National Horticulture Compliance Survey 2025

Summary report

October 2025
Version 2.0

Introduction

The National Farmers' Federation (NFF) Horticulture Council (the Council) is the recognised national peak body for forming policy and advocating on behalf of the Australian horticulture industry. The Council comprises 18 national commodity and state-based horticulture bodies, who together represent growers of all sizes and products including fruits, vegetables, nuts, nursery, ornamental plants and turf.

Market-driven compliance, often mandated by trading partners down the supply chain as a condition of doing business, provides assurance that a product meets a standard above any regulatory minimum, in response to the needs or interests of buyers or end consumers.

Ideally, market-driven compliance also creates value for growers, in terms of improved business practice and a competitive advantage in markets resulting in better prices. However, this is not always the case. There is an ever-present pressure from supply chain partners to heighten standards or provide greater assurance, with the cost invariably born by the grower with little to no commensurate return.

The National Horticulture Compliance Survey 2025 (the Survey) seeks to better understand the perspectives of growers concerning the value and impact of market-driven compliance. Results will be used by the Council and its Compliance Taskforce in engaging with standard owners, certifying bodies, retailers, and other stakeholders in efforts to streamline and reduce compliance costs for businesses.

The Survey received 153 responses from growers across 74 distinct locations. Respondents represented a diverse range of crop types, with over 36 different commodities including fruits, vegetables, and nursery products. Businesses varied in size, spanning five turnover categories from small family operations to large enterprises. Participants also reflected a broad spectrum of supply chain roles, with eight different marketing channels represented, including direct-to-consumer, wholesale, and retail supply.

This summary report has been developed to give Council members, Survey respondents and other stakeholders in market-driven compliance a view of results, without any attendant commentary.

Next steps

The Council will shortly be drafting a discussion paper, with this summary report and survey results as its foundation, to engage a wider audience in deliberation of those core issues and challenges to creating a more balanced and streamlined compliance environment that require collective action.

The Council will continue to engage directly with key stakeholders, including standard owners, certifying bodies, and retailers, to better understand and appreciate these core issues and challenges from their perspectives, using firstly this summary report as a basis for exchange, then the discussion paper.

Ultimately, at some point in the first half of 2026 once some consensus has been built around the nature of issues and challenges of greatest need for collective action, the Council intends to invite stakeholders to come together in-person in an attempt to agree on actions, ownership and a pathway forward.

Experience with market-driven compliance

The Survey sought impressions from respondents on their experience with market-driven compliance, defined as those food safety and quality assurance standards, certifications and programs mandated by trading partners down the supply chain as a condition of doing business.

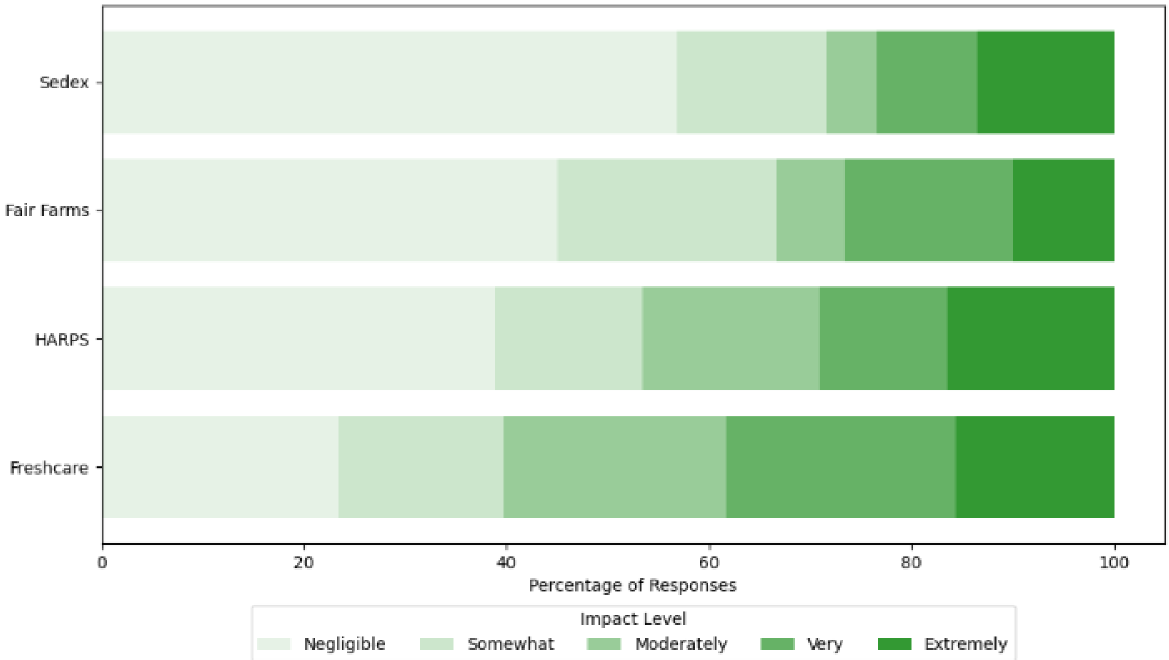
Respondents were asked to rate standards themselves and certification bodies, also the financial costs and other costs associated with market-driven compliance in total. Lastly, respondents were asked to nominate one single change that would make market-based compliance requirements either more beneficial to your business or less burdensome.

