

# Turf production grows again!

## AUSTRALIAN TURF INDUSTRY AT A GLANCE:



38,488,539m<sup>2</sup> (+5.7%)

Estimated turf production



\$280,208,115 (+14.9%)

Estimated farm gate value of turf



7.7

Average FTE employees per farm



39%

Growers are likely to invest in growing their business this year

According to the latest update from the levy-funded project *Turf Industry Statistics 2017-2018 to 2019-2020* (TU17005), the turf industry grew both in terms of total production and in farm gate value. In this article we take a closer look at the stats and how they stack up against previous years.

For the first time in over two years, 2019-20 saw the bucking of the downward trend on the volume of turf production across the country. 64 turf growers were surveyed nationally and according to the study, there was an increase of 5.7% of total turf sold across the country.

And even more pleasingly, was the fact that total farm gate value saw a significant increase of 14.9%, which tells us that Australians continue to find the value in turf and are willing to pay a fair value for the benefits it brings to their lives.

This important project aims to paint a picture of the state of the Australian turf production industry by surveying industry stakeholders. Whilst the headline figure is that the Australian turf industry is \$280 million dollar industry, a deeper look at the findings also uncover some interesting insights into the industry.

### The true value of turf

The total farmgate value of turf has grown significantly more than the volume of turf produced.

This tells us that consumers are willing to pay a premium for good quality lawn and sports turf. It's also a sign that growers across the country have marketed their product well, harnessing and capitalising on the period of strong demand brought on by COVID-19. Turf Australia will continue to support growers efforts by sharing news from levy-funded research which helps articulate the wider value proposition for natural turf.

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Jenny Zadro, market development manager, Turf Australia said levy-funded research is a vital tool in the communications arsenal.

"Levy-funded research has given us invaluable data on the benefits that turf can bring to the lives of individual consumers and society as a whole," she said.

"Whether it be proof that turf can mitigate bushfire risk, or that it raises the value of the family home we can now market our product based on fact, not just gut-feel."

2019/20 saw the average price for all varieties increase significantly, which was the core driver of the increase in farm gate value. The charge was led by zoysia which saw a 12% increase in its price per square metre to \$6.17. Couch also increased by 8.72% to \$6.36 per square metre and buffalo by 5.48% to \$9.43 per square metre.

### Traditional varieties hold steady

Despite new varieties, hybrid turf and other specialty grasses hitting the market in the last few years, the traditional grass varieties remain

dominant. It's unsurprising to see buffalo continue to contribute the lions share of total farm gate value for the industry, making up around 40% of total market share.

The second most profitable variety is couch which enjoys 29% market share, with kikuyu rounding out the top three with 18% of market share. Together, these three varieties represent 88% of the market, which is exactly the same as it did in the previous year.

According to Jenny, it's due to a sense of familiarity which resonates with the Australian consumer.

"Many Australians grew up with their lawns and buffalo, couch and kikuyu were part of the fabric of many Aussie upbringings, it's no surprise to see their popularity transcend generations."

"Of course as new varieties continue to be developed and marketed, it will be interesting to see how this trends in the coming years."

### Our greatest resource

There has been a slight decrease in the average number of full time equivalent (FTE) staff per farm, down to 7.7 from 8.1 last year.

The drop isn't particularly significant, however in the context of an industry that has grown significantly both in turf production and in farm gate value, it tells us that we are becoming more efficient as an industry.

Average wages in the industry also increased, against a backdrop of low wage growth nationally, another pleasing finding for the industry.

### Grower sentiment

As with previous years we surveyed turf growers about business and industry confidence. Overall, the results provide us with confidence

that for the most part our industry is on track for success, and that most individual businesses have confidence in the future.

Just under half (48%) of businesses surveyed nationally report that they are in a better financial position than last year with a similar amount (52%) expecting to be in a better position this time next year.

The statistics also provide insights into the likelihood that we will see continued investment into the growth of turf businesses, with 39% of surveyed growers indicating that they will be actively looking to invest in their businesses over the next five years.

Consistent with previous years, sentiment has been more positive in the eastern states with most Western Australian businesses (78%) stating that it was unlikely they would be investing and growing their businesses.

Jenny Zadro reinforced that the entire turf industry would be working together to continue to grow the market for turf across the country.

"Turf Australia is committed to working with each of the state associations on the issues local to those markets," she said.

"With climatic conditions improving across most of the country, higher demand for turf on account of COVID-19 and a resilient economy compared to the rest of the world our growers have a lot to be positive about.

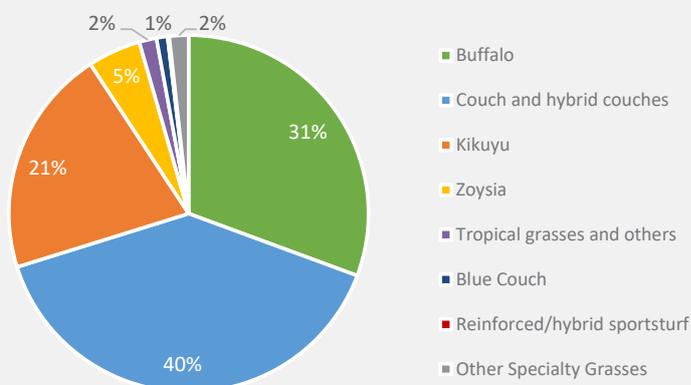
"We did have a drop in participants this year and whilst the results are still statistically viable, the more growers that participate, the more accurate the findings and as a result we can make better strategic decisions.

"Thank you to all the growers who participated this year, and again we encourage other growers to take part next year." 

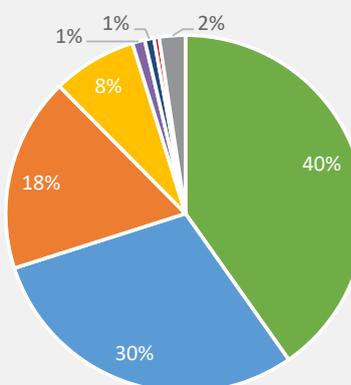


# Australian Turf Industry

Volume of turf produced by species



Value of turf produced by species



Percentages calculated from total estimated production volume and value for 179 turf growers in Australia (as per Department of Agriculture Levy data).