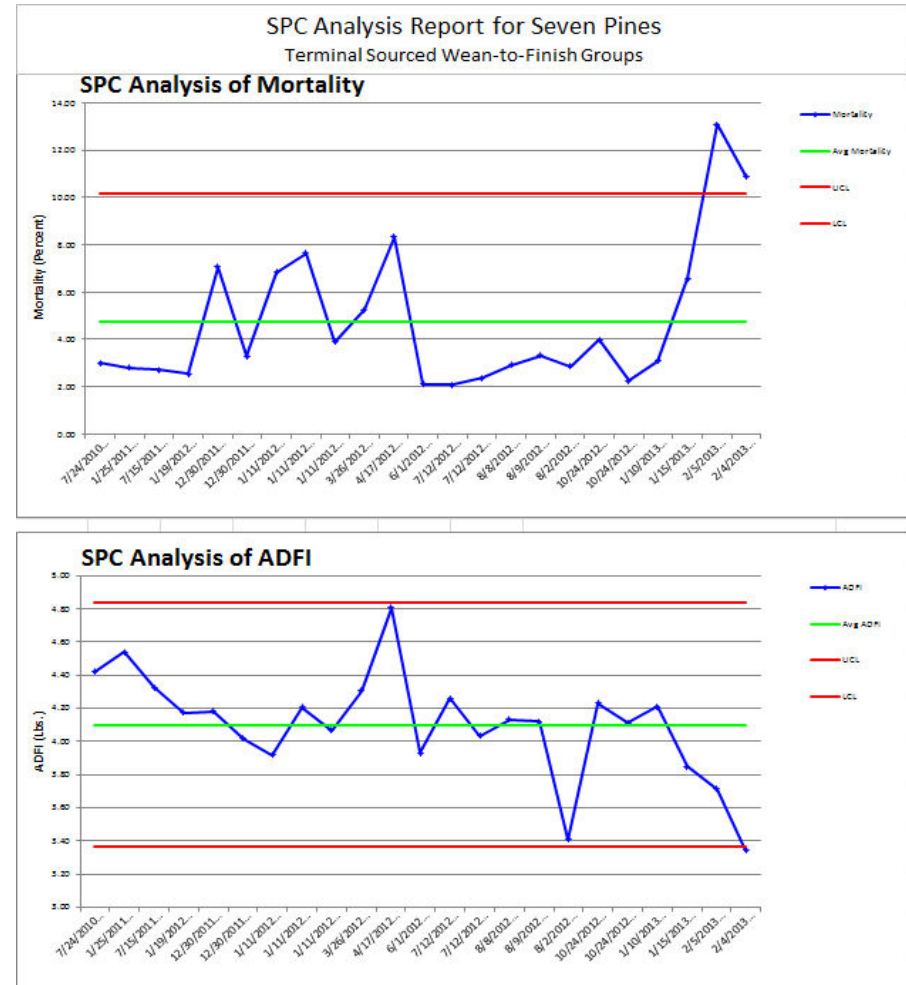
Professional Swine Management Group Closeout Report for Seven Pines Honey Creek South Site Barns D & E Wean-to-Finish				Group ID: SCPHCSE1308	
				Start Date: 2/5/2013	
				Close Date: 8/21/2013	
				Pig Source: Lone Hollow	
Production Summary		Mortality Summary			
Dead Pigs	311				
Mortality	13.07%				
Culls	61				
Cull %	2.56%				
% Markets	84.37%				
Total Days	192				
Avg Days	156				
ADG	1.45				
ADFI	3.71				
FCR	2.55				
FCR(Carcass)	4.13				
Mcal/Live Weight		Mcal/Carcass Weight			
Mcal/Lb Gain	Finisher	Mcal/Lb Gain	Finisher		
Mcal/Lb Gain	4.02 W-F	Mcal/Lb Gain	5.27 W-F		
Harvest Summary					
Sort Loss	\$0.00	% Yield	76.28%	% Lean	0.00%
\$/Cwt		% in Top Wt.	63.56%		
Backfat	0.00	Carcass Wt	212.95	Non-Grade (DoA/Subs)	0.00%
Inches					
Inventory Summary					
		Pigs In		Pigs Out	
Head	2380	Moves/Other	0	Culls	61
Avg. Weight	13.7		0.0	Market Sales	2069
Total Weight	32521.8		0.0		277.3
				Market Sales	560561.0
				Total	573632.0
Financial Summary					
		Head	Amount	Per Head	Per Lb. Produce
Sales					
Culls	61	5102.50	83.65	0.39	
Market Sales	2069	420102.24	209.21	0.75	
Other Sales	0	0.00	0.00	0.00	
Yield Premium		11493.99	5.52	0.02	
Total Sales	2082	436698.73	209.75	0.81	
Cost of Sales					
Weaned/Feeder Pigs		103191.12	49.56	0.191	
Expenses					
Feed		233350.97	112.08	0.431	
Animal Health		3580.02	1.72	0.007	
Rent		48903.75	23.49	0.090	
Supply/Overhead		2400.04	1.15	0.004	
Transport/Mkt		12667.75	6.08	0.023	
Total		404093.65	194.09	0.747	
Net Profit		\$32,605.08	\$15.66	\$0.06	



