



Market Update: October 2023

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Overview: Key Points



**Overall
September
Garden Centre
sales** were **up
+8%** vs
September
2022

**Consumer
confidence
climbed +4
points** to **-21** in
September 2023

September 2023
saw **1.2 times**
more sunshine
hours
vs September
2022

Bulb Sales
were
up +10%
compared
with
September 2022

Catering sales
were
up +25%
on September
2022

Overview: the story this month



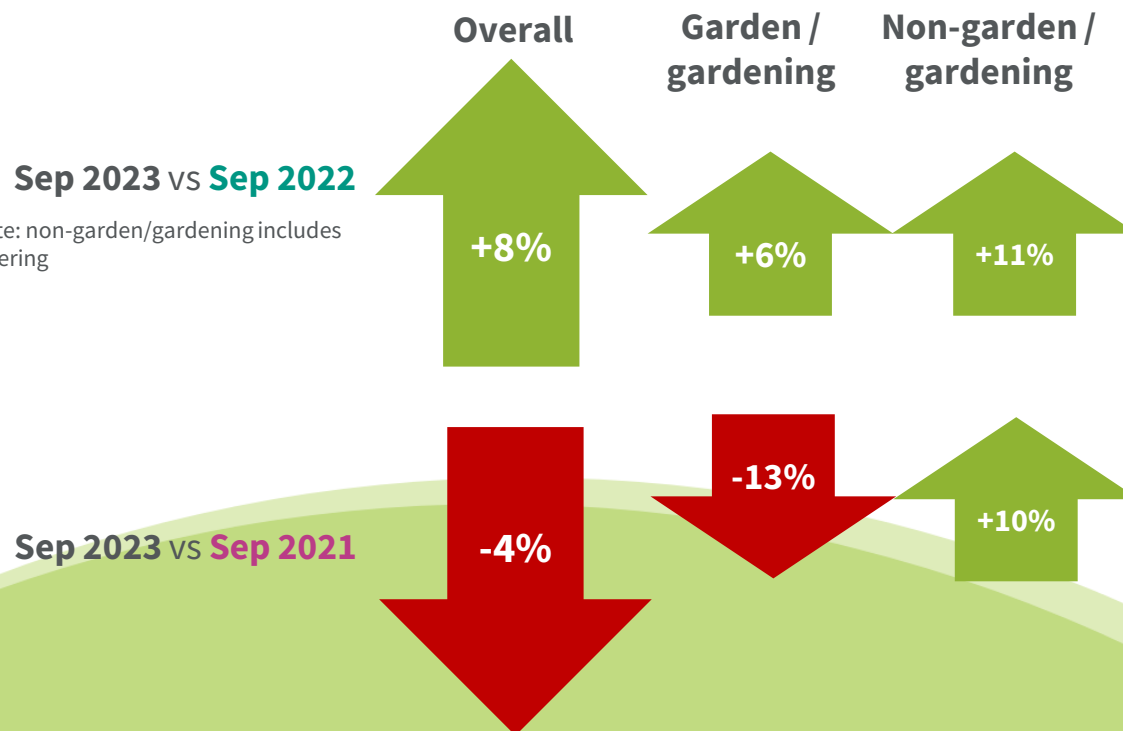
- From heatwaves to rainfall, September 2023 continued the trend of UK weather being unpredictable and uncharacteristic for the time of year. With 142.4 sunshine hours, compared with 118.6 hours in September 2022 we saw 1.2 times more sunshine hours.
- With this weather boost, overall sales were up +8% compared to September 2022. Overall transaction numbers were up by +8% indicating footfall was stronger than last year. But September 2023 sales were down -4% compared to August 2021 where life and the role of gardening was different due to Covid.
- Garden/gardening sales were up +6% versus September 2022 with the good weather in the first half of the month likely contributing to strong sales. We also saw garden tools as well as plant categories perform well. For example, bulb sales were up +10% on September last year, a key time for bulb sales and planting.
- Non-garden/gardening categories were up +11% on September last year, with the weather helping more footfall into the garden centre and subsequently the cafe and restaurants (transaction numbers up +19% compared to September 2022). In addition, calendar year to the end of September comparisons for overall sales crept up to +2%, reflecting on a good September.
- Average Transaction Values (ATVs), were up slightly by +1% within the garden store at £23.25 (excl. VAT), with garden tools and equipment and plant sales making up a greater proportion of baskets, as discussed further in page 10. ATVs in catering were up +4% alongside greater transaction volumes, however food price inflation was still affecting the price of goods sold.
- September's Consumer Confidence Index climbed +4 points, however it has remained fragile and in negative territory (page 18). We therefore have seen the Economy and Inflation in 1st and 2nd position in September's consumer Issues Index respectively (page 19).
- As retailers gear up for Christmas, we go into the final few months of the year in a strong position.

Read on for the detail...

Garden centre sales: September



In September, overall garden centre sales were up +8% compared to September 2022, but down -4% in comparison to September 2021. The Queen's Funeral of last year may have been a factor, with some consumers joined in the mourning. Garden/Gardening category sales were up +6% on September 2022 and -13% compared with September 2021. The improved weather potentially encouraged more consumers into the garden. However, this may have not been to the level of Covid where free time was abundant for consumers to tend to their gardens. Non-garden/gardening sales were up +11%, (more on page 8), with food inflation remaining high, goods sold in garden centre restaurants continue to see higher sales versus volumes. For further insights on this, please read on to page 6.



Note: non-garden/gardening includes catering

How are these figures calculated?

The national sales figures we report each month come from the HTA Garden Retail Monitor (GRM) system. We've now moved over to a newer GRM system where sales data from submitting garden centres is automatically uploaded to a secure server via the EPOS system. These garden centres can then login to the portal to benchmark their sales against regional and national averages for a variety of sales metrics. We're looking to sign up more garden centres to the system, allowing us to include more reliable detailed breakdowns of trends in sales in these Market Update reports.

