



### **How to use a livestock trading schedule**

A livestock trading schedule tracks movements of livestock inventory by class over the course of a given period. Some businesses track livestock movements by month or by quarter but if you are just starting out start by running the livestock schedule over a financial year.

The livestock trading schedule assists in management control as it tracks livestock inventory at key points in the year. A livestock trading schedule is used to calculate the enterprise gross profit, which is an important component of the income statement in management accounting. Gross profit is used in management accounting to adjust earnings based not only on sales but also accounting for purchases and the value of livestock inventory change.

What you will need to use this tool.

1. Good records of livestock numbers preferably by livestock class. If you don't have good livestock records this is a great place to start the road to improvement by collecting livestock inventory records by livestock class.
2. Sales numbers and sales values per head
3. Purchase numbers and purchase values per head
4. A record of the number of births or natural increase and an estimate of deaths

What are the outputs of the tool?

1. A simple and concise record of inventory showing livestock movements.
2. A livestock reconciliation to ensure accuracy of the numbers.
3. A calculation of gross profit which can be used in your management accounts.