Production

Closeouts

- ✓ As part of the closeout report Statistical Process Control charts are created for eight different criteria.
- ✓ SPC charts can be based on several different criteria found in Group Setup



Production

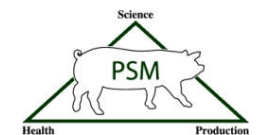
- ✓ Open Group Report serves multiple purposes in our system .
- ✓ Up to date inventory by grower location and group.
- ✓ Death Loss, close dates, cost measures
- ✓ We use as a monitor for monthly grower contract payments.

Inventory

Hawthorne Ridge

Open Group Report Date 8/27/2015 at 01:36 PM Page 1
 Centers: 285,275,280 Include groups closed after: 05/01/2015
 LOC: 0-zzzzzz

Group Description	Source	DL %	First Date	Projected Close	No. In	No. Died	No. Out	No. Remain	Feed /Head	Animal Cost	Feed Cost	Other Exp.
Knox North Apr 15	Sow Unit	0.20	04/17/2015	09/30/2015	2,534	5	0	2,529	29.38	0.00	5.96	-0.85
Totals for Knox Finisher		0.20			2,534	5	0	2,529	29.38	0.00	5.96	-0.85
HCEA1501 Jan 15	Sow Unit Nur	3.38	01/02/2015	06/14/2015	1,241	42	0	1,199	442.55	40.29	50.05	0.00
HCEB1501 Jan 15	Sow Unit	4.39	01/09/2015	06/23/2015	1,163	51	0	1,112	428.62	39.76	49.24	0.00
HCSC1511 Mar 15	Sow Unit	1.57	03/13/2015	08/26/2015	2,619	41	0	2,578	82.97	18.06	12.63	0.08
HCSD1502 Jan 15	ZBN/FLG	3.28	01/29/2015	07/11/2015	1,311	43	0	1,268	276.63	41.36	35.88	0.14
HCSE1509 Feb 15	Sow Unit	2.70	02/27/2015	08/12/2015	1,443	39	0	1,404	146.00	14.49	18.54	1.45
Totals for Durkee-Honey Creek		2.78			7,777	216	0	7,561	236.38	28.12	29.09	0.32
3C Jan 15	Lone Hollow	2.04	01/16/2015	06/23/2015	2,504	51	0	2,453	369.00	37.81	42.77	2.92
Totals for 3C - M Cutler		2.04			2,504	51	0	2,453	369.00	37.81	42.77	2.92
Grand Totals		2.12			12,815	272	0	12,543	221.36	24.45	27.19	0.60



Production

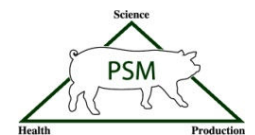
Disease Tracking

- ✓ During last year's PED outbreak many different theories were explored regarding transmission vectors.
- ✓ Feed became one of those under suspicion. By tracking feed deliveries / invoices to specific bins set up as feeding locations we were able to provide a trail of feed truck deliveries for each farm.

