

MEDIA RELEASE

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Converting costs to income sets growers up for success: report

Australia's most profitable vegetable growers spend more on inputs but are better at converting costs to income, according to a new benchmarking report launched during Hort Connections in Melbourne.

The first of its kind, the Level Up Hort report provides a nationwide snapshot of the Australian vegetable and onion industries, highlighting their strengths and some of the challenges growers face.

Planfarm director of horticulture and agronomy Paul Omodei said Level Up Hort was a five-year initiative fully funded through Hort Innovation, providing specialised business consulting valued at \$10,000 per year to vegetable and onion growers.

Mr Omodei, who launched the report on Tuesday (4 June), said it was based on analysis of farm business performance during 2023 or 2022-23 from growers who have taken part in a one-on-one session with a business consultant from Planfarm or project partners RMCG.

Participants received two reports: a full business analysis and a private benchmarking report comparing their figures against others.

The data was then de-identified, aggregated and reported on a per hectare basis or as ratios to ensure no business could be identified by features such as name, location, yield or crop type.

Data in the report represents 3162 hectares of vegetables and onions across six states.

Mr Omodei said the report's major finding was that the most profitable 25% of businesses recorded greater profit per hectare – also known as earnings before interest and tax – even though they spent more money per hectare of production.

The top 25% generated profit of \$22,567/ha compared to \$2906/ha for the average, and a loss of \$16,827 for the least profitable 25%.

"It's very similar to what we see across other industries, and that is the most profitable farmers are doing things and spending money and time to make income from saleable produce in better ways," Mr Omodei said.

"The actual results aren't really surprising in terms of the most profitable being significantly better than the industry average. What's interesting as a whole for vegetables and onions, in this project, is the most profitable actually do very well at turning costs into income.

"Once upon a time, across many farming industries, the lowest cost producers were generally the most profitable. That's no longer the case."

Hort Innovation general manager industry service and delivery Andrew Francey said the program works with growers and industry to address the notion that "you can't manage what you can't measure".

"This exciting initiative is building an unparalleled level of farm data to give growers more confidence to make changes and improvements within their operations," Mr Francey said.

“Providing aggregated national benchmarks enhances the financial and business literacy of vegetable and onion growers across the country.”

Mr Omodei said he was keen for more growers to take part in the project over the next four years and help boost the strength of the data set.

“More importantly, the one-on-one session will analyse their business, put a different set of eyes over their business and present their financials related to production, turning it into a benchmark,” he said.

“That’s where we really bring those numbers to life, looking at the differences in their business compared to the best in the industry and what changes can be made to improve profitability.”

To enquire or enrol in the program, contact project manager Steff Carstairs on 0428 712 852, email steff@planfarm.com.au or go to the website leveluphort.com.au for more information and FAQs.

Level Up Hort is funded through Hort Innovation, using vegetable and onion research and development levies together with contributions from the Australian Government (MT22009).

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For further information or interviews, contact Paul Omodei on paul@planfarm.com.au or 0427 728 566.

ABOUT PLANFARM

Planfarm is Western Australia’s leading agricultural consultancy firm for expert guidance in farm business and agronomy. Its horticulture consulting arm provides horticulture businesses with unprecedented access to professional support and data.

ABOUT RMCG

RMCG is a multi-disciplinary consultancy specialising in environment, agriculture and communities. It provides advice to government agencies, water authorities, institutions and private sector clients in the fields of environment, water, agriculture, economics and communities.

ABOUT HORT INNOVATION

Hort Innovation is a not-for-profit, grower-owned company that delivers more than \$120 million in research, development and marketing activities on behalf of Australian horticulture each year.