

Vegetable Industry Sentiment Report

September 2025



INTRODUCTION

AUSVEG's latest Vegetable Industry Sentiment Report reveals business conditions in the Australian vegetable industry remain extremely challenging, with many growers continuing to question their future.

Since 2023, AUSVEG has conducted Industry Sentiment Surveys each six months to gain a current and cumulative picture of sentiment in the national vegetable industry, while identifying the key themes and issues facing the growers responsible for supplying the vegetables that Australians depend on.

Across consecutive surveys AUSVEG has continued to glean invaluable insights from a cross-section of small, medium and large-scale vegetable growing businesses from all Australian states, and the Northern Territory. Respondents to the latest survey collectively represented \$2.3 billion in annual turnover.

Informed by insights from the most recent AUSVEG Industry Sentiment Survey from July 2025 – and comparative data from previous surveys – this report provides a summary of grower sentiment, as well as the key issues and challenges facing Australia's vegetable industry, today and over time.

While the data and insights contained in this report paint a stark and concerning picture, this is more than just an exercise in identifying and acknowledging the issues.

With two in five vegetable growers currently considering leaving the industry in the next 12 months, and that many again indicating they would also do so if they could find a viable exit strategy, meaningful, positive action is needed to secure the industry's future.

In clearly laying out the most pressing concerns of Australia's vegetable growers, and the corresponding threats they pose to industry viability and future food security, this report provides invaluable data to inform the necessary Government legislative and policy adjustments to keep farmers farming vegetables.

AUSVEG thanks all growers who have provided insights to these confidential, anonymous surveys since 2023.



Vegetable Industry Insights



Gross value of Australian vegetable, potato and onion industry is **\$5.7B**



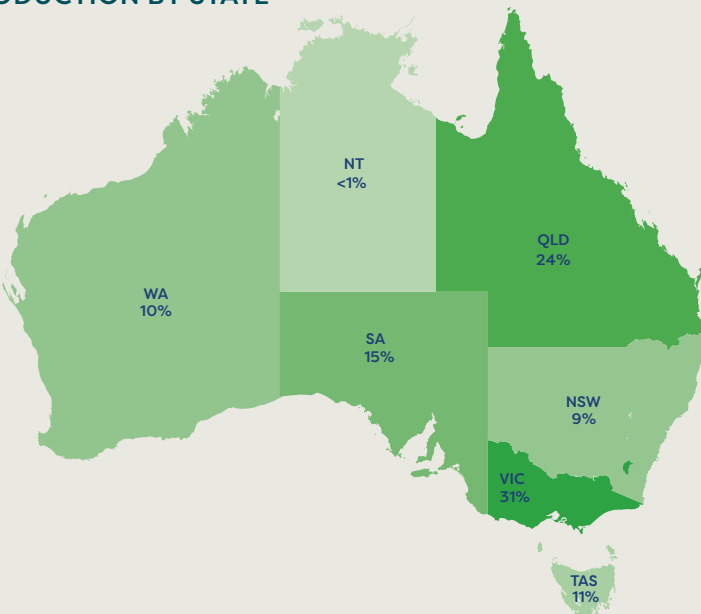
3,600+
vegetable
businesses
in Australia

3.8M →
tonnes of fresh
vegetables grown
in Australia

50B
serves of
vegetables

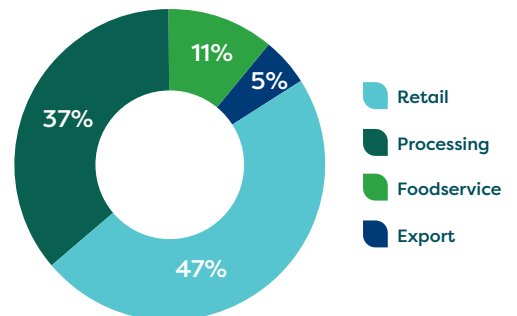


PRODUCTION BY STATE



98%
of fresh vegetables
sold in Australia are
grown in Australia

SUPPLY CHAIN DESTINATION



40% of growers are considering leaving the industry in the next 12 months

62% growers are financially worse off than they were in July 2024

53% of those expect it to worsen by July 2026

60% of vegetable enterprises currently have workforce shortages

Top 5 reasons for exiting are:

- Lack of operating profit for improvement, expansion and innovation
- Compliance and regulation burden
- Input cost increases
- Poor retail pricing
- Increased labour costs

Industry Viability

The compounding challenges confronting growers have contributed to declining sentiment in the sector, with **40%** of respondents to the most recent survey, and an average of **38%** since 2023 indicating they are considering leaving the industry in the next 12 months.