Rating of Standards

The Survey collected ratings from respondents concerning on both (a) how valuable the Fair Farms, Freshcare, HARPS and SEDEX standards are to your business, and (b) the associated administrative and operational costs of the same standards to their business.

In terms of perceived value to respondents' businesses, the standards rated most highly were Freshcare (38.30%) and HARPS (29.13%), with a more respondents indicating these standards were either "Very" or "Extremely" valuable, at 38% and 29% respectively. By contrast, SEDEX and Fair Farms had the highest proportions of responses indicating either "Negligible" or "Somewhat" value, at 71% and 67% respectively, suggesting these standards are viewed as less beneficial by many participants.

Chart 5: Ratings of how valuable each standard is to individual respondents

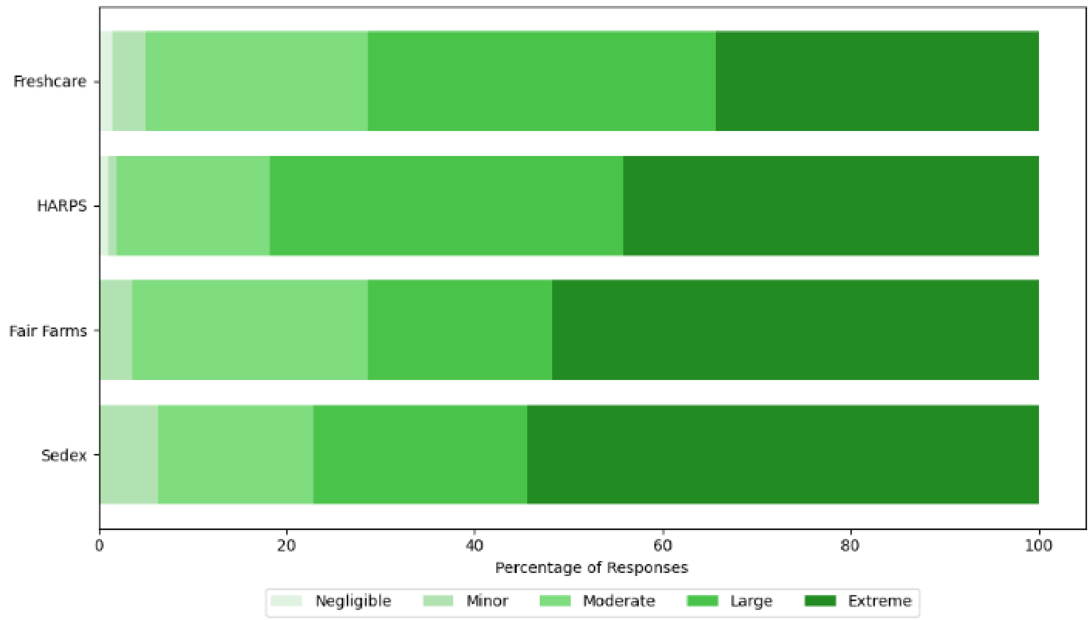


Across the board, all four compliance standards are perceived as costly by respondents. The proportion of respondents rating the administrative and operational costs as either "Large" or

"Extreme" was high for each: HARPS (81.73%), SEDEX (77.22%), Freshcare (71.43%), and Fair Farms (71.43%).

