Nursery & Garden Industry Size & structure

for the year ending 30 June 2003

June 2004

RETAIL*works*

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1.0 Overview

The Australian Nursery & Garden Industry does not have accurate information on the size, structure and economic output of the industry nationally. Therefore this project has been commissioned to address these information gaps. The information is required for:

- Providing input to the Nursery Industry Levy Basis and structure review.
- Providing objective data to guide resource management issues.
- Providing a positive and factually based profile about the industry, both within and outside (as foreshadowed in the revised Strategic Plan).

The targeted outputs from this project are:

- The value of greenlife production at 'farm gate'
- An estimate of the value of the industry by state.
- The number and size of businesses in the industry
- The number of employees in the industry
- The total sum economic value of the industry

The deliver these outputs the project set out to develop a robust model that can be updated on to deliver these outputs on an going basis.

2.0 Methodology

This methodology has been framed around the Australian Garden Industry structure, the prevailing market conditions and the available sources of data. This industry has many participants involved in a range of sectors. Many are small businesses that have entered the industry with a mixture of commercial and lifestyle objectives. Furthermore, the industry is undergoing a high level of change driven by factors that include:

- new styles of household dwellings with smaller courtyards gardens
- time poor consumers with lower gardening skills who are purchasing more advanced products through distribution channels that also provide on site service
- water resources issues that have discouraged gardening activity

These conditions have resulted in substantial changes in the type and size of greenlife[1] products purchased and in market share movement between distribution channels.

The Garden Industry does not have detailed market information available for greenlife, as does other fast moving consumer goods markets. This is due in part to a number of factors that include the fragmented production sector and a lack of common bar code scanning systems with retailers. Unfortunately, neither Industry organisations nor government agencies capture data on production outputs on a regular basis.

To fill this void the Nursery Industry Association commissioned a Garden Market Monitor[2] (GMM), which is based on a collaborative data-sharing model. The GMM, which produces reports

[1] Live Plants
[2] The Australian Garden Market is a project managed by RETAILworks and is produced for the NGIA & HAL

for spring and autumn and has been operating for the past 4 years, combines the data from a pool of performance data from a network of businesses in the garden market with all published data.

In acknowledgment of these market conditions and availability of data sources the methodology has adopted the following approach.

- This scope of businesses deemed to be included in the Garden Market are defined as all businesses that have some level of commercial activity in producing, selling and or maintaining greenlife or products that are for feeding, growing and protecting greenlife.
- Where there is a combination of quantified data and data drawn from a collaborative base hard data has been used.
- Where assumptions have been made industry participants from the sector have validated the assumptions.
- The number of businesses with yellow pages listings has been adopted as the ceiling for the assumed number of business operation in any one sector of the garden industry.
- Data collected from businesses is collected on the basis of anonymity to generate a representative pool of data and protect commercial sensitivity. Therefore only the totals for Product Categories and Distribution Channels are published.

The step by step methodology is as follows:

1. Explore and draw Industry data from all credible sources. Which includes ABS, AFFA, ATO, benchmark studies, NGIA & state associations, Yellow Pages and industry participants.
2. Build the model to create the targeted outputs for the year ending 30 June 2003 and have capacity to calculate these outputs at each calender year.
3. Collate and enter all data received into the model and product the first draft results. Process into a workable model that delivers the required outcomes.
4. Confer with industry representatives on the basis for the assumptions and prepare draft report.
5. Complete final report.

The model has been structured to accommodate variations in the size, productivity and sales mix of the businesses within each state. In some distribution channels there are up to 11 different types of business, sizes. This structure allows the changes in the current market place to be captured and accommodates state based market conditions for different business sizes.

