

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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Waipari Station
Hawkes Bay

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! Se 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 up date 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.

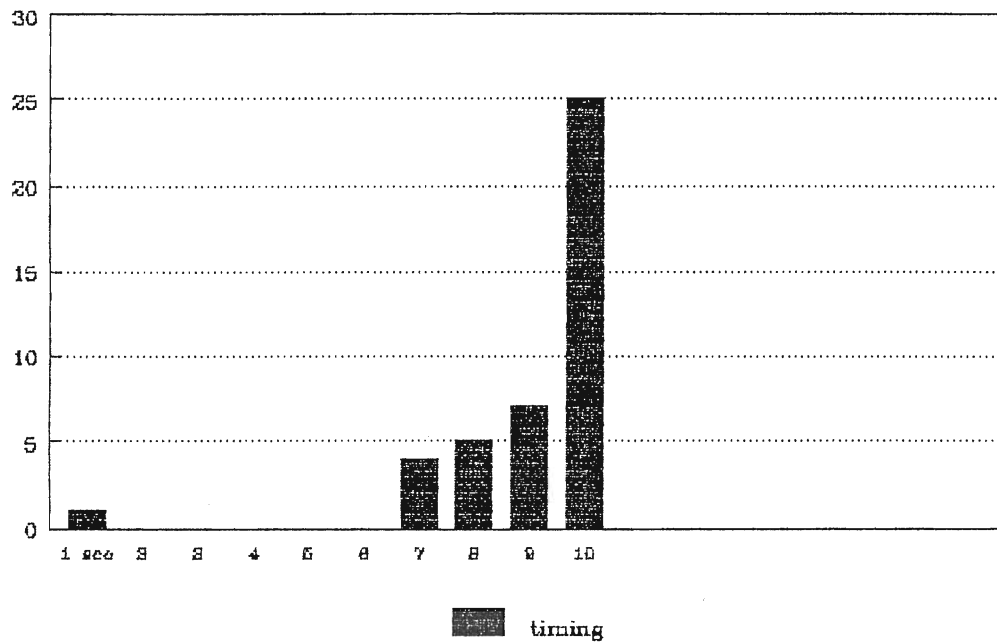
I look forward to your reply.

Mark Warren

What important questions did I omit to ask?

