

Understanding & Applying Your Business Results

A practical guide for vegetable and onion growers — what the benchmark numbers mean for your business

This handout is designed to be read alongside the **2025 Season National Vegetable and Onion Benchmark Report**. It contains a detailed guide on how to calculate your key business metrics — including vegetable income, costs, area, operating profit (EBIT \$/ha), and cost ratios.

FIRST — CALCULATE YOUR NUMBERS

See 'Appendix 4: How to apply benchmark data to your business' section of the industry benchmark report. It steps you through how to calculate vegetable income, costs, area, Operating profit (EBIT \$/ha), and cost ratios from your cashbook or accounting software. Priority cost lines to compare include: Labour, Fertiliser, Chemical, Seed & Seedlings, Packaging, Fuel and Energy.

To download a copy of the 2025 National Vegetable and Onion Benchmark Report go to leveluphort.com.au

COMPARING YOUR RESULTS — WHAT TO ASK

This is where the real work happens. Use these questions to interpret what the numbers are telling you.

\$ How does my operating profit (EBIT \$/ha) compare to the benchmark?

Operating profit (EBIT \$/ha) is the primary performance metric — it's how businesses are ranked. Compare the figure you calculate to the average benchmark figure, the most profitable and the least profitable groups. This shows where you sit compared to the national average.

If your EBIT \$/ha is below average, look at both sides of profit margin: is income too low or costs high, or both? Don't fixate on income alone - a business with low income per ha can be profitable if costs are well controlled. It's all about profit margin.

▲ I have a cost line that's higher than the benchmark — should I be worried?

Not automatically. First ask: is this appropriate for the crops I grow or the way I grow them? Labour-intensive crops will naturally cost more in labour. Mechanised operations will have higher plant and machinery costs.

If the cost doesn't make sense for your business model, that's a signal to dig deeper. What's driving it? Is there an efficiency gain available here, or an opportunity to automate?

% How efficiently am I converting costs into income?

Costs as a % of income is a measure of efficiency — not just how much you are spending, but how well that spending generates revenue. A high \$/ha cost isn't necessarily a problem if income \$/ha is proportionally high.

Compare your % of income figures for each major cost line to the benchmark. A cost line that has a higher % of income than the average is worth investigating — even if the absolute \$/ha looks similar.

▼ I have a cost line that's lower than the benchmark — is that a good thing?

Sometimes yes, sometimes no. A genuine saving or efficiency is great, but consistently lower spending can also mean underinvestment — particularly in areas like labour, seed (genetics) or soil nutrition — that limits your income potential.

The data shows top performers often spend more across most cost lines. The question isn't 'how do I spend less?' — it's 'have I got good cost control and is my spending generating a sound long-term return?'

My income \$/ha is much lower than the top group — is that income level even achievable?

This is a common and valid question. The variation in income \$/ha across the dataset largely reflects different crop types and business models — not just performance. A lower-income crop business can still be highly profitable.

Focus on EBIT \$/ha as your benchmark target, not income. You can achieve strong profitability with lower income per hectare, as long as your costs are proportionate.

What to do when your numbers don't match the benchmark

Scenario	What to consider
Your \$/ha cost is HIGHER than the benchmark	Is this appropriate for your crop type or growing conditions? If not, investigate what's driving it — this is where efficiency gains can be made.
Your \$/ha cost is LOWER than the benchmark	Is this a genuine saving, or are you underinvesting? The most profitable growers often spend more — but generate more income as a result. Their spending is strategic, planned and targeted to generate higher income \$/ha.
Your cost as % of income is HIGH	Your costs are consuming a large share of revenue. Even if \$/ha looks reasonable, the business may not be converting spend into income efficiently. Look for opportunities to regain some margin – where to increase income, or where to control costs, or both.
Your cost as % of income is LOW	A positive sign — you're keeping more of each dollar earned. Check that this holds across all major cost lines, not just in total.
Your EBIT \$/ha is BELOW THE AVERAGE	Look at both sides: is income lower, costs higher, or both? Identify which 2–3 cost lines have the biggest gap to benchmark and start there.



THE KEY INSIGHT

The most profitable growers in this dataset spend more per hectare (\$/ha) — but they convert those costs into income far more effectively than the average. It's not about spending less or cutting costs across the board. It's about knowing where your money goes and whether it's working hard enough to generate sound returns for your business.

WANT TO GO DEEPER? SPEAK TO YOUR LOCAL CONSULTANT

Level Up Hort consultants can help you apply this data to your specific business, identify where gains can be made, and build a plan for long-term profitability.

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