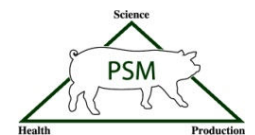
(ECF15) Edit Locations

Number	Description	Active	Type	Tons	Pounds	Head	Int Id	Premises Id
0	CHANGE ME	A	F Feeding	7.00	14,000.00	0	0	
1	ECF Sow Bin 1	A	F Feeding	7.00	14,000.00	0	1	
2	ECF Sow Bin 2	A	F Feeding	7.00	14,000.00	0	2	
3	ECF Sow Bin 3	A	F Feeding	7.00	14,000.00	0	3	
4	ECF Sow Bin 4	A	F Feeding	14.00	28,000.00	0	4	
5	ECF Sow Bin 5 Farr	A	F Feeding	6.00	12,000.00	0	5	
6	ECF Sow Bin 6 Farr	A	F Feeding	6.00	12,000.00	0	6	
7	ECF Sow Bin 7 GD	A	F Feeding	4.00	8,000.00	0	7	
8	ECF Sow Bin 8 GD	A	F Feeding	3.00	6,000.00	0	8	
9	ECF Sow Bin 9 Iso	A	F Feeding	3.00	6,000.00	0	9	
11	ECF Nur Bin 11 Gil	A	F Feeding	3.00	6,000.00	0	11	
12	ECF Nur Bin 12 Gil	A	F Feeding	3.00	6,000.00	0	12	
13	ECF Nur Bin 13 Gil	A	F Feeding	3.00	6,000.00	0	13	
14	ECF Nur Bin 14 Gilt	A	F Feeding	3.00	6,000.00	0	14	
15	ECF Nur Bin 15	A	F Feeding	3.00	6,000.00	0	15	
16	ECF Nur Bin 16	A	F Feeding	3.00	6,000.00	0	16	
17	ECF Nur Bin 17	A	F Feeding	3.00	6,000.00	0	17	
18	ECF Nur Bin 18	A	F Feeding	3.00	6,000.00	0	18	
20	ECF Nur Bin 20	A	F Feeding	3.00	6,000.00	0	20	
301	Andruch East bins	A	F Feeding	0.00	0.00	0	301	
306	Leiser bins	A	F Feeding	0.00	0.00	0	306	
801	Duncan Bin	A	F Feeding	4.00	8,000.00	0	DD1	
802	Duncan Bin	A	F Feeding	4.00	8,000.00	0	DD2	

Current sort: Active/Number Line 1 of 25

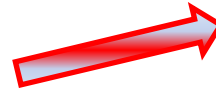


Payroll - Human Resources



Payroll

- ✓ Farm Staff Payroll is computed with Abra which is an integrated HR / Payroll program.
- ✓ Payroll data is imported into FBS
- ✓ Farm staff are paid via direct deposit or on Paycard.