3.0 Data inputs

1. Australian Yellow pages listings in December 2003
2. Garden Market Monitor market sizes. This data is a key input into the outputs of this report. It is drawn from numerous participants in the Garden Industry who provide data on a collaborative yet confidential basis. The market size totals from this source are shown in Figures 5 and 6.
3. Customer lists from industry participants
4. Subscriber lists from garden industry publishers and distributors
5. ABS consumption data
6. ABS household statistics
7. ABS population distribution per state
8. FMRC financial business benchmarks
9. RETAILworks benchmarks
10. State based garden association industry profiles

11. National Landscape association profiles
12. Information drawn from published sources including public company reports

4.0 Assumptions

- Assumption A. *The annual sales generated per full time employee (FTE).* This is used to calculate the number of employees in each distribution channel and wholesale category of product. These assumptions have been compiled to reflect the variations in the type and size of business. The factors that influence type and size include, total sales and the categories of goods sold. These assumptions are shown in Figure 1, which covers the last reseller distribution channel and Figure 2, which covers the wholesale/production sector. Sales per FTE is a productivity measure and for this project these assumptions have been formed with input from industry benchmarks[3] and confirmed with industry participants.

Figure 1

Assumed annual sales generated per full time employee in $'000's ~ Last reseller											
Distribution Channel	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
Landscapers	$ 150	$ 150	$ 115	$ 115	$ 115						
Local Govt & Sports	$ 115	$ 115	$ 115								
Revegetation	$ 115										
Plant Hire	$ 175	$ 175	$ 175								
Garden Services	$ 75	$ 75									
Retail Nursery	$ 220	$ 172	$ 172	$ 151	$ 151	$ 102	$ 102				
Discount Dept Store	$ 370	$ 370	$ 370	$ 370							
Garden Supplies	$ 220	$ 220									
Hardware	$ 275	$ 275	$ 220	$ 220	$ 220	$ 175	$ 175	$ 150	$150	$ 150	$ 350
Mail order & E-comm	$ 150	$ 150									
Markets	$ 85	$ 60									
Supermarkets	$ 370	$ 370	$ 370	$ 370	$ 370	$ 370	$ 259	$ 259			
Wholesale Direct	$ 102										
Propagaters	$ 125	$ 125	$ 125	$ 125							

Figure 2

Assumed annual wholesale sales generated per full time employee in $'000's						
Product Category	NSW Act	VIC	QLD	SA &NT	WA	TAS
Greenlife	$ 130	$ 130	$ 130	$ 130	$ 130	$ 130
Allied Garden	$ 253	$ 253	$ 253	$ 253	$ 253	$ 253

The assumptions in Figures 1 and 2 are used in the following equation and the results of applying these assumptions are shown in Figure 4. The example calculation is for the Revegetation distribution channel.

Equation

Sales of garden products & services / Assumed Sales per FTE = FTE's

Example: Revegetation distribution channel

$ 86,311,000 / $115,000 = 751

[3] Reference number 2 , FMRC Financial Benchmark version 12 (2000)

- Assumption B. *The gross margins applied to product and services before they are sold to the end user.* These assumptions are used to establish the farm gate value of greenlife products by subtracting the dollar value of this gross margin from the last purchase price paid for the product or service. This last purchase price is the value that the Garden Market Monitor captures. Therefore this assumption is used to discount the back to what the product is worth when it leaves the producer.

  Note that the propagators distribution channel does not show a gross margin, as they are the last resellers in this channel. The gross margin assumptions for the retail Nursery Channel, has taken into account the product sold through intermediary brokers.

Figure 3

Assumed Greenlife last reseller Gross Margin by Channel by state

Distribution Channel	NSW Act	VIC	QLD	SA &NT	WA	TAS
Landscapers	35%	35%	35%	35%	35%	35%
Local Govt & Sports	35%	35%	35%	35%	35%	35%
Revegetation	35%	35%	35%	35%	35%	35%
Plant Hire	35%	35%	35%	35%	35%	35%
Garden Services	35%	35%	35%	35%	35%	35%
Retail Nursery	50%	50%	50%	50%	50%	50%
Discount Dept Store	45%	45%	45%	45%	45%	45%
Garden Supplies	45%	45%	45%	45%	45%	45%
Hardware	45%	45%	45%	45%	45%	45%
Mail order & E-comm	45%	45%	45%	45%	45%	45%
Markets	45%	45%	45%	45%	45%	45%
Supermarkets	45%	45%	45%	45%	45%	45%
Wholesale Direct	45%	45%	45%	45%	45%	45%
Propagaters	0%	0%	0%	0%	0%	0%

Equation

Value of garden products & services at their final purchase	—	Assumed Gross Margin	=	Farmgate value

Example: Greenlife in the Landscapers Channel

$395,950,000 - 35% = $257,368,000

5.0 Key Findings

Based on the assumptions outlined the following key findings are drawn for the national Nursery and Garden Industry. All dollar figures are for the year ending 30 June 2003 and excluding GST.