Among these, Freshcare had the fewest respondents indicating costs as "Extreme" (34.29%), while SEDEX had the most (54.43%). Additionally, HARPS had the lowest proportion of respondents identifying its costs as either "Negligible" or "Minor", at just under 2%.

Chart 6: Ratings of administrative and operational costs for individual respondents



An overwhelming majority of respondents (95%) suggests that for most horticultural producers, compliance standards are a prerequisite for market participation, particularly when supplying major retailers.

A small number of respondents provided open-ended comments that suggest market agents may overlook compliance requirements during periods of supply shortage. These include:

- *“Market agents ask for Freshcare certificate, but do not enforce that it's supplied.”*
- *“Technically Freshcare is required but markets turn a blind eye because demand > supply which leads to a cost to businesses doing the right thing whilst other businesses profit from not having the expense.”*

These responses imply that while standards may be formally required, enforcement can be inconsistent, especially when supply pressures influence buyer behaviour.

Rating of Certifying Bodies

Respondents rated their experience with eight certification bodies—AusQual, ACO Certification, BSI, Merieux NutriSciences, Intertek, SAI Global, Sci-Qual International, and SGS—across five categories

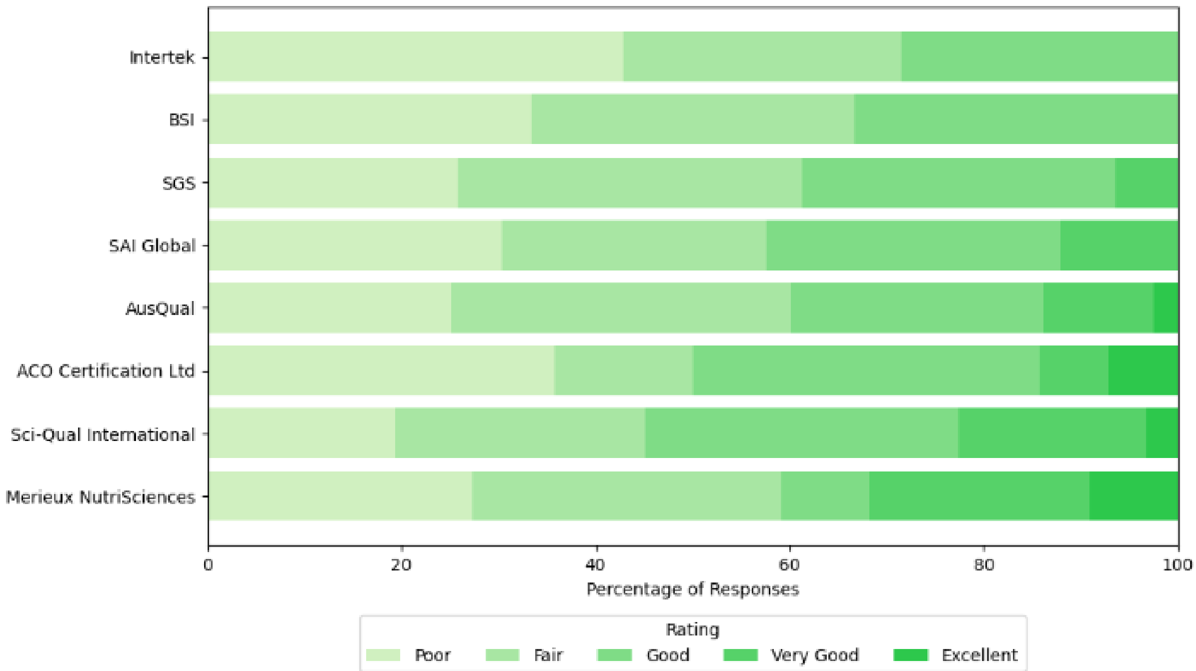
The certification bodies receiving the highest combined proportion of "Very Good" and "Excellent" ratings were Merieux NutriSciences (32%) and Sci-Qual International (23%).

These results suggest that, among those who had experience with them, these two bodies were viewed more favourably than others.

