



Market Update: November 2023

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Overview: Key Points



**Overall
October
Garden Centre
sales were up
+2% vs
October
2022**

**Catering sales
were
up +19%
on October
2022**

**Consumer
confidence fell
-9 points
to -30 in
October 2023**

**Garden tools &
equipment
were
up +7%
compared
with
October 2022**

**October 2023
saw
1.2 times
rainfall
than in
October 2022**

Overview: the story this month

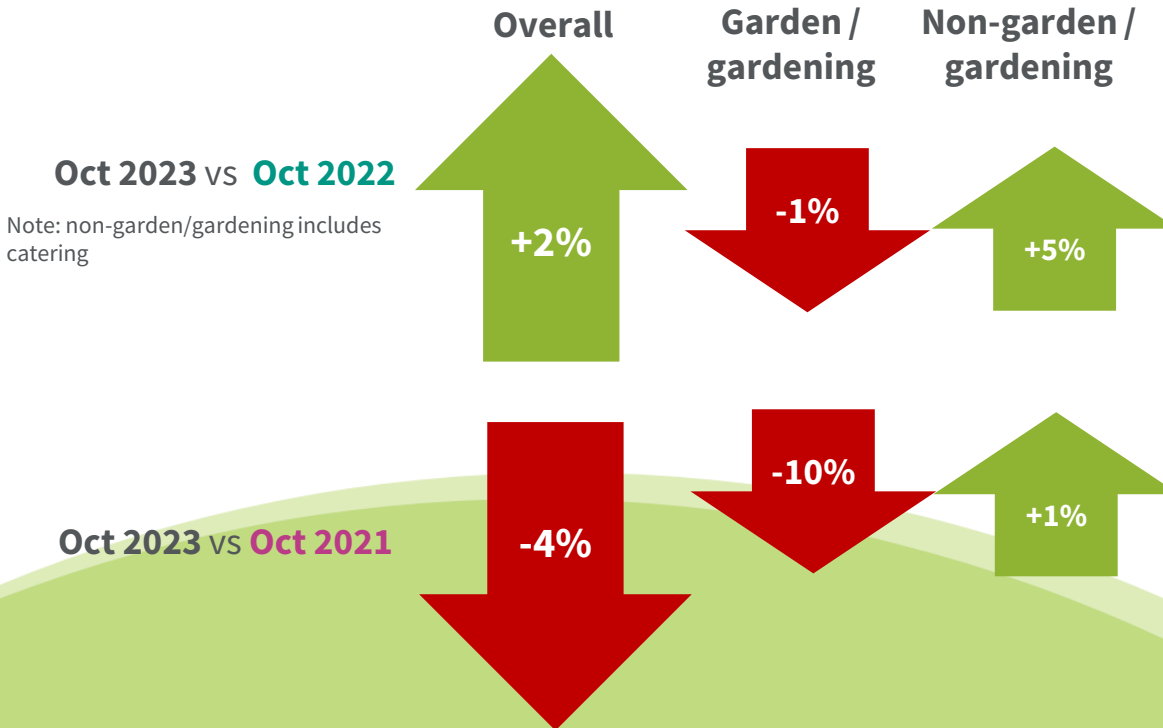
- Despite the warm weather witnessed at the beginning of the month and fewer rainy days than in October 2022, it was the wettest October since 1998 with Storm Babet causing widespread flooding and damage, particularly in Scotland, North-east England and the East Midlands.
- As a result, garden/gardening sales were down -1% versus October 2022, with plant care and tool categories performing well despite dampened appetite for gardening. The Average Transaction Values (ATVs) within the garden store were up slightly by +1% to £23.67 (exc. VAT).
- Non-garden/gardening categories were up +5% on October last year, with catering (+19%) and wild bird care (+10%) categories doing particularly well. ATVs in the café/restaurant were up +4% on October 2022 alongside increased footfall shown in higher transaction numbers of +12% versus October last year. With the weather being duller, consumers may have been seeking shelter and warmth!
- Overall garden centre sales were up +2% compared to October 2022, but October is a relatively small month for sales in the calendar year. Overall sales were down -4% compared to October 2021 where alongside the weather, the leisure time abundance and role of the garden during Covid may have had an effect in the comparisons.
- Calendar year to the end of October comparisons for overall sales remained at +2% with non-garden/gardening categories balancing out a poorer month for garden/gardening categories in October.
- October's Consumer Confidence Index decreased -9 points to July levels of -30. Consumers continued to see little improvement in terms of their personal and overall financial outlooks. As we move into winter, concerns about the price of energy and fuel, along with Christmas expenditure, may all be weighing down on consumers' minds (see more on page 18). The inflation rates may have slowed but prices continue to increase year on year (see page 20).
- With the festive season approaching, providing extra incentives for customers to visit in November/December could be key.

Read on for the detail...

Garden centre sales: October



Overall garden centre sales for October 2023 were up +2% compared to October 2022, but down -4% in comparison to October 2021. October is a relatively smaller month in the year for garden centre sales, making up 7% of total annual sales in 2022. Garden/Gardening category sales were down -1% on October 2022 and -10% compared with October 2021. The poor weather, combined with how gardening flourished during Covid and overall free time in 2021 may have likely contributed to lower sales in October 2023. Non-garden/gardening sales were up +5%, largely due to upward pull from continued strong sales in the café/restaurants. 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: Oct



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. We see inflation affect overall, garden/gardening and non-gardening sales. As detailed on page 5, overall sales in October were up +2%, however volume of sales were flat (0%). This suggests that the slight increase in sales was indicative of inflation. Within the garden/gardening category, sales were down -1% by value and -4% by volume, with plant care and equipment categories performing well (see page 9). Non-gardening/gardening categories sales comparisons also featured a level of price inflation, with sales up +5% but volume only up +2%. Read more about inflation on garden centre products on pages 20 and 21.