Sage Abra Suite

Version 9.20

Help

Use Windows Logon

Username

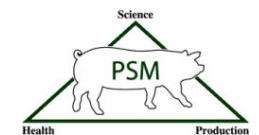
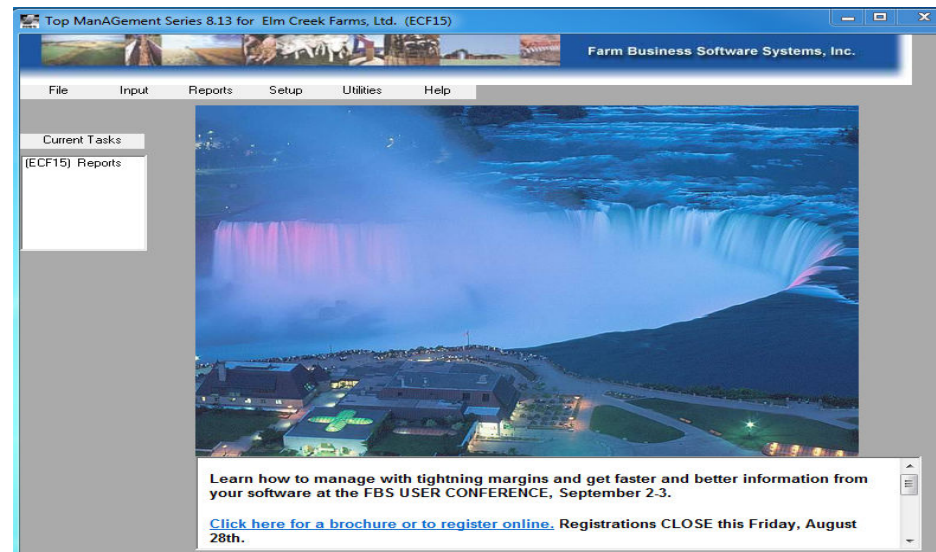
Password

Live Data

Logon

Cancel

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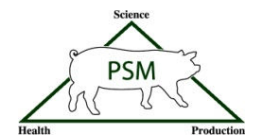
Accounting



© Can Stock Photo



© Can Stock Photo - csp14841900



Accounting

Timesaver

- ✓ We lean on the User Defined Report extensively in our **system**.
- ✓ Incorporating a **system** approach with the Farm Range field makes research projects minutes instead of hours.

(ECF15) User Defined Report Parameters

Beginning date: 01/01/2015

Ending date: 12/31/2015

Ledger account range: 79300

Center range: 0-zzzzzz

Division range: 0-zzzzzz

Farm range: 1,3-9,13

Vendor: [Empty]

Description: [Empty]

Entry types: Z

Recap options: 1 Recap by Ledger Account

Description options: 1 Standard description

Use date cash exchanged: 1 Use entries in time period

Report type: 4 Market Value Report

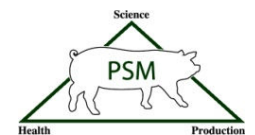
Print 'undefined' entries

- 1 (ECF) Elm Creek Farms, Ltd.
- 2 (AJJ) Andrew J Johnson Farm
- 3 (BCG) Bear Creek Genetics, LLC
- 4 (BIG) B1G Bin, LLC
- 5 (BRG) Bluff Road Genetics, LLC
- 6 (BZP) Brazinski Pork Farm
- 7 (CAR) Carroll Farms
- 8 (CGB) Seven Pines
- 9 (CRC) Cedarcrest, LLC
- 10 (CRD) Cattle Ridge, LLC
- 11 (CRL) Carlisle Farms
- 12 (CTT) Chinn, Thrasher & Thrasher
- 13 (DCF) Dutchman Creek Farms, LL
- 14 (DGF) DG Feeders
- 15 (DGR) D. G. Reeder, Inc.
- 16 (DIR) Dircks Farm
- 17 (DRV) Deer View, LLC

Report Macro Options

- Do nothing
- Update macro
- Save as new macro
- Save after report runs

Ok Cancel



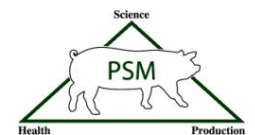
Accounting

Timesaving Comparisons

- ✓ With User Defined Reports and Farm Range functionality gives us ability to measure a wide variety of items across our system.
- ✓ Examples –
 - Cull Sow Weights
 - Electric use
 - Monitor Vaccine Usage
 - Costs by Vendor
 - Feed Disappearance

Cull Sow Sale weights per Month							Ave
Farms	Jan	Feb	Mar	Apr	May	Jun	wt
DRV	450	456	460	465	458	465	459
EGP	477	485	458	462	475	480	473
NPT	479	450	449	456	460	473	461
LVF	499	489	475	501	492	488	491