- The value of the industry captured at the last reseller is $ 5.195B excluding GST.

- Landscapers (25%), Retail Nurseries (18.1%), Garden Supplies (16.5%) and Hardware (16.4%) are the dominant distribution channels[4] and make up 76% of the market.

- Garden Construction and Maintenance services (27.4%), Greenlife (32.4%) and Allied Garden Product (28.6%) are the dominant product categories[5].

- There are a total of 45,451 full time equivalent employees in businesses that have the majority of their commercial activity the nursery and garden industry. 72% of these individuals or 32,543 are employed in the distribution channels and 26% are employed in the production of garden greenlife and allied garden products.

- There are 22,230 businesses in operation in the distribution channels and production/ wholesale sectors of the Garden Industry. The Landscapers (5,139) Garden Services (6,309) and Retail Nurseries (2,649) have the highest amount of businesses in operation and combine to make up 60% of the businesses in this definition of the garden market.

- It is also evident that parts of the market are increasing at different rates. This is most evident with the Landscape distribution channel, which has low barriers to entry and is increasing in the quantity and productivity of business.

- The wholesale value of greenlife provided to resellers was $1.006B. There were 2,100 businesses and 7,744 FTE's involved in the primary production of this greenlife material.

- The sizes of the State Markets generally reflect similar proportions to the national spread of dwellings and population. The exceptions are with the Wholesale Production Nurseries, where there are more businesses in operation in QLD than in Victoria and also with Landscaper distribution channel, which has a higher numbers than population in NSW and VIC.

[4] See Appendix A for a profile list of all distribution channels.
[5] See Appendix A for a profile of all product categories.

6.0 Key Tables

Note that this table includes FTE's for Garden Market Distribution Channels and other businesses that are deemed directly involved in servicing the garden market. In keeping with the methodology of the project this has been limited to Production & Wholesaling and Other Employment. The "Other Employment" group is those who are deemed to be directly involved in the garden industry and includes, wholesale broking and transport.

There are FTE's involved with training and R&D for the Nursery and Garden industry, but they are also involved in servicing other horticultural industries. Any business that has multi departments, such as Discount Department Stores, Hardware and Supermarkets, only include those employed in the garden departments.

Figure 4

Number of equivalent Full Time Employees in the Nursery & Garden Industry as at 30 June 2003

Distribution Channel	NSW Act	VIC	QLD	SA &NT	WA	TAS	**Total**	
Landscapers	3,785	2,604	1,836	824	1,006	194	10,249	
Local Govt & Sports	257	161	223	76	66	25	808	
Revegetation	200	150	150	100	100	50	751	
Plant Hire	140	106	76	30	33	6	393	
Garden Services	2,107	762	538	239	313	60	4,018	
Retail Nursery	2,550	1,860	1,339	620	805	189	7,363	
Discount Dept Store	237	176	165	45	72	14	709	
Garden Supplies	1,028	745	514	240	283	85	2,894	
Hardware	1,146	964	691	258	426	63	3,548	
Mail order & E-comm	48	93	3	7	7	7	166	
Markets	38	28	38	13	19	9	144	
Supermarkets	111	81	72	33	38	8	343	
Wholesale Direct	110	65	100	30	40	15	359	
Propagation	227	189	107	94	85	94	798	
Sub Total	11,983	7,984	5,852	2,610	3,293	821	**32,543**	**71.7%**
Production & Wholesaling	NSW Act	VIC	QLD	SA &NT	WA	TAS	**Total**	
Greenlife	2,581	1,964	1,466	662	800	271	7,745	
Allied Garden Product	1,309	1,005	755	308	444	81	3,902	
Sub Total	3,890	2,969	2,221	970	1,244	352	**11,647**	**25.6%**
Other Employment	NSW Act	VIC	QLD	SA &NT	WA	TAS	**Total**	
Transport	163	122	89	39	51	12	475	
Wholesale broking	86	64	47	20	27	6	250	
Sundry Garden Industries	171	128	94	41	53	12	500	
Sub Total	420	314	230	100	131	30	**1,225**	**2.7%**
Total	**16,293**	**11,267**	**8,303**	**3,680**	**4,668**	**1,204**	**45,415**	

