

# NURSERY PAPERS

JULY  
2023

## Uncover business insights with data

**Production nurseries sold an estimated 2.3 billion plants worth approximately \$3.6 billion in 2021-22.**

That's according to the recently released levy funded *2021-22 Production Nursery Data Capture Report*, which assessed data from a record 266 growers surveyed across Australia.

We will actively undertake and produce the survey and subsequent reports annually for five years as part of the strategic levy-funded project, Nursery Industry Statistics 2020-21 to 2024-25 (NY21000), actively tracking vital sector data over the course of five years.

This data includes production nursery sales, sentiment, employment, and investment.

The project has also developed an improved benchmarking tool you can use to assess core aspects of your business against others operating in similar markets or segments.

### SUMMARY

- The levy-funded Nursery Industry Statistics 2020-21 to 2024-25 (NY21000) project tracks vital sector data over five years.
- Greenlife Industry Australia (GIA) manages the project, collaborating with Down to Earth Research (DTER) and ACIL Allen (AA) for data collection and analysis.
- The data and insights support crucial decision making for individual nurseries and the sector.
- The nursery sector benchmarking tool enables nurseries to compare financial performance, productivity, sentiment, sales, employment and investment with similar turnover ranges and sector trends.
- We encourage levy-payers to register for access to the benchmarking tool.



### BACKGROUND & METHODOLOGY

The *2021-22 Production Nursery Data Capture Report* provides findings from the sixth annual statistics survey. The report is a result of the NY21000 project, which is in its second five-year phase. The project is funded via the nursery levy through Hort Innovation

To ensure consistency and to extract longitudinal data trends from the study, the questions and methodology are aligned with earlier projects.

In total, 266 survey questionnaires were completed, 173 via Computer Assisted Telephone Interviews, 51 via email and 42 through an online platform.

The data collected provides timely and reliable insights, and industry trends to inform decision making, resource prioritisation, investment evaluation and strategic planning activities among greenlife businesses and the broader industry.

The results have informed the development of a business benchmarking tool, produced and updated annually by ACIL Allen and distributed to survey participants and other levy payers on request.



**2.3 billion** plants were introduced into our communities, workplaces and homes, equal to the previous year



**\$3.6 billion** in sales



**84%** of growers are confident about the future of the sector



**60%** of growers are investing in infrastructure, technology and training



**\$1.5 billion** in sales for retail supply, remaining the largest channel for sales, a 4% increase year on year.



# Deep dive into the weeds

## Industry profile snapshot

In 2021-22, the demand for greenlife remained steady and the outlook for the sector is positive, which is consistent with results from previous years. The research shows that demand for plants remains strong, resisting economic pressures and challenges faced by the sector.

The Australian nursery sector employs almost 25,500 people across every state and territory, and is currently valued at approximately \$3.6 billion. While confidence in the sector's future remains high, there is growing concern that an economic downturn will impact demand and combined with current labour challenges, this may slow sector expansion and investment.

## Plants sold by category

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

In 2021-22, the most popular plant categories were: perennials, trees

and shrubs (68% of total plants sold), propagation (29% of total plants sold), and indoor (24% of total plants sold).

## Nursery sector threats

Severe weather, labour and biosecurity challenges have impacted more than six in 10 production businesses, and four in 10 production businesses have struggled to secure insurance policies.

Labour shortages have impacted 83% of large and 71% of medium sized businesses, compared to a much lower 38% of small counterparts.

## Productivity per hectare

Respondent data suggests that production businesses continue to generate substantial turnover per hectare (approximately \$454,000, slightly - but not statistically significantly - down from \$470,000 in 2020-21).

## Sentiment & future business investment

Sector confidence remains buoyant, with 84% of respondents

positive about the sector's future. However, this year concerns about the potential impact of a global economic downturn appears to have significantly reduced the proportion of respondents who are very positive (30%, down from 48% in the previous year).

Similarly, there has been a 10-point decrease in the proportion of businesses that are currently expanding their enterprise (now 29%) and, over the past 12 months, a slight rise in the proportion contracting (11%, up from 5%) or in a steady phase of operation (58%, was 55%).

## Human resources

Consistent with past years, respondent data suggests the nursery production workforce is between 22,000 and 26,000 people, equating to approximately 20,500 full time equivalent (FTE) employees (no real change from 2020-21).

On average, business turnover per FTE was on par with 2020-21 (approximately \$175,000) but varies significantly from \$55,000 in small to \$210,000 in large businesses.