| Oct 2023 vs Oct 2022 | Overall | Garden/gardening | Non-garden/gardening |
|-------------------------------------|---------------|------------------|----------------------|
| Value of sales (£, exc. VAT) | +2% | -1% | +5% |
| Volume of sales | 0% (=) | -4% | +2% |

| Oct 2023 vs Oct 2021 | Overall | Garden/gardening | Non-garden/gardening |
|-------------------------------------|------------|------------------|----------------------|
| Value of sales (£, exc. VAT) | -4% | -10% | +1% |
| Volume of sales | -7% | -15% | -2% |

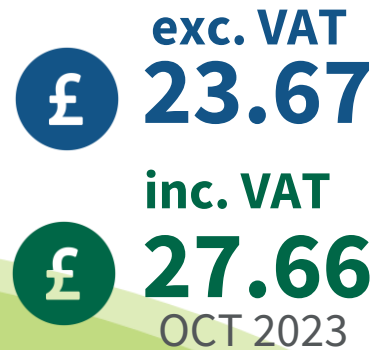
October Transaction Numbers and Average Transaction Values (ATVs): In the Garden Store

Transaction numbers for the Garden Store were -4% versus October 2022, indicating decreased footfall into the store versus last year, likely driven by the prolonged wet weather and storms. But sales in the garden/gardening categories were only down -1%, suggesting although fewer transactions, the baskets were of slightly higher value. The ATV up +1% versus October 2022, at £23.67. Transaction numbers were flat (0%) versus October 2021, but garden/gardening sales were down -10%, suggesting that items in the basket were of lower value this October compared to October 2021. This is supported by the Average Transaction Values analysis which showed a decrease of -3% compared to October 2021.

Transaction Numbers: Garden Store



Average Transaction Values (ATVs): Garden Store



| VS OCT 2022 (exc. VAT) | VS OCT 2021 (exc. VAT) |
|---------------------------|---------------------------|
| +1% (£23.40) | -3% (£24.30) |

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

Transaction Numbers in the garden centre café/restaurant in October 2023 were +12% versus October 2022. Footfall stayed strong as more consumers may have sought shelter from the poor weather and storms if they did venture out. Average Transaction Values (ATVs) in the café/restaurant were also strong, up +4% compared to October 2022 to £10.85 (exc. VAT). We see catering sales continuing to do well, up +19% compared with October 2022 (see page 10). Food price inflation was still likely to be playing a role (more on this in page 20 where we discuss CPIH and CPI).

Transaction Numbers: Café/restaurant



OCT 2023 vs OCT 2022

Average Transaction Values (ATVs): Café/restaurant



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

Garden centre sales: detailed Oct breakdown part 1



Garden/gardening category sales overall were down -1% on October 2022. Despite a warm start to October, footfall (transaction numbers were down -4%) and the ability to garden was severely impacted mid-month by Storm Babet which contributed to the wettest October in 25 years (see pages 12 & 13).

The top 3 performing categories were Plant care products (+8%), Garden Tools (+7%) and Garden features (+7%) in comparison to October 2022, however some of these categories were affected by price inflation (page 20 & 21).

Plant sales suffered at the hands of the weather in October 2023, but show strong performance for year-to-date comparisons (Bedding was +12% and Hardy plants were +10%). October is however, a relatively small month for gardening categories.

| Category | Oct 2023 vs 2022 | YTD Oct 2023 vs 2022 | Oct 2023 vs 2021 |
|------------------------------|------------------|----------------------|------------------|
| Bedding plants | -2% | +12% | -9% |
| Hardy plants, shrubs & trees | -1% | +10% | -8% |
| Indoor plants | -9% | 0% (=) | -17% |
| Seeds (excl. grass seed) | 0% (=) | +8% | -14% |
| Bulbs | +1% | +3% | -8% |
| Plant care products | +8% | +6% | +12% |
| Garden tools & equipment | +7% | 0% (=) | -12% |
| Garden features & structures | +7% | -12% | -19% |
| Outdoor containers | -7% | -12% | -25% |

YTD: Calendar year to end of October

Garden centre sales: detailed Oct breakdown part 2

Non-garden/gardening sales were up +5% compared with October 2022 and up slightly at +1% versus October 2021. Except for bird care and Indoor living categories, all categories were up, comparing calendar year to end of October 2023 and October 2022.

Catering stayed strong at +19% versus October 2022, +31% compared to October 2021 and +24% for the Year to End of October 2023 in comparison to 2022. This is also indicated in footfall with transaction numbers for the café/restaurant being up +12% compared to October 2022 (see page 8).

Another strong performing category was wild bird care, which was up +10% in comparison to October 2022, but down -2% versus October 2021. The year to end of October 2023 versus 2022 for wild bird care was also down -3%. Due to the war in Ukraine, demand and supply of materials may have had an effect.

