



Market Update: March 2024

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Overview

- The weather once again dominated conversation in February 2024, bringing more than 3 times the rainfall of the dry February 2023 to the UK overall, with the southern half of England having almost 15 times more rainfall!
- Despite this and some regional variation in performance, overall garden centre sales were up +6% on February 2023 and +11% on February 2022, with weaker garden/gardening sales largely buoyed by strong performing cafes and restaurants, a welcome positive with Spring incoming.
- Some plant category sales were clearly impacted by the weather, with Hardy plants sales down -6% compared to February 2023, and Seeds sales down -4%. Nevertheless, consumers were preparing for the main gardening season by buying bedding plants (+6%) and bulbs (+6%), or choosing to add plants to their homes (indoor plants were up +5%).
- Consumer confidence dipped slightly in February, however with the spring budget announced early in March, the affects of the Chancellor's announcements are yet to be seen. The NHS overtook financial concerns to become the top issue worrying consumers, only the second time this has happened since immediately before the Covid-19 pandemic in February 2020.
- As uncertainty continues in the Middle East, crude oil prices shot up in February 2024 pushing up fuel prices after a few months of decline. Prices of shipping containers still remain a challenge, with costs 82% more than an equivalent container in February 2023.
- Going into Spring, businesses are faced with further challenges to profitability with the nearing rise to National Living Wage in April and uncertainties around Cross Border Trade, but appetite for gardening and the garden centre offering remains strong.

Key Points: February



Overall February Garden Centre sales were **up +6%** vs February 2023

Catering sales were **up +20%** on February 2023

Consumer confidence fell -2 pts to -21 but remains **up +18pts** above February 2023

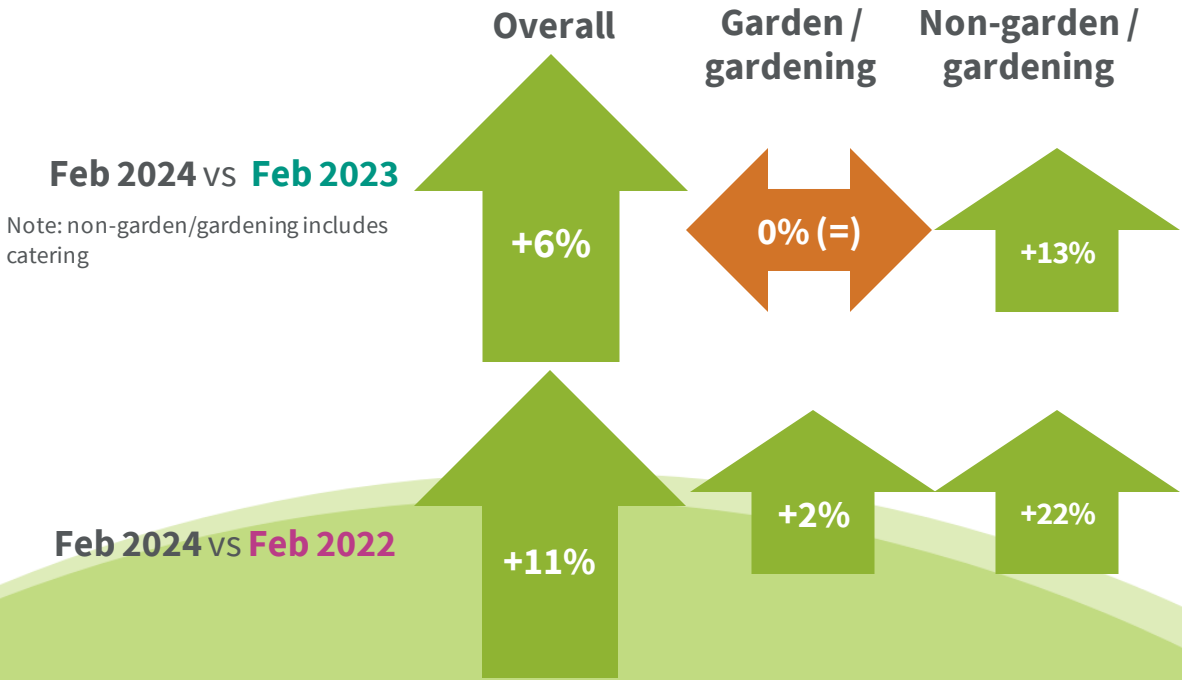
February 2024 saw **3.2 times** the rainfall of February 2023 overall across the UK

Hardy plants were **down -6%** vs February 2023 amidst wet weather

Garden centre sales: February



Overall sales were up +6% in February 2024 compared to February 2023, and up +11% on February 2022. This is despite the poor weather seen in February and difficulty for many consumers getting into the garden. We also saw some variation in the sales figures amongst retailers, likely a factor of location in the country and regional weather extremes. Non-garden/gardening categories counterbalanced weaker gardening sales, with sales up +13% compared to February 2023, and +22% versus February 2022, with catering contributing strongly to this (see more on page 10). Garden/gardening categories were flat versus February 2023 and +2% versus February 2022, however with transactions up on February 2023 and February 2022 (see page 7), this would indicate more purchases of lower priced items.