In addition to the two in five growers actively considering leaving the industry, a further **40%** of respondents to the most recent survey indicated they would do the same if they had a viable exit strategy.

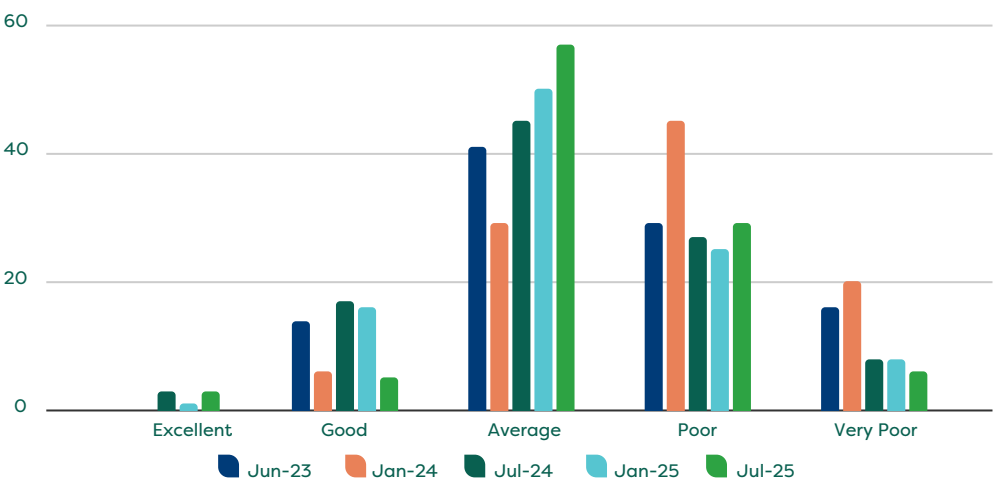
The most recent survey results, cumulative responses since 2023 and other sources make it clear growers are leaving the sector. Unless this concerning trend is reversed then there are serious implications for the future supply of fresh vegetables in Australia.

A lack of operating profit, input cost increases, poor retail prices, increased cost of labour, and compliance burden were identified as the top factors informing growers' considerations about whether to leave the industry, in the most recent survey.

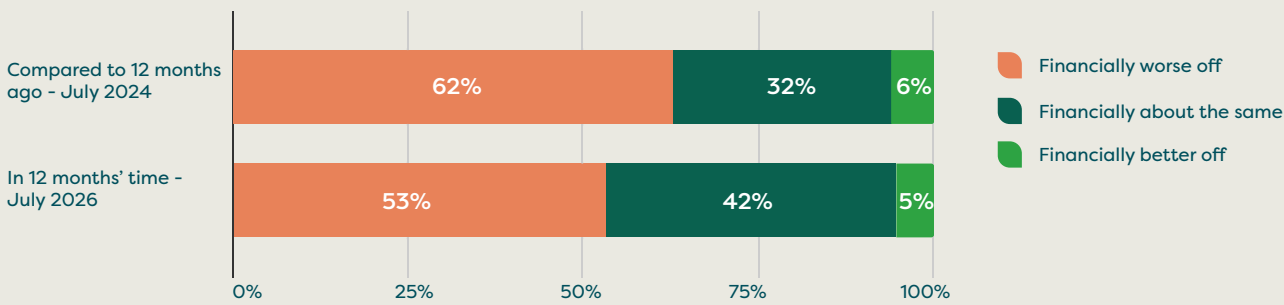
In July 2025, **62%** of growers indicated they were financially worse off than they were 12 months ago, and **53%** indicated that they would be financially worse off by July 2026. Only **6%** identified they were financially better off compared to 12 months ago and just **5%** expected they would be financially better off in another 12 months.

Of those growers indicating an intention to exit, around **60%** said they would sell their farm. Given the peri-urban location of many vegetable enterprises, AUSVEG is concerned that such sales would result in productive farmland being lost to non agricultural alternative uses.

FUTURE VIABILITY



BUSINESS FINANCIAL VIABILITY



Industry Profile

Top reasons that Australian growers cite are the cause of them considering to exit the industry.