# Now let's talk benchmarking

The Benchmarking Data Tool empowers you to make strategic and operational decisions for your business by leveraging robust data.

This tool enables you to measure your performance against your surveyed peers, comparing sales values and volumes by product type and market segment within the sector.

The data is categorized into four turnover ranges:

- <\$500,000 per annum (p.a.)
- \$500,000 - \$2 million p.a.
- \$2 million to \$4 million p.a.
- >\$4 million p.a.

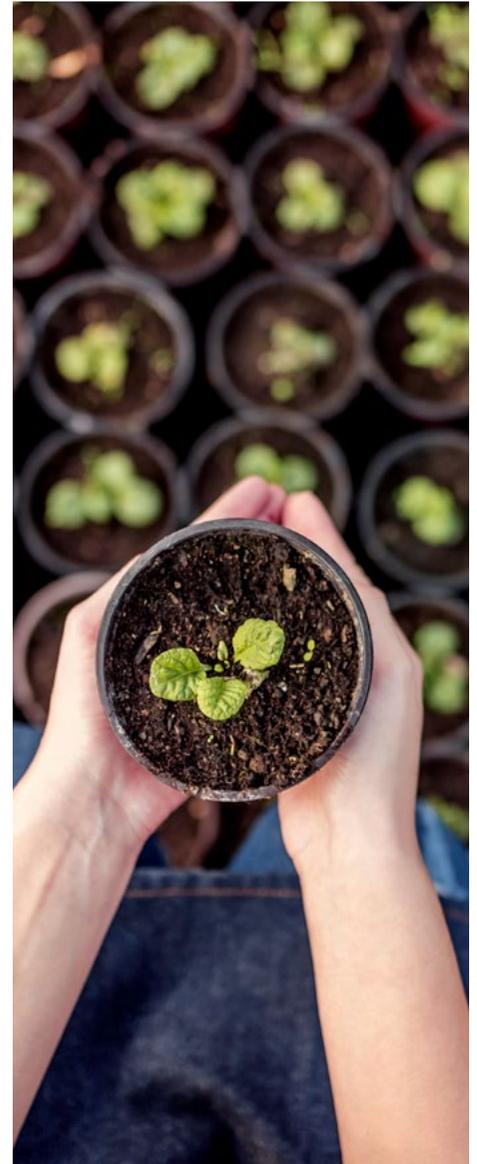
Additionally, you can assess your position within the sales value, employment, wages and cost metrics ranges. Further, you can

gauge business sentiment around profitability and the sector's future.

This tool provides a valuable foundation for business owners to overlay their own data and make well informed decisions for the future.

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

- an overview of the 2021-22 results and trends over time
- sales - you can input your own data for comparison
- employment and costs - you can input your own data for comparison
- sector sentiment - you can input your own data for comparison.





# Checklist

ASK YOURSELF THESE QUESTIONS

- Is my business matching sector growth?
- Am I maximising land and personnel use?
- Are there any overlooked growth segments in my businesses?
- Do my sector views align with my peers?
- Am I leveraging emerging opportunities?
- Am I capitalising on current market trends?
- Can I boost productivity through efficiency enhancements?
- Do I have a firm handle on my competitive stance?
- Am I ready for potential sector changes or disruptions?

## Unlock your growth and potential now

The report findings not only offer compelling evidence to individual production nurseries, showcasing the industry's health, resilience and strength, they also provide the broader industry with a powerful dataset for shaping industry development, enhancing marketing strategies and advancing advocacy efforts.

This project is most valuable when you actively harness the benchmarking tool to apply these overarching findings to your specific nursery operations. Doing so gives you deeper insights into your past performance, paving the way for a more prosperous future.

Don't miss out. Email us at [info@greenlifeindustry.com.au](mailto:info@greenlifeindustry.com.au) for access to the 2023 tool.

### MORE INFORMATION

2021-22 Production Nursery Data Capture Report: <https://www.greenlifeindustry.com.au/communications-centre/nursery-industry-statistics-survey-report>

R&D Update - Australian nursery industry sells 2.3 billion plants in 2021-2022: <https://www.greenlifeindustry.com.au/communications-centre/cost-of-living-pressure-fail-to-slow-australian-nursery-sales>

PAST EDITIONS OF NURSERY PAPERS ARE AVAILABLE ONLINE on the Greenlife Industry Australia website: <https://www.greenlifeindustry.com.au/communications-centre>