Warren, Mark (1992)

Ten common denominators of the top 10% of farmers

TEN COMMON DENOMINATORS
OF THE TOP 10%
OF FARMERS

A survey prepared as part of the Kellogg New Zealand Rural Leadership Course using past finalists of the Hawkes Bay Farmer of the Year as a data base.

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OBJECTIVE

To lift the Average profitability and productivity performance of the Average New Zealand Farmer by identifying 10 minimum cost improved management techniques.

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BACKGROUND

As part of the 1992 Kellogg New Zealand rural leadership course I have conducted a survey to identify ten common denominators of the top 10% of Hawkes Bay farmers.

The intention of the survey was to identify management techniques that could be easily integrated into existing low profitability farming operations, without a financial constraint.

The farmers surveyed were predominantly made up of finalists of the Hawkes Bay Farmer of the Year competition from the last 20 years. 65 questionnaires were sent out, 42 were returned completed and 2 were returned unopened by the 20th of October. This gave a 65% return rate.

RESULTS

The 10 common denominators were:

1) **Timing.** How important is "timing" of decisions or actions in your success? Of the 42 to answer this question most answered it very highly. See graph no 1.

2) **Field days.** What priority would you give attendance at a local relevant field day? Most farmers regarded it as medium/high priority. See graph no 2.

3) **Setting goals.** Do you have a clearly defined goal statement for your farm business? 84% of farmers had a clearly defined goal statement. See graph no 3.

4) **Job satisfaction.** Do you consider you are getting job satisfaction from your job? 98% of farmers considered that they were getting very high job satisfaction from farming. See graph no 4.

5) **Periodicals.** How much use do you make of periodicals? Most farmers made quite high use of periodicals with the majority reporting that they average 30 minutes technical reading per day. See graph no 6.

7) **Soil tests.** How do you regard the importance of soil tests. 84% of farmers regard soil tests as very important with 42% giving them an importance score of 9 or 10. See graph no 7.
8) **Computers.** How valuable is a computer in your farming operation? It would appear that 43% of farmers surveyed owned or used computers in their farm business with 30% rating them as having a high value in their farming operation. Some commented that they can absorb a lot of time for little return in the initial period of ownership. See graph no 8.

9) **Annual accounts.** How well do you analyse your farm accounts. 95% of farmers surveyed reported that they analyse their farm accounts carefully and the remaining 5% reported that they analyse them quickly. They considered that the most important part of their accounts where the E.F.S. per Ha, followed by the profit and loss account and return on capital third.

10) **Team approach.** How much is the success of your operation due to the team approach of a husband and wife team? 64% of farmers reported that the success of their operation was largely due to the team approach of a husband and wife team. Due to a possible misinterpretation of the question another 10% of farmers reported that it was a 50/50 team effort. The outcome of the question was that it seemed that a wife or partner was a very important team member. Some single farmers reported that they considered a wife or partner a valuable asset even though they didn't have one! See graph no 10.

**Working hours.** The majority of farmers reported that they work an average of 60 hours per week on farm and 64% of farmers reported that the ratio of on farm to off farm work activity was 90% on to 10% off farm.

To a question of "**Why do you farm?**" 66% replied that it was for life style, 22% replied that it was to make money and 12% replied that they were born to it.
INTRODUCTORY LETTER TO PARTICIPANTS

Dear Farmer and Partner

As part of the 1992 Kellogg New Zealand Rural Leadership Course, I am conducting a survey to determine the most important ten common denominators of farmers that are perceived to be in the top ten percent of the industry.

The aim of the project is to provide information on the consistent factors identified so that other farmers can focus on them and thereby lift their performance. It is not my intention to invade or steal your trade secrets but to compare the factors which make you a successful farmer with others in the survey and to see which, if any, common factors emerge.

I am using a variety of ways in our attempt to reach as many top 10% operators as possible so if you receive more than one copy of this questionnaire please pass it on to another farmer whom you feel is also a top operator.

I will not know who receives a copy of this questionnaire as I have contracted agricultural consultants to pass them out to people they believe would be receptive to this type of survey, however I am very happy to answer any questions should you want to ring me at any stage. Best time 7pm - 9pm.

Please spare me 4 minutes of your time and make use of the coffee sachets provided, if in doubt as to which answer to tick, your partners choice wins! The results of this questionnaire will be available to anybody who will make constructive use of it.

I intend to circulate the results to all those who contributed, however as I will not know who will have filled in a questionnaire, please include a self addressed envelope when returning the questionnaire if you require a prompt reply.

Some answers are graded 1 to 10, 1 being least and 10 being most, please write a number you think best describes your answer.

Please feel free to make as many additional comments as you feel are relevant.
SURVEY QUESTIONS USED

1) How important is "Timing" of decisions or actions in your success? Scale 1-10 (ie timing very important write 10) ____

2) What priority would you give attendance at a relevant local field day? Scale 1-10 ______

3) What is your ratio of on farm to off farm work activity? (ie field days, producer meetings, local body affairs)
   100% on farm ______ 90% on 10% off ______ 75% on 25% off ______
   50% on 50% off ______

4) a) Do you have a clearly defined goal statement for your farm business? Yes _____ No _____

   b) How often would you revise it?

5) Do you consider you are getting satisfaction from your job? Scale 1 - 10 ______

6) Why do you farm?