Figure 5

Market Value by Distribution Channel to end users for the year ending 30 June 2003 ($000's)

	Distribution Channel	NSW Act	VIC	QLD	SA &NT	WA	TAS	Total	%age
Amenity	Landscapers	$ 478,712	$ 330,234	$ 233,691	$ 105,158	$ 128,239	$ 24,079	$ 1,300,112	25.0%
	Local Govt & Sports	$ 29,543	$ 18,510	$ 25,613	$ 8,734	$ 7,647	$ 2,926	$ 92,972	1.8%
	Revegetation	$ 23,016	$ 17,262	$ 17,262	$ 11,508	$ 11,508	$ 5,754	$ 86,311	1.7%
	Plant Hire	$ 24,516	$ 18,595	$ 13,384	$ 5,329	$ 5,803	$ 1,065	$ 68,691	1.3%
Services	Garden Services	$ 158,038	$ 111,979	$ 79,019	$ 35,120	$ 46,060	$ 8,780	$ 438,995	8.4%
Retail	Retail Nursery	$ 323,755	$ 237,205	$ 171,653	$ 79,532	$ 103,999	$ 24,991	$ 941,136	18.1%
	Discount Dept Store	$ 87,543	$ 65,113	$ 60,884	$ 16,821	$ 26,796	$ 5,339	$ 262,496	5.1%
	Garden Supplies	$ 306,137	$ 220,584	$ 153,069	$ 70,522	$ 85,553	$ 23,236	$ 859,100	16.5%
	Hardware	$ 273,116	$ 236,782	$ 166,610	$ 60,894	$ 101,883	$ 15,204	$ 854,490	16.4%
	Mail order & E-comm	$ 7,264	$ 14,014	$ 515	$ 1,031	$ 1,031	$ 1,031	$ 24,885	0.5%
	Markets	$ 2,959	$ 2,188	$ 2,959	$ 1,004	$ 1,480	$ 708	$ 11,298	0.2%
	Supermarkets	$ 38,844	$ 27,600	$ 24,795	$ 11,669	$ 12,696	$ 2,971	$ 118,575	2.3%
	Wholesale Direct	$ 11,193	$ 6,614	$ 10,176	$ 3,053	$ 4,070	$ 1,526	$ 36,632	0.7%
Propagation	Food, Forestry, Flowers,	$ 28,411	$ 23,620	$ 13,404	$ 11,810	$ 10,673	$ 11,810	$ 99,728	1.9%
		$ 1,793,049	$ 1,330,299	$ 973,033	$ 422,185	$ 547,436	$ 129,420	**$ 5,195,422**	100%
		34.5%	25.6%	18.7%	8.1%	10.5%	2.5%	100.0%	

Figure 6

Market Value by Product Category to end users for the year ending 30 June 2003 ~ ($000's)