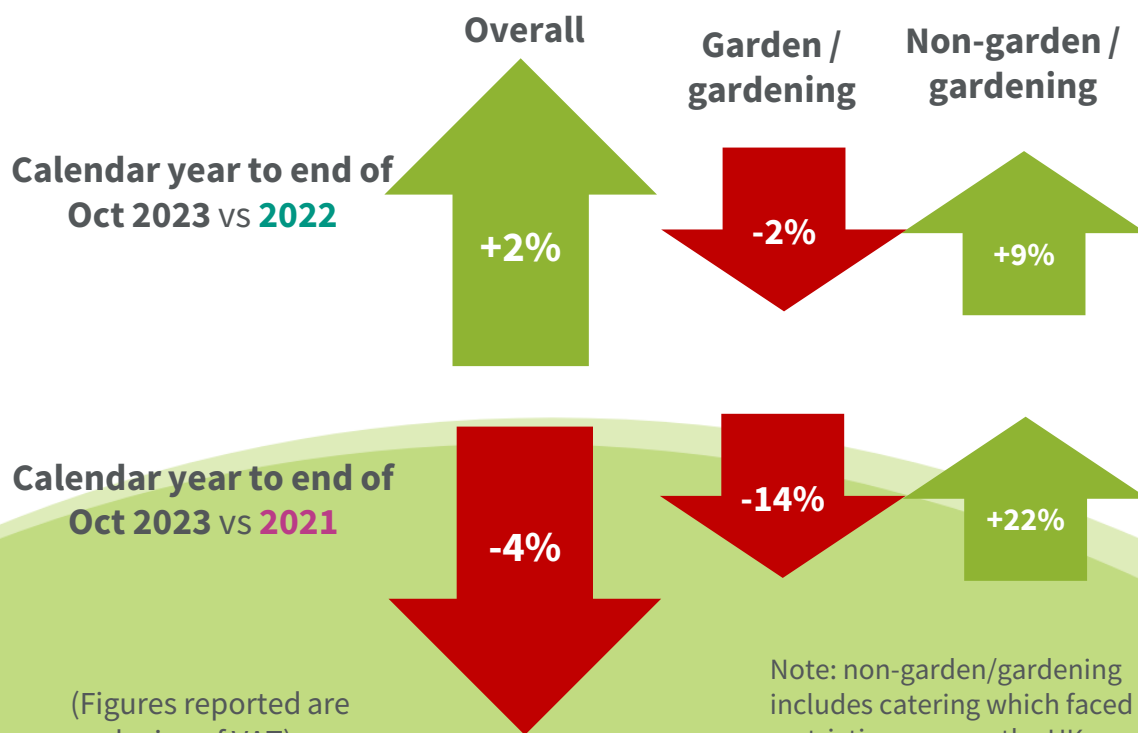
| Category | Oct 2023 vs 2022 | Oct YTD 2023 vs 2022 | Oct 2023 vs 2021 |
|---------------------------|------------------|----------------------|------------------|
| Indoor living & homewares | -9% | -5% | -23% |
| Gifting | +6% | +2% | +2% |
| Wild bird care | +10% | -3% | -2% |
| Pets | +2% | +6% | +4% |
| Food & farm shop | +8% | +9% | -1% |
| Catering | +19% | +24% | +31% |
| Christmas | -6% | +8% | -12% |

YTD: Calendar year to end of October

Garden centre sales: calendar year to end of October



With poor weather seen overall in October, we see the overall YTD to the end of October 2023 versus 2022 stabilise at +2%, the same as year to end of September 2023. Although garden/gardening sales tracked slightly behind last year (-2%), non-garden/gardening categories have balanced this out - in particular catering and food & farm shop categories which were up +19% and +9% respectively versus year to end of October 2022. Plant sales have been strong this year, including bedding and hardy plants (+12% and +10% respectively) despite not doing so well in the month of October. In comparison to 2021, calendar year to the end of October 2023 showed lower garden/gardening YTD sales (-14%), reflecting the Covid lockdowns. Similarly, YTD comparisons to 2021 within the non-garden/gardening category are reflective of Covid restrictions severely impacting catering in 2021, at +22%.



How are these figures calculated?

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


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


(Figures reported are exclusive of VAT)

Weather




Overall, October 2023 was duller and cooler than October 2022, recording the wettest October for the UK in 25 years. Although there were warm days earlier in the month, the reported mean temperature was 0.8 degrees Celsius cooler than October 2022. We also saw regional variation not only in temperature but in rainfall. Overall, there was much more rainfall in October 2023 compared to October 2022, largely thanks to Storm Babet. But the storm caused prolonged, heavy rainfall for many parts of the country particularly Northern parts of the UK, with Eastern Scotland being one of the worst regions affected. For regional breakdowns, please see page 13.

| | Oct 2023 | Oct 2022 |
|--|-------------|--------------|
|  Hours of sunshine | 84.8 | 104.7 |

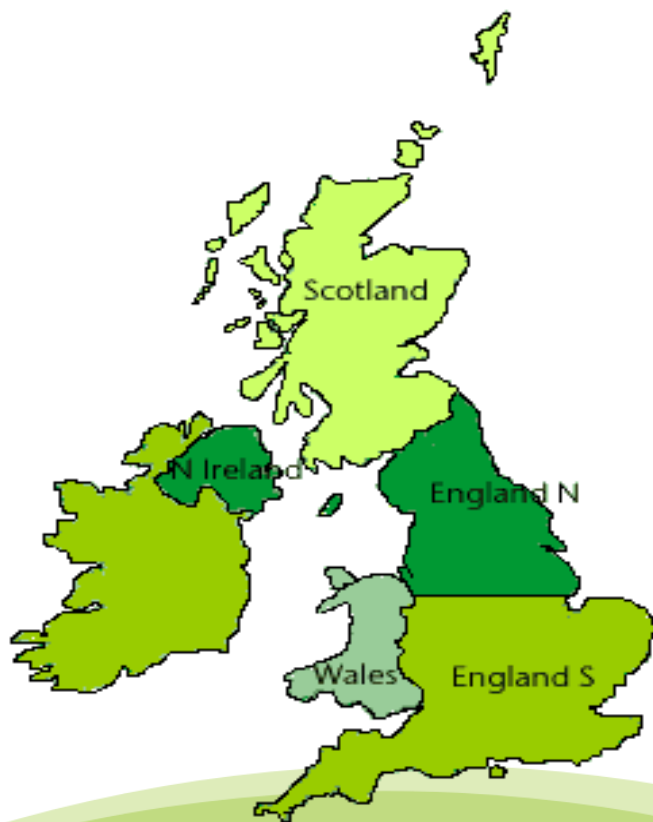
| | Oct 2023 | Oct 2022 |
|--|--------------|--------------|
|  Rainfall (mm) | 171.5 | 147.5 |