In general, experiences with certification bodies were interpreted poorly. In particular, Intertek and BSI received no "Very Good" or "Excellent" ratings and had the highest proportions of "Poor" and "Fair" ratings—71.43% and 66.67% respectively—indicating lower levels of satisfaction among respondents who had interacted with them.

A significant proportion of respondents selected "Not applicable" for many of the certification bodies, suggesting limited direct experience across the sample, highlighting the need for caution when interpreting the results, particularly for specific bodies.

Chart 7: Ratings of experience with certification bodies for individual respondents

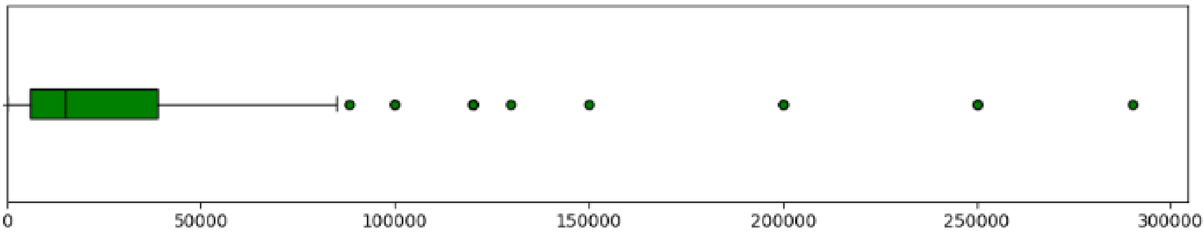


Financial costs of compliance

Costs across all respondents averaged $32,866 with a median cost of $15,000, meaning half of the respondents spend less than this amount annually. The presence of extreme values, particularly the maximum cost, highlights the disparity in compliance expenses, likely influenced by business size, market access requirements, and the number of standards adhered to. The distribution of market-based compliance costs among horticultural businesses is notably skewed, with a wide range from $0 to $290,000.

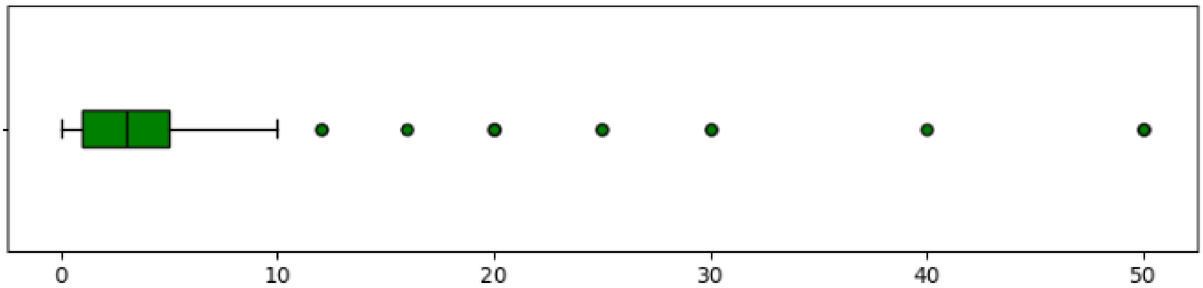
The box plot reveals a concentration of responses in the lower cost range, with a long tail extending toward higher values. This suggests that while many businesses manage relatively modest compliance costs, a subset faces disproportionately high expenses.

Chart 8: Box and whisker plot of total market-driven compliance costs for each respondent business



As a proportion of all business costs, the financial burden of market-driven compliance averages just under 8%. However, this proportion varies widely among horticultural businesses. While the median sits at 5%, indicating that half of respondents spend less than this amount, the upper quartile reaches 10%, and some outliers report spending up to 50%. This spread suggests that for many businesses, compliance is a manageable expense, but for others—particularly smaller or more heavily audited operations—it can represent a significant financial burden.