Top Ten common denominators

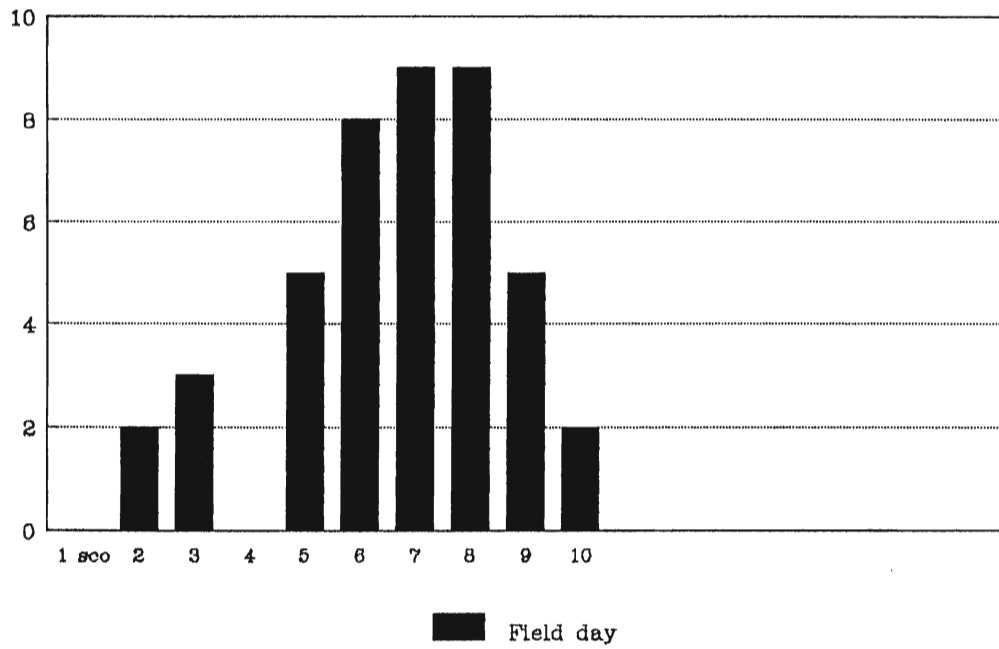
Effect of timing on profitability



42 top 10 % H.B farmers. M.A.T Warren 23

1

Top Ten common denominators Attendance at a relevant field day.

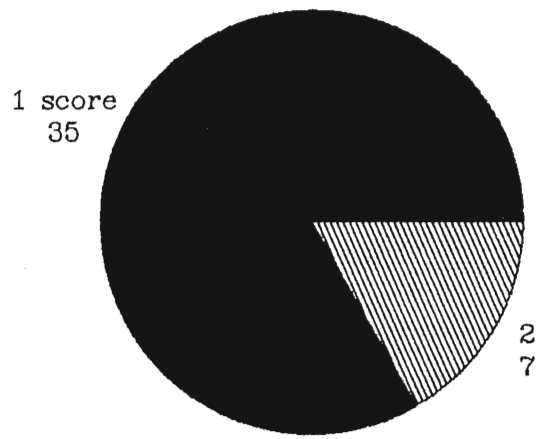


42 top 10 % H.B farmers. M.A.T Warren 92

2.

Top Ten common denominators

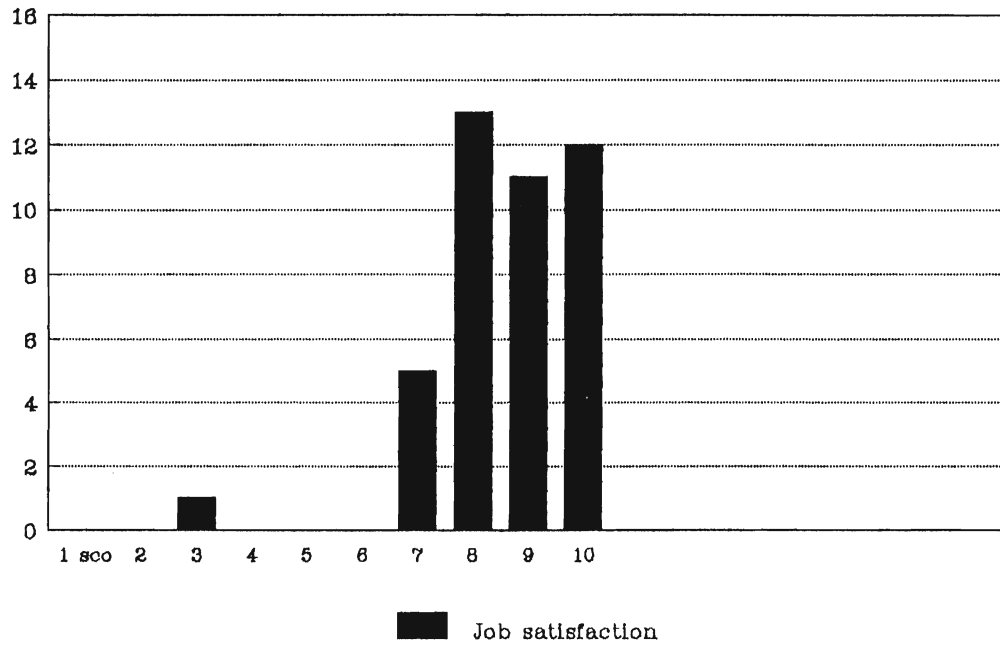
Clearly defined goal statement.