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: Feb



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. Inflation influenced sales figures in both year on year comparisons, though the volumes indicate strong demand. February 2024 versus February 2023 saw non-garden/gardening sales up +13% by value, meanwhile sales volumes were up +10% for example. According to the British Retail Consortium, food price inflation has slowed but was recorded at 5% in February, the lowest level since May 2022.

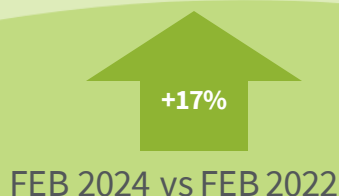
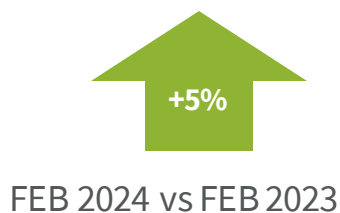
Feb 2024 vs Feb 2023	Overall	Garden/gardening	Non-garden/gardening
Value of sales (£, exc. VAT)	+6%	0% (=)	+13%
Volume of sales	+6%	+1%	+10%

Feb 2024 vs Feb 2022	Overall	Garden/gardening	Non-garden/gardening
Value of sales (£, exc. VAT)	+11%	+2%	+22%
Volume of sales	+16%	+12%	+19%

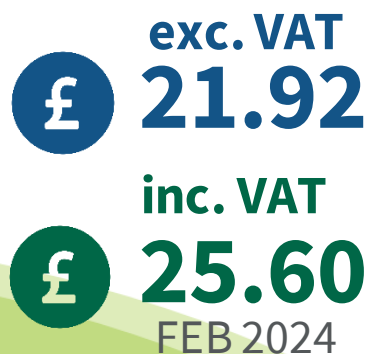
February Transaction Numbers and Average Transaction Values (ATVs): In the Garden Store

Weather conditions were not ideal for gardening (and travel) in February, but this didn't stop consumers coming to garden centres and their cafes (page 8) with transaction numbers up +5% for garden stores compared to February 2023. By comparison, the British Retail Consortium Footfall Monitor of retail parks and high streets was down -6.2%, further highlighting garden retail success last month. However, the Average Transaction Value was £21.92 for February 2024, down on both year-on-year measures (-2% versus February 2023 and -7% versus February 2022). This would indicate more lower ticket items being purchased in February 2024. Further insights into garden category breakdowns can be seen on page 9, and inflation on garden products on page 20 & 21.

Transaction Numbers: Garden Store



Average Transaction Values (ATVs): Garden Store



VS FEB 2023 (exc. VAT)	VS FEB 2022 (exc. VAT)
-2% (£22.31)	-7% (£23.62)

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

Transaction numbers were up +10% compared with February 2023 in the café/restaurant and the Average Transaction Value was £10.44, up +3% on February 2023, likely indicative of price inflation. Transaction numbers were much higher compared to February 2022 (+30%) but the ATV was down -3%. This suggests that there is strong consumer demand for a small treat in the cafe/restaurant despite the current economic climate.

Transaction Numbers: Café/restaurant



FEB 2024 vs FEB 2023



FEB 2024 vs FEB 2022

Average Transaction Values (ATVs): Café/restaurant

exc. VAT
 **10.44**

inc. VAT
 **11.99**

FEB 2024

VS FEB 2023 (exc. VAT)	VS FEB 2022 (exc. VAT)
+3% (£10.15)	-3% (£10.75)

Garden centre sales: detailed Feb breakdown part 1



Garden/gardening categories did well overall despite the wet weather, with sales on par with February 2023 and up +2% on February 2022.

A considerably wetter February 2024 dampened sales of some core gardening categories (Hardy plants -6%, Seeds -4% and Garden Tools -4%), however, bedding, bulbs and indoor plants performed well (+6%, +6% and +5% respectively). The picture was similar compared with February 2022.

Year to end of February 2024 versus 2023 comparisons showed bedding plants, bulbs and garden features performing well albeit in the relatively smaller months of January and February, with hardy plant sales likely suffering with the poorer weather.

Category	Feb 2024 vs 2023	YTD Feb 2024 vs 2023	Feb 2024 vs 2022
Bedding plants	+6%	+6%	+21%
Hardy plants, shrubs & trees	-6%	-4%	+8%
Indoor plants	+5%	+2%	+3%
Seeds (excl. grass seed)	-4%	-1%	+21%
Bulbs	+6%	+5%	+22%
Plant care products	-2%	+2%	+21%
Garden tools & equipment	-4%	-3%	+13%
Garden features & structures	+3%	+5%	-8%
Outdoor containers	-9%	-5%	-14%

YTD – Calendar year to end of February

Garden centre sales: detailed Feb breakdown part 2

February saw strong non-garden/garden category sales, up +13% overall on February 2023, and +22% on February 2022.

Catering shone in both year-on-year comparisons, up +20% compared to February 2023 and +50% on February 2022 where after effects of Covid restrictions lingered. This is reflective of strong increase in demand rather than inflation which played only a small role (see page 8).