If you're interested or for more information visit: hta.org.uk/grm

(Figures reported are exclusive of VAT)

Garden centre sales volumes: Sep

Due to the high levels of price inflation in the current economic climate, we report on the quantity of goods sold in addition to sales values, to assess the level to which year-on-year comparisons are reflective of end-goods price increases or change in demand. As detailed on page 5, overall sales in September were up +8%, however volume of sales were up +5%, and this suggests that inflation may have contributed as well to the increase in overall sales for September. Within the garden/gardening category, sales were up +6% by value and up +1% by volume, with outdoor plant categories continuing to perform well (see page 9). When looking at September 2021 comparisons, we see inflation have more of an impact once again. For example, garden/gardening sales in September 2023 were down -20% on 2021 in the height of the covid era gardening boom, but only -13% down by value. Read more about inflation on garden centre products on pages 20 and 21.

Sep 2023 vs Sep 2022	Overall	Garden/gardening	Non-garden/gardening
Value of sales (£, exc. VAT)	+8%	+6%	+11%
Volume of sales	+5%	+1%	+7%

Sep 2023 vs Sep 2021	Overall	Garden/gardening	Non-garden/gardening
Value of sales (£, exc. VAT)	-4%	-13%	+10%
Volume of sales	-6%	-20%	+7%

September Transaction Numbers and Average Transaction Values (ATVs): In the Garden Store



Transaction numbers for the Garden Store were +5% versus September 2022, indicating increased footfall into the store versus last year. However, transaction numbers fell -3% versus September 2021. The Average Transaction Value (ATV) for September was £23.25 in the garden store, up +1 % on the same time last year. Garden Furniture sales were down -9% and typically carry a higher price point, but in contrast, garden tool and plant sales did well (see page 9).

Transaction Numbers: Garden Store



Average Transaction Values (ATVs): Garden Store

exc. VAT
£ 23.25

inc. VAT
£ 27.24
SEP 2023

VS SEP 2022 (exc. VAT)	VS SEP 2021 (exc. VAT)
+1% (£22.97)	-3% (£24.09)

September Transaction Numbers and Average Transaction Values (ATVs): In the café/restaurant

Transaction Numbers in the garden centre café/restaurant in September 2023 were up +19% versus September 2022, supporting catering sales up +25% on September 2022 (see page 10 for more information). Food price inflation is still likely to be playing a role in the values, but the transaction numbers analysis indicates footfall to the café/restaurant was strong, as the sunnier weather encouraged more consumers into the garden centre. Average Transaction Values (ATVs) did well in the café/restaurant at £10.17, up +4% compared to September 2022, likely reflective of price inflation.

Transaction Numbers: Café/restaurant



SEP 2023 vs SEP 2022

Average Transaction Values (ATVs): Café/restaurant

exc. VAT
£ 10.17
inc. VAT
£ 12.18
 SEP 2023

VS SEP 2022
(exc. VAT)
+4%
(£9.82)

NB: Covid restrictions lifted completely in July 2021 (incl. Hospitality), therefore we have not included September 2021 comparisons

Garden centre sales: detailed Sep breakdown part 1



Garden/gardening category sales overall were up +6% on September 2022. The heatwave weather in the first part of the month was likely a factor in driving sales, with consumers taking advantage and preparing for next year's planting and gardening.

In September 2023, plant sales were strong with bedding up +13% and Hardy plants up +5%. Bulb and Plant care products also did particularly well, increasing +10% on September 2022. But in support of strong plant sales, the strongest performing category for September was Garden Tools at +22% on September 2022. Nevertheless, they only contributed to 3% of total sales and were down -1% when considering the Year to September 2023 comparisons.

Garden furniture was down -9% versus September 2022, and -28% for the calendar year to end of September versus the same period in 2022. Where throughout the year so far, we saw heavier than usual discounting of surplus stock.

Category	Sep 2023 vs 2022	YTD Sep 2023 vs 2022	Sep 2023 vs 2021
Bedding plants	+13%	+13%	-12%
Hardy plants, shrubs & trees	+5%	+11%	-9%
Indoor plants	-2%	+1%	-14%
Seeds (excl. grass seed)	-7%	+6%	-16%
Bulbs	+10%	+4%	-1%
Plant care products	+10%	+6%	-3%
Garden tools & equipment	+22%	-1%	-17%
Garden features & structures	+7%	-13%	-27%
Outdoor containers	+3%	-12%	-24%
Garden furniture	-9%	-28%	-27%

YTD: Calendar year to end of September

Garden centre sales: detailed

Sep breakdown part 2

Non-garden/gardening sales were up +11% compared with September 2022, with all listed sub-categories up on last year. Except for indoor living and wild bird care categories, all categories were up when comparing the calendar year to end of September 2022 and September 2021.

Catering was the highest performing category once again, showing similarly strong performance between September 2023 versus 2022 (+25%), 2021 (+27%) and the Year to End of September 2023 compared to 2022 (+24%). The transaction numbers for the café/restaurant were up +19% compared to September 2022 suggesting this was largely due to increased footfall, rather than solely price inflation.

Food & Farm shop categories also performed well, up +12% versus September 2022. Pets and Indoor living categories were both up +8% compared to September 2022, whilst pets were also up +5% compared to September 2021 and +7% compared to year to end of September last year. Indoor living was down -19% versus September 2021 and down -5% compared to year to end of September 2022.