- Lack of operating profit for capital improvement, expansion and innovation
- Compliance and regulation burden
- Input cost increases
- Poor retail pricing
- Increased labour costs



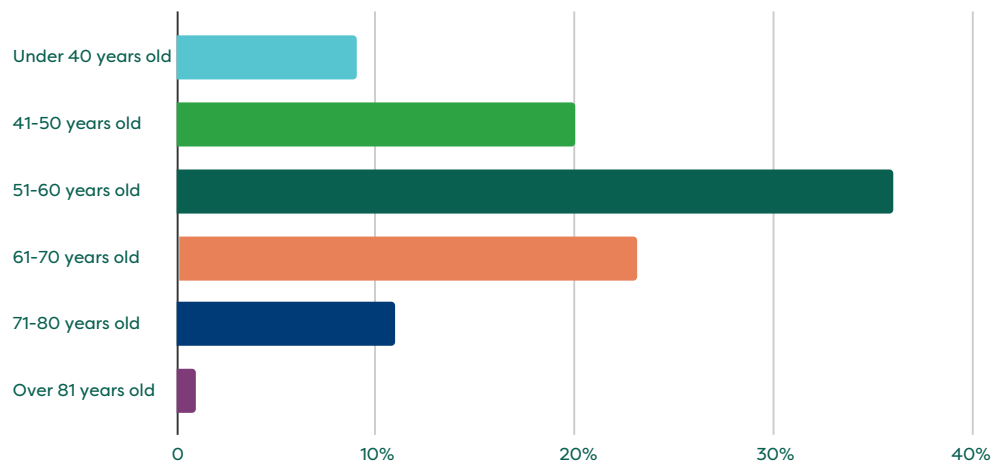
2 in 5 growers are considering leaving the industry in the next 12 months



A further **2 in 5** would consider leaving the industry if they had a viable exit strategy



AGE OF MOST SENIOR DECISION MAKER IN THE BUSINESS



SUCCESSION PLANNING

- **9%** do not need a succession plan as business will close when the key decision maker decides to cease operations
- **12%** have a documented succession plan
- **24%** are currently developing a business succession plan
- **25%** have a succession plan, but it is not documented or well understood by staff/family
- **19%** have no business succession plan, or the succession plan is outdated and irrelevant

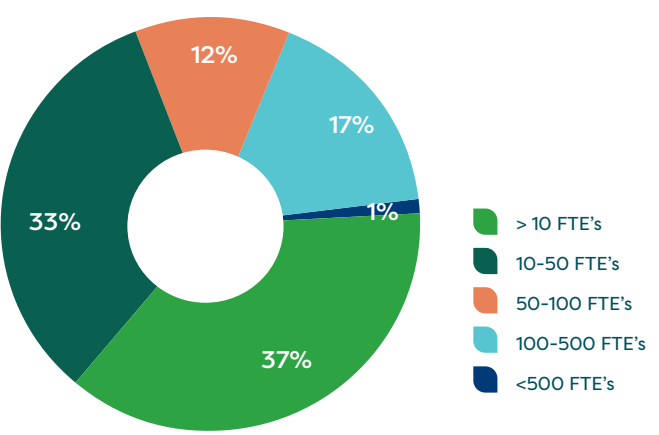
Workforce Overview

Workforce shortages and labour costs are regularly identified as key issues facing commercial vegetable growing businesses, and this has remained the case in 2025.