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.

| | Oct 2023 | Oct 2022 |
|---|-------------|-------------|
|  No. of rain days | 16.9 | 19.2 |

| | Oct 2023 | Oct 2022 |
|---|-------------|-------------|
|  Mean temperature (Celsius) | 10.8 | 11.6 |

Weather by region

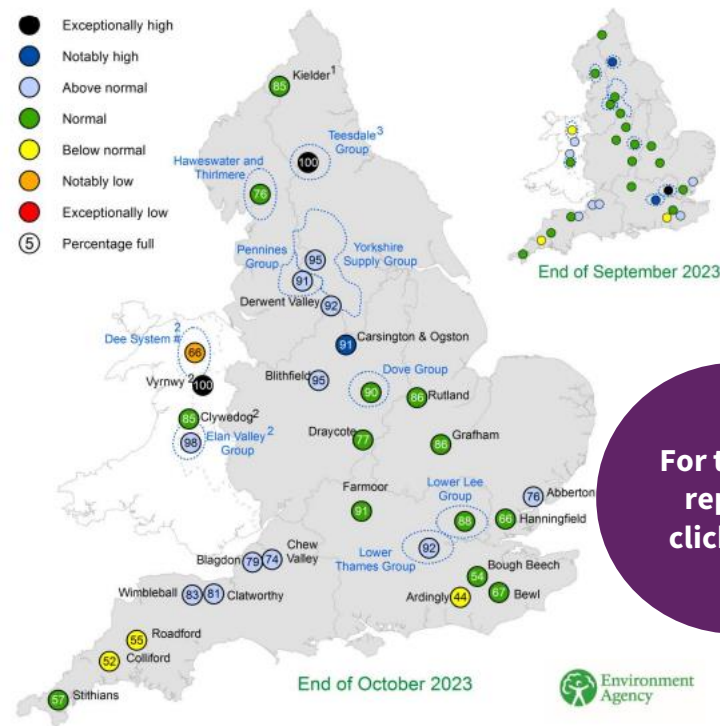


| Region | Mean Temp (Degrees Celsius) | Sunshine Hours | Rainfall (mm) |
|------------------|-----------------------------|----------------|---------------|
| Overall | 10.8 | 84.8 | 171.5 |
| South England | 12.8 | 106.4 | 142.7 |
| North England | 10.7 | 73.0 | 155.6 |
| Wales | 11.5 | 82.8 | 208.6 |
| Scotland | 8.3 | 69.4 | 198.7 |
| Northern Ireland | 10.9 | 80.1 | 191.8 |

In October 2023, the wettest region was Wales, which was 1.5 times wetter than the South of England, but rainfall was fairly typical for the time of year, as it was in Scotland. Southern England was the driest and sunniest region, 1.5 times sunnier than Scotland. As mentioned previously, Storm Babet also hit the UK mid-October, particularly affecting Scotland, North-east England and East Midlands.

Current reservoir levels

Thanks to the heavy rainfall, total reservoir stocks for England went up by 3% to 84% overall in October 2023. Storage levels increased in two-thirds of the reservoir groups across the country. Three-quarters of all storage were classified as normal or above normal levels.



For the full reports click here

Forecast river flows

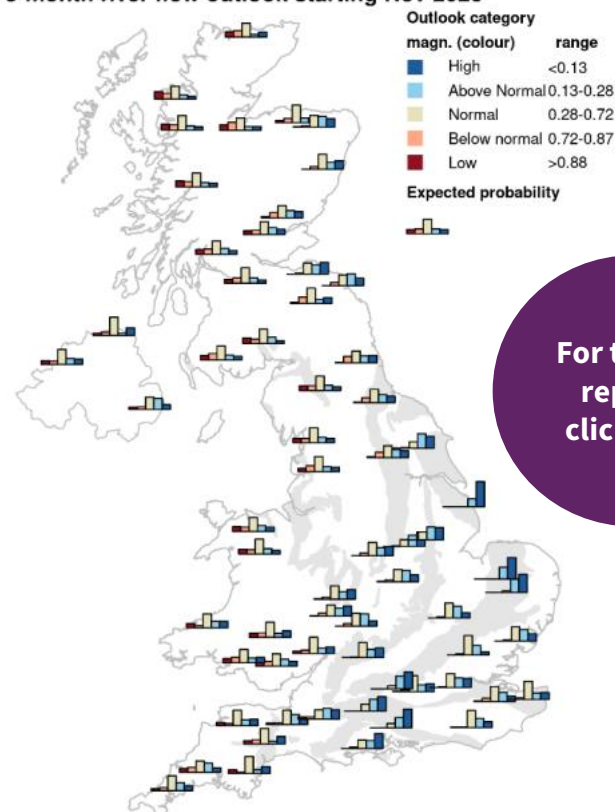
In the 3-month Outlook starting November 2023, river flows are expected to be normal or above normal for the next 3 months. This however does not extend to catchments in North-Western Scotland where flows are expected to be normal to below normal.