When comparing with February 2023, all categories were up. Food & farm shop, wild bird care and gifting performed particularly well (+22%, +11% and +8% respectively). Comparisons were also good versus two years ago, with nearly all categories up on February 2022 too (excluding indoor living). Besides catering, food & farm shop and gifting were also strong performers, a positive position ahead of Mother's day and Easter gift-giving.

All categories were up on year-to-end of February comparisons.

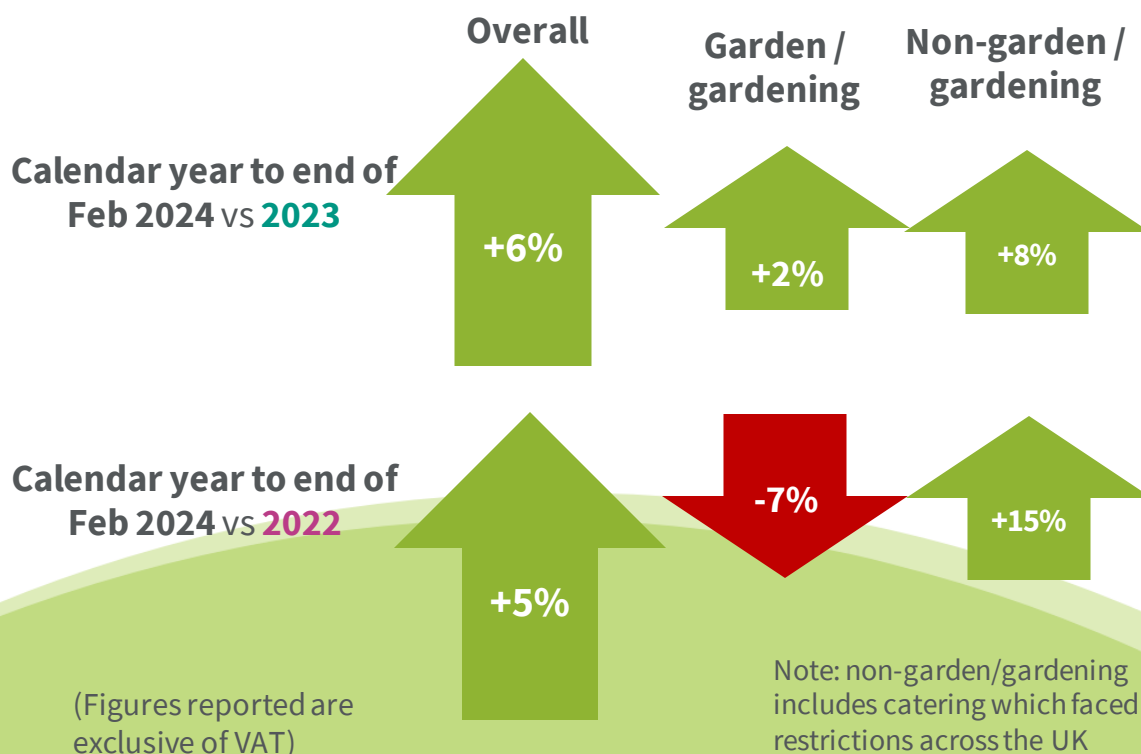
Category	Feb 2024 vs 2023	YTD Feb 2024 vs 2023	Feb 2024 vs 2022
Indoor living & homewares	+5%	+1%	-6%
Gifting	+8%	+4%	+15%
Wild bird care	+11%	+15%	+7%
Pets	+7%	+4%	+9%
Food & farm shop	+22%	+18%	+26%
Catering	+20%	+18%	+50%

YTD – Calendar year to end of February

Garden centre sales: calendar year to end of February



Year-to-end of February sales were up +6% on the same period in 2023 and up +5% on 2022. Boosted by catering and food & farm shop categories (page 10), non-garden/gardening categories did well in both two year comparisons, especially compared to year-to-end of February 2022 (up +15%). Although garden/gardening categories did not do as well compared to 2022 (down -7%), the first two months of the year are relatively small for gardening and the category saw modest growth when compared to year-to-end of February 2023 (up +2%) despite challenging weather conditions.



How are these figures calculated?


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Weather




February 2024 was a considerably wetter, duller month than February 2023. The UK saw 3.2 times the rainfall and 2.4 times the number of rain days of those seen in February 2023. However, it was the 2nd mildest February on record for the UK, with the warmest being in 1998. The extent of rainfall was varied across the UK (see page 13) and dampened consumer ability to garden, meanwhile grower s continue to face challenges producing plants as the seasons become more unpredictable.

