Learn more about your business with industry data

For the fifth year in a row, a strategic, levy funded project has surveyed the greenlife industry to measure production nursery sales, sentiment, employment, investment as well as the impact of COVID-19.

The latest insights are the first to fall under a new levy funded project (*Nursery industry statistics 2020-21 to 2024-25* – NY21000).

The results provide industry and growers with valuable information that can assist with decision making, resource prioritisation, investment evaluation and strategic planning activities. The data collected also informs the development of a business benchmarking data tool which will be made available to the greenlife industry.

SUMMARY

- *Nursery industry statistics 2020-21 to 2024-25* (NY21000) is a five-year strategic levy-funded project which tracks key industry data.
- Greenlife Industry Australia (GIA) oversees the project and works with Down to Earth Research (DTER) and ACIL Allen (AA) for data collection and analysis.
- Data and insights can be used to inform key decision making at both the individual nursery level, and at the strategic industry level.
- The nursery industry benchmarking tool allows nurseries to compare financial performance, productivity, business and industry sentiment, sales shares by type and market segment, employment and wages, investment with other nurseries of similar turnover ranges as well as the trends of industry as a whole.
- Levy-payers are strongly encouraged to register for access to the benchmarking tool.
- Growers who participated in the industry survey will be emailed a link to the benchmarking tool as soon as it is completed.

BACKGROUND & METHODOLOGY

This is the fifth industry statistics survey and to ensure consistency and to enable longitudinal data trends to be gleaned from the study, the questions and methodology has remained largely the same over this period.

Consistent with past projects, the majority of questions have been answered via Computer Assisted Telephone Interviews, but responses have also been received via email and an online platform.

Using the data, the business benchmarking tool is updated and made available to growers to obtain an accurate, robust snapshot of how the industry looks and how their business compares. The insights can be used by growers to prioritise investments, make informed workforce decisions and plan for the future.

2.3 billion
plants sold (4.5% increase from previous year)

$470,000 turnover per hectare
(6.8% increase from previous year)

88% of growers
confident in the future of the industry
and 48% very positive about industry's future

Approximately **two thirds**
of businesses invested in new technology
or infrastructure in 2020-21

Greenlife Industry Australia

This communication has been funded by Hort Innovation using the nursery research and development levy and contributions from the Australian Government.

Hort Innovation Strategic levy investment

NURSERY FUND

SURVEY RESULTS

Plants sold

For the fifth straight year, farmgate sales continued their upward trajectory, hitting record highs in 2020-21, with a 8% increase to $2.8 billion (excluding sales to other production nurseries). Over the lifecycle of the industry survey, the industry has grown in value by an estimated 20% in five years.

It was also another record breaking year in terms of number of plants sold, with 2.3 billion plants sold across the country.

Farmgate sales have grown for the fifth straight year, increasing 20% since 2015-16.

According to Hort Innovation, the entire horticulture industry is valued at $15.2 billion. With the nursery industry valued at $2.8 billion, it's evident that the industry is one of the most significant contributors to the broader sector.

What does this mean for you? Outcomes like this can be used by industry to help support policy making at various levels of government.

Plants sold by category

The survey asked growers to identify plants sold by category and the findings indicate that growth was experienced across all categories.

There was no significant shift in the share of sales attributable to each sales category.

In 2020-21, the most popular plant categories were: perennials, trees and shrubs (42% of total plants sold), indoor (13% of total plants sold), propagation (12% of total plants sold)

What does this mean for you? This information is useful for growers to track the change in production and demand across various categories. It is most valuable for growers to monitor the change across several years, to identify trends.

Plants sold by customer

Plants sold were categorised according to seven customer categories (retail, wholesale, landscape, primary industries, revegetation, government, and direct to consumer), as well as a miscellaneous/other category.

Retail continues to be the largest sales category for the greenlife industry, representing 41% of all sales from production nurseries.

Sales grew across just about every category, with significant growth in retail and direct to customer. In fact, there was a 24% growth in direct to customer sales during the survey period, potentially due to demand as a result of COVID.

What does this mean for you? Although there has been no significant change in market segments, this data could be used in future to identify market opportunities within key sectors.

For example, whether selling direct to consumer is a viable option for production nurseries.

Stock shortages

For the first time, this survey directly asked respondents whether they were affected by stock shortages during the survey period.

According to the survey over half (53%) of production businesses experienced stock shortages, likely due to the impact of COVID-19.

Nationally, it is estimated that 5% of turnover was lost due to stock shortages.

It's worth noting that overall, COVID-19 is estimated to have had a net positive impact on production nursery sales throughout the survey period.

What does this mean for you? Although it has been well established, anecdotally, that the industry had been affected by stock shortages, this is the first time it has been quantified. This should remind growers at the potential impact of environmental, and regulatory risks.

Productivity per Hectare

For the fourth straight year, national productivity (turnover per hectare) has increased nationally. In 2020-21, national productivity increased 7% from $441,000 per hectare to $472,000 per hectare.

However, it's worth noting that small enterprises (turnover less than $500,000 per year), saw their lowest estimated productivity since 2017-18.

What does this mean for you? With the national average for productivity increasing steadily, it would be worth a production nursery reviewing their own productivity. If productivity has not increased in line with peers it may be worth reviewing current levels of investment and processes.

