


Purchase Inventory for Resale (Livestock Inventory)

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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.

- 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.

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

Account	Invoice / Ref #	Quantity 1	UOM 1	Amount	Note
Purchased Mexican Steers		71.0000	Head	\$36,960.63	

- In the **Pay To The Order Of** field, select the appropriate vendor.
- Specify the appropriate **Check Number**, **Date** and **Amount** for the purchase.
- In the **Account** field, specify the account setup for Purchased Inventory (For example, Purchased Cattle).
- Specify the quantity purchased in the **Quantity 1** field. Specify the **Amount** paid for the livestock inventory.
- 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
Head: 71.0000
Pounds: 43,475.0000
Asset: Purchased Mexican St

Profit Center: Mexican Steers
Production Year: 2010
Production Series: 0
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