Should I grow wildflowers? information kit

Reprint – information current in 2000



REPRINT INFORMATION – PLEASE READ!

For updated information please call 13 25 23 or visit the website www.deedi.qld.gov.au

This publication has been reprinted as a digital book without any changes to the content published in 2000. We advise readers to take particular note of the areas most likely to be out-of-date and so requiring further research:

- Chemical recommendations-check with an agronomist or APVMA www.apvma.gov.au
- Financial information—costs and returns listed in this publication are out of date. Please contact an adviser or industry body to assist with identifying more current figures.
- Varieties—new varieties are likely to be available and some older varieties may no longer be recommended. Check with an agronomist, call the Business Information Centre on 13 25 23, visit our website <u>www.deedi.qld.gov.au</u> or contact the industry body.
- Contacts—many of the contact details may have changed and there could be several new contacts available. The industry organisation may be able to assist you to find the information or services you require.
- Organisation names—most government agencies referred to in this publication have had name changes. Contact the Business Information Centre on 13 25 23 or the industry organisation to find out the current name and contact details for these agencies.
- Additional information—many other sources of information are now available for each crop. Contact an agronomist, Business Information Centre on 13 25 23 or the industry organisation for other suggested reading.

Even with these limitations we believe this information kit provides important and valuable information for intending and existing growers.

This publication was last revised in 2000. The information is not current and the accuracy of the information cannot be guaranteed by the State of Queensland.

This information has been made available to assist users to identify issues involved in wildflower production. This information is not to be used or relied upon by users for any purpose which may expose the user or any other person to loss or damage. Users should conduct their own inquiries and rely on their own independent professional advice.

While every care has been taken in preparing this publication, the State of Queensland accepts no responsibility for decisions or actions taken as a result of any data, information, statement or advice, expressed or implied, contained in this publication.



Before you START

The Australian wildflower industry taps into the huge potential presented by the diverse native flora of Australia and South Africa. This book deals with both Australian native flora, and South African Proteaceae and associated species (such as **Erica**, **Brunia**, **Berzelia** and **Phylica**) in commercial cultivation.

Prospects for the industry's development are enhanced by the number of potential growers and growing areas within Australia, and a large international demand for new flowers and foliages.

The industry has attracted many people who are interested in a country lifestyle or an active retirement; however, good business skills are needed if a profitable enterprise is to be established. Entering the wildflower industry can be either the start of a profitable business venture or an expensive lifestyle choice.

Contents

Markets
Growing for the market
The wildflower farm as an investment
Skills needed and how to acquire them7
The work involved7
Money
Perishable product
The farm you need9
Selecting planting material
Controlling disease: the essentialsII

Markets

The domestic market for Australian wildflowers is too small to fuel the potential growth in the industry. Opportunities for further development will depend largely on the export market, where there is a growing demand for unique Australian wildflowers. However, there are many overseas countries growing Australian native flowers and proteas, and they are formidable rivals in the export market. Australian wildflowers are also grown commercially in all Australian states.

The international market for Australian wildflowers is dynamic, with new markets and new 'fashion' flowers continuously evolving. It can also be a fickle market. What was popular last year may well lose favour the next year.

Growing for the market

Grow for the market, rather than marketing what you grow. You will need access to market information and trends, which will help you to take advantage of niche markets for particular wildflower types. You can minimise your risk by using a reputable wildflower agent or exporter to market your produce.

Growers must be aware of the demands of the domestic and international markets and tailor their enterprises to suit these demands. Agents will look elsewhere if growers fail to meet market requirements. International markets source Australian native flowers and proteas from around the world and they demand high quality, consistent product in a reliable supply. Competition is intense.

Growers must keep abreast of changes. New crops, new cultivars, technological advances and an opposite production season to the Northern Hemisphere are Australia's competitive advantages in the global market. Producers need to actively incorporate innovations into their business to remain viable and successful.

The wildflower farm as an investment

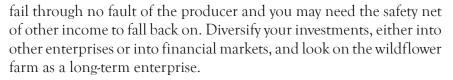
If you want to earn a living from growing wildflowers you must run the enterprise as a business, not a hobby, and you may need large injections of capital for some years before it returns a profit.