Kwh per Sow per Month							Grand
Farms	Jan	Feb	Mar	Apr	May	Jun	Total
BCG	24.3	25.1	24.3	26.8	27.7	38.6	166.7
CC	20	17.4	15.8	16.6	19.5	18.5	107.7
ECF	24.1	22.5	25.6	23.3	24.0	24.3	143.8

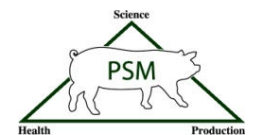
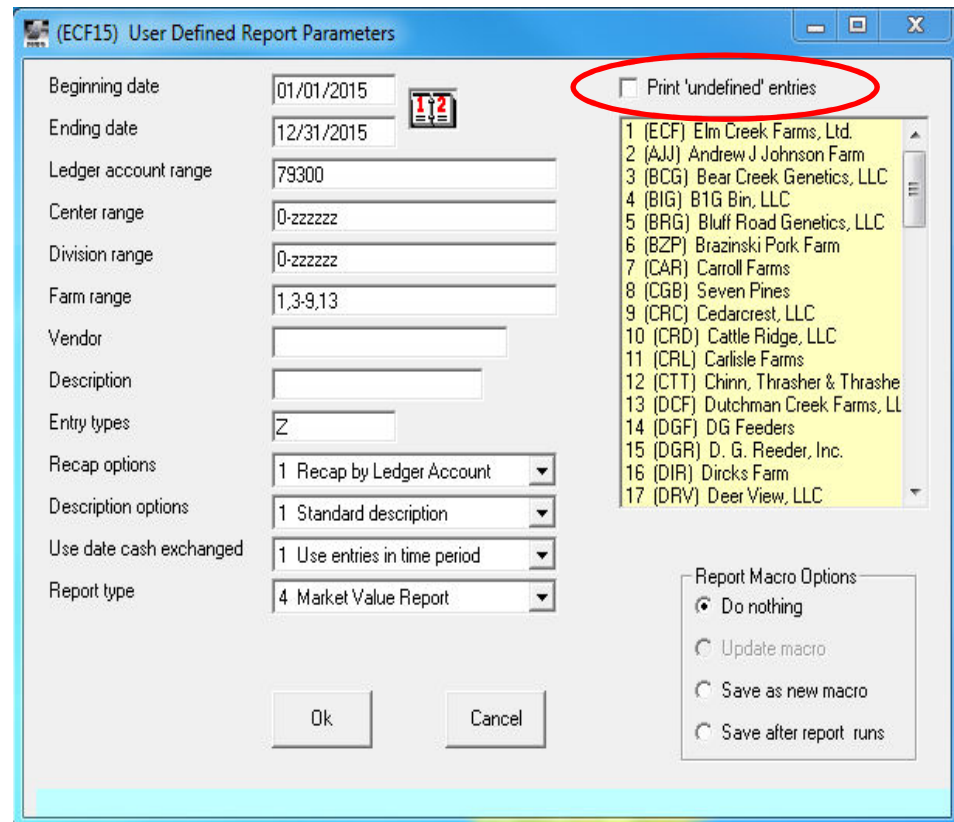


Accounting

Timesaver

- ✓ Doesn't happen often but when it does it is a very helpful tool.
- ✓ The Print 'undefined entries' check box can short cut finding an out of balance entry.
- ✓ We find these most often in data that has been imported and something did not quite line up.