Category	NSW Act	VIC	QLD	SA &NT	WA	TAS	Total	%age
Bedding Plants & Colour	$ 88,273	$ 69,063	$ 51,358	$ 20,054	$ 27,446	$ 6,256	$ 262,450	
Bulbs & Seeds	$ 22,686	$ 27,051	$ 11,123	$ 4,952	$ 7,094	$ 2,095	$ 75,000	
Indoor & Patio	$ 39,428	$ 30,468	$ 22,664	$ 8,359	$ 10,803	$ 2,276	$ 113,998	
Propagation Stock	$ 28,411	$ 23,620	$ 13,404	$ 11,810	$ 10,673	$ 11,810	$ 99,728	
Trees & Shrubs	$ 332,453	$ 244,610	$ 187,301	$ 82,235	$ 102,879	$ 25,533	$ 975,012	
Turf	$ 46,109	$ 29,658	$ 32,066	$ 11,887	$ 13,421	$ 4,244	$ 137,384	
Others Plants	$ 6,406	$ 5,187	$ 3,861	$ 1,423	$ 2,037	$ 442	$ 19,356	
Total Greenlife	**$ 563,766**	**$ 429,657**	**$ 321,775**	**$ 140,721**	**$ 174,353**	**$ 52,656**	**$ 1,682,928**	32.4%
Fertilisers & Plant Care	$ 51,772	$ 40,803	$ 31,596	$ 12,779	$ 18,779	$ 3,548	$ 159,277	
Growing Media & Mixes	$ 47,921	$ 37,037	$ 27,772	$ 11,835	$ 16,701	$ 3,370	$ 144,636	
Furniture & Building Acc	$ 92,088	$ 68,754	$ 50,786	$ 20,950	$ 28,286	$ 5,357	$ 266,221	
Irrigation	$ 51,193	$ 39,610	$ 31,643	$ 12,643	$ 19,296	$ 3,260	$ 157,644	
Pots & Containers	$ 66,129	$ 51,365	$ 39,719	$ 16,121	$ 23,330	$ 4,454	$ 201,118	
Tools	$ 180,109	$ 139,771	$ 101,597	$ 41,072	$ 60,633	$ 10,364	$ 533,547	
Other Allied Product	$ 8,646	$ 5,771	$ 4,889	$ 1,872	$ 2,644	$ 580	$ 24,402	
Total Allied Garden	**$ 497,858**	**$ 383,111**	**$ 288,000**	**$ 117,272**	**$ 169,670**	**$ 30,934**	**$ 1,486,845**	28.6%
Café	$ 13,100	$ 9,383	$ 6,571	$ 2,572	$ 3,759	$ 791	$ 36,176	
Gifts & Floral	$ 15,442	$ 11,322	$ 8,237	$ 3,750	$ 5,044	$ 1,236	$ 45,031	
Total Café & Gifts	**$ 28,542**	**$ 20,705**	**$ 14,808**	**$ 6,322**	**$ 8,803**	**$ 2,027**	**$ 81,207**	1.6%
Construction	$ 508,277	$ 359,885	$ 251,803	$ 114,857	$ 139,008	$ 33,191	$ 1,407,022	
Maintenance	$ 194,606	$ 136,941	$ 96,647	$ 43,013	$ 55,602	$ 10,611	$ 537,421	
Total Services	**$ 702,884**	**$ 496,826**	**$ 348,450**	**$ 157,870**	**$ 194,611**	**$ 43,802**	**$ 1,944,443**	37.4%
	$ 1,793,049	**$ 1,330,300**	**$ 973,033**	**$ 422,185**	**$ 547,436**	**$ 129,419**	**$ 5,195,423**	100%
	34.5%	25.6%	18.7%	8.1%	10.5%	2.5%	100.0%	

Figure 7

Number of Businesses operating in the Nursery & Garden Industry at 30 June 2003									
Distribution Channel		NSW Act	VIC	QLD	SA &NT	WA	TAS	**Total**	**%age**
Amenity	Landscapers	1,988	1,303	889	392	453	113	5,139	22.4%
	Local Govt & Sports	234	157	217	66	62	15	751	3.3%
	Revegetation	4	3	3	2	2	1	15	0.1%
	Plant Hire	80	57	40	18	22	7	224	1.0%
Services	Garden Services	2,268	1,607	1,134	504	661	135	6,309	27.5%
Retail	Retail Nursery	809	587	420	194	249	55	2,314	10.1%
	Discount Dept Store	96	57	61	19	31	5	269	1.2%
	Garden Supplies	195	138	97	44	57	13	545	2.4%
	Hardware	942	672	493	208	282	52	2,649	11.5%
	Mail order & E-comm	4	7	1	2	2	2	18	0.1%
	Markets	30	22	30	10	16	10	118	0.5%
	Supermarkets	654	551	505	215	271	51	2,247	9.8%
	Wholesale Direct	22	13	20	6	8	3	72	0.3%
Propagation	Propagation	10	8	6	4	4	6	38	0.2%
Production & Wholesale									0.0%
Allied Garden Product		25	18	15	6	8	4	76	0.3%
Transport		12	10	10	4	3	2	41	0.2%
Wholesale resellers (Trade marts)		8	4	6	4	2		24	0.1%
Wholesale Nurseries		649	524	538	182	158	49	2,100	9.2%
		8,030	5,739	4,486	1,880	2,292	523	**22,949**	100.0%
		35.0%	25.0%	19.5%	8.2%	10.0%	2.3%	100.0%	