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 Nov 2023

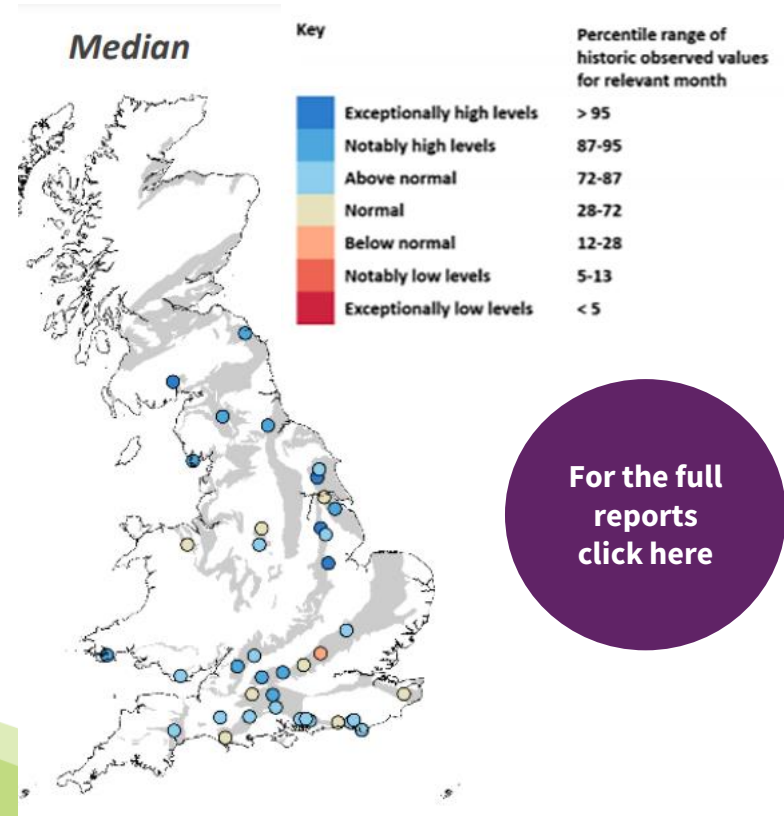


For the full reports click here

Forecast groundwater levels

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

For the November 2023 to January 2024 forecast, groundwater levels are expected to be above normal to notably high. Certain areas such as Wessex and South Downs Chalk are at risk of groundwater flooding.



For the full reports click here

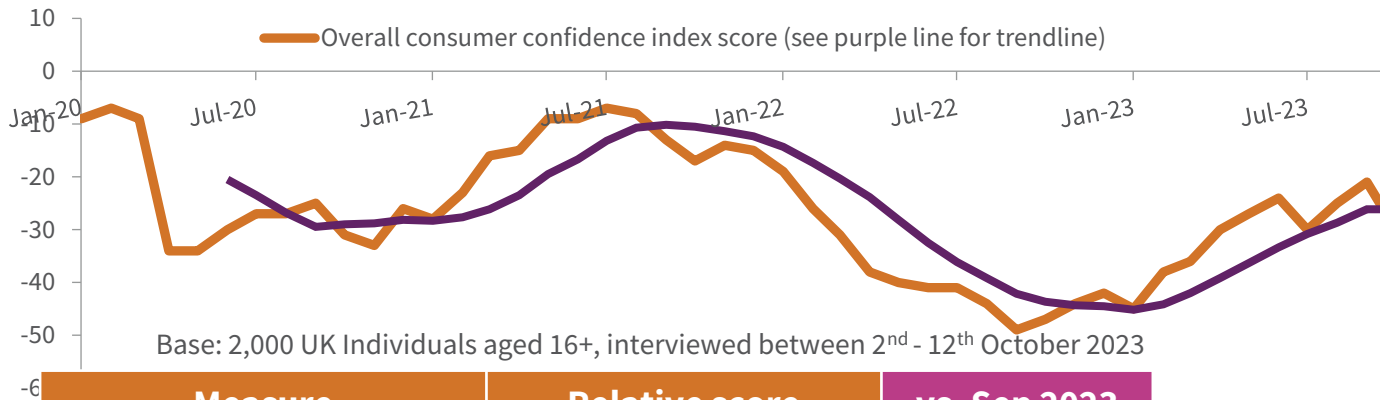
The current water situation

- 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. Access the latest update from the Group here: <https://www.gov.uk/government/news/time-to-invest-in-our-water-security>
- Weather continues to be unpredictable, October 2023 was the wettest of its month in 25 years. Reservoir levels were normal or above normal as Storm Babet took effect in certain parts of the country. 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 severe drought. September also saw the introduction of water efficiency labels for household products to allow consumers to be more conscious of their own water use: <https://www.gov.uk/government/news/household-goods-to-carry-water-efficiency-labels>
- 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 fell -9 points in October 2023 (back to the score seen in July) - but was up +17 points compared to October 2022. All measures have fallen in varying levels, with the major purchase index showing the largest fall of -14 points and the Saving Index increased by 2 points. Finances come under pressure as the festive season approaches, as households juggle preparations for Christmas and costs of fuel and energy. The conflict in the Middle East adds further uncertainty, creating an overall depressed economic mood.



Overall index score for October: **-30**

*this is 9 points lower than Sep 2023

| Measure | Relative score (October 2023) | vs. Sep 2023 |
|---|-------------------------------|---|
| <u>Personal financial situation:</u> during last 12 months over next 12 months | -19 -8 | 6 points lower 6 points lower |
| <u>General economic situation:</u> during last 12 months over next 12 months | -54 -32 | 7 points lower 8 points lower |
| Major Purchase Index | -34 | 14 points lower |
| Savings Index | 25 | 2 points lower |