	Feb 2024	Feb 2023
 Hours of sunshine	56.7	70.2

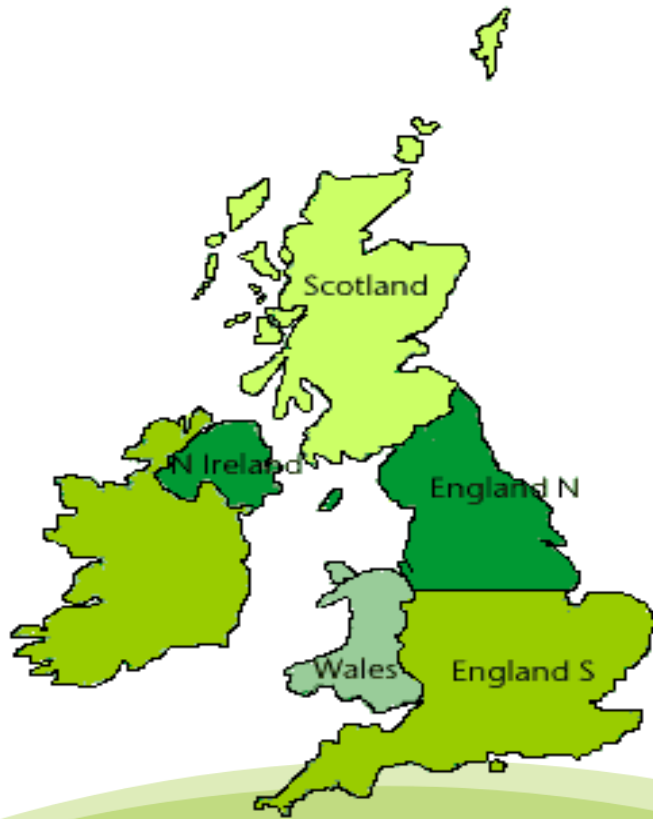
	Feb 2024	Feb 2023
 Rainfall (mm)	139.8	43.4

	Feb 2024	Feb 2023
 No. of rain days	17.4	7.3

	Feb 2024	Feb 2023
 Mean temperature (Celsius)	6.3	5.8

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.

Weather by region



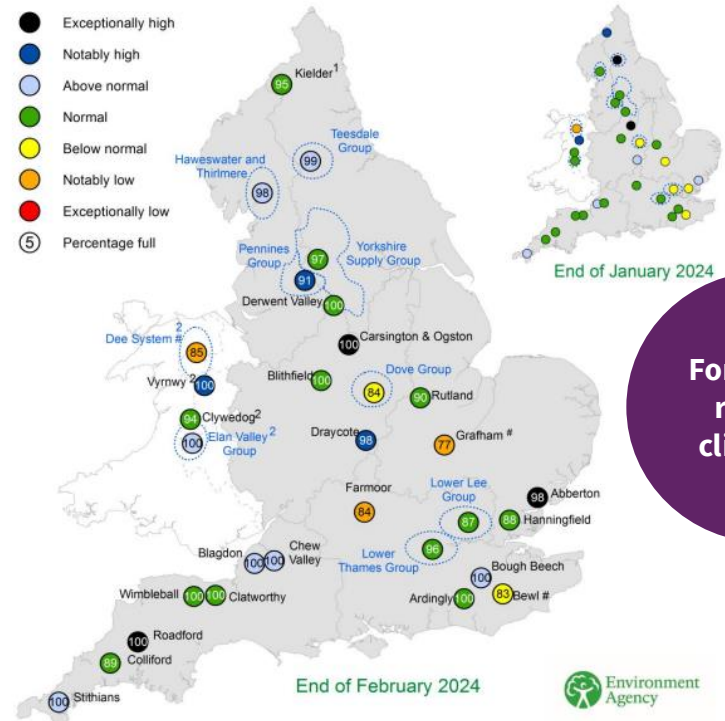
Region	Mean Temp (Degrees Celsius)	Sunshine Hours	Rainfall (mm)
Overall	6.3	56.7	139.8
South England	8.0	53.0	142.9
North England	6.6	53.2	104.2
Wales	6.9	44.2	205.8
Scotland	4.2	64.7	149.2
Northern Ireland	6.4	64.1	84.5

February 2024 was the wettest on record for Southern England which saw almost 15 times more rainfall in February 2024 than in 2023! In contrast, Northern Ireland and the North were drier but still noticeably wetter than the same period last year.

Current reservoir levels

Reservoir storage increased to 94% at the end of February, with two-thirds of reservoir storage and groups increasing throughout the month. Majority of reservoirs were categorised as either normal or higher for the time of year, thanks to incredibly heavy rainfall.

However, businesses should not become complacent and should still aim to use water responsibly. As we've seen in the last few years, the situation could change quickly and risk temporary use bans if summer 2024 were to be dry.