42 top 10 % HB farmers. M.A.T Warren 92

3

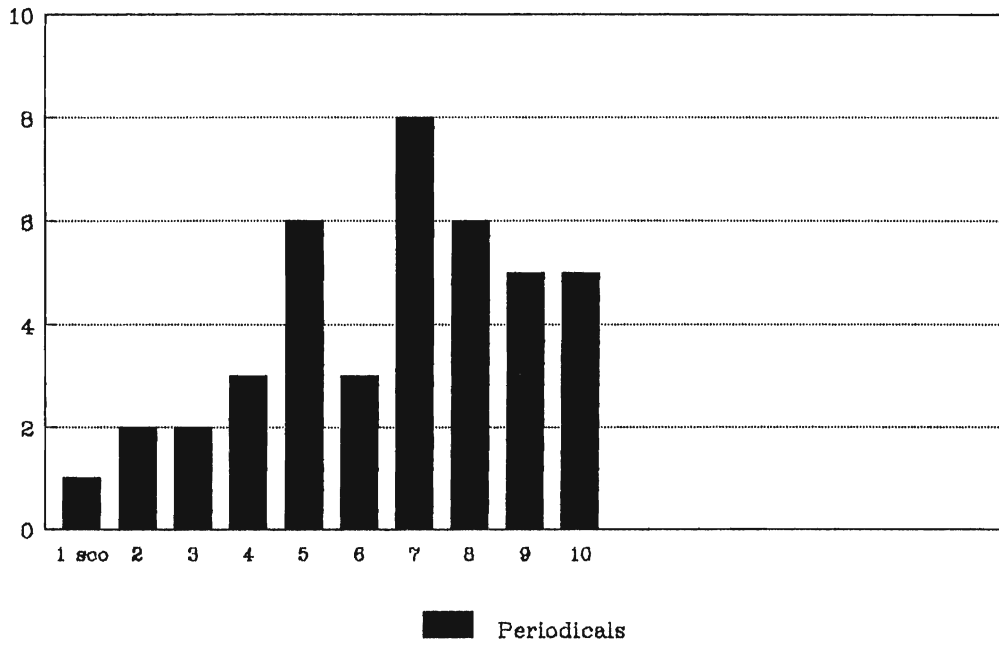
Top Ten common denominators Obtaining job satisfaction.



42 top 10 % H.B farmers. M.A.T Warren 92

4

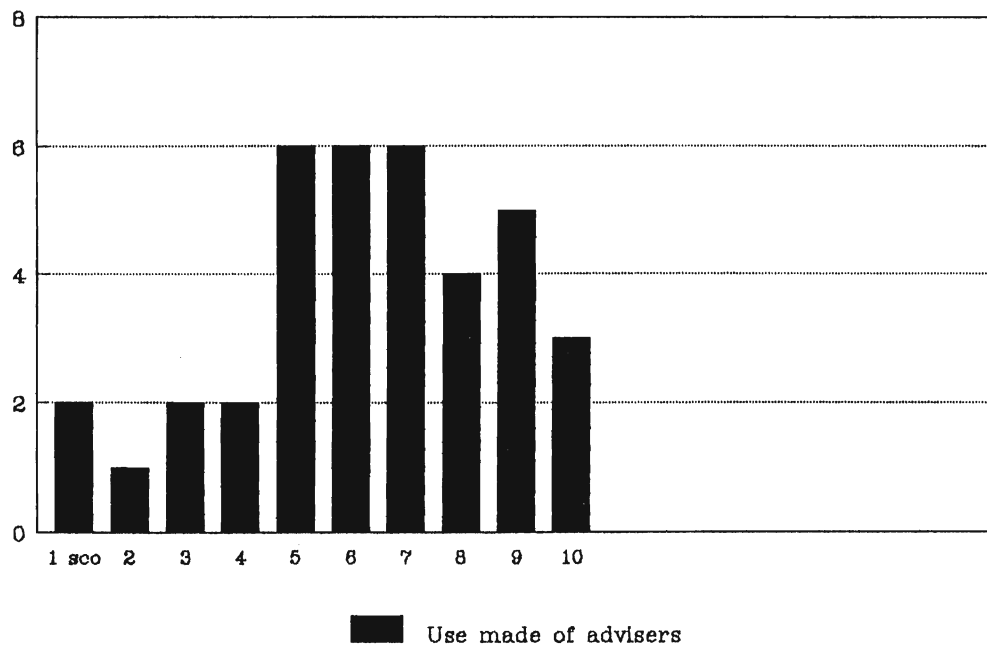
Top Ten common denominators Use made of periodicals.