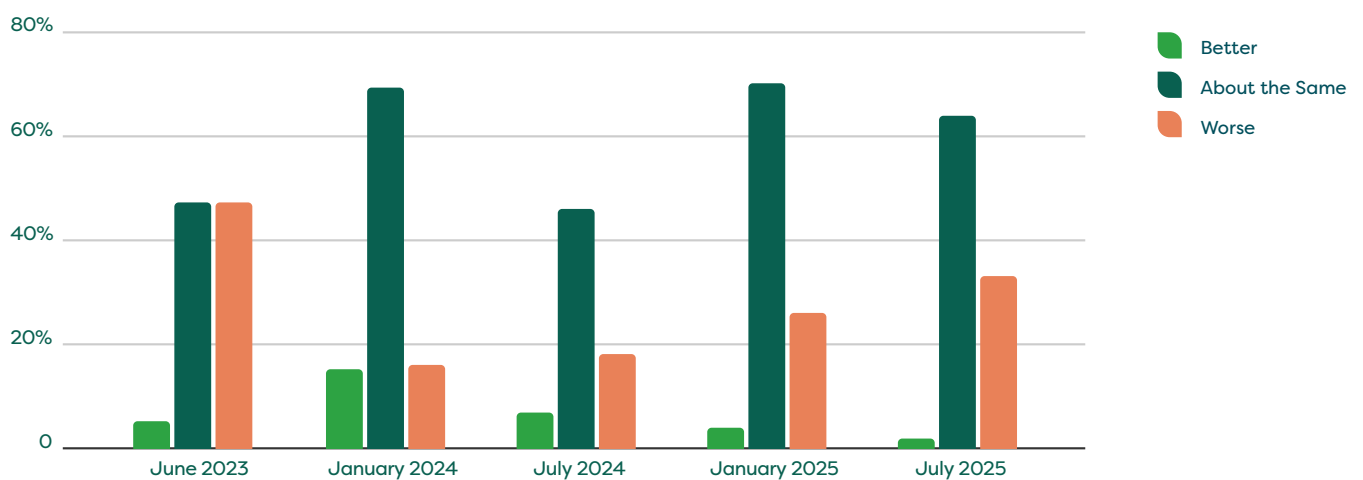
In 2025 surveys, **60%** of growers indicated they were experiencing workforce shortages.

Optimism that the workforce shortages will improve remains low, with just over **2%** of respondents indicating they expected workforce shortages will improve, while **64%** expect them to stay the same and **33%** expect the situation will worsen. It is concerning that workforce shortages are being experienced across full-time, part-time and casual positions, and a spectrum of skilled, semi-skilled and low-skilled roles. Labour costs are another major challenge, averaging **38%** of a grower's overall cost of production, and reaching as high as **67%** for the top 10 percentile in 2025.

