



2017 Top Farmer Survey

February 2017

Thank you for participating in the 2017 Top Farmer Survey. Partners for this project include: AgCentric, Southern Minnesota Center of Agriculture, Minnesota State FBM, Center for Farm Financial Management, Southwest Minnesota Farm Business Management Association and University of Minnesota Extension.

The following questions address management practices in agricultural operations. Please select the answer that best describes your situation, adding written comments for clarification if necessary.

DEMOGRAPHICS

Q1 Please indicate your FINPACK ID number. You will have to get this number from your FBM instructor or your Business Association consultant (up to eight digits).

Q2 How did your farming operation get started?

- I started on my own with no significant help.
- My parents (or another farmer) helped me but I farmed on my own.
- I had a partnership (or farmed jointly) with my parents (or in-laws).
- I had a partnership (or farmed jointly) with a brother or sister.
- I started as part of a family corporation, limited liability partnership, or limited liability company.
- Other _____

EDUCATION

Q3 What is the highest level of educational background of the decision makers for the farm? Please check responses that apply to your farming situation.

	Primary decision-maker #1	Primary decision-maker #1 spouse	Partner/shareholder #2	Partner/shareholder #2 spouse	Partner/shareholder #3	Partner/shareholder #3 spouse
Less than high school	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
High school graduate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Some college or tech. school	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Technical school degree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
College (Bachelor's) degree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Post college, graduate degree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q4 If the education level(s) listed in question three is/are beyond high school, did you major in agriculture?

	Primary decision-maker #1	Primary decision-maker #1 spouse	Partner/shareholder #2	Partner/shareholder #2 spouse	Partner/shareholder #3	Partner/shareholder #3 spouse
Yes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q5 How many educational workshops have you attended in the past three years? Please indicate approximate number of workshops by topic. **If you attended a workshop(s) not on the list, please specify in question number six.**

- _____ Business planning and growth
- _____ Ownership and management transition
- _____ Financial reporting
- _____ Farm financial performance
- _____ Cost of production
- _____ Budgeting
- _____ Marketing
- _____ Human resources
- _____ Agronomy / crop science
- _____ Animal science
- _____ Other

Q6 Please list the type of workshop you may have attended that was not listed in question number 5.

Type of workshop

Number of times attended

PRODUCTION RISK

Q7 If you have purchased additional land in the last three years, tell us why. Please rank these factors in terms of their importance with one being the most important and eight the least important.

- _____ Land was close to my base of operations.
- _____ I have not purchased additional land in the last three years.
- _____ My ability to negotiate a good price
- _____ Size of land parcel matched to my equipment
- _____ Soil productivity
- _____ Desire for expansion
- _____ Desire to bring in additional family member
- _____ Other, please specify

Q8 If you have leased additional land in the last three years, rank these factors in terms of their importance with one being the most important and nine the least important.

- _____ Land was close to my base of operations
- _____ I have not leased additional land in the last three years.
- _____ My ability to negotiate a good rental rate
- _____ Size of land parcel matched to my equipment
- _____ Soil productivity
- _____ Desire for expansion
- _____ Desire to bring in additional family member
- _____ Relationship with the landlord
- _____ I was able to purchase the land at a good price

Q9 On a regular basis, I consult with specialists OTHER THAN my FBM Farm Management Instructor or my Farm Business Management Association consultant for the following management topic(s).

- Estate/succession planning
- Business/financial management
- Crop production
- Livestock production
- Human resources
- Legal
- None
- Other, please specify _____

Q10 My operation holds regular formal management meetings.

- Yes
- No

MARKET RISK

Q11 I raise livestock.

- Yes
- No (**SKIP TO QUESTION 15**)

Q12 In the past three years, please estimate what percent of your livestock or milk was sold using the following methods:

- _____ Cash sales
- _____ Marketing contracts
- _____ Futures/options/hedges

Q13 In the last three years I use/have used the following livestock insurance products:

- Dairy margin price protection (DMPP)
- Livestock gross margin
- Livestock risk protection
- Other, please specify _____
- None

Q14 In the past three years, what percentage of your feed grain/soybean meal purchases have you priced using futures/options/hedges?

- Over 25%
- 11% to 25%
- 1% to 10%
- 0%

Q15 I sell cash crops.

- Yes
- No (**SKIP TO QUESTION 18**)

Q16 In the past three years, please estimate what percent of your cash crop production you have sold or priced using: Your answer should add up to 100%.

- _____ Preharvest cash contracts
- _____ Preharvest futures hedge or hedge to arrive
- _____ Preharvest options
- _____ Sold at harvest
- _____ Post harvests cash contracts
- _____ Host harvest futures hedge or hedge to arrive
- _____ Post harvest options
- _____ Post harvest cash sales

Q17 In the last three years I use/have used the following crop insurance products. Please check all that apply.

- Federal crop insurance (revenue protection)
- Federal crop insurance (yield protection only)
- Hail
- None

FINANCIAL RISK

Q18 Think of the last major non-land capital purchase/lease you made. Rank these factors importance in your decision with one being the most important and seven being the least.

- _____ Tax management
- _____ Match size of implement with current workload
- _____ Cash flow/repayment capacity
- _____ Return on investment
- _____ Had to replace the previous model
- _____ Expansion
- _____ Other, please specify _____

Q19 In your farming operation, who does the primary accounting/bookkeeping?