Figure 8

Farmgate dollar value of Greenlife Channel for the year ending 30 June 03 ($000's)								
Distribution Channel	NSW Act	VIC	QLD	SA &NT	WA	TAS	National	
Landscapers	$ 94,784	$ 65,383	$ 46,266	$ 20,819	$ 25,388	$ 4,769	$ 257,409	25.6%
Local Govt & Sports	$ 19,203	$ 12,031	$ 16,648	$ 5,677	$ 4,970	$ 1,902	$ 60,432	6.0%
Revegetation	$ 14,961	$ 11,220	$ 11,220	$ 7,480	$ 7,480	$ 3,740	$ 56,102	5.6%
Plant Hire	$ 12,748	$ 9,669	$ 6,960	$ 2,771	$ 3,017	$ 554	$ 35,719	3.5%
Garden Services	$ 2,568	$ 1,820	$ 1,284	$ 571	$ 748	$ 143	$ 7,134	0.7%
Retail Nursery	$ 95,397	$ 70,076	$ 50,717	$ 23,652	$ 30,717	$ 7,407	$ 277,966	27.6%
Discount Dept Store	$ 15,436	$ 12,716	$ 11,316	$ 2,836	$ 4,573	$ 968	$ 47,846	4.8%
Garden Supplies	$ 10,714	$ 7,589	$ 5,357	$ 2,381	$ 3,125	$ 595	$ 29,762	3.0%
Hardware	$ 23,895	$ 25,570	$ 17,313	$ 4,260	$ 8,751	$ 1,311	$ 81,100	8.1%
Mail order & E-comm	$ 3,995	$ 7,707	$ 283	$ 567	$ 567	$ 567	$ 13,687	1.4%
Markets	$ 1,627	$ 1,203	$ 1,627	$ 552	$ 814	$ 390	$ 6,214	0.6%
Supermarkets	$ 5,615	$ 3,094	$ 2,617	$ 1,032	$ 962	$ 248	$ 13,568	1.3%
Wholesale Direct	$ 6,156	$ 3,638	$ 5,597	$ 1,679	$ 2,239	$ 839	$ 20,148	2.0%
Propagaters	$ 28,408	$ 23,618	$ 13,402	$ 11,809	$ 10,672	$ 11,809	$ 99,728	9.9%
	$ 335,508	$ 255,334	$ 190,609	$ 86,086	$104,025	$ 35,242	$ 1,006,814	100.0%
	33.3%	25.4%	18.9%	8.6%	10.3%	3.5%	100.0%	