Chart 9: Box and whisker plot of market-driven compliance costs as a part of total business costs

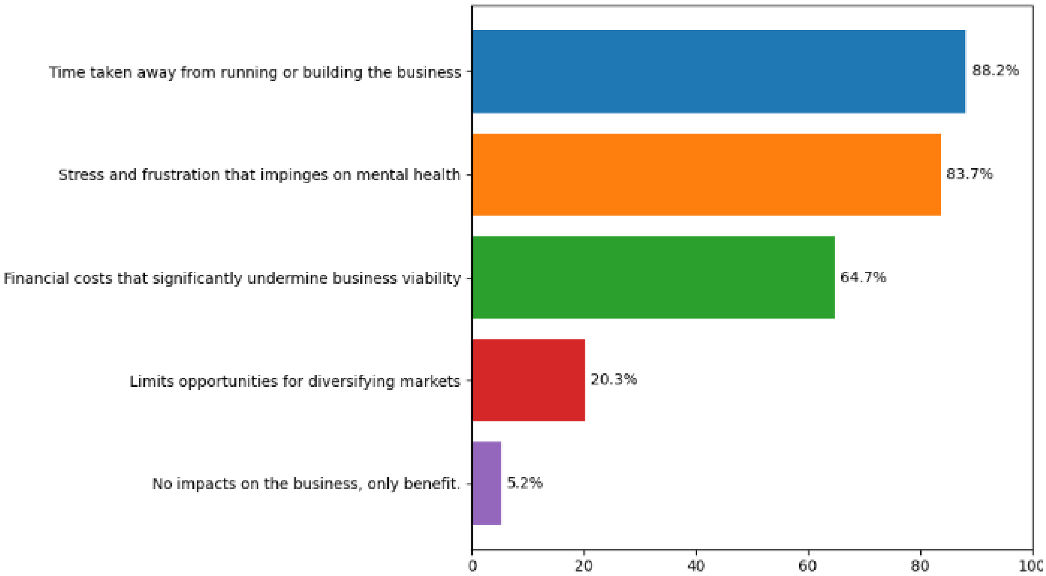


Other impacts of compliance

The survey asked respondents to select from a preset list of common impacts attributed to market-driven compliance. The most frequent impact, cited by nearly 90% of respondents, was the time taken away from running or building the business, highlighting how compliance obligations divert attention from core operational activities. Closely following this, stress and frustration that impinges on mental health was selected by 87% of respondents, indicating a significant emotional toll. The third most common impact, selected by 83%, was financial costs that significantly undermine business viability, reflecting the burden of audit fees, administrative overhead, and consultant costs.

Only 5% of respondents to this question identified no impacts, only benefits accruing to their business from market-driven compliance.

Chart 10: Impacts of market-driven compliance



Respondents also had the option to describe impacts not listed, revealing strong dissatisfaction with the structure and execution of compliance systems. A recurring theme was duplication and overlap between standards such as Freshcare, HARPS, and SEDEX, with many growers calling for a unified system to reduce redundancy. Respondents also expressed frustration with auditor inconsistency, noting that different auditors interpret standards differently, leading to unpredictable corrective actions and unnecessary stress.

Recommendation for making compliance better

The open-text responses to the question on what single change would make market-based compliance more beneficial or less burdensome reveal several recurring themes. These include calls for streamlining audits, reducing duplication, tailoring compliance to business size, improving auditor consistency, cost reduction, and greater alignment with Australian laws and realities.

Streamlining and Consolidation of Audits

Many growers expressed frustration with the multiplicity of audits and standards. A common suggestion was to consolidate them into a single, unified process. One respondent proposed "one standard, audit. biannual remote auditing," while another urged to "Combine requirements into one standard and one audit. Farmers are expected to be across all standards but auditors can only audit one or two."

Reducing Duplication and Overlap

Duplication across standards was a major concern. Several respondents noted that different compliance schemes often cover the same ground, leading to unnecessary repetition. One participant stated, "Freshcare and HARPS is a double up of work. And SEDEX takes up a lot of time to undertake as well." Another added, "Remove duplication—not just with each other, but with regulatory authorities such as Fair Work Aust and Workplace Health and Safety bodies etc."

Tailoring Compliance to Business Size and Risk

Smaller businesses felt disproportionately burdened by compliance requirements designed for larger operations. One grower noted, "As a small family business with 2–4 employees we should not need the same compliance as a huge grower/packer." Another suggested, "Make it more viable for smaller producers… develop tiered system based on the size of the business." There were also calls for risk-based approaches, such as "having separate compliance regulations for hazardous & non-hazardous foods."