Growing wildflowers involves a major capital investment of a minimum of \$80 000 in infrastructure and machinery, excluding the cost of land. This is a basic set-up cost, which will require upgrading as your farm develops. In many instances, higher returns on capital may be achieved in financial markets, so don't invest money that you can't afford to lose. It is a risky enterprise if you are borrowing money for both operating expenses and capital. You will need to be very business-like to succeed.

The domestic market tends to be lower in risk and returns, while the export market represents higher risks and potential for higher returns. Unfavourable market conditions can cause wildflower enterprises to







It is useful to consider your business in a broader framework. What is your sustainable competitive advantage? What are you able to offer the market that gives you an edge over your competitors? Is there a gap in the marketplace that you can fill? Can you establish a reputation for consistency in product quality, for timeliness and for reliability of supply?

Skills needed and how to acquire them

Many producers are surprised to find they are pioneer wildflower growers in their district. The three essential qualities needed by growers are expertise or the ability to rapidly acquire expertise in:

- growing
- marketing
- business.

A lack of information in the formative stages of the business can lead to disastrous outcomes. You will need to persevere to make a success of growing wildflowers. We recommend that new growers use reputable consultants for advice on farm layout and growing, or at least source information from experienced growers and specialist information providers.

Marketing skills are highly important; for a larger enterprise, nearly half of your time should be involved in marketing. Refer to the DOOR (Do Our Own Research) Marketing program for new crops from the University of Queensland, Gatton College.

The work involved

Growing wildflowers involves constant hard work. It is not a 40-hour, five-day week job. Flowers are often ordered at short notice, requiring a rapid response to the ensuing managerial and logistical problems.

Weeds and diseases need constant attention. Flowers have to be picked at the right time and given the correct postharvest treatment. Pruning, picking and packing involves manual labour. Very little equipment has been designed to help automate smaller enterprises in the wildflower industry. Although some mechanisation is available, the equipment is expensive, and only suited to very large operations.

Some people decide to grow wildflowers for the wrong motives. It is not a retirement industry unless you have surplus cash and are extremely fit. The novelty may wear off when you have to pick hundreds or thousands of kangaroo paw stems daily.



page 102

<u>Money</u>

Payment

Growers are the last group to be paid in the flower industry chain (consisting of florist-wholesaler-grower for the domestic market, and overseas wholesaler-importer-Australian exporter-grower for the international market). Producers may have to wait months to receive payment. On the export market, profits are affected by the value of the Australian dollar, so currency fluctuations may reduce or remove your profit.

Low margins

On the domestic market, the price per bunch depends on the volume traded, the availability of your flower type, and the other competitive lines of flowers that are available. Buyers will substitute one product for another, depending on price. Many Australian wildflowers are spring flowering and coincide with a glut of other flowers on the market.

On the export market, returns depend on the availability of product, competing lines and flowers from other countries, the economic climate of the market, the time of year, and the exchange rate. You may also incur unexpected costs, for example the seizure of flowers by overseas quarantine officers for fumigation or destruction. This is a particular problem with Japan, which has very strict quarantine standards.

Your returns are also influenced by the costs of transport and handling. On all markets it is relatively common for big producers to unexpectedly place large volumes of product on the market, forcing sudden drops in prices.

In the Australian wildflower industry, it is unusual for growers to obtain all their income from wildflower growing. Wildflower growers commonly supplement their income with money from other farming enterprises or unrelated businesses, or with wages, salaries or superannuation.

Market contact

To get the best from your wildflower enterprise always maintain personal contact with the market, your agent or exporter and other people involved in the industry. This will ensure that you meet market requirements and that they do their job properly. Other benefits of keeping in touch include: positioning your business in the industry, ensuring that you have a product which is in demand and increasing the likelihood of securing prompt payment; all these things will help protect your profits.

In particular, you need to know, trust and have confidence in the wholesalers and/or exporters you deal with. Select businesses that will pay you, and pay you on time. Build a strong relationship with them to obtain up-to-date information about market trends and feedback on your flowers.