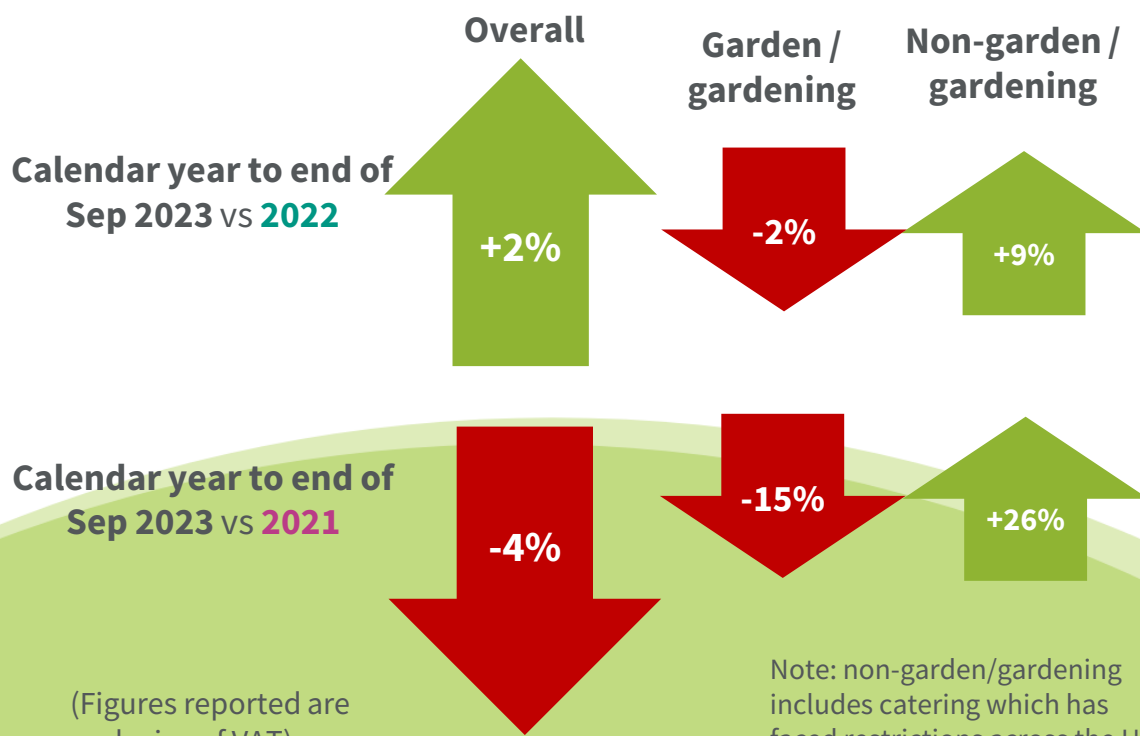
Category	Sep 2023 vs 2022	Sep YTD 2023 vs 2022	Sep 2023 vs 2021
Indoor living & homewares	+8%	-5%	-19%
Gifting	+6%	+1%	+5%
Wild bird care	+2%	-4%	-4%
Pets	+8%	+7%	+5%
Food & farm shop	+12%	+9%	+12%
Catering	+25%	+24%	+27%

YTD: Calendar year to end of September

Garden centre sales: calendar year to end of September



Calendar year comparisons show that year to date (YTD) sales to the end of September 2023 were +2% versus the same period last year. The unexpected heatwave and sunshine in the first half of September 2023 improved overall YTD sales from August, in spite of lower garden leisure sales as previously reported. For example, garden furniture sales were -9% down versus September 2022. Exceptionally strong non-gardening category sales (e.g. catering and food and farm shop) were likely a key factor in the uplift and balancing this out. Compared with 2021, calendar year to the end of September 2023 recorded lower garden/gardening YTD sales (-15%), likely a result of COVID restrictions, the impact of which is also shown in the non-garden/gardening category comparisons.



Note: non-garden/gardening includes catering which has faced restrictions across the UK

How are these figures calculated?


The national sales figures we report each month come from the HTA Garden Retail Monitor (GRM) system. We've now moved over to a newer GRM system where sales data from submitting garden centres is automatically uploaded to a secure server via the EPOS system. These garden centres can then login to the portal to benchmark their sales against regional and national averages for a variety of sales metrics. We're looking to sign up more garden centres to the system, allowing us to include more reliable detailed breakdowns of trends in sales in these Market Update reports.


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(Figures reported are exclusive of VAT)


Weather

An unexpectedly sunnier than usual September 2023 helped to bring what was absent most of the Summer season, with 1.2 times more sunshine hours seen compared to September 2022. September 2023 was also the hottest on record globally, indicative of the effects of climate change. In the UK, rainfall and rainy days were not drastically different from 2022. For regional variation, please see page 13.

	Sep 2023	Sep 2022
 Hours of sunshine	142.4	118.6

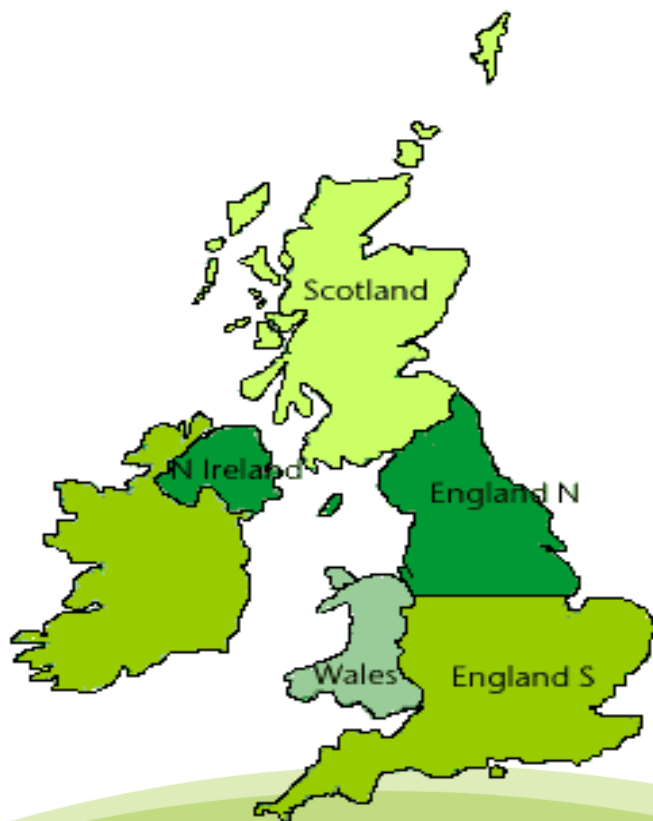
	Sep 2023	Sep 2022
 Rainfall (mm)	119.4	105.2

The figures reported are national averages for the UK. To view the figures on a regional basis: [click or tap here](#) to visit the MET Office website and view the year ordered stats by month.