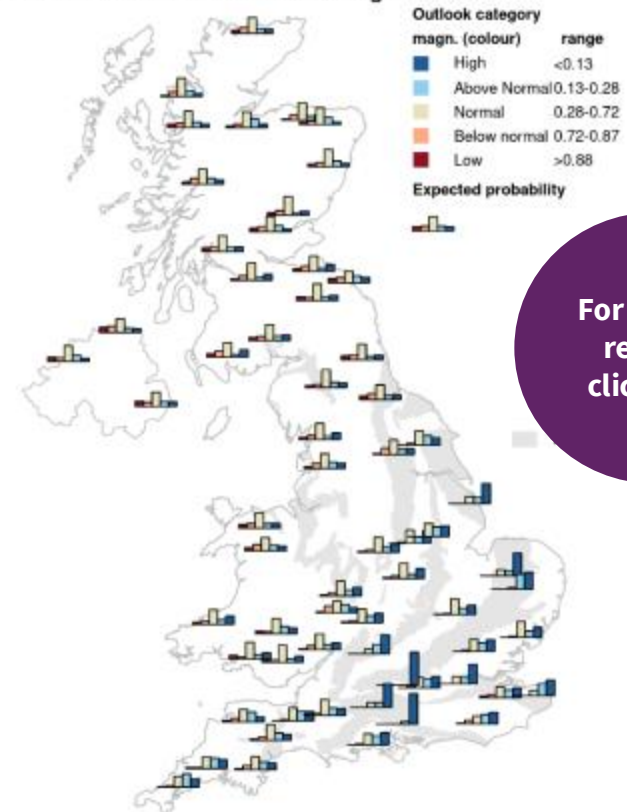
For the full reports click here

Forecast river flows

In the 3-month outlook starting March 2024, river flows are expected to be above normal, with some catchments in the south being categorised as high.

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.

3-month river flow outlook starting Mar 2024

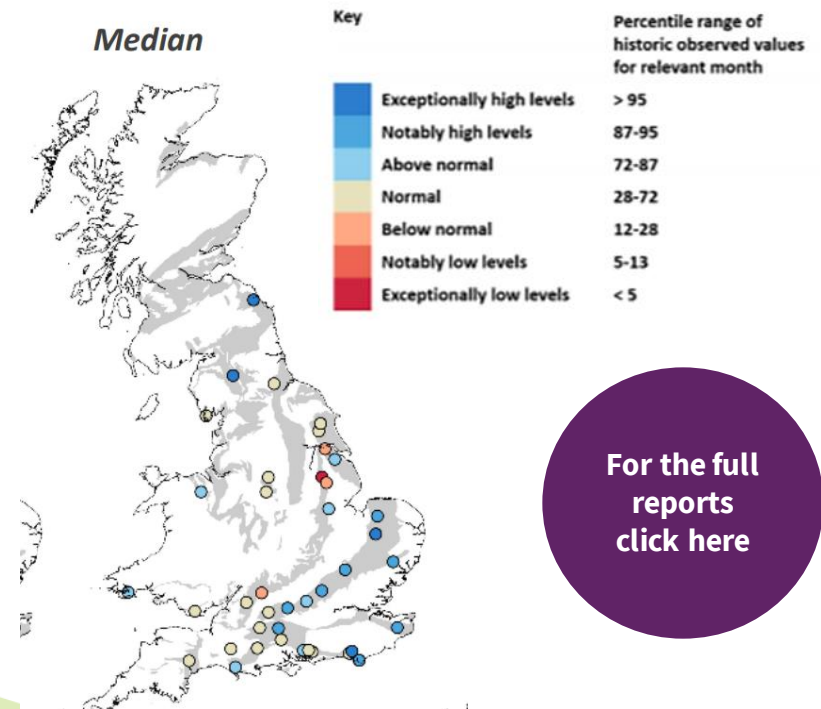


For the full reports [click here](#)

Forecast groundwater levels

Three-month groundwater outlook starting March 2024 (based on median rainfall forecasts)

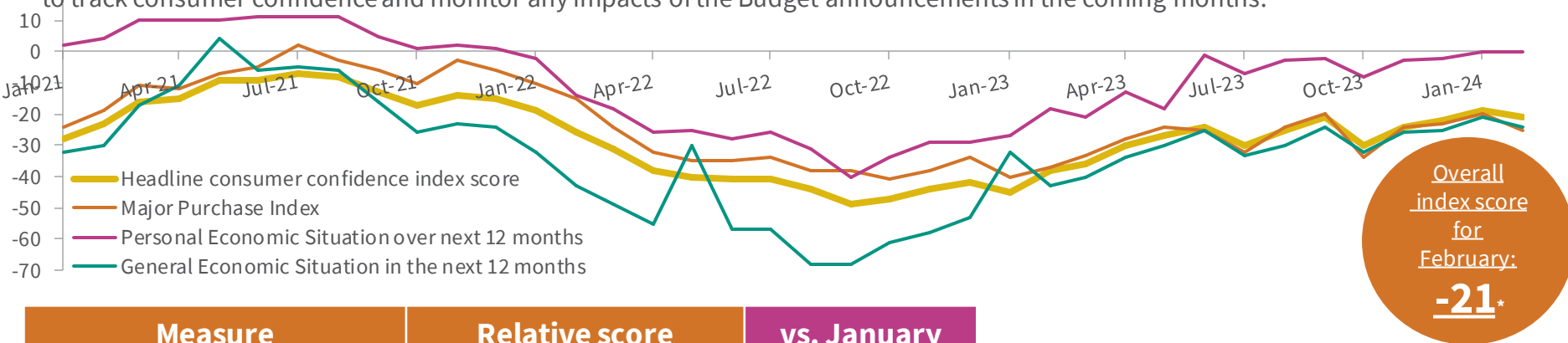
Under median rainfall conditions, groundwater levels are predicted to range from above normal to exceptionally high in the next month. However, levels are predicted to decline in the next 3 months.