Payroll –
Kill Sheets -



Accounting

Tax Reporting

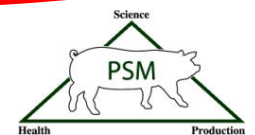
- ✓ Trial Balance Report is the turn to document for many purposes.
- ✓ When transactions across the **system** are posted in a similar fashion this report is a primary source document for period end & tax year reporting

Hawthorne Ridge

Date 8/26/2015 at 05:12 PM Page 5

Trial Balance
 Start of year: 07/01/2014 Period: 07/01/2014 to 06/30/2015 Divisions: 0-zzzzzz
 Market Value Report

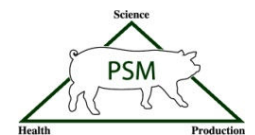
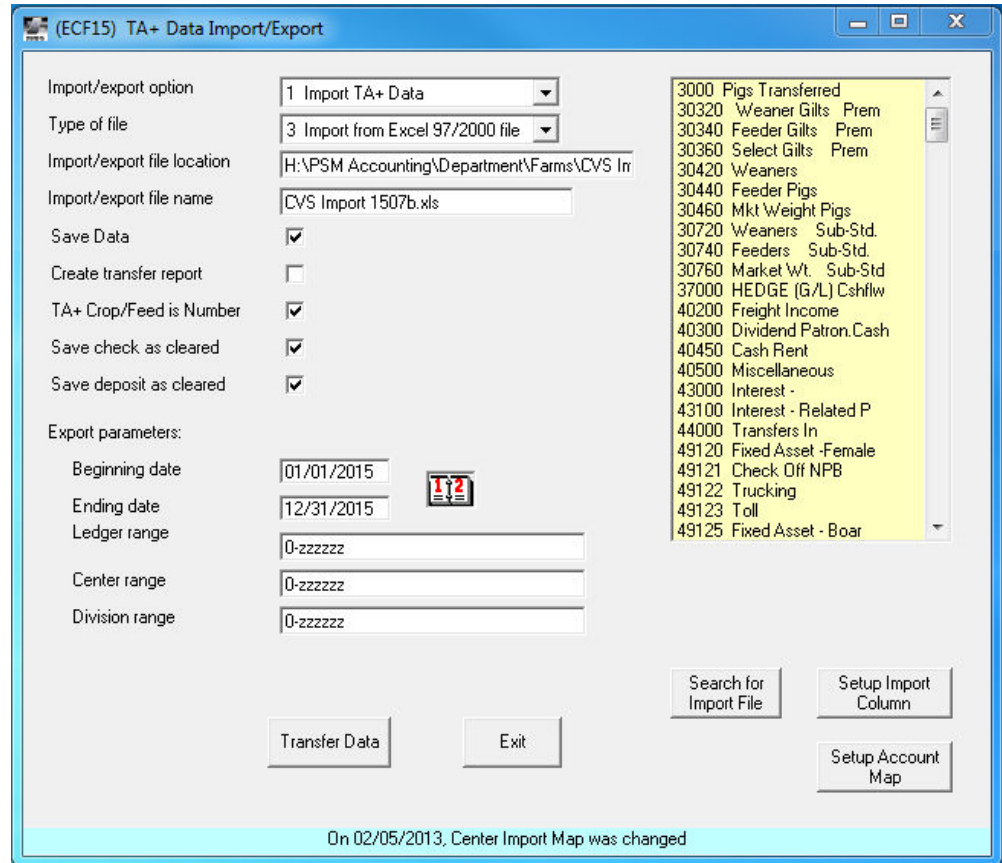
Acct.	Acct. Desc.	Beg. Bal.	Period	End. Bal.
TOTAL ASSETS		2,461,071.60	628,059.40	3,089,131.00
20005	ACCOUNTS PAYABLE			
20010	A/P Module	116,934.61	-6,733.50	110,201.11
20020	A/P Non Module	48,529.63	45,307.23	93,836.86
20200	Security Deposit	300.00	0.00	300.00
Total ACCOUNTS PAYABLE		165,764.24	38,573.73	204,337.97
20500	A/P PAYROLL			
20700	A/P Futa	48.72	46.34	95.06
20900	A/P Suta	1,172.83	7.79	1,180.62
20950	Emp.Pd. Insurance	-77.45	34.64	-42.81
Total A/P PAYROLL		1,144.10	88.77	1,232.87
21000	ACCRUALS Manual			
21700	A/man Property Tax	20,449.37	-1,944.63	18,504.74
Total ACCRUALS Manual		20,449.37	-1,944.63	18,504.74
23000	OPERATING LOANS			
23040	FCS #7740191700	785,109.40	-135,520.34	649,589.06
23050	FCS #7740727900	314,043.70	-54,208.14	259,835.56
23060	FCS 0500	20,181.00	-20,181.00	0.00
23150	Shareholder Loan	240,240.00	-120,185.00	120,055.00
Total OPERATING LOANS		1,359,574.10	-330,094.48	1,029,479.62
TOTAL LIABILITY		1,546,931.81	-293,376.61	1,253,555.20
29000	OWNERS EQUITY			
29100	Contributed Capital	2,826,085.17	-1,198.00	2,824,887.17
29499	Prior Year Retained Earnings	222,969.11	0.00	222,969.11
29500	Retained Earnings	-2,134,914.49	0.00	-2,134,914.49
29550	Prior Period Adj.	0.00	115,703.22	115,703.22
TOTAL EQUITY		914,139.79	114,505.22	1,028,645.01
NET CHANGE		0.00	0.00	0.00