Sentiment & future business investment

Industry confidence remains incredibly high, with 88% of respondents positive about the industry's future and a record 48% of respondents saying they were very positive about the industry's future.

Spending on new infrastructure and technology is widespread among businesses with turnover exceeding $2 million.

What does this mean for you? Comparing your own industry outlook with peers can help you identify how you are faring compared to similar businesses. This information can also be used to identify how your level of investment in education or infrastructure correlates with other businesses.

Human resources

The number of workers employed by the nursery industry remains flat, a good result considering labour force challenges that are widespread in the agriculture industry.

Importantly, we have seen a small increase in the overall productivity of our human resources up from $169,000 to $175,000.

The % of turnover spent on wages, average FTE wage and total wage bill have all remained fairly steady.

What does this mean for you? The opportunity to benchmark wage costs against other industries is incredibly valuable. It can help ensure you are best positioned to retain important staff, whilst ensuring you are not overspending compared to peers.

Benchmarking shines a light on business strategy

Are you one of the 29% of production nurseries that has leveraged the industry benchmarking tool to learn more about your business and the broader industry?

According to this survey not only are the number of nurseries using the data increasing, but of those that do access the data, 43% are actually using the tool to influence decision making and guide business strategy.

With over five years' worth of data available for analysis, the industry benchmarking tool is a powerful resource for nursery industry participants to understand more about how their business is performing against others.

It enables them to understand in which areas they are similar to their peers and how they differ. This information can be key in forming short, medium and long term business strategies.

Importantly, the tool displays segmented data so growers can benchmark their business against those of similar sizes and scales.

Industry feedback has been invaluable in the development of the tool and the usability, look and feel and functionality have all been updated based on industry feedback

As with previous years the benchmarking tool is made up of four key components:

- An overview of the 2020-21 results and trends over time
- Sales – where users can input their own data for comparison
- Employment and costs – where users can input their own data for comparison
- Industry sentiment – where users can input their own data for comparison

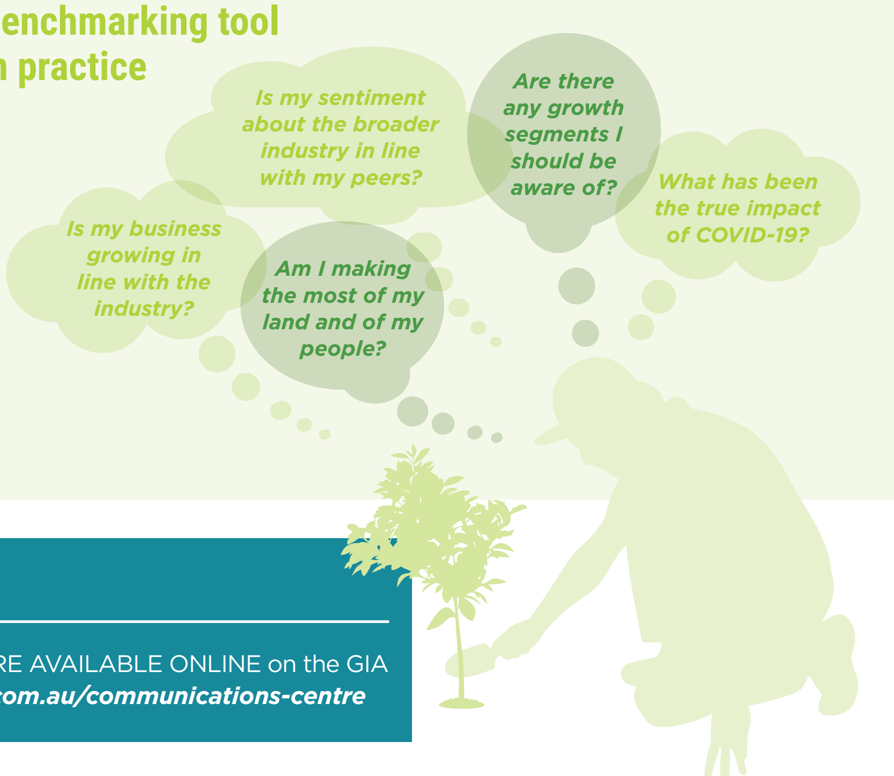
The full benchmarking tool is scheduled to be released in May 2022, in the meantime contact Sonya Gifford, ***sonya.gifford@greenlifeindustry.com.au***.

Meet the growers who have had the opportunity to use the benchmarking tool in the past

"By consulting the benchmarking tool, I was able to fill the gaps, understand our position and start mapping out how we would get to where I needed us to be."
– Kris Grundy, Townsville Plant Wholesalers

"Although we may compete with other nurseries at a base-level, most businesses are more focused on growing the market together. We love to knowledge-share with other nurseries, and this project, and the findings drawn from it are critical for tracking the success of our entire industry."
– Ashley Burns, Living Colour Nursery

Benchmarking tool in practice



LINKS TO RESOURCES

- PAST EDITIONS OF NURSERY PAPERS ARE AVAILABLE ONLINE on the GIA website: ***https://www.greenlifeindustry.com.au/communications-centre***