Auditor Consistency and Fairness

Inconsistencies in auditor interpretation were a recurring frustration. One respondent shared, "Auditors are inconsistent with outcomes… they do not always have a good understanding of the requirements." Another added, "Auditors being logical and fair… they often dig to always find things which don't affect quality, food safety or employee safety." The need for better auditor training and standardization was emphasized by those who felt unfairly treated.

Cost Reduction and Financial Relief

The financial burden of compliance was a dominant theme. Growers described audits as "a waste of time and money," with one stating, "Audit should cost approx $300 not $3000 dollars—it is bullshit." Another respondent suggested, "Cost to be borne by the end retailer. Don't keep changing the standards all the time." The high cost of compliance was seen as undermining business viability, especially for small and medium-sized enterprises.

Alignment with Australian Laws and Practical Realities

Several growers criticized international standards that do not align with Australian laws. One respondent argued, "Ensure the standards to be enforced align with Australian laws—many SEDEX protocols don't align with Australian Labour laws." Another added, "Remove International Standard Code requirements for Australian Legislative requirements such as Fair Work, Workplace Health & Safety, etc. We are in Australia and should be audited to Australian standards." There was also a call for "more practically oriented audits" and "common sense taken into account."

Experience with sustainability requirements and reports

In recent years, there has been a marked increase in the focus on sustainability across the economy, including the horticulture supply chain. Retailers, wholesalers, and other market partners are increasingly requesting detailed reporting on sustainability metrics such as water use, carbon emissions, biodiversity, and employment practices.

These evolving expectations represent new instances of market-driven compliance, adding to the complexity and cost of doing business for producers who must now navigate not only food safety and quality standards but also environmental and ethical performance indicators.

Survey respondents identified a range of activities, practices and outputs on which they are now reporting, or expect to within the next 12 months.

A significant majority of respondents indicated they are either currently reporting or expect to report on sustainability measures within the next 12 months. The most commonly identified measure was water quality and use, selected by 80.7% of respondents. This was followed by social practices (59.7%), corporate governance and risk management (45.4%), and soil health or regenerative practice (40.3%).

When looking at the breadth of reporting across multiple areas, 22.7% of respondents identified only one sustainability measure, while 26.1% reported two, and 20.2% reported three. A smaller proportion—10.1%—reported four measures, and 6.7% reported five. Notably, 4.2% of respondents indicated they are reporting on six of the seven preset options, while 10.1% reported none at all. This distribution highlights a wide range of engagement levels, from minimal to comprehensive sustainability reporting, reflecting differences in business size, capacity, or market demands.

Some respondents described other sustainability-related activities. The most frequently mentioned was social practices including worker health and safety, community engagement, diversity and inclusion. Other unique mentions included packaging sustainability and waste management (APCO) and ecological footprint.

In terms of drivers behind reporting on sustainability measures, a majority (61%) indicated it had been requested by a buyer, with smaller portions undertaking it voluntarily and proactively (32%), and at the request of a bank or financial institution (7%).

Climate Related Financial Disclosure

The intent of Climate-Related Financial Disclosure regulation is to enhance the quality and comparability of disclosures concerning material climate-related financial risks and opportunities within Australia's financial reporting framework. By mandating that large businesses and financial institutions prepare a sustainability report alongside their annual financial statements, the regulation seeks to provide investors and the public with greater transparency regarding entities' climate-related plans and strategies. This initiative is also designed to support regulators in assessing and managing systemic climate-related risks to the financial system.

The regulation requires reporting entities to disclose their governance and risk management processes related to climate risks, including controls, procedures, and any metrics and targets associated with climate-related financial risks and opportunities. This encompasses reporting on greenhouse gas emissions across Scope 1, 2, and 3.

While reporting entities must apply a materiality lens and use reasonable efforts to estimate Scope 3 emissions - those indirect emissions that occur in their value chain, such as those from suppliers, transportation, or product use - they may still request Scope 3 emission data voluntarily.

The survey asked respondents if they were aware of Climate-Related Financial Disclosure reporting requirements, due to commence for the largest entities in financial years commencing on or after 1 January 2025, and if so, whether a reporting entity had already asked or flagged an intention to ask for detail concerning Scope 3 emissions for which their business is likely to be responsible.