	Sep 2023	Sep 2022
 No. of rain days	13.5	13.2

	Sep 2023	Sep 2022
 Mean temperature (Celsius)	15.2	13.4

Weather by region

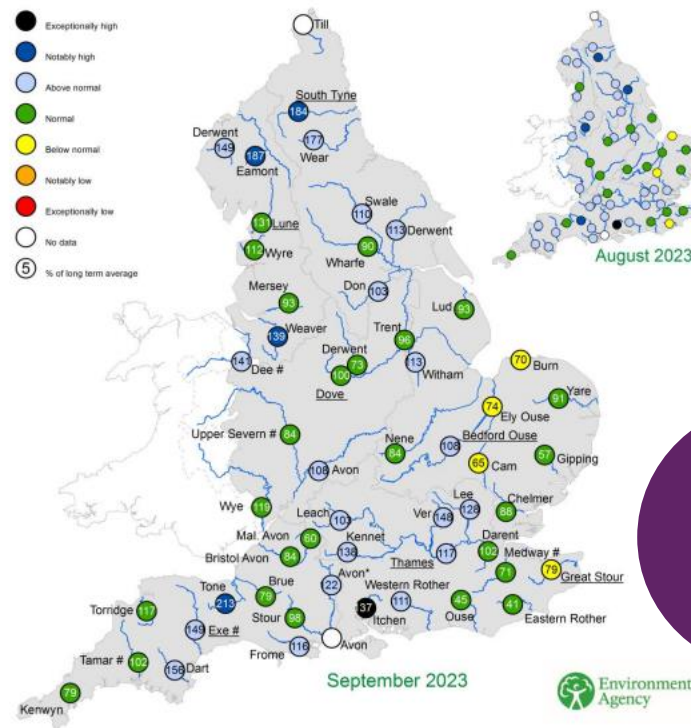


Region	Mean Temp (Degrees Celsius)	Sunshine Hours	Rainfall (mm)
Overall	15.2	142.4	119.4
South England	17.3	166.5	68.4
North England	15.5	138.1	106.9
Wales	15.6	129.2	155.5
Scotland	12.8	124.8	167.9
Northern Ireland	14.2	125.8	145.1

In September 2023, the highest recorded sunshine hours was in the South of England, with 166.5 hours, and the wettest region was Scotland with 167.9 mm of rain, 2.5 times more than in Southern England.

Current reservoir levels

Total reservoir stocks for England went down slightly by 1% to 81% overall in September 2023. Storage levels declined in three-quarters of the reservoir groups across the country. Inversely, total reservoir storage in north-east and north-west England increased slightly at the end of September.



**For the full
reports
click here**

Forecast river flows

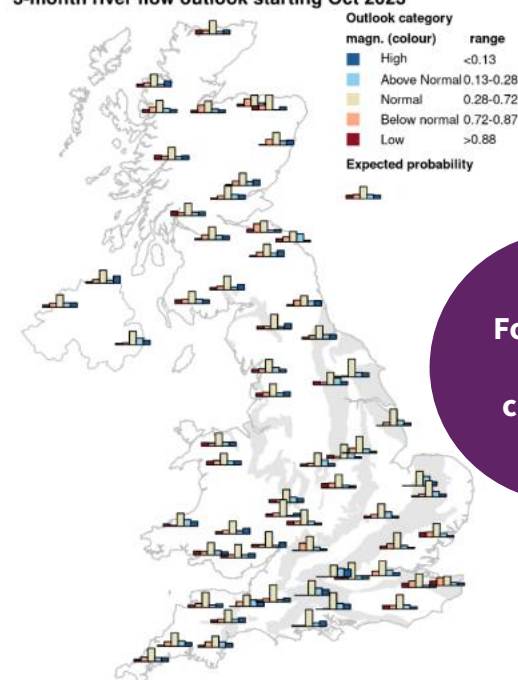
In the 3-month Outlook starting October 2023, river flows are expected to be normal, except some catchments in the South of England. Those particular catchments are expected to be normal to above normal flows in the next 3 months.

To interpret the infographic, the higher the bars shaded red or orange, the greater the likelihood is in that area of river flows being at low or below normal levels. The higher the yellow/fawn bar, the greater the chance of river flows in the normal range.

The UK Centre for Ecology and Hydrology have launched an online tool to view the drought in different regions in the UK-

<https://eip.ceh.ac.uk/apps/droughts/>

3-month river flow outlook starting Oct 2023

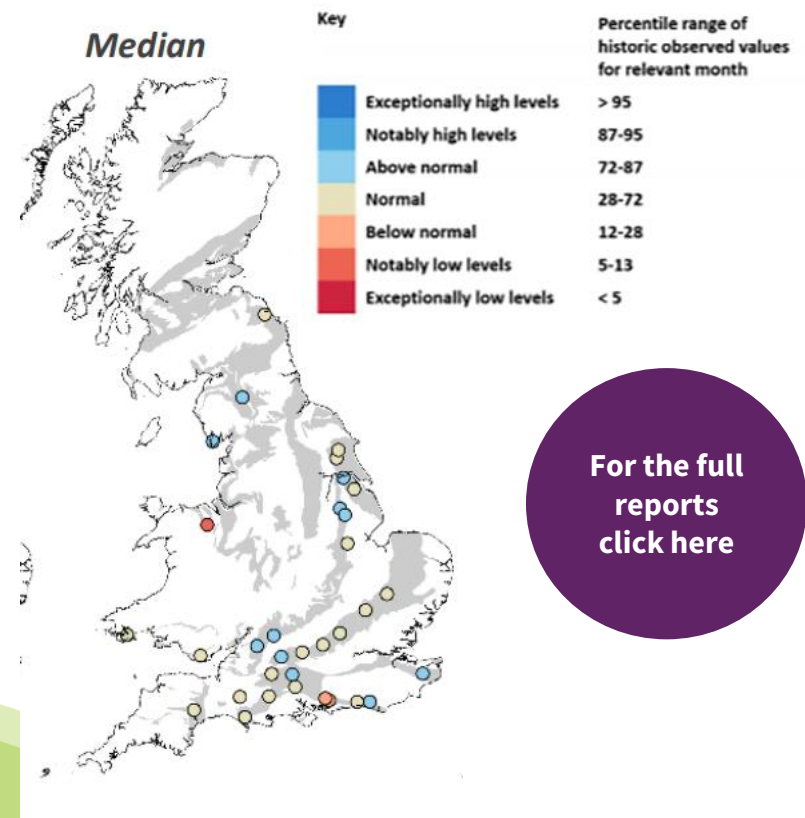


For the full reports click here

Forecast groundwater levels

Three-month groundwater outlook starting on October 2023 (based on median rainfall forecasts)

For the October to December 2023 forecast, Groundwater levels are expected to return towards a normal level, with some regions being higher than normal for this time of the year.