7) How often would you update your budget or cash flow?
   Annually ______ Six Monthly ______ Monthly ______
   Fortnightly ______ Weekly ______

8) a) How much use do you make of periodicals? (ie NZ Farmer, Meat News, Main Report, Wool Board Report, etc). Scale 1-10 ______

   b) How much time per day would you spend on technical reading?

9) How much use do you make of advisers? (ie accountant, bank manager, farm adviser, vet etc) Scale 1-10 ______
   Comment

10) Do you have a drought trigger? (ie a date or pasture cover level by which if it hasn't rained drought strategies are activated) Yes ______ No ______ Sort of ______
11) How do you regard the importance of soil tests?  
Scale 1-10 ______

12) How do you regard farm discussions groups?  
Scale 1-10 ______

13) How valuable is a computer in your farming operation?  
Scale 1-10 ______

14) How well do you analyse your farm accounts?  
Carefully ______ Quickly ______ Skim Read ______ Don't Look ______

15) Which do you regard as the most interesting part of your accounts?  
Please number in numerical order 10 = most important 1= least.

Physical production (ie lambing and wool weights) ______

Your EFS/ha ______

Your return on capital ______

Profit and loss account ______

Balance sheet ______

Your accountant's commentary ______

Your income tax liability ______

The bill from the accountant ______

Comment ______

16) a) How many hours per week would you work for the farm, office hours included?  
70+ ______ 60 ______ 50 ______ 40 ______ 30 ______

b) How many hours off farm?  
30+ ______ 20 ______ 15 ______ 10 ______ 5 ______ 2 ______ 0 ______

Comment ______

17) How important do you regard contracts as a method of marketing your produce?  
Scale 1-10 ______
18) How much is the success of your operation due to the team approach of a husband and wife team?

Thank you for your time on this project, please return the completed questionnaire in the envelope provided.

If you have any additional comments to add please feel free to add them.

I look forward to your reply.

Mark Warren

What important questions did I omit to ask?
Top Ten common denominators
Effect of timing on profitability

42 top 10 % H.E. farmers. M.A.T. Warren 89
Top Ten common denominators
Attendence at a relevent field day.

42 top 10 % H.B farmers. M.A.T Warren 92
Top Ten common denominators
Clearly defined goal statement.
Top Ten common denominators
Obtaining job satisfaction.

42 top 10 % H.B farmers. M.A.T Warren 92
Top Ten common denominators
Use made of periodicals.

42 top 10 % H.B farmers. M.A.T Warren 92
Top Ten common denominators
Use made of Advisers.

![Bar Chart]

Use made of advisers

42 top 10 % H.B farmers. M.A.T. Warren 92
Top Ten common denominators
How important are soil tests.

42 top 10 % H.B farmers. M.A.T Warren '92
Top Ten common denominators
How valuable is a farm computer.

Value of a computer

42 top 10 H.S farmers. M.A.T Warren 92
Top Ten common denominators
Team effort of husband and wife.

Team effort

42 top 10% H.B farmers, M.A.T Warren 92
Dear Farmer and Partner,

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Some answers are graded 1 to 10, 1 being least and 10 being most. Please feel free to make as many additional comments as you feel are relevant.

1) How important is "Timing" of decisions or actions in your success? scale 1---10 (1e timing very important write 10) _____.

2) What priority would you give attendance at a relevant local field day? scale 1---10 _____.

3) What is your ratio of on farm to off farm work activity? (ie field days, producer meetings, local body affairs) 100% on farm ___ 90% on 10% off ____ 75% on 25% off ____ 50% on 50% off ____.

4)a Do you have a clearly defined goal statement for your farm business? yes ____ no ____.

b How often would you revise it?

5) Do you consider you are getting satisfaction from your job? scale 1---10 _____.
6) Why do you farm?

7) How often would you update your budget or cash flow?
   annually ___ six monthly ___ monthly ___ fortnightly ___ weekly ___.

8) a. How much use do you make of periodicals?
   Ie NZ farmer, meat news, main report, wool board report etc
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   b. How much time per day would you spend on technical reading?

9) How much use do you make of advisers? Ie accountant, bank manager, farm adviser, vet etc.
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   comment?

10) Do you have a drought trigger? Ie a date or pasture cover level by which if it hasn't rained drought strategies are activated?
    yes ___ no ___ sort of ___.

11) How do you regard the importance of soil tests?
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14) How well do you analyse your farm accounts?
    carefully ___ quickly ___ skim read ___ don't look___.

15) Which do you regard as the most interesting part of your accounts please number in numerical order 10= most important 1= least
    Physical production ____ (Ie lambing and wool weights)
    Your EFS / ha ____.
    Your return on capital ____.
    Profit and loss account ____.
    Balance sheet ____.
    Your accountants commentary ____.
    Your income tax liability ____.
    The bill from the accountant ____.
    comment?
16) a. How many hours per week would you work for the farm? office hours included.

70+  ____  60  ____  50  ____  40  ____  30  ____.

b. How many hours off farm?

30+  ____  20  ____  15  ____  10  ____  5  ____  2  ____  0  ____.

Comment?

17) How important do you regard contracts as a method of marketing your produce?

Scale 1—–10  ____.

18) How much is the success of your operation due to the team approach of a husband and wife team?

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Mark Warren.

What important questions did I omit to ask??????