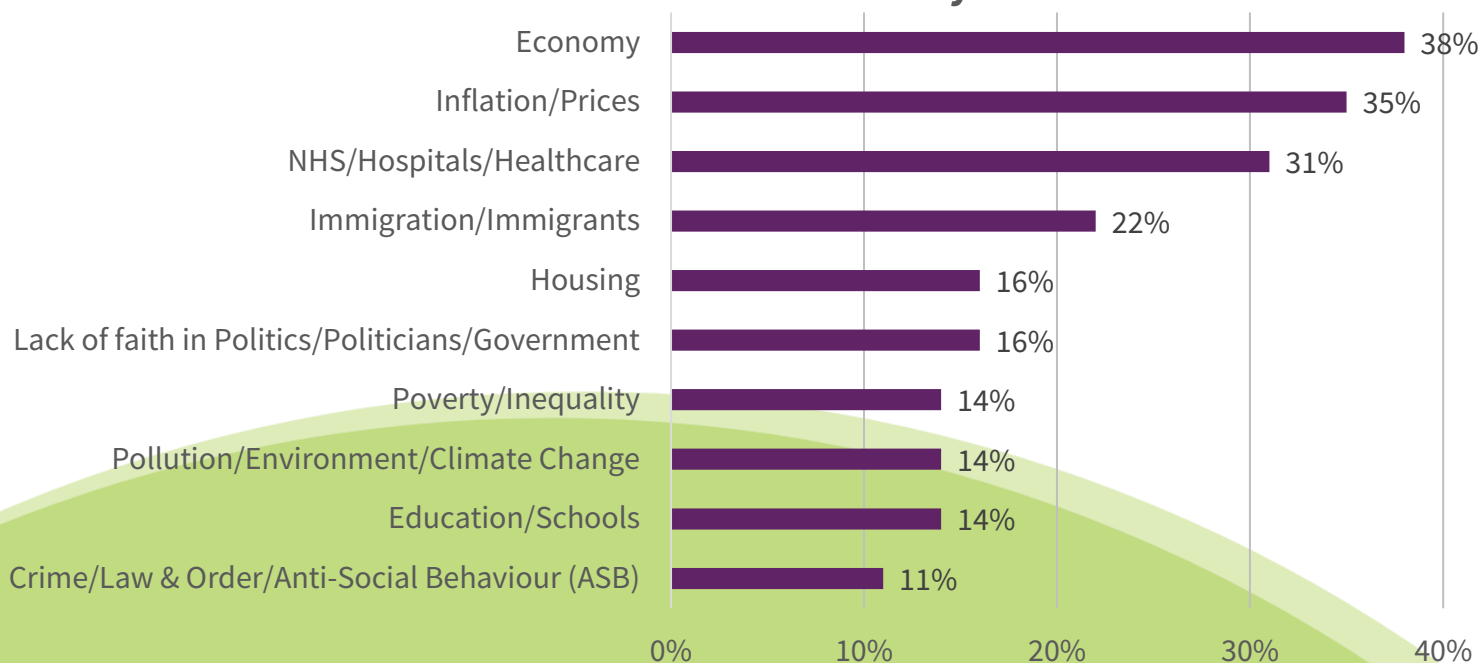
Consumers are asked how the financial position of their household has changed over the last year and is expected to change in the next year, as well as that of the general economy. They're also asked if they believe 'now' is a good time to make major purchases or to be saving money. The first three measures 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 October, the top 3 Consumer Concerns were Economy, Inflation and the NHS, remaining unchanged from September. The country remains in a depressed state regarding the economic climate (more on page 18). Although Storm Babet affected many parts of the country, we see Climate Change in 8th position, with more pressing worries regarding housing, lack of faith in Politics (with ministerial reshuffles) and Poverty/Inequality (with the cost-of-living crisis as an example). We also see concerns over the war in Ukraine, the Middle East conflict as well as NHS strike action with dates in October, disrupting vital services and appointments.