VEGETABLE INDUSTRY AVERAGE FTE'S

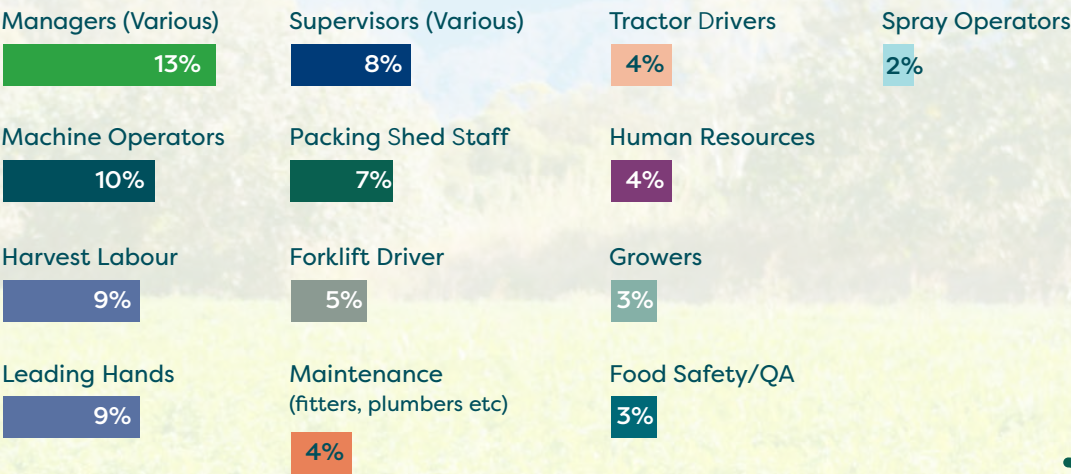


FUTURE OUTLOOK FOR WORKFORCE SHORTAGES



Workforce Overview

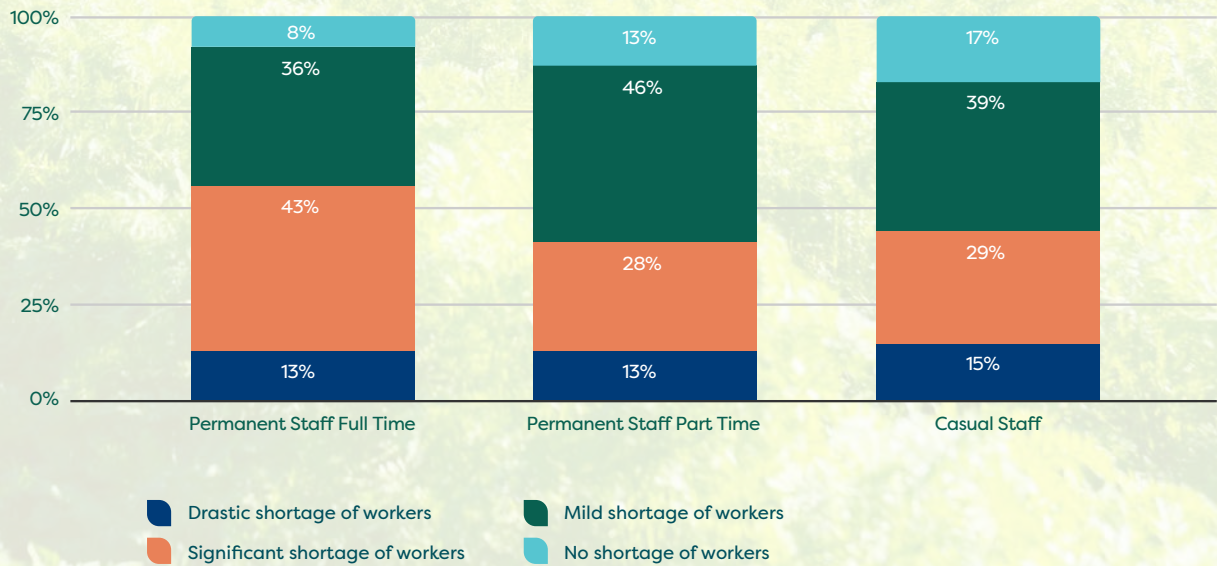
WORKFORCE SHORTAGES - JULY 2025



Workforce vacancies, ranked by demand, as identified by growers



IN WHAT TYPES OF ROLES ARE YOU CURRENTLY EXPERIENCING WORKFORCE SHORTAGES?



Finance and Banking

Financial viability is a major concern for growers, and a key reason **40%** are seriously considering exiting the industry. The suboptimal financial position many growers are in has also led to concerns about their capacity to access the funding needed to continue operations.

FINANCE

Current pressures and low future confidence is reflected in an increase in growers considering exiting the industry.

In July, **46%** of vegetable businesses reported finding it harder to access additional credit to operate, **48%** reported no difference in accessing funds for this purpose, while only **6%** found it easier.

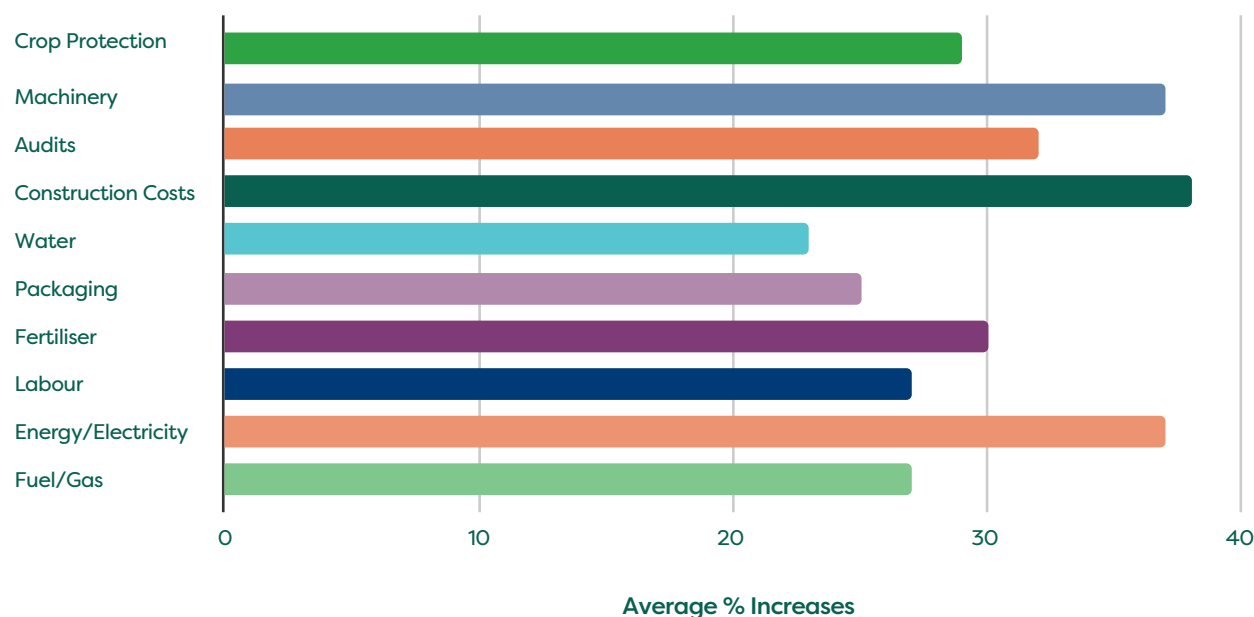
When seeking to access working and investment capital, growers typically utilise their existing bank, although **57%** will also seek alternative banks and **24%** also use credit provided by agricultural or farm equipment suppliers. **22%** of growers have utilised quick-approval finance options for tasks such as planting and harvesting.