The current water situation

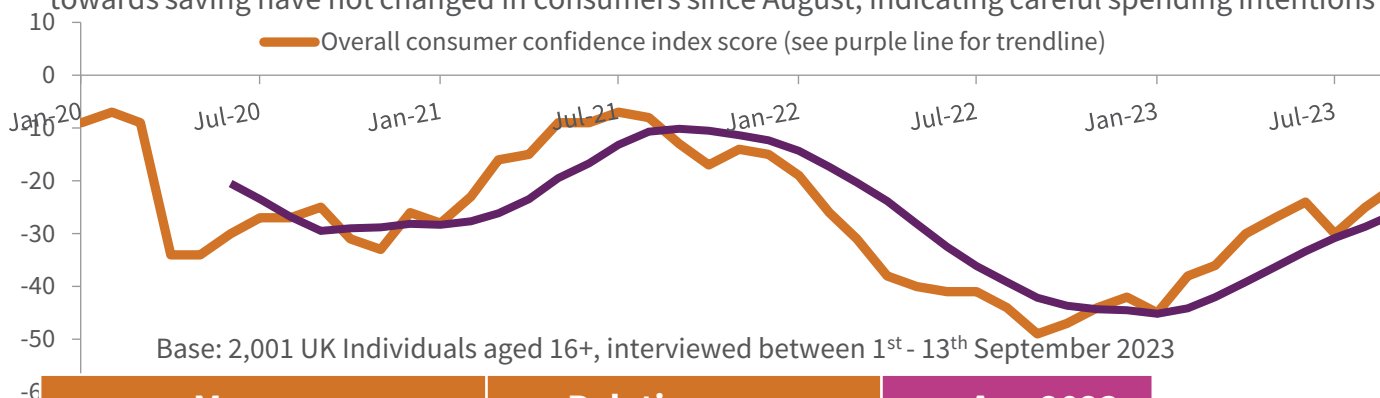
- The HTA continues to represent the horticulture sector on the Environment Agency's (EA) National Drought Group which comprises government, water companies and key farming and environmental groups.
- The recent hot weather in September saw demand for water increase. With heatwaves in the first half of the month to rainfall the rest, we still see variation in demand as the weather remains unstable. Therefore, as the situation is consistently changing, the Environment Agency remains vigilant, preparing for all weather eventualities for the rest of the year and maintaining precautionary planning for a dry winter.
- September also saw the introduction of water efficiency labels for household products to allow consumers to be more conscious of their own water use, which you can read about here: <https://www.gov.uk/government/news/household-goods-to-carry-water-efficiency-labels>
- And following the lifting of the Temporary Use Ban (TUBs) in Sussex and Kent at the beginning of August, the TUBs in place in Cornwall and parts of North Devon were lifted on 25 September 2023 and these areas and more areas of East Anglia moved from drought status into recovering status on 2 October.
- The Government's [Plan for Water](#) introduces investment in infrastructure and a second round of Water Management Grants to fund more reservoirs and better irrigation equipment.
- We will continue to work to ensure that any messaging relating to responsible use of water does not adversely affect participation in gardening. Businesses looking to help give ideas to gardeners of how to go about gardening in a way that makes responsible use of water can draw on content and ideas published by the RHS: <https://www.rhs.org.uk/garden-design/drought-resistant-gardening>
- HTA member businesses should prepare for all scenarios and take action to ensure continuity of supply:
 - Ensure that as much of your storage capacity is filled as is possible
 - Use water responsibly and encourage customers to do the same
 - Invest in infrastructure for water recapture where possible
 - If you have an abstraction licence, you should expect this to be questioned if water scarcity increases:
 - If you have an abstraction licence where you use less than around 60% of the annual volume you may be asked by the Environment Agency to consider reducing your licenced abstraction, the "headroom". In these circumstances you need to make a careful consideration of the reply. Having given up part of a Licence of right you may find the new licence could end up being **timed unless you apply for a variation.**
 - If you have an abstraction licence that has not been used for four or more years you may be asked if you require it in the future and need to justify its future use.

Members can access the HTA's advice, resources and guidance on the ongoing situation and improving resilience here:
<https://hta.org.uk/news-events-current-issues/news/sustainability/water>

Consumer confidence: financial



The GfK's Consumer Confidence has risen +4 points in September 2023 and was up considerably by +27 points compared to September 2022. With the exception of the Savings Index - which remained unchanged - all measures were up. In particular, the General Economic Situation over the next 12 months showed the highest increase of +6 points. Whilst there are improvements overall in consumer outlooks, consumers are still struggling with increased costs and financial uncertainty. In addition, we approach festive season, where consumers face increased financial pressures. The Saving Index remained stable, which shows that the attitudes towards saving have not changed in consumers since August, indicating careful spending intentions have continued into September.



Overall
index score
for
September:
-21

*this is 4 points higher than Aug 2023

Measure	Relative score (September 2023)	vs. Aug 2023
<u>Personal financial situation:</u>		
during last 12 months	-13	2 points higher
over next 12 months	-2	1 points higher
<u>General economic situation:</u>		
during last 12 months	-47	5 points higher
over next 12 months	-24	6 points higher
Major Purchase Index	-20	4 points higher
Savings Index	27	No change