For the full reports
click here

Consumer confidence

February 2024's score fell -2 points as it was confirmed that the UK briefly entered recession in the last quarter of 2023. Despite this, measures on personal finances remained stable at 0, meaning consumers are still more optimistic for the coming year than they have been for the last 2 years. Excluding personal economic outlook, all measures were down. However, the overall index score registered +18 points above February 2023. With the release of the Spring Budget on the 6th March, the Chancellor announced some changes including cuts to National Insurance contributions which will affect people differently depending on their wages and circumstance. We will continue to track consumer confidence and monitor any impacts of the Budget announcements in the coming months.



Measure	Relative score (February 2024)	vs. January 2024
<u>Personal financial situation:</u> during last 12 months over next 12 months	-14 0	2 points lower equal
<u>General economic situation:</u> during last 12 months over next 12 months	-43 -24	2 points lower 3 points lower
Major Purchase Index	-25	5 points lower
Savings Index	29	2 points higher

***this is 2 points lower than Jan 2024**

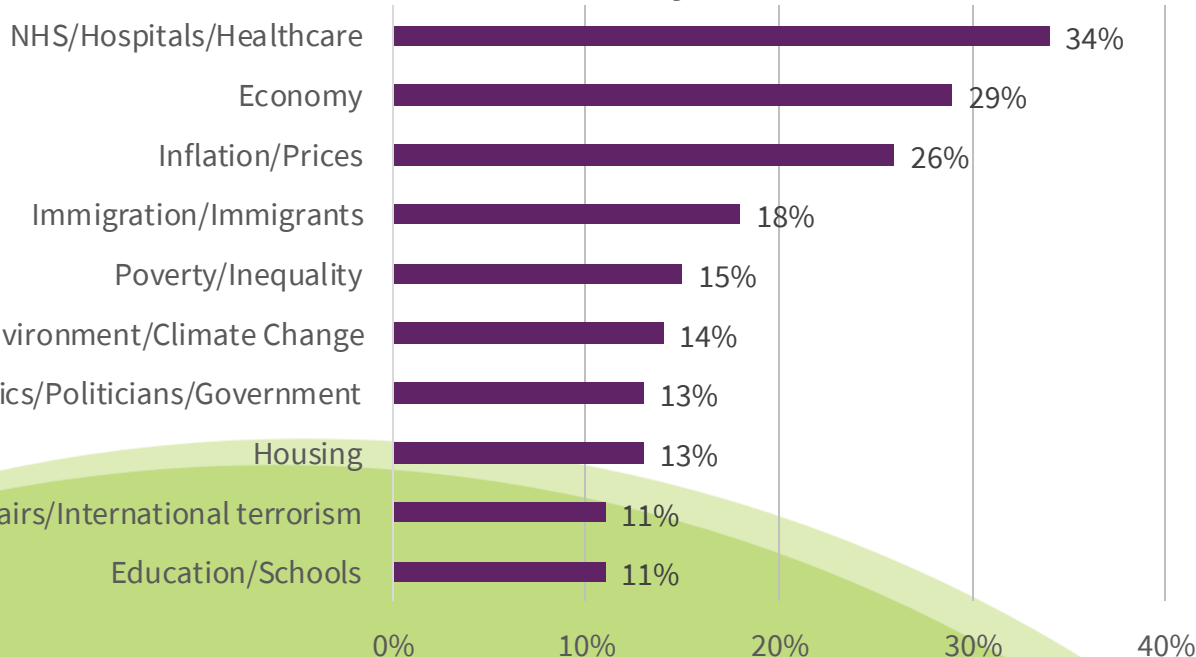
Consumers are asked how the financial position of their household has changed over the last year and is expected to change in the next year, as well as that of the general economy. They're also asked if they believe 'now' is a good time to make major purchases or to be saving money. The first three measures 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.**

Consumer Issues Tracker: February



The NHS was the topmost concern amongst the British public in February 2024, overtaking two main financial concerns: Economy and Inflation. This is only the second time it has topped the list since February 2020, immediately before the Covid-19 pandemic. This likely was due to strike action, long waiting times and overall resources become more stretched within the institution. Nevertheless, the economy and inflation were not far behind, with consumer confidence falling slightly in February (page 17), and cost of living still affecting most UK citizens.