Only **10%** of growers have used the Regional Investment Corporation (RIC) and only **3%** Export Finance Australia. On average **32%** had never heard of either organisation, and on average **16%** did not meet the criteria for funding.

- **71%** of growers use one of the 'Big 4' banks
- **19%** use specialist rural banks
- **10%** use other banks or credit unions



INPUT COST INCREASES FY2024-2025



Productivity

Growers rate productivity on their farms as ‘average’ at best.

When asked what would help improve productivity, **72%** identified a reduction in the compliance burden, **62%** nominated tax reform that would simplify and encourage investment, **47%** signalled investment in innovative ag-tech and mechanisation would be beneficial, and **41%** wanted better access to skilled and semi-skilled staff. An increase in sovereign capability to manufacture and produce farm inputs was supported by **37%** of growers.

AUSVEG has identified four ways to increase productivity in the vegetable growing industry.

EQUIPMENT AND INFRASTRUCTURE MODERNISATION



- Reinvigorate investment incentives in tax reform and ag specific funding allocation.

REFORM REGULATION AND COMPLIANCE



- Implement recommendations from AUSVEG Compliance and Regulation White Paper.
- Reform DAFF’s cost-recovery arrangements.

ACCESS TO A RELIABLE AND SKILLED WORKFORCE



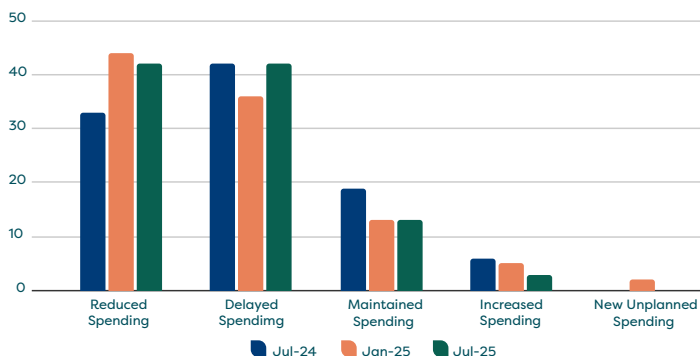
- Develop a National Strategy to address rural and regional workforce shortages in horticulture, and adjust and expand Visa options.

INCREASING VEGETABLE CONSUMPTION

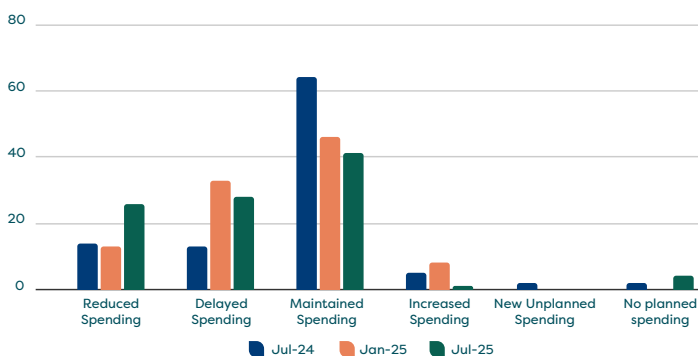


- Support a consumer behaviour change campaign.
- Rule out extending the GST to fresh food.