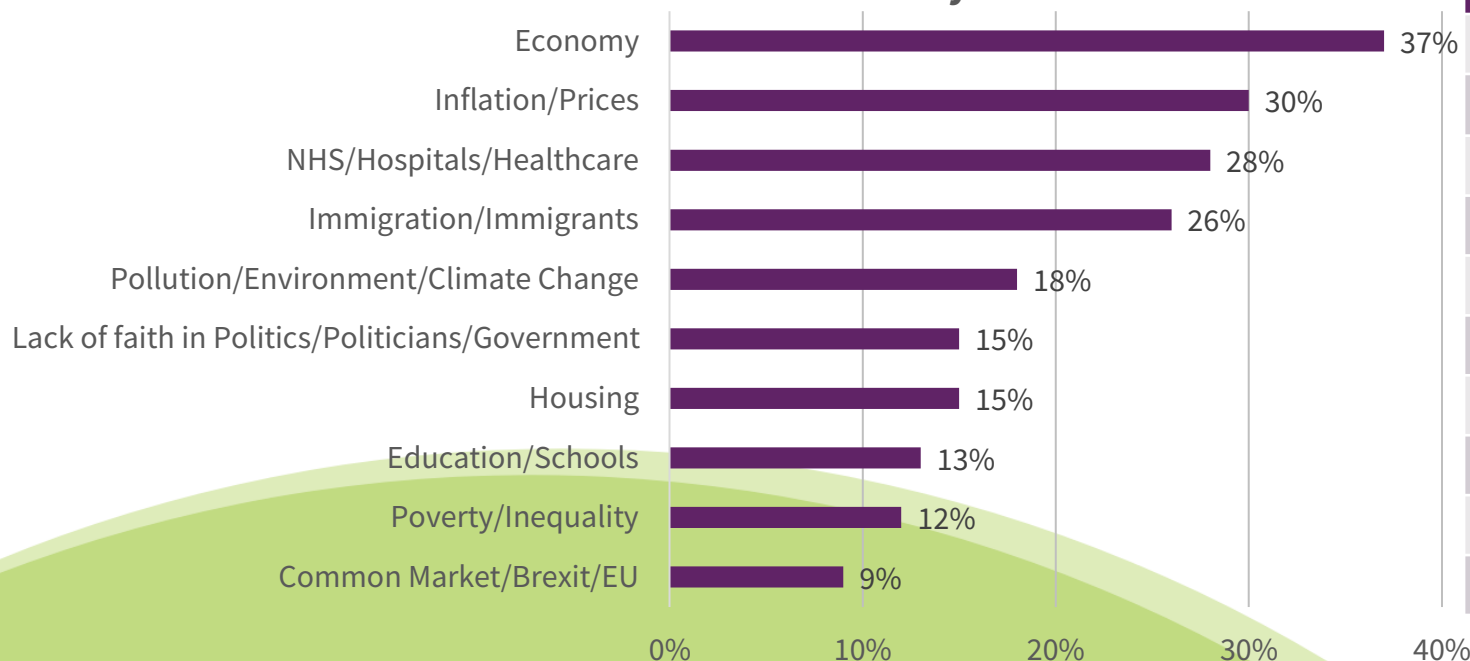
Consumers are asked how the financial position of their household has changed over the last year and is expected to change in the next year, as well as that of the general economy. They're also asked if they believe 'now' is a good time to make major purchases or to be saving money. The first three measures in the table make up the overall index score. Whilst the Savings Index indicates whether consumers are looking to save rather than spend their money. **Relative scores are given as a comparative to when records began in 1974.**

[Click to view the full summary](#)

Consumer Issues Tracker

In September, the top 3 Consumer Concerns were Economy, Inflation and the NHS. Despite the fall in the rate of inflation, the UK continues to feel the effects of the cost-of-living crisis. Despite widespread flooding and thunderstorms in parts of the UK in September, the concern of climate change falls two places into 5th position. With some considerable strike action within the NHS in September, it remains firm in 3rd place as a concern for the British Public, with disruption to vital healthcare, appointments and services.

What do you see as the most/other important issues facing Britain today?

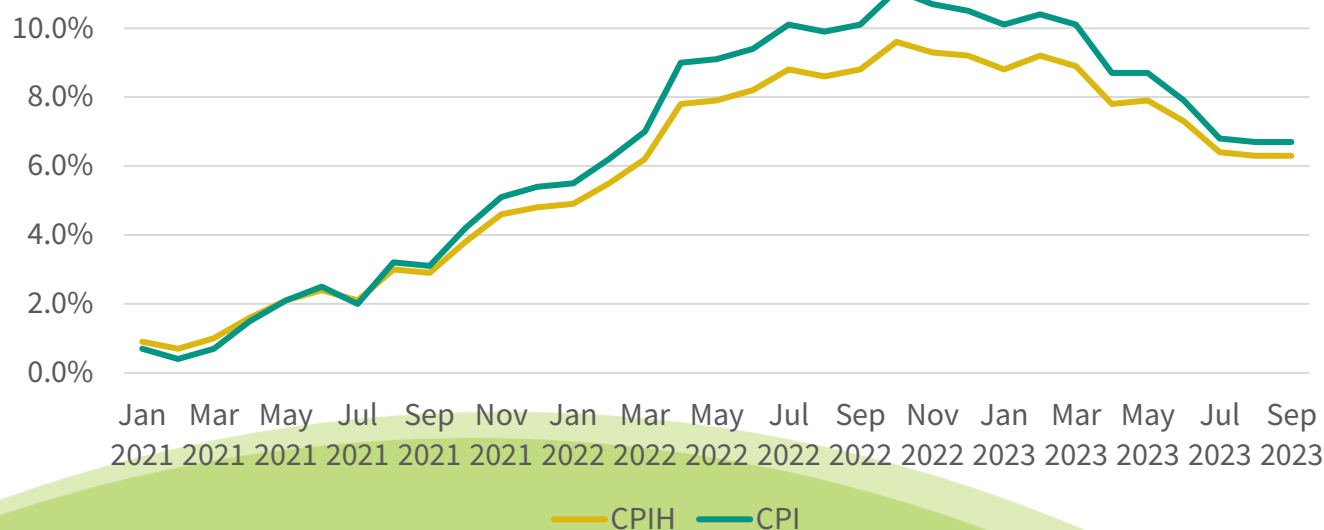


Change since Aug:	
%	Position
=	=
+7	↓-1
+3	=
+3	↑+1
-7	↓-2
+3	↑+1
=	=
+5	↑+1
+1	↓-1
+2	=

Consumer Price Indices (CPI and CPIH)



We explore some key indicators of the position of the UK economy to gauge the situation for consumers as well as member businesses. These indicators are the Consumer Prices Index (CPI) and Consumer Prices Index including owner occupier's housing costs (CPIH). Both inflation rates are measured as a percentage change over a 12-month period. The CPI rate for September 2023 was 6.7 %, and the CPIH was 6.3%, also both the same as August 2023. The largest upward contributor to both CPI and CPIH rates were the cost of fuel, with crude oil prices still rising (see page 25 for more information). However, largest downward contributors were food and non-alcoholic beverages, as well as furniture and household goods. This however is still high and contributing to food inflation (page 10 discusses catering sales relating to food inflation).