A total of 20 respondents (13%) reported being aware of Climate-Related Financial Disclosure requirements. Of these, just 4 recorded that a reporting entity had already asked or flagged an intention to ask for detail concerning Scope 3 emissions.

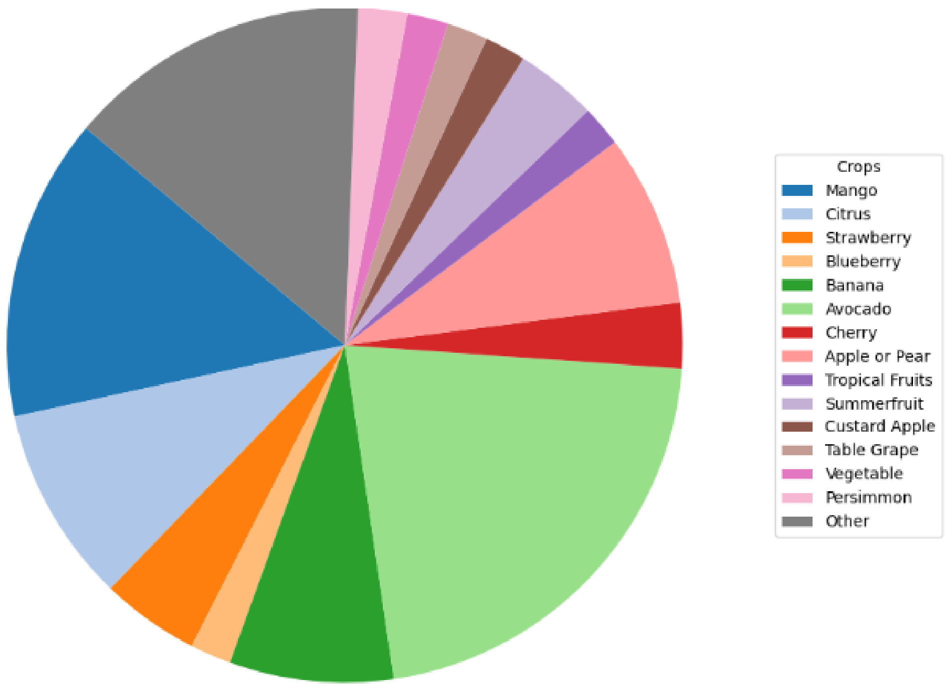
Respondents

The National Horticulture Compliance Survey 2025 received 153 responses from growers across 74 distinct locations. Respondents represented a diverse range of crop types, with over 36 different commodities including fruits, vegetables, and nursery products. Businesses varied in size, spanning five turnover categories from small family operations to large enterprises. Participants also reflected a broad spectrum of supply chain roles, with eight different marketing channels represented, including direct-to-consumer, wholesale, and retail supply.

Crop

The most commonly produced crops among survey respondents were Avocado (35.9%), Mango (24.2%), Citrus (15.7%), Apple or Pear (13.7%), and Banana (13.1%). A significant proportion of growers reported crop diversity, with 40.5% producing more than one crop and 20.3% producing more than two crops, highlighting the multi-commodity nature of many horticultural businesses.

Graph 1: Distribution of crops produced



Location

The Survey collected responses from a diverse range of locations across Australia, with a total of 74 unique postcodes represented as the primary place of operations. This geographic spread highlights the broad participation of horticultural producers nationwide. Among these, the most frequently reported postcode was 4872, accounting for 13.75% of all entries. It was followed by 4880 with 6.25%, and 4860 with 5.63%, indicating strong interest from those horticultural businesses in Far North Queensland, including the Cassowary Coast and Atherton Tablelands regions.