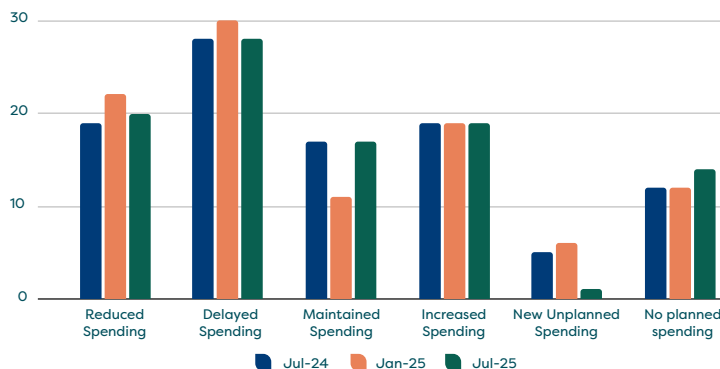
EFFECT OF LACK OF OPERATING PROFIT ON CAPITAL INFRASTRUCTURE INVESTMENT



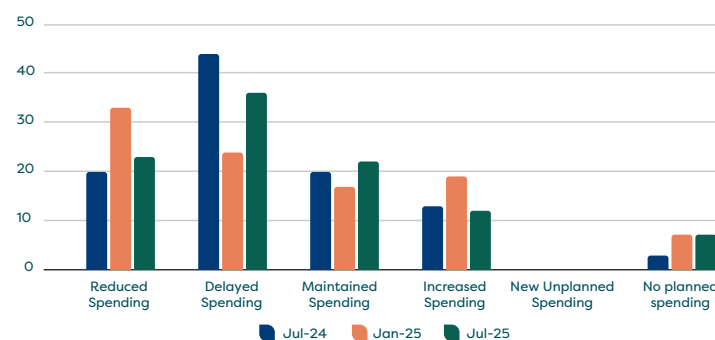
EFFECT OF LACK OF OPERATING PROFIT ON MAINTENANCE OF ASSETS



EFFECT OF LACK OF OPERATING PROFIT ON ADOPTION OF LABOUR SAVING TECHNOLOGY



EFFECT OF LACK OF OPERATING PROFIT ON EXPENDITURE ON INNOVATION INCLUDING NEW STATE-OF-THE-ART PLANT AND EQUIPMENT



Compliance and Regulation

The burden of compliance and regulation is one of the top 3 reasons growers are considering exiting the industry.

Growers now face around 50 complex compliance requirements for vegetable production and on-farm packing, with over half of total compliance costs tied up in admin rather than actual regulatory or service expenses.

The burden of compliance is heavier for smaller growers with on average **5.6%** Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA) compared to larger growers at **3.2%**.

Top 10 compliance areas (industry-level)

(as % of total cost of compliance to industry)



Certifications (food safety and quality, ethical and social compliance) (31%)



Accounting (16%)



Ag-chemicals (pesticides, fertilisers) \$20.6m (8%)



International workforce (7%)



Post-harvest testing (5%)



Training (5%)



Water (access and testing) (4%)



Industrial relations (3%)



Weights and measures (3%)



Work health and safety (3%)

Growing Vegetable Consumption

The future viability of Australian vegetable growers is under increasing pressure due to low and declining vegetable consumption.

Unless we see an upswing in vegetable consumption among all Australians, then there are serious implications for vegetable growers, regional communities, and the vegetable supply chain. Consumers' top 3 reasons for not eating enough vegetables are linked to perceived value, convenience and ease, and knowledge and skills.

Increasing vegetable consumption by just one serve per person per day would add \$3.3 billion to the vegetable supply chain and achieve \$1.4 billion in healthcare system savings.

Percentage of Australians meeting the recommended daily vegetable intake of five-plus serves:

Adults

6.5%

Children

4.6%



Ref: Australian Bureau of Statistics

Recent industry research has identified that the reported average serves per Australian may be closer to **1.8 serves** per day when wastage is taken into account



72% of consumers indicate they believe the cost of vegetables has become more expensive.



39% of consumers indicate vegetables take too much time to prepare and they struggle with a lack of cooking inspiration.



44% of consumers state their vegetables end up going to waste.



Key Benefits



By boosting vegetable consumption by just **one serve per person per day** by 2030, there is potential to achieve a **\$3.3 billion net vegetable supply chain economic benefit** spanning from growers to retailers and across vegetable growing regions; and the addition of almost 13,000 new jobs to the economy.

Increasing vegetable consumption by **one serve** has the potential to achieve **\$1.4 billion in healthcare system savings** due to reduced dietary-linked disease burden over time.





The Peak Industry Body for
Australian vegetable, potato,
and onion growers

3 Glenarm Road
Glen Iris, VIC, 3146

T. (03) 9882 0277
E. info@ausveg.com.au

ausveg.com.au