Your Levy At Work

Greenlife Industry Australia

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Australian nursery industry defies challenges with a $2.78 billion year

- An estimated 2.26 billion plants were sold by production nurseries in 2022–23, despite a slight dip year-on-year
- The retail supply chain remained the largest sales channel, delivering 42% of total sales
- Overall confidence in the industry's future remains positive in the face of challenges to the sector

New data reveals the Australian nursery industry remained strong in the 2022–23 financial year despite challenges facing the sector, with the farmgate value of production nursery sales reaching $2.78 billion.

According to the 2022-23 Production Nursery Data Capture Report produced by Down to Earth Research and funded by Hort Innovation, demand for nursery products remained high in 2022–23, with production nurseries selling an estimated 2.26 billion plants.

The retail supply chain continues to dominate as the largest sales channel, accounting for 42% of total sales.

Sales to the landscape sector continued to increase, a trend evident since 2018–19, and in 2022–23 these sales were estimated to represent 14% of total production nursery sales. The second and third largest sales channels were other wholesale nurseries (22% of total sales value) and primary industry (11%).

Sales by plant category

Sales of perennials, trees and shrubs continue to represent nearly half (45%) of the total value of plants sold. Data from the survey reveals within these categories sales were further split into trees (17%) and shrubs/groundcovers (19%).

Sales of indoor and propagation plants represented the next two largest categories sold by production nurseries, each representing 12% of the total value of sales in 2022–23.

Business challenges and impacts

While confidence in the industry's future, profitability and business expansion remain positive overall, challenges facing the sector appear to be negatively impacting sentiment and resulting in fewer businesses investing in expansion.

Severe weather (68%), biosecurity challenges (66%) and labour shortages (58%) were impacting between 60% and 70% of businesses surveyed. However, compared to the previous financial year, significantly fewer respondents saw severe weather and labour shortages as having a ‘major’ impact. Concerns of a slowing economy, drier weather due to a potential El Niño and rising input costs were other key drivers of negative sentiment.

Greenlife Industry Australia CEO, Joanna Cave said despite the issues confronting the industry, there remains a prevailing sense of optimism about the sector’s future.

“The robust sales figures reported in 2022–23 speak volumes for the resilience of the industry amid its challenges, along with the fact that 80% of respondents expressed a positive outlook towards the future,” Ms Cave said.

“The sustained demand for plants in the face of the ongoing cost-of-living crisis underscores the industry’s vital role and contribution to the broader economy.”

Down to Earth Project Lead Dan Watson emphasised the potential for industry growth amid the current economic climate.

“Despite the challenging economic conditions we’ve experienced over the past couple of years, we are still seeing potential for industry growth into 2023–24,” Mr Watson said.

“While business investment has been trending downwards since 2021, more than half (54%) of respondents invested in new infrastructure and technology in 2022–23, with 90% adopting some form of automation technology. It’s also significant that the proportion of respondents who expect their business to grow over the next five years remained consistent at four in 10.”

The robust demand for greenlife products in Australia reflects an enduring confidence in the sector, with 61% of respondents crediting this strong demand to their optimism toward the future.

For those interested in participating in next Production Nursery Data Capture Report please reach out to Dan Watson at daniel@dter.com.au.

ENDS

MEDIA ENQUIRIES

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