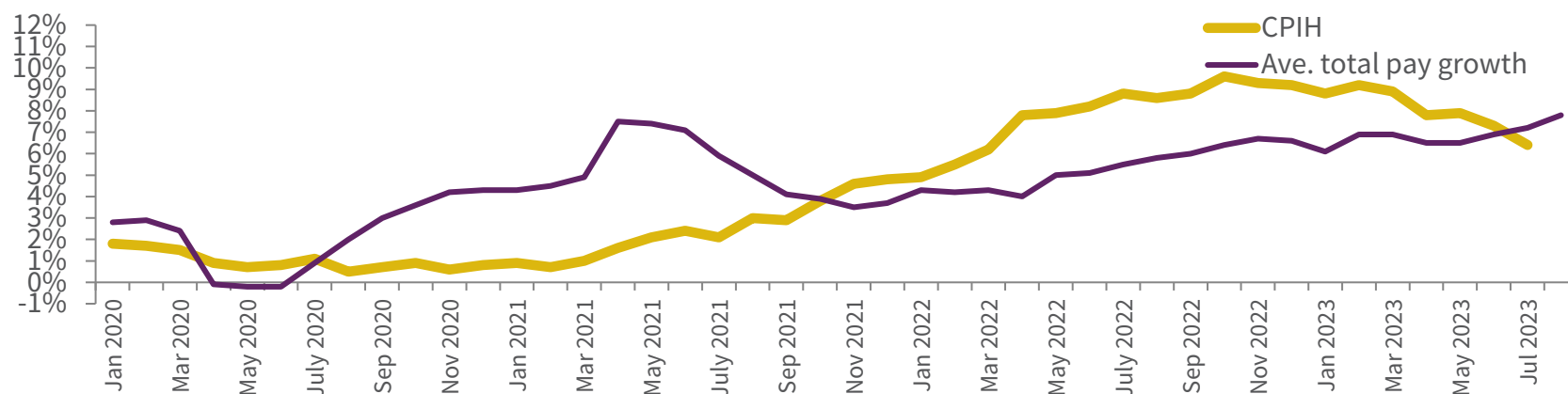
CPI
inflation
6.7%

CPIH
inflation
6.3%

Wages and Employment



To further explore key indicators of the position of the UK economy, we also investigate rates in relation to Wages and Employment: Average pay growth (excl. bonuses) and the Unemployment rate to gauge the employment landscape. Average pay growth (excl. bonuses) for May – July 2023 was 7.8%, remaining the same as the previous 3-month period (Apr-June 2023), the highest rate recorded since comparable records began in 2001. With average wage growth above the rate of inflation, this could have a positive effect on consumers' disposable incomes. The Horticultural Industry faces labour shortages, and difficulty accessing seasonal workers. Businesses are increasingly needing to look to automation and mechanisation to fill the labour gaps. The Unemployment rate went up a further 0.1% to 4.3% between May – July 2023. The employment rate has lowered slightly by 0.2% to 75.5%, adjusting for the number of full-time self-employed workers.



*Surge in income growth seen in spring 2021 is reflective of the year-on-year change to spring 2020 where many workers were on furlough and reduced pay

Unemployment
Rate (May – Jul 23)
4.3%

Average pay
growth (May
– Jul 23):
7.8%

Retail inflation on garden products



Our September trolley
(Sep 2023 vs Sep 2022 price inflation)



Hardy plants,
shrubs & trees
+5%



BBQs & heating
+2%



Growing
media **+5%**



Bedding
plants **+7%**



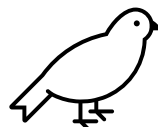
Garden tools
+3%



Plant Care
Products
+5%



Garden furniture
= (0%)



Wild bird care
= (0%)



Seeds
= (0%)

Here we look at the price of individual barcodes transacted in garden centres in September 2023 and September 2022, to calculate a median average rate of inflation within each of the categories featured. Each month we select a 'trolley' of goods that are seasonally appropriate and track the level of price inflation. In the 12 months to September 2023, within our trolley, bedding plants (+7%), plant care products (+5%) and hardy plants (+5%) experienced the highest levels of price inflation, likely due to rising input and ingredient costs due to demand and availability.

The prices customers paid for growing media also increased by 5% due to inflationary pressures, manufacturing costs and demand for peat-free products due to the proposed 2024 retail peat ban. The garden furniture showed no rise in prices (0%) likely due to some retailers (those that are over-stocked) discounting whereas the others were not, averaging each other out.

Retail inflation on plants

(Sep 2023 vs Sep 2022 price inflation)



Shrubs
+5%



Foliage
houseplants
= (0%)



Herbaceous
+10%



Pack bedding **+8%**



Roses **+12%**



Vegetable and
fruit plants
+5%



Climbers **+5%**



Fruit trees &
bushes
= (0%)

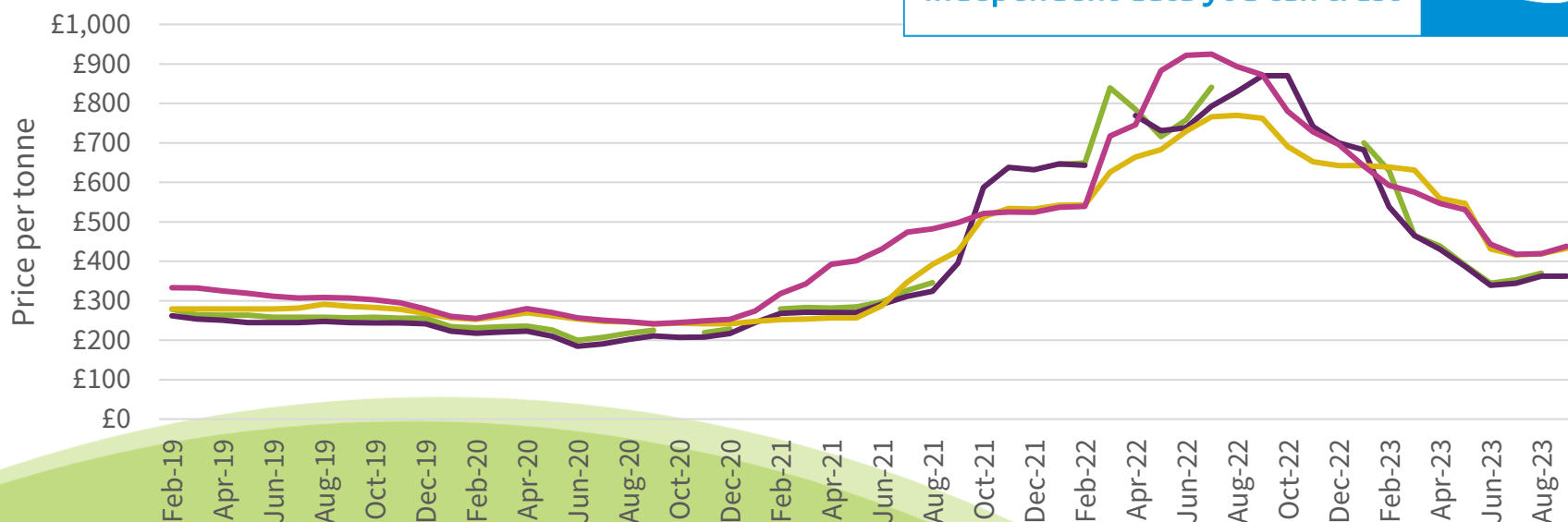
Here we look at retail price inflation across some of the plant categories specifically. Roses (+12%), herbaceous plants (+10%) and pack bedding (+8%) experienced the highest year-on-year price increases, followed by vegetable and fruit plants (+5%), climbers (+5%) and shrubs (+5%). Prices increased for almost all categories except foliage houseplants and fruit trees and bushes which maintained the same price level as previous.