Figure 9

Farmgate dollar value of Greenlife Category for the year ending 30 June 03 ($000's)								
Category	NSW Act	VIC	QLD	SA &NT	WA	TAS	**Total**	**%age**
Bedding Plants & Colour	$ 46,787	$ 36,627	$ 27,391	$ 10,583	$ 14,467	$ 3,283	$ 139,139	13.8%
Bulbs & Seeds	$ 12,401	$ 14,822	$ 6,077	$ 2,705	$ 3,877	$ 1,146	$ 41,027	4.1%
Indoor & Patio	$ 22,992	$ 17,750	$ 13,178	$ 4,869	$ 6,219	$ 1,292	$ 66,301	6.6%
Propagation Stock	$ 28,411	$ 23,620	$ 13,404	$ 11,810	$ 10,673	$ 11,810	$ 99,728	9.9%
Trees & Shrubs	$ 193,241	$ 141,553	$ 108,976	$ 48,081	$ 59,571	$ 14,912	$ 566,334	56.3%
Turf	$ 28,330	$ 18,242	$ 19,558	$ 7,301	$ 8,156	$ 2,571	$ 84,158	8.4%
Others Plants	$ 3,349	$ 2,722	$ 2,028	$ 737	$ 1,063	$ 229	$ 10,128	1.0%
Total Greenlife	$ 335,511	$ 255,337	$ 190,610	$ 86,087	$104,026	$ 35,243	$ 1,006,814	100.0%
	33.3%	25.4%	18.9%	8.6%	10.3%	3.5%	100.0%	

7.0 Glossary of Terms

It is recommended that Appendix A of this report, which details the hierarchy of the Product Category & Distribution Channel Structures is read and understood, as many queries have been found to originate from this part of the methodology.

Allied Garden Products	All non-greenlife garden products. IE Fertiliser, Potting mix & Chemicals
Amenity	A distribution channel group that includes Landscapers, Local & Municipal Authorities, Sports Grounds, Revegetation & Plant Hire.
Bedding Plants	Seedlings and bloomers
DDS	A Discount Department store, which is a retail distribution channel. (IE Kmart, Big W etc)
Distribution Channel	Wholesale buyers and resellers of products that are grouped by their common characteristics, like Retail Nurseries, Landscapers. See section 9.0 of this document for the Garden Distribution Channel Structure
FTE's	Full time employee
Garden Maintenance	A distribution channel that includes those who provide garden maintenance services, (Lawnmowing Contractors etc)
Garden Supplies	A Distribution Channel that provides transport services and primary distributes bulk product to consumers and commercial landscapers. See section 9.0 of this document for the full Garden Distribution Channel Structure.
Greenlife	All live plants
Gross Margin percentage	The margin earned by the seller of goods that is expressed as a percentage of the selling price.
Landscapers	A business which supply plants and or provides installation & construction services for building gardens with greenlife, irrigation systems and or hard garden elements.
Product Category	Products that are grouped by their common characteristics. See section 9.0 of this document for the Garden Product Category Structure
Propagators	Producers of greenlife material that sell their product to others for use as a production input. (IE Timber Plantations, Fruit Trees)
Resellers	Those who on sell a product in the form it was purchased, as apposed to using in a production process.
Retail Nursery	A business that retails home garden products to the consumers. Also known as Garden Centres.
Services & Bulk	A product category group that includes bulk products, construction and services. See section 9.0 of this document for the Garden Product Category Structure.
Wholesale Greenlife Producers	Producers of plants who sell their product to other distributors like retailers and landscapers.

8.0 References:

1. The Australian Garden Market Monitor for the Year Ending 30 June 2003.
2. FMRC Financial Benchmarks Version 12 (2000).
3. Australian Financial Review archives.
4. Foodweek and Inside retailing archives.
5. Retail Industry 8622.0 1998-99, Australian Bureau of Statistics.
6. Building Approvals and commencements, Australian Bureau of Statistics.
7. Household expenditure Survey, Australian Bureau of Statistics.
8. Interviews with Industry participants.