Production costs

You need to know your costs of production and what impacts on these costs, to ensure adequate and sustainable profit margins. The sample budgets in *Economics of production* provide a framework that can be used to define your own cash flow budgets. These estimates do not include Goods and Services Tax (GST) and should not be regarded as an indication of how any given enterprise will perform. Some private consultants will draw up cash flow budgets (some of these are interactive for different product mixes) and other indicators of future profitability of a proposed enterprise.

Demand variations

You need to be aware of variations in demand for volume and type of flowers. Flowers are a 'fashion' industry and subject to frequent changes in consumer preferences. As the quantity of flowers exported rises, the price per stem normally falls. The booklet *The nature of demand curves for Australian flowers and foliage in key export markets* (1994), an ABARE report summarises these issues well.

Perishable product

Wildflowers can be easily damaged if there are delays in transport or if the refrigerated 'cool chain' is not maintained. As you are handling a perishable product, highly efficient mechanisms need to be implemented to reduce delays, both in the shed and during transport. This is particularly important for export product.

The farm you need

Select a farm with soil that is internally well drained. A site capable of dispersing water down a slope does not constitute good soil drainage in its own right. Deep sands, loams and some highly structured red clay soils derived from volcanic activity will drain water easily through their profiles. Wildflowers generally prefer sandy soils with a pH of 5 to 7.

You need a plentiful supply of good quality water with low salinity: that is, a chloride content of not more than 220 parts per million (p.p.m.) or 0.65 milliSiemens per centimetre (mS/cm). Flower crops will need protection from damaging winds. Avoid sites with extreme temperatures (hot or cold) and high wind speeds. Many species are sensitive to frost during flower development and, of those that aren't, they may still be vulnerable as young plants.

You must also have easy access to, or have good transport links to, your markets. Your farm is best sited away from population centres, to minimise potential complaints about unavoidable farming activities such as spraying.

If you want to buy a farm for wildflower production, negotiate with

the vendor to obtain access for an independent assessment of the property's potential. You or your representative will need to walk around the property to evaluate its suitability (for example, aspect, soil characteristics, cropping potential, and water quality and supply) and to undertake appropriae tests and assays.

DAVID CARSON



Christmas bush stays hydrated in buckets of water

Selecting planting material

The purchase and maintenance of plants before planting is a critical phase in the production cycle. If possible, buy plants from accredited nurseries. These nurseries have attained the standards set by the Nursery Industry Accreditation Scheme Australia (NIASA) for crop hygiene (pest and disease control) and crop management practices.

Specialised propagation facilities and knowledge are needed to produce the quality of rooted cutting or seedling required for commercial cut flower production and to attain good plant survival rates in the field. Propagating your own planting material may not be a good use of your time and resources; however, some growers are successful in this area.

Always try small plantings of new crops first to see if they are suitable for your site, to identify any disease problems, and to assess their growth and market acceptance.

Not all forms of a species will be suited to commercial cultivation. Clonal material with a proven commercial potential is the most reliable planting stock. Seedling lines are satisfactory for some crops, but are too variable to be of commercial use in many others.







Controlling disease: the essentials

Most wildflowers are susceptible to serious root rot diseases; an understanding of the conditions that favour these diseases is vital. It is important to develop a good knowledge of all aspects of above- and below-ground control measures.

The introduction of new planting material is one very important route of entry for pests and diseases (particularly root diseases that may not be immediately evident) onto your property. For this reason you should maintain an observation area for all new plant introductions that is isolated from other stock. Plants should not be stored in their containers for long periods, as root binding—occurring either in the nursery or on-farm—is a common contributor to the death of plants, either immediately or up to several years later in full production.

Understanding the types of diseases that affect wildflowers, knowing how to identify some of the more visually obvious problems, and knowing how and when to use the services of an experienced diagnostician are all important. Many problems can be avoided by learning how plants become contaminated and how to select appropriate sites. Sites with low humidity are preferred for most commercially exported Australian wildflowers, which have their origins in low rainfall areas. It is essential that you buy disease-free planting material, preferably from accredited nurseries, but remember that apparently healthy plants can also carry *Phytophthora*, an organism causing root rots.

Well grown healthy plants are less susceptible to pests and diseases. Plant stress may also predispose plants to certain pest infestations or disease outbreaks. Minimising this stress will also minimise those problems.