42 top 10 % H.B farmers. M.A.T Warren 92

5

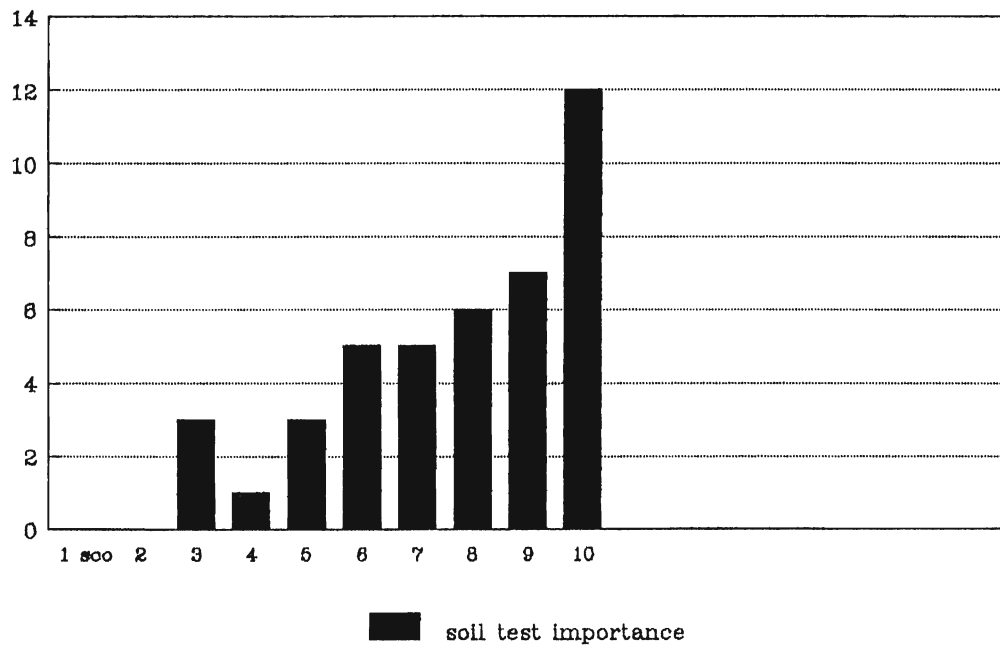
Top Ten common denominators Use made of Advisers.



42 top 10 % H.B farmers. M.A.T Warren 92

6.

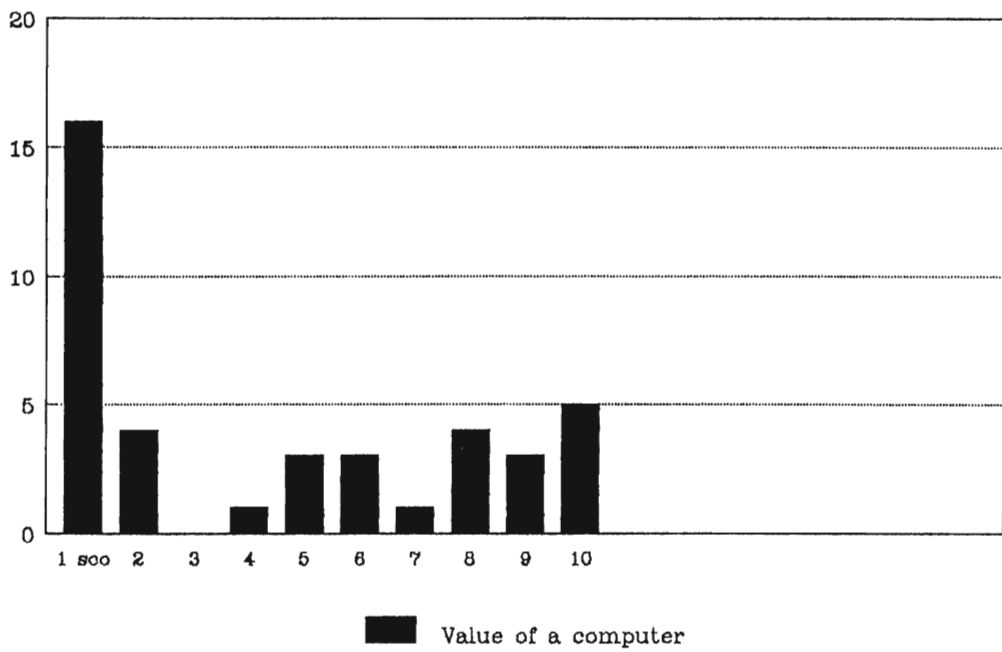
Top Ten common denominators How important are soil tests.