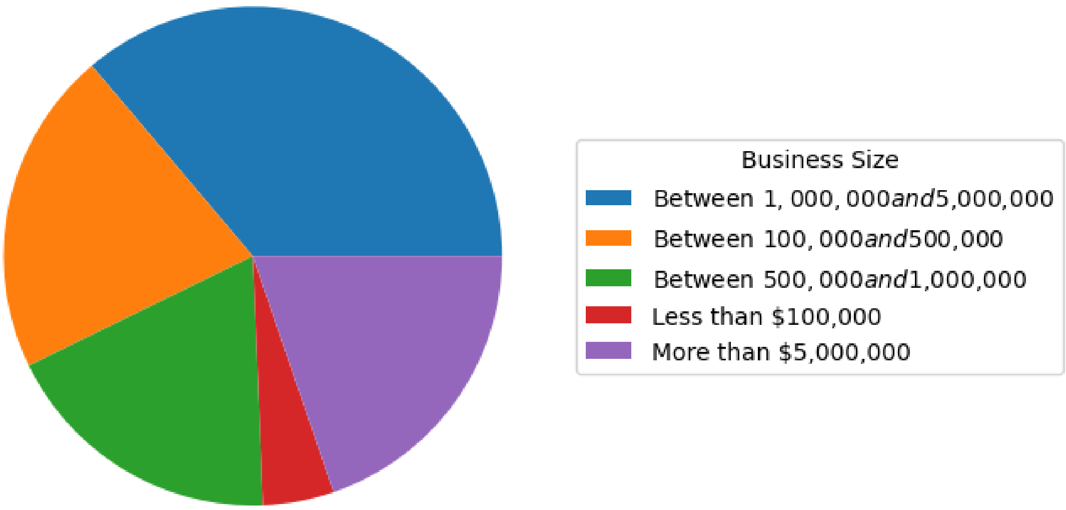
In terms of state and territory representation, Queensland dominated the survey with 50% of all entries, reflecting its strong horticultural sector. Victoria and Western Australia each contributed 14%, while New South Wales followed with 12%. Smaller proportions came from South Australia (5.33%), the Northern Territory (4%), and Tasmania (0.67%), showing a national footprint but with clear regional concentrations.

Business size

The Survey asked respondents to indicate the size of their business by total revenue from produce sales before expenses across five (5) size categories. The most common category was businesses earning between $1,000,000 and $5,000,000, representing 36.18% of respondents. This was followed by $100,000–$500,000 (21.05%), more than $5,000,000 (19.74%), and $500,000–$1,000,000 (18.42%). A smaller segment, 4.61%, reported revenues less than $100,000.

This distribution reflects a strong representation of medium-sized businesses, while also capturing insights from both large-scale operations and smaller growers.

Graph 2: Distribution of business size, by total revenues last financial year



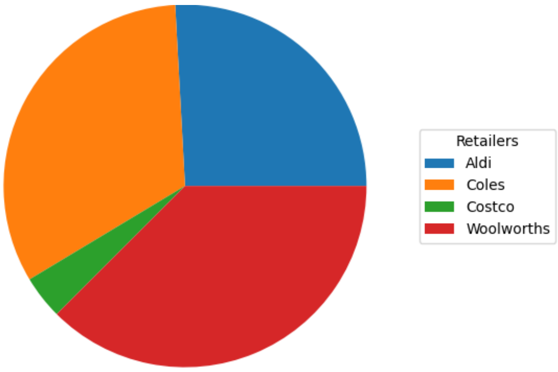
Markets

The Survey collected responses on the one approach that best reflect businesses approach to marketing their produce. Most commonly respondents are indirect (Tier 2 or 3) suppliers of one or multiple large retailers (37%), followed by those primarily supplying a wholesale or central market agent or merchant only (33%). A total of 24% of respondents are either a direct Tier 1 supplier of one or multiple large retailers or both a direct and indirect supplier of one or multiple large retailers.

Where those respondents are either a direct or indirect supplier of a large retailer (Aldi, Coles, Costco, Woolworths), Woolworths was the most commonly supplied retailer, with 94.57% of respondents listing it. Coles followed at 82.61%, Aldi at 65.22%, and Costco at 9.78%. These figures reflect the dominance of Woolworths and Coles in the horticulture supply chain, with Aldi also playing a significant role, while Costco remains a niche outlet for most producers.

When examining how many unique retailers each respondent supplies, 61% reported supplying three or more of the major retailers, indicating a high level of market diversification. 24% supply two retailers, while 13% supply only one, suggesting a smaller group of producers with more targeted or exclusive supply relationships.

Graph 3: Distribution of large retailers supplied



Graph 4: Distribution of suppliers servicing one or more large retailers