Accounting

Importing Files

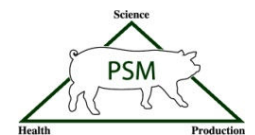
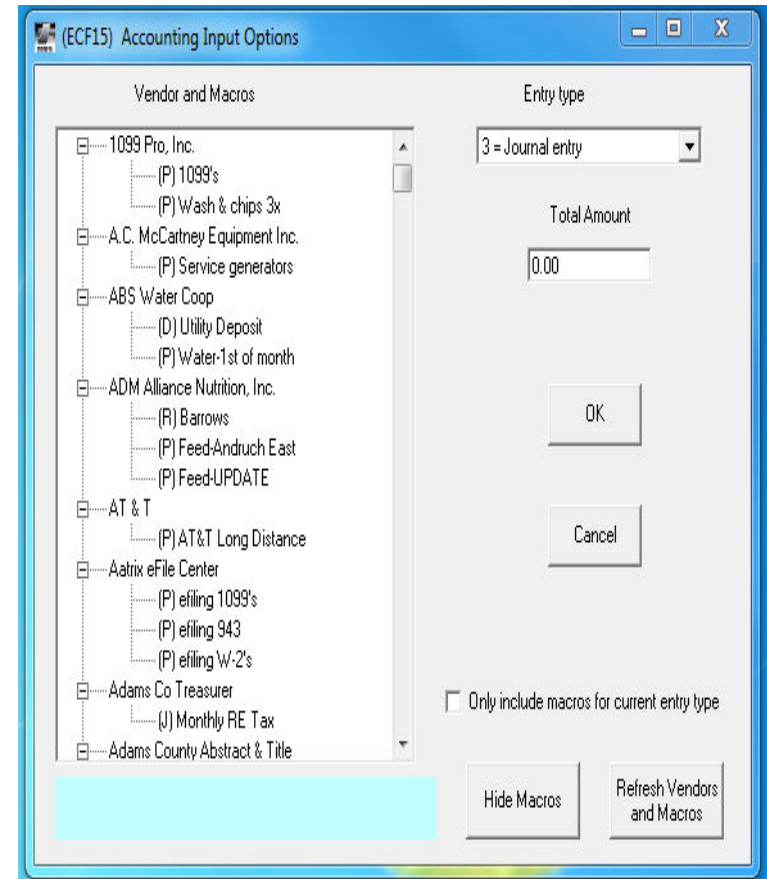
- ✓ One of the biggest time savers we have TA + Import
- ✓ We have worked with a primary supplier to provide billing information in format that is compatible with our ledger codes.
- ✓ Across our farms a consistent set of ledger codes allows this **system** to be effective.



Accounting

- ✓ Input Macros serve multiple important purposes in our system.
- ✓ Allows for faster processing
- ✓ Assures consistent treatment / posting of transactions

Input Macros



Any Questions?



Thank you!

