

Purchase Inventory for Resale (Livestock Inventory)

Document #:	3374	Product:	CenterPoint® Accounting for Agriculture
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This topic describes how to purchase livestock inventory for resale. The inventory account used in the transaction will track the quantity on hand (and the value) of the inventory.

 **Note:** If you'd like to track inventory balances by more than just the account (for example, by production details), specify those items on the setup of the purchased livestock inventory account category (Setup > Accounts > Account Categories > Balance Detail tab) prior to starting the transaction.

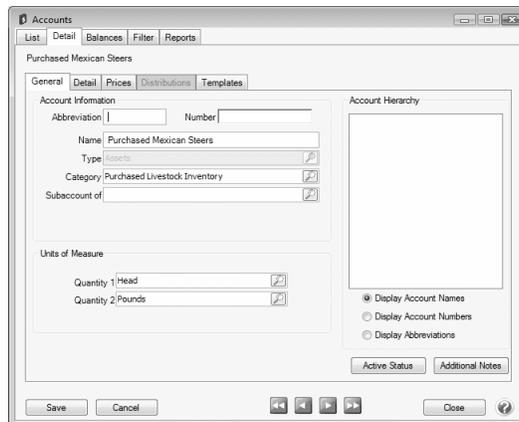
Prerequisite
 The database must have an inventory account (asset), a cost of goods sold account and revenue account setup for purchased inventory prior to processing the transactions. The inventory account must have the appropriate cost of goods sold account assigned as the offset account on the detail tab.

[Step A: Verify the Inventory Account is Setup Properly \(One-Time Setup\)](#)

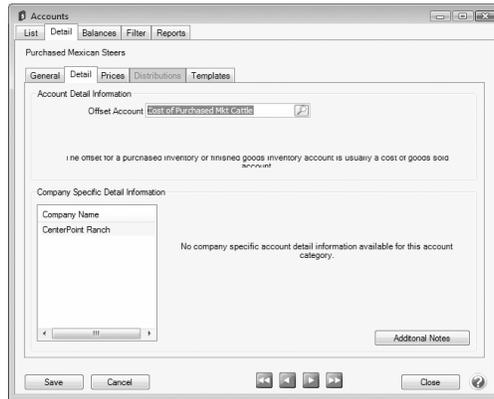
[Step B - Purchase Inventory for Resale](#)

Step A: Verify the Inventory Account is Setup Properly (One-Time Setup)

1. Select **Setup > Accounts > Accounts**.
2. Double-click on the appropriate **purchased livestock inventory account** (Purchased Mexican Steers, for example).
3. On the **General** tab, verify that the **Category** field is set to either **Purchased Livestock Inventory**.



4. On the **Detail** tab, verify that the **Offset Account** field is complete. A **Cost of Purchased Cattle** (cost of goods sold) account should be used.



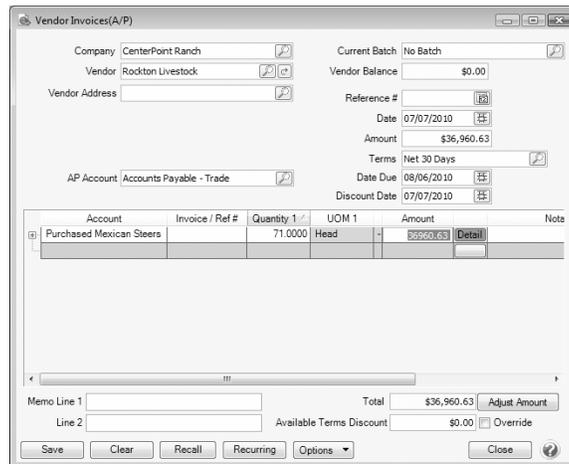
5. Click **Save** to complete the edit of this account.

Step B - Purchase Inventory for Resale

Either a Vendor Invoice (A/P) or Payment transaction can be used to purchase inventory for resale. In our example, we'll be purchasing cattle for resale with a vendor invoice.

EXAMPLE: CenterPoint Ranch purchased 71 head of Mexican Steers at Rockton Livestock. They were purchased for \$36,960.03 and the payment is due in 30 days. This purchase is part of the 2010 Mexican Steers profit center that are included in Production Center Lot 27.

1. Select **Processes > Purchases > Payments or Processes > Purchases > Vendor Invoices (A/P)**.



2. In the **Pay To The Order Of** field, select the appropriate vendor.
3. Specify the appropriate **Check Number**, **Date** and **Amount** for the purchase.
4. In the **Account** field, specify the account setup for Purchased Inventory (For example, Purchased Cattle).
5. Specify the quantity purchased in the **Quantity 1** field. Specify the **Amount** paid for the livestock inventory.
6. Select the **Details** button. If applicable, specify the appropriate production details (profit center, production year, etc.). Click **OK**.

Detail

Template Information
Current Template DT - Increase Asset

Amount: \$36,960.63 Profit Center: Mexican Steers

Head: 71.0000 Production Year: 2010

Pounds: 43,475.0000 Production Series: 0

Asset: Purchased Mexican St Production Center: Lot 27 - boulder ridge

Inventory Location:

Associated Account:

Notation

OK

7. Click **Save** to complete the transaction.

After the purchase is entered, it is automatically reflected in the Inventory account (Setup > Accounts > Accounts > Balances tab).

List Detail Balances Filter Reports

Company CenterPoint Ranch

Name	Book Value	Market Value	Mod Cash Value	Quantity 1	Quantity 2
Assets					
[-] Cash	\$368,258.99	\$368,258.99	\$0.00	0.0000	0.0000
[-] Hedging Account	\$13,202.45	\$13,202.45	\$0.00	0.0000	0.0000
[-] Accounts Receivable	\$6,500.00	\$6,500.00	\$0.00	0.0000	0.0000
[-] Prepaid Expense	\$0.00	\$0.00	\$0.00	0.0000	0.0000
[-] Raised Crops Inventory	\$47,537.44	\$47,537.44	\$0.00	15,964.1...	0.0000
[-] Raised Market Livestock	\$0.00	\$0.00	\$0.00	0.0000	0.0000
[-] Other Raised Livestock	\$1,800.00	\$1,800.00	\$0.00	3.0000	0.0000
[-] Purchased Livestock Inventory					
[-] Purchased Feeder Cattle	\$7,230.00	\$7,230.00	\$0.00	26.0000	0.0000
[-] Purchased Mexican Steers	\$36,960.63	\$36,960.63	\$0.00	71.0000	43,475.0000
[-] Feed WIP	\$5,340.97	\$5,340.97	\$0.00	34,664.0...	0.0000
[-] Conservation WIP	(\$500.00)	(\$500.00)	\$0.00	0.0000	0.0000