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

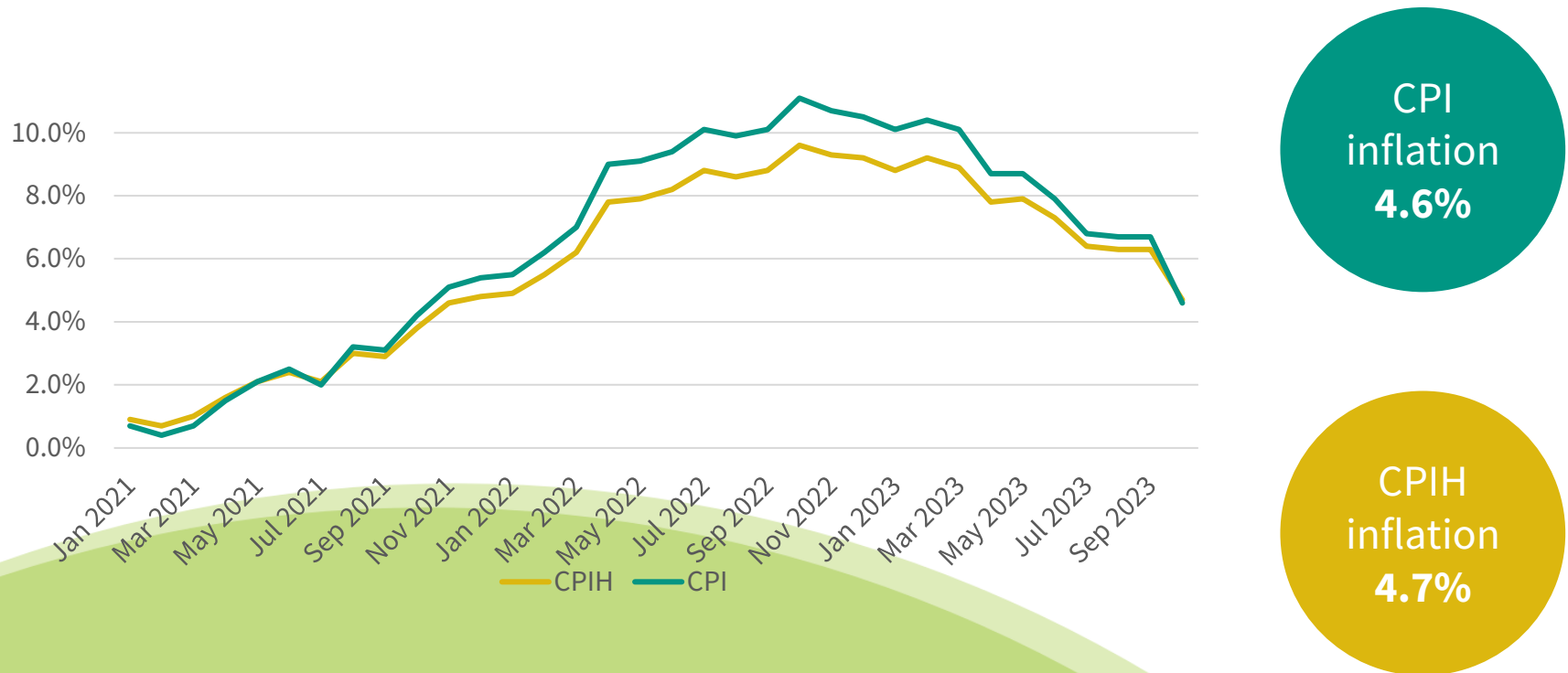


| Change since Sep: | |
|-------------------|----------|
| % | Position |
| +1 | = |
| +5 | = |
| +3 | = |
| -4 | = |
| +1 | ↑+1 |
| +1 | ↑+1 |
| +2 | ↑+2 |
| -4 | ↓-2 |
| -1 | ↑+1 |
| +4 | ↑+1 |

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 4.6%, coming down by 1.7% from August and the CPIH was 4.7%, falling by 1.6%. This rate is the lowest it has been since November 2021. The largest downward contributors were from housing and household services, as well as food and non-alcoholic beverages. Nevertheless, this rate is still relatively high and contributing to food inflation (page 10 discusses catering sales relating to food inflation).



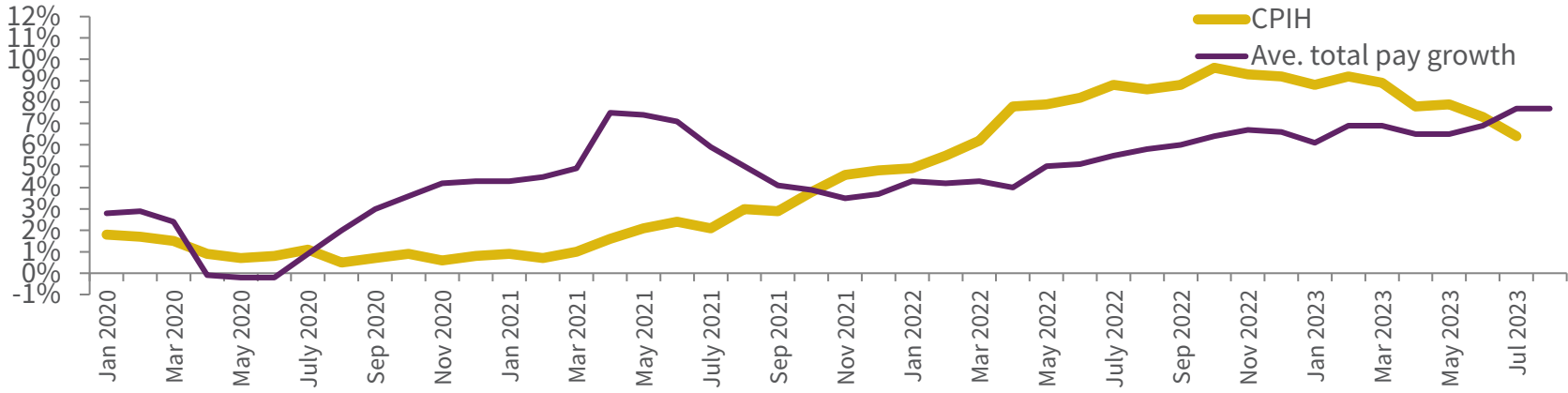
CPI
inflation
4.6%

CPIH
inflation
4.7%

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. Average pay growth (excl. bonuses) for July – September 2023 was 7.7%, lowering by 0.1% on the previous quarter, May – July 2023, but still among the highest rate recorded since comparable records began in 2001. We continue to see potential positives with regards to disposable incomes as average pay growth remains above rate of inflation. 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 UK unemployment rate went down 0.1% to 4.2% between July-September 2023, remaining largely unchanged. The employment rate has lowered slightly by 0.1% to 75.7%, 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 (Jul – Sep 23)
4.2%

Average pay growth (Jul – Sep 23):
7.7%

Retail inflation on garden products

Our October trolley (October 2023 vs October 2022 price inflation)



Hardy plants,
shrubs & trees
+3%



BBQs & heating
+3%



Growing
media **+6%**



Bedding
plants **+4%**



Garden tools
+4%



Plant Care
Products
+4%



Plastic pots
+8%



Tree
decorations **= (0%)**

Here we look at the price of individual barcodes transacted in garden centres in October 2023 and October 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 October 2023, within our trolley, growing media prices increased the most by 6% due to inflationary pressures, manufacturing costs and demand for peat-free products due to the proposed 2024 retail peat ban. Also, plastic pots (+8%), bedding plants (+4%), plant care products (+4%) and garden tools (+4%) experienced high levels of price inflation, likely due to rising input and ingredient costs. Although Christmas products' have only just started to sell through in garden centres, the prices stayed the same as October 2022.

Retail inflation on plants

(October 2023 vs October 2022 price inflation)



Shrubs
+3%



Foliage
houseplants
= (0%)



Herbaceous
+2%



Pack bedding **+13%**



Roses
= (0%)



Vegetable and
fruit plants
+3%



Climbers **+7%**



Fruit trees &
bushes
+4%

Here we look at retail price inflation across some of the plant categories specifically.