42 top 10 % H.B farmers. M.A.T Warren 92

Top Ten common denominators

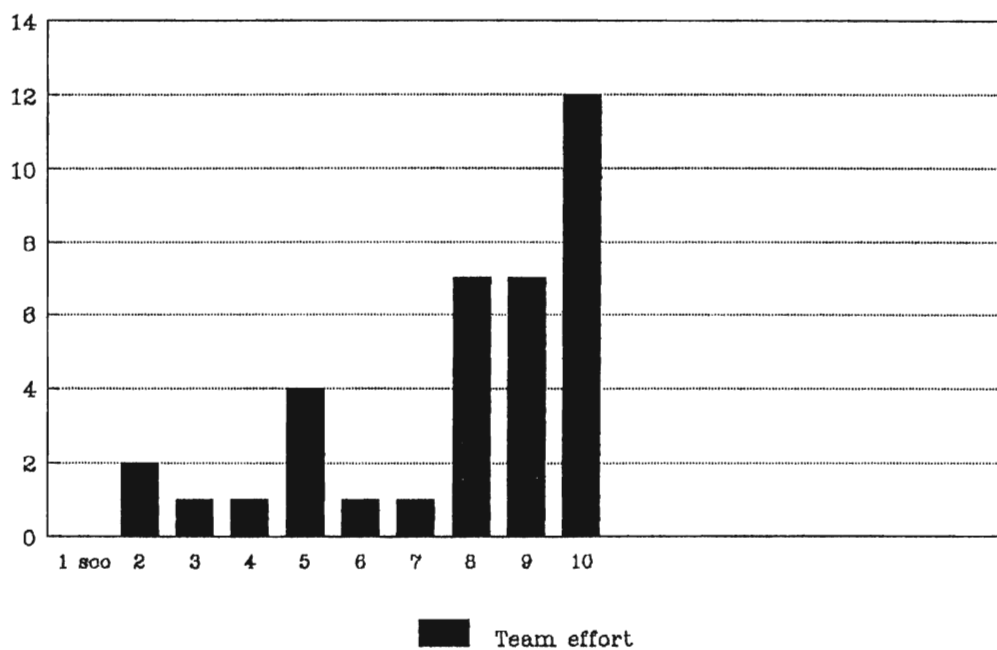
How valuable is a farm computer.



42 top 10 % H.B farmers. M.A.T Warren 92

8

Top Ten common denominators Team effort of husband and wife.



42 top 10 % H.B farmers. M.A.T Warren 92

10.

Phone & Fax [06 85 73 731]

WAIPARI STATION,
RD 1,
WAIPAWA,
HAWKES BAY,
N.Z.

14th June 1992

Dear Farmer and Partner,

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yes _____ no _____.

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scale 1---10 _____.

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 weekly _____.
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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.
 scale 1---10 _____.
- comment?
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 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 discussion groups?
 scale 1----10 _____ .
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 scale 1----10 _____.
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 carefully ___ quickly ___ skim read ___ don't look___.
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 please number in numerical order 10= most important 1= least
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- 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?

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scale 1---10 _____.

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Mark Warren.

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