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

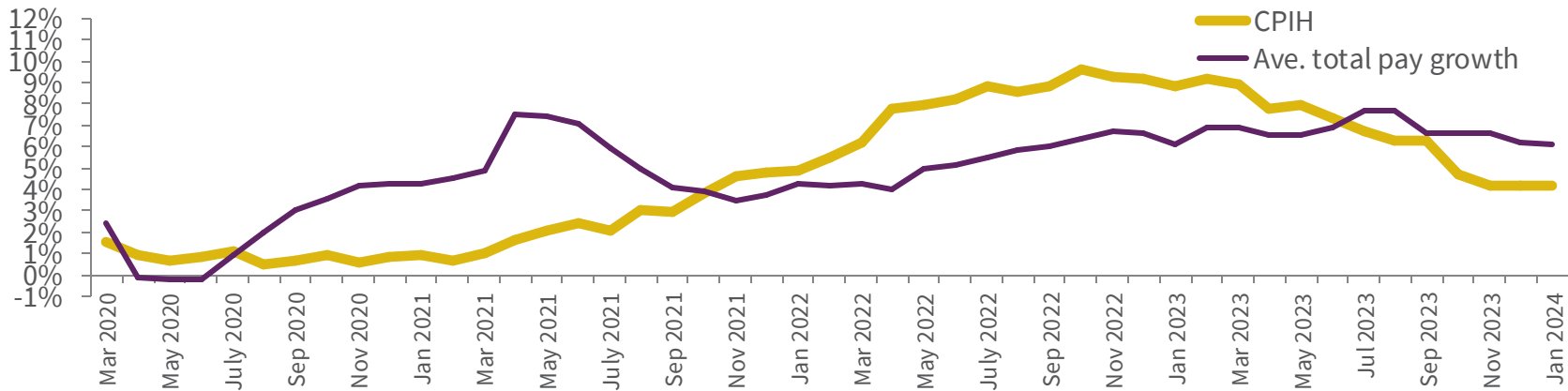


Change since Jan:	
%	Position
+3	↑+1
-2	=
-6	↓-2
-5	=
=	↑+1
+2	↑+3
-1	=
-3	↓-2
-3	↓-2
-	=

Inflation and Wages



We explore some key indicators of the position of the UK economy, such as the Consumer Prices Index including owner occupier's housing costs (CPIH), measured as a percentage change over a 12-month period. In addition, we also discuss the average pay growth (excl. bonuses) and the unemployment rate. We report on the latest CPIH rates available due to the newest update being released the same day as this publication. The CPIH rate in January 2024 was 4.2%, compared with the latest Household Cost Indices (HCI) which was 5% in the year to end of December 2023. This has come down from 8.3% highs in September 2023, showing costs are easing steadily for families. Average pay growth (excl. bonuses) was 6.1% in January 2024, and still above the rate of inflation giving a positive boost to disposable incomes. With the National Living Wage set to increase again in April 2024, businesses will be facing additional squeezes on profit margins. Horticultural businesses also face challenges attracting skilled labour, and between November 2023 to January 2024, the unemployment rate increased to 3.9%, further highlighting the small labour pool available.



*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

CPIH inflation (Jan) **4.2%**

Average pay growth: **6.1%**

Unemployment Rate (Nov23 – Jan24) **3.9%**

Retail inflation on garden products

Our February trolley

(February 2024 vs February 2023 price inflation)



Hardy plants,
shrubs & trees
+5%



Garden Gloves
= (0%)



Bulbs spring/
Summer **+2%**



Plant Care
Products
= (0%)



Garden tools
and equipment
= (0%)



Plastic pots
= (0%)



Growing Media
= (0%)



Hot Drinks
+2%



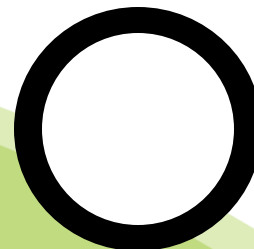
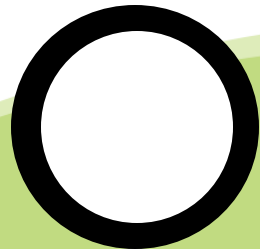
Seeds
+2%



Lawn care
= (0%)

Here we look at the price of individual barcodes transacted in garden centres in February 2024 and February 2023, 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 February 2024, within our trolley, Hardy plants (+5%), Seeds (+2%) and Spring/Summer Bulbs (+2%), experienced price inflation, likely due to rising input and overhead costs. In the cafés/restaurants, hot drinks experienced slight price inflation likely due to rising ingredient and staffing costs (+2%).

Growing media, garden tools and equipment, garden gloves, plastic pots, lawn care and plant care products, all maintained prices on a par with February 2023.



Retail inflation on plants

(February 2024 vs February 2023 price inflation)



Shrubs
+4%



Foliage
houseplants
-6%



Herbaceous
=(0)%



Pack bedding **+10%**



Roses
+9%



Climbers **+1%**



Flowering
houseplants
-7%



Fruit trees &
bushes
=(0)%

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

Pack bedding (+10%), roses (+9%), shrubs (+4%) and climbers (+1%) showed the biggest rise in prices year on year in the garden centre channel.