- Operator
- Operators spouse/significant other
- Partner
- Partners spouse/significant other
- Hired bookkeeper
- Certified public accountant (CPA)
- Other, please specify _____

Q20 In your farming operation, how often do you use the financial reports you get from FBM (Farm Business Management) or the Southwest Farm Business Management Association?

- Daily
- Weekly
- Monthly
- Quarterly
- Semi-annually
- Annually
- Not reviewed

Q21 My accounting records are updated:

- Daily
- Weekly
- Monthly
- Quarterly
- Semi-annually
- Annually

Q22 What is the highest level of accounting expertise found among you, your partners, your managers and employees?

- Bookkeeper
- Accountant
- Certified public accountant (CPA)
- None

Q23 In the past year, I have:

- Done a formal review of written goals for my business
- Done a formal evaluation of unwritten goals for my business
- Informally discussed goals for my business with partners and others
- I have not reviewed goals for my business in the past year

Q24 Check the statement that best describes how costs are tracked in your operation.

- Total costs are reviewed annually, but not tracked on a more frequent basis.
- Total costs are reviewed quarterly or more frequently.
- Enterprise costs are reviewed annually, but not tracked on a more frequent basis.
- Enterprise costs are reviewed quarterly or more frequently.

Q25 How do you use cost data in managing your operation? Check all that apply.

- Costs are referenced in projections associated with business planning and decision making.
- Budgeted costs are compared against actual costs and analysis of variances.
- Costs trends are tracked from year-to-year. Significant increases in costs are reviewed and addressed.
- Costs are benchmarked against peers. Where significantly higher than peers, costs are reviewed and addressed.
- Costs are presented to landlords and/or input suppliers in written form in contract negotiation, emphasizing breakeven points and sustainable profit levels.
- Other – please specify _____

LEGAL RISK

Q26 A business plan is a formal statement of goals, the reasons why you believe they are attainable, and your plan for reaching those goals. A formal business plan consists of the following components: executive summary, business description, operations, marketing plan, management and organization and financial plan. Which best describes your business planning efforts?

- We have developed, implemented and currently maintain a formal, written business plan.
- We have developed and implemented a formal, written business plan but do not have a process for maintaining it.
- We're in the process of developing a formal written business plan.
- We have discussed business plans for the operation.
- We have not discussed or developed a formal written business plan.

Q27 Check the statement that best describe your business plan.

- Primarily financial – operational budgets, some forecasting
- Primarily production – what commodities will be grown where, etc.
- Primarily an estate plan – what will happen to assets in the future
- Primarily a strategic business plan that analyzes our operation external environment and include specific goals, strategies, action plans and measurement procedures

Q28 Does your management team (e.g.owner(s) and/or senior management) meet formally at least annually to reflect on the overall performance of the business and strategically plan for the future?

- Yes
- No

Q29 Do you regularly try to negotiate the following items?

	Yes	No
Reduced input prices	<input type="radio"/>	<input type="radio"/>
Reduced rental rates	<input type="radio"/>	<input type="radio"/>
Reduced interest rates	<input type="radio"/>	<input type="radio"/>
Higher sales prices	<input type="radio"/>	<input type="radio"/>

Q30 Check the area below that you are most able to influence in negotiation.

- Production input purchases
- Marketing commodity sales
- Financing (e.g. rates, terms, covenants)
- Natural resources (e.g. land, water, etc.)
- None

Q31 Do you have a formal estate plan (consulted with an estate planning professional)?

- Yes
- No

Q32 Do you have a formal business succession plan?

- Yes
- No

HUMAN RESOURCE RISK

Q33 Do you have employees?

- Yes
- No (**SKIP TO QUESTION 38**)

Q34 Do most employees have written job descriptions that define their major responsibilities?

- Yes
- No
- Only for some positions
- Not yet, but we intend to do so
- No, not necessary in our operation

Q35 Do you have written policies for employees?

- Yes
- No

Q36 Regarding employee performance reviews, which statement best describes your operation?

- We do periodic written performance reviews.
- We do periodic informal performance reviews.
- We rarely or never do performance reviews.

Q37 Has availability of quality employees negatively affected your financial performance?

- Yes
- No

TECHNOLOGY

Q38 Which best describes how technology has been adapted in your operation?

- Technology does not represent a competitive advantage resource or cost savings in my operation.
- I adopt technology in my operation later than most, but not among the last.
- Technology is best applied with the masses – majority opinion is a sound test of technologies worth and effectiveness.
- Although not an innovator, I'm not hesitant to adopt new technologies proven by few or limited neighbors experiences. My adoption of technology, however, includes due diligence (e.g. research and development).
- I am the innovator, adopting technology at its earliest availability, often times prior to final or complete test.

Q39 Which of the following are commonly used in your operation? Check all that apply.

- Computer
- Accounting software
- Sales and inventory management software
- Bar-coding
- Email/text
- Internet access
- On-line purchases
- Social media used in business operation - please specify _____
- Online sales
- Remote weather sensing service
- GPS variable-rate technology
- Newer equipment line (e.g. majority five years old or newer)
- Farm to market traceability
- Smart phone
- Farmstead security system
- Robotic milking
- DHIA
- Dairy Comp
- Scout
- Remote crop management (drones, etc.)
- Remote individual dairy cow monitoring
- Other precision agriculture, please specify _____
- Other – please specify _____