Orchard Business Analysis How-to Guide

Labour Expenditure Tracking

AgFirst Consultants, July 2026

Breaking labour expenditure down

Labour is the largest on-orchard expenditure category within an orchard business, and the labour total expenditure is easy to track through payroll. However, breaking down the total wage bill across key orchard tasks improves visibility and understanding of how labour inputs are being allocated across the orchard. Having this visibility can help growers assess how their labour expenditure is contributing to improved yield, packout and profitability. Tracking labour categories reduces assumptions and better highlights whether opportunities exist to improve on orchard efficiencies or task prioritisation. Categorising labour into key tasks also provides growers with the ability to benchmark expenditure across blocks, against industry datasets, or against APAL's Orchard Business Analysis (OBA) model.

Where to start

If you haven't historically tracked labour by task and are wanting to establish a baseline, consider looking at your annual wage expenditure by month and then categorising each month by the predominant orchard task, e.g. thinning in November, December and one-third of January, or harvesting in February March, April and May (variety dependant). Key seasonal tasks such as these are generally easy to distinguish when looking at wages on a month by month basis, due to the onboarding of labour over these periods e.g. look for the main contractor invoices or big pay runs. While this will not provide the same accuracy as task-based timesheets, it gives a useful starting point to help identify which categories are worth tracking more accurately next season.

Step 1: Establish labour categories

Rather than coding all wages to a single wage account (e.g. a category called *salaries and wages*), create separate labour expenditure categories within your accounting system that align with the orchard activity being undertaken (e.g. Thinning, pruning, harvest etc.).
On-orchard timesheets generally record detailed activities, and these can be aggregated into broader reporting categories to add insight into the business labour inputs. For example, over harvest, staff timesheets may record tractor driving, forklift operating, supervising, QA, picking, etc, with some companies going to the extent of recording this down to a block level. However, when coded in your accountancy software these could be amalgamated into a *Harvest Wages* category.

When selecting appropriate account categories, focus on aggregating labour information at a level that will be meaningful, sustainable and useful to your business. More categories do not automatically create more value. A simple coding system that is maintained consistently is likely to be more useful than a highly detailed coding system that becomes difficult to manage.

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Table 1 outlines AgFirst's recommended labour coding categories, which provides sufficient detail to identify key cost drivers, without being overly complicated.

Table 1 Recommended Labour Expenditure Categories

	Labour Expenditure Categories	Description
Labour expenses	Management wages	Orchard management salary/wages.
	Harvesting	Total harvest labour costs including tractor drivers and QCs.
	Pruning	Pruning and tree training labour, including QCs.
	Thinning	Hand thinning labour, including QCs
	Other wages	Other labour, including moving hail net, reflective mulch, irrigation, tractor time (spraying, mowing), hand weeding, wages associated with R&M, administration wages, and similar labour costs.
	Employment levies	Superannuation, insurance, workers' compensation and related employment costs.
	Total labour expenses	

Step 2: Record time against tasks

Once labour categories have been established, ensure staff timesheets are structured to capture the activity being undertaken. While specialist labour management or payroll software systems are beneficial, labour can also be tracked just as effectively using a simple timesheet. Where contractors are used, costs should also be allocated to the relevant orchard task.

Regardless of how time is categorised and recorded, it is important to follow the cost categories right through and ensure expenditure is assigned to the correct labour category within your chart of accounts. In many cases, making minor changes to the way labour is coded or current labour categories can significantly improve the quality of labour reporting. Overall, regardless of the level a business decides to categorise their labour codes, a consistent approach should be taken to provide an overview of where labour is being invested.

Step 3: Review where labour is being spent

Once labour has been allocated to a labour category, consider which activities consume the greatest proportion of labour expenditure and how these change between seasons. For example, has pruning expenditure increased significantly? Have thinning costs increased despite a similar crop load? Checking in on labour expenditure by task throughout the season also enables real time adjustments, rather than waiting until the end of the financial year to realise a task was expensive or inefficient.

Step 4: Relate labour expenditure to orchard outcomes and benchmark performance

Labour expenditure should not be assessed on its own. Understanding expenditure alongside production and planted area, provides a clearer picture of whether labour investment is creating value within the orchard business. Additional labour expenditure is not inherently good or bad. Instead, the focus should be on whether that expenditure is contributing to better orchard outcomes, or whether it should be redistributed into an area that would add more

value. For example, higher pruning expenditure may contribute to reduced hand thinning costs, improved fruit size, colour and packout through improved light distribution and fruit development. Equally, it may simply reflect an inefficient process.
Useful considerations include:

- Harvest labour expenditure per bin or per gross kg harvested
- Thinning expenditure per hectare and per Class 1 kg
- Pruning expenditure per hectare
- Other wages expenditure per hectare

Differences or areas that need further investigation become clearer through benchmarking. These comparisons could be made against previous seasons, different blocks within the orchard, or the APAL OBA model. Benchmarking should be used to support discussions around on-orchard management practices, efficiencies and performance, all within the context of the orchard business.

Worked example: Turning labour data into better decisions

Grower A has historically recorded all wages within a single category called "Labour" in his chart of accounts. At the end of each season, he knows his total labour expenditure, but this is not split by orchard task. He has a feeling he might be spending too much, but without a task-level breakdown it is difficult to know for sure. Therefore, this season he introduced task-based labour tracking, to improve his visibility of labour expenditure across the orchard tasks, and how that compares with the OBA model.

On review, Grower A identifies that pruning expenditure is higher than previous seasons and above the OBA benchmark. He reviews his orchard records, production outcomes and management practices, with the following considerations:

- *What has changed compared with previous seasons?*
- *Which blocks are driving this increase in pruning expenditure?*
- *Are orchard production outcomes also different between seasons?*

Scenario A
The review shows additional pruning effort has improved canopy structure and light distribution, with improved fruit size and colour, alongside reduced thinning requirements.
Grower A decides to continue the approach and keep monitoring results.

Scenario B
The review identifies higher pruning expenditure, but no meaningful improvement in production, size outcomes or packout. Grower A therefore decides to investigate labour efficiency, staff training, review task timing and improve supervision at pruning time next season.

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