9.0 Product Category and Distribution Channel Structure

Garden Industry Product Category Structure					
Category Group		**Category**		**Sub-Category**	
P 01	**Greenlife**	P 01 01	Bedding Plants & Colour	P 01 01 01	Flower Seedlings
				P 01 01 02	Herbs
				P 01 01 03	Perennials & Cottage plants
				P 01 01 04	Potted Colour
				P 01 01 05	Vegetable Seedlings
		P O1 02	Bulbs & Seeds	P 01 02 01	Bulbs & Tubers
				P 01 02 02	Seeds
		P 01 03	Indoor & Patio	P 01 03 01	Flowering Indoor
				P 01 03 02	Foliage Indoor
				P 01 03 03	Hanging Baskets
				P 01 03 04	Palms & Ferns
				P 01 03 05	Other Indoor & Patio
		P 01 04	Propagation Stock	P 01 04 01	Plugs & Tubes
				P 01 04 02	Other Propagation
		P 01 05	Trees & Shrubs	P 01 05 01	Advanced Trees
				P 01 05 02	Climbers
				P 01 05 03	Conifers
				P 01 05 04	Deciduous
				P 01 05 05	Exotic Trees & Shrubs
				P 01 05 06	Fruit Trees & Vines
				P 01 05 07	Ground Covers
				P 01 05 08	Natives Trees & Shrubs
				P 01 05 09	Other Trees & Shrubs
		P 01 06	Turf		
		P 01 07	Others Plants		
P 02	**Allied Garden Product**	P 02 01	Fertilisers & Plant Care	P 02 01 01	Fertilisers
				P 02 01 02	Pest & Disease Control & Plant Care
		P 02 02	Growing Media & Mixes	P 02 02 01	Mulches & Conditioners
				P 02 02 02	Potting Mixes & Other Media
		P 02 03	Furniture & Building Accessories	P 02 03 01	Ornaments, Lighting & Furniture
				P 02 03 02	Other Construction Products
				P 02 03 03	Pavers
				P 02 03 04	Water Features
		P 03 04	Irrigation	P 03 04 01	Hoses & Watering Aids
				P 03 04 02	Systems
		P 02 05	Pots & Containers	P 02 05 01	Concrete & Ceramic
				P 02 04 02	Plastic
				P 02 04 03	Terracotta
				P 02 04 04	Other Pots & Containers
		P 02 06	Tools	P 02 06 01	Hand Tools & Accessories
				P 02 06 02	Power Tools & Parts
		P 02 07	Other Allied Product	P 02 07 01	Pet Care
				P 02 07 02	Other Garden Products
P 03	**Café & Gifts**	P 03 01	Café	P 03 01 01	Beverages
				P 03 01 02	Catering
				P 03 01 03	Food
		P 03 02	Gifts & Floral	P 03 02 01	Floral
				P 03 02 02	Homewares
				P 03 02 03	Other Gifts
P 04	**Services & Bulk**	P 04 01	Construction & Bulk Product	P 04 01 01	Bulk Landscape Supplies
				P 04 01 02	Design & Construction
		P 04 02	Maintenance	P 04 01 01	Maintenance Services
				P 04 02 02	Other Services

Garden Industry Distribution Channel Structure

Channel Group		Channel		Sub Channel	
D 01	**Amenity**	D 01 01	Landscapers	D 01 01 01	Sales > $ 5m
				D 01 01 02	Sales > $ 1.5m
				D 01 01 03	Sales $650k to $1.5m
				D 01 01 04	Sales $150k to $650k
		D 01 02	Mun & Local Govt, Sports Grnds		
		D 01 03	Revegetation		
		D 01 04	Plant Hire		
D 02	**Garden Maintenance**	D 02 01	Franchise Groups		
		D 02 02	Independent		
D 03	**Retail**	D 03 01	Retail Nursery/Garden Centres	D 03 01 01	Sales >$3m
				D 03 01 02	Sales >$1.5m
				D 03 01 03	Sales $600k to $1.5m
				D 03 01 04	Sales $300k to $600k
				D 03 01 05	Sales $150k to $600k
				D 03 01 06	Less than $150k
		D 03 02	Discount Dept Stores		
		D 03 03	Garden Supplies		
		D 03 04	Hardware	D 03 04 01	Large Format
				D 03 04 02	Small Format
		D 03 05	Mail Order & E-commerce	D 03 05 01	Mail Order
				D 03 05 02	E-Commerce
		D 03 06	Markets & Other	D 03 06 01	Markets
				D 03 06 02	Other
		D 03 07	Supermarkets	D 03 07 01	Corporate
				D 03 07 02	Independents
		D 03 08	Wholesale Direct		
D 04	**Propagators**	D 04 01	Cut Flowers Production		
		D 04 02	Food Production		
		D 04 03	Forestry Production		
		D 04 04	Other Nursery Production		