GB Fertiliser Prices

Fertilisers are a major input cost in plant production and rising prices could squeeze businesses' profit margins. Using data supplied by the AHDB, the below graph shows how straight fertiliser prices have changed since 2019. Whilst those included are not typically used in the production of container-grown ornamental crops, nor an exhaustive list of specialist compound fertilisers used by ornamental growers, the data gives a relative indication of N, P and K fertiliser price trends. Apart from Imported Ammonium Nitrate, all components decreased in value from August 2023. There was no new value reported for Ammonium Nitrate (UK) in September and Imported Ammonium Nitrate stayed the same value from August 2023. However, all components are still considerably lower than the prices reported at the same time last year, such as Ammonium Nitrate (Imported) which was down -58% compared with September 2022.

Accurate, timely and
independent data you can trust

AHDB



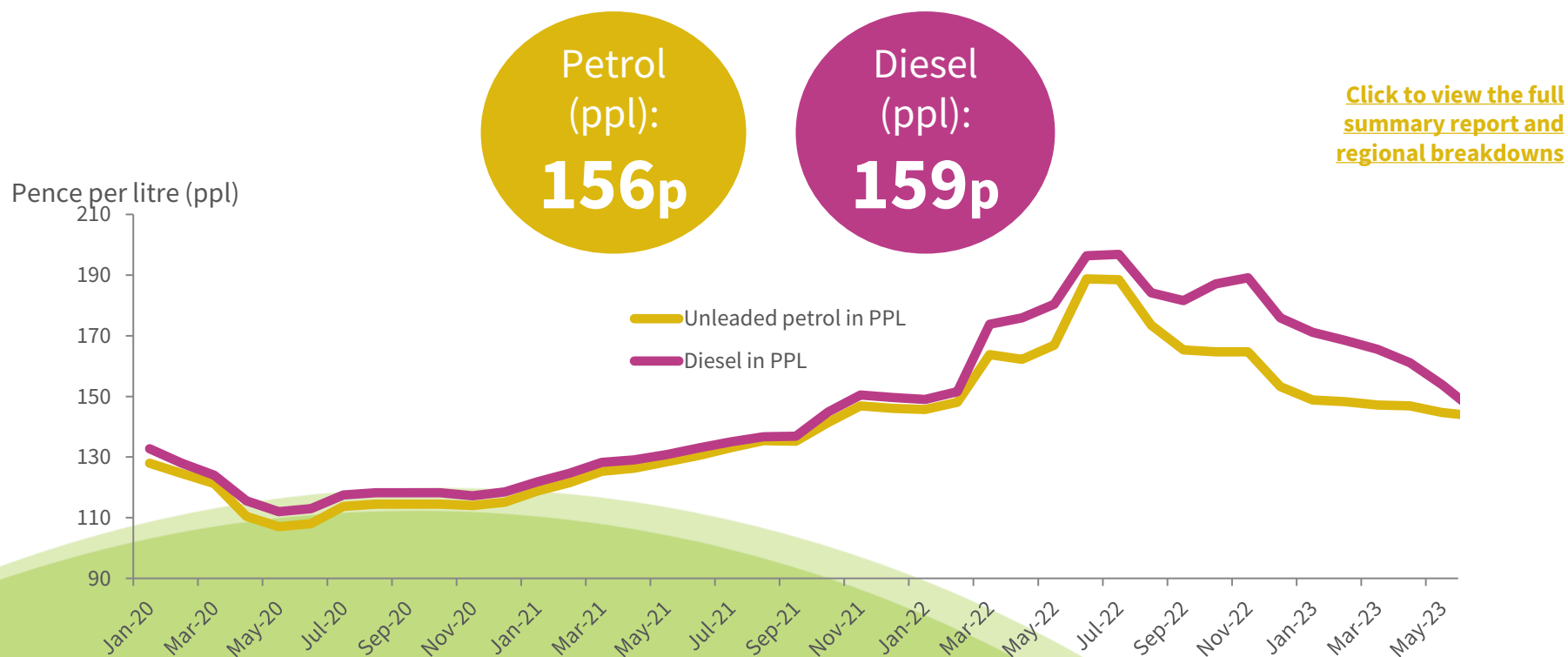
All prices are based on a price per tonne for:

- Full load
- Standard 28-day payment terms
- Bags delivered to site price
- Spot price: prices for delivery within a month (28 days)

- Ammonium Nitrate UK (34.5% N)
- Ammonium Nitrate Imported (34.5% N)
- Muriate of Potash
- Triple Super Phosphate

Vehicle fuel prices

Vehicle fuel prices are monitored periodically to gauge the situation for consumers and businesses alike. Figures reported are national averages measured in pence per litre. For further variations by region, please click the link below to view the data. The average prices for petrol had risen to 156p/litre in September, and diesel was 159p/litre. This equalled to increases of 6.1p/litre in petrol costs and 8.4p/litre in diesel costs from August. Crude oil prices have continued to rise, which consequently affected fuel costs on consumers and businesses transporting goods. In relation to the CPIs, fuel prices contributed to the rise in inflation (page 20).



Closing comments

We hope you enjoyed the format and content of this Market Update.

If you have any questions or would like to see something else included, please don't hesitate to contact marketinfo@hta.org.uk

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