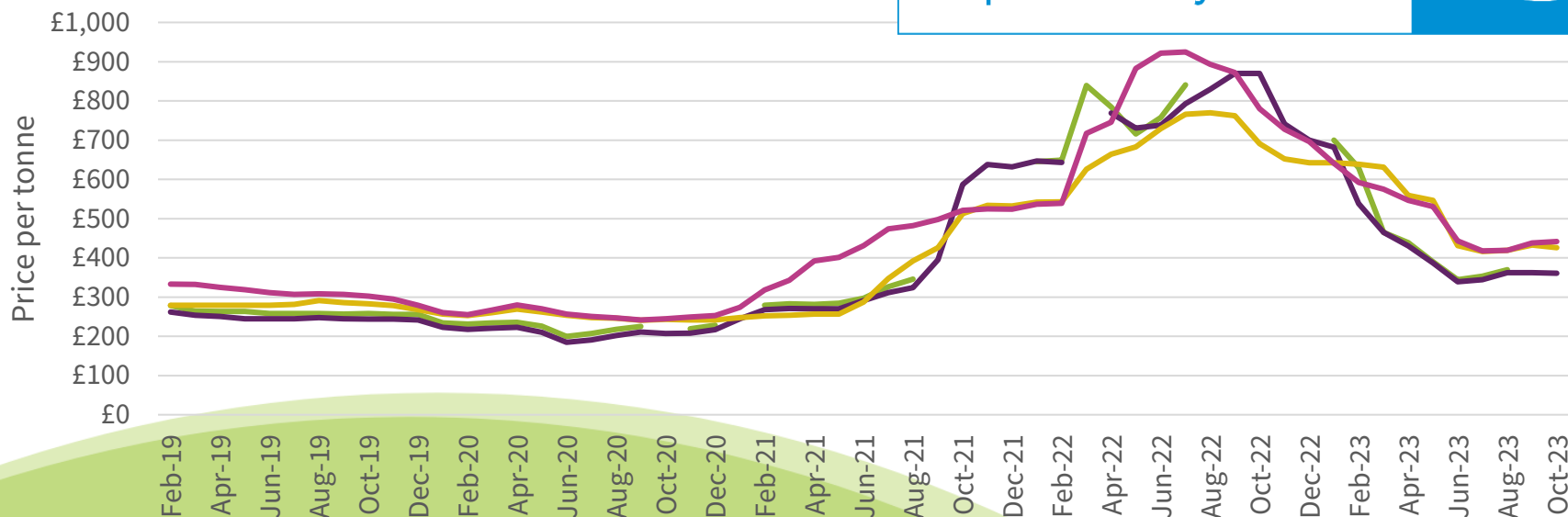
Pack bedding (+13%) showed the biggest rise in prices. Climbers (+7%), fruit trees and bushes (+4%) and shrubs (+3%) along with vegetable and fruit plants (+3%) also experienced price inflation.

Prices increased for almost all categories in our trolley except foliage houseplants and roses which maintained the same price level as October 2022.

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. All components had modest changes in value compared to September 2023. There was no new value reported for Ammonium Nitrate (UK) in October, and largest decrease was in Muriate of Potash at a -2% decrease. 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 October 2022.

Accurate, timely and independent data you can trust

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

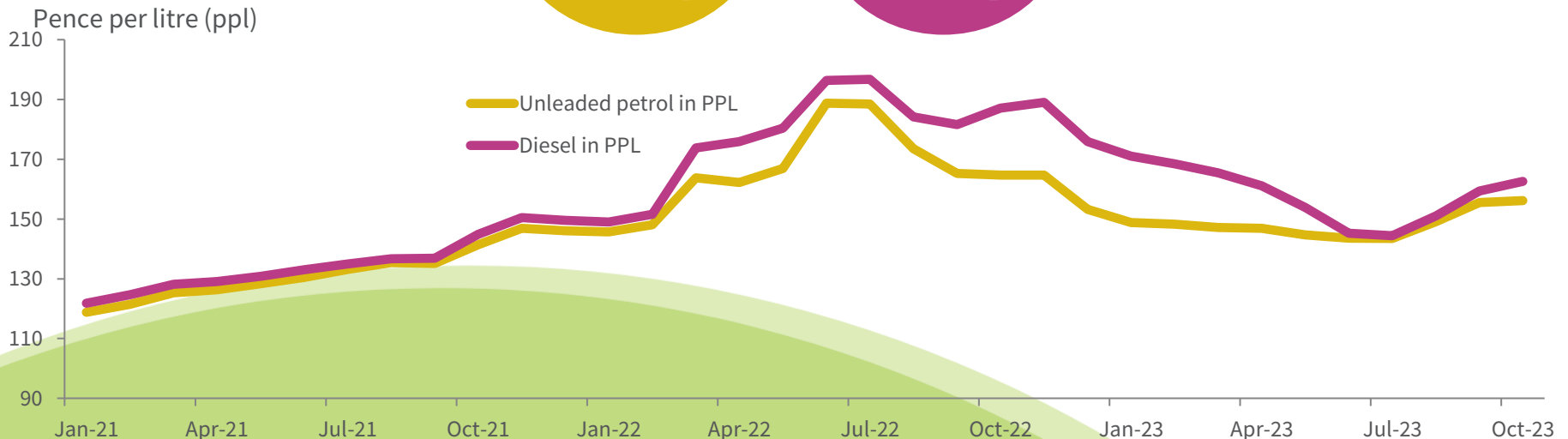
Vehicle fuel prices

Vehicle fuel prices are monitored monthly 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 price for petrol was 156p/litre in October, and diesel rose to 163p/litre. This equalled increases of 0.7p/litre in petrol costs and 3.2p/litre in diesel costs from September. Crude oil prices have continued to rise, which consequently affected fuel costs on consumers and businesses transporting goods.

Petrol (ppl):
156p

Diesel (ppl):
163p

[Click to view the full summary report and regional breakdowns](#)



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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