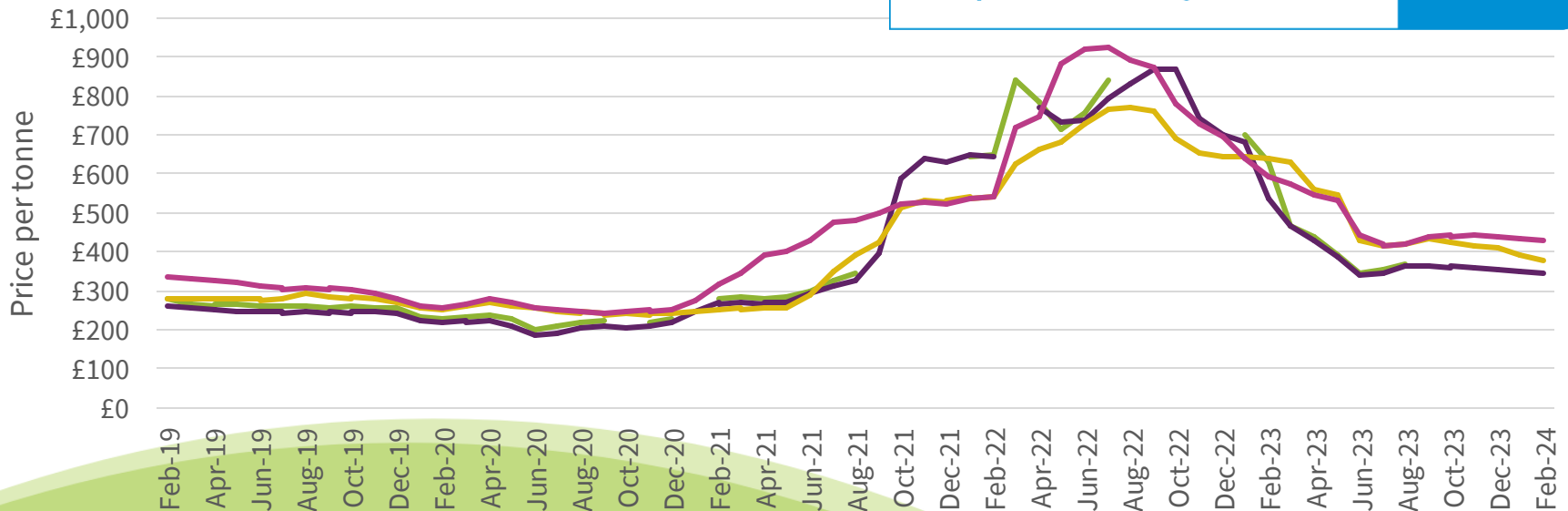
Other categories such as fruit trees and bushes and herbaceous plants maintained the same prices on average as February 2023.

Flowering house plants (-7%) and Foliage houseplants (-6%) were the only two categories seeing reduction in prices consistent with January 2024 which also showed price reductions for these two categories. This could be due to discounting of these ranges.

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 prices, ranging from -5% to +2% in February 2024 compared to January 2024. When compared to the same period last year (Feb 2023) prices have fallen 30%, as the prices hikes due to the Ukraine-Russia conflict start to stabilise, bringing a more positive impact to business overheads.

Accurate, timely and independent data you can trust

All prices are based on a price per tonne for:

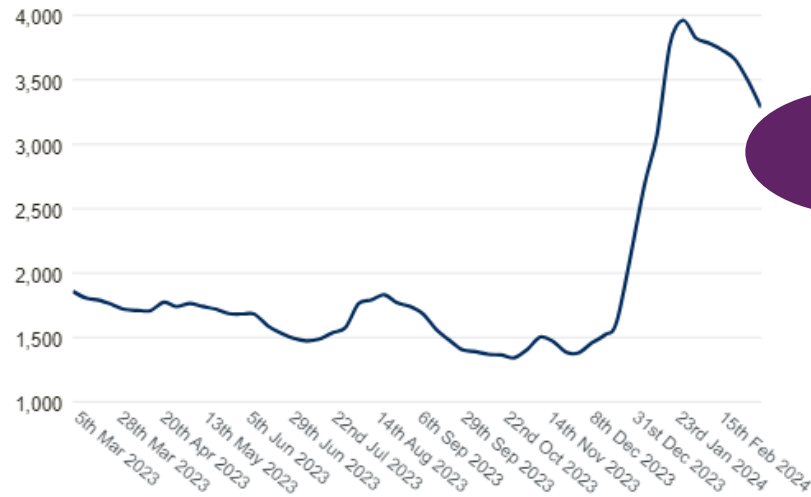
- Full load
- Standard 28-day payment terms
- Bags delivered to site price
- Spot price: prices for delivery within a month (28 days)

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

Shipping Container Prices

We report on a composite index which is an aggregate of shipping costs across various routes. The Drewry's World Container Index was at \$3287 for a 40ft container as of 7th March 2024, a decrease of 6% compared to the week before (29/02/24). However this was still 82% more than the cost of a container in February 2023. The delays caused by shipping route detours via the Southern tip of Africa were still in effect. Whether or not costs come down to pre-conflict levels, garden retailers will likely face knock-on cost effects, from supply concerns to delays to increased prices of large garden furniture goods.

Drewry World Container Index (WCI) - 07 Mar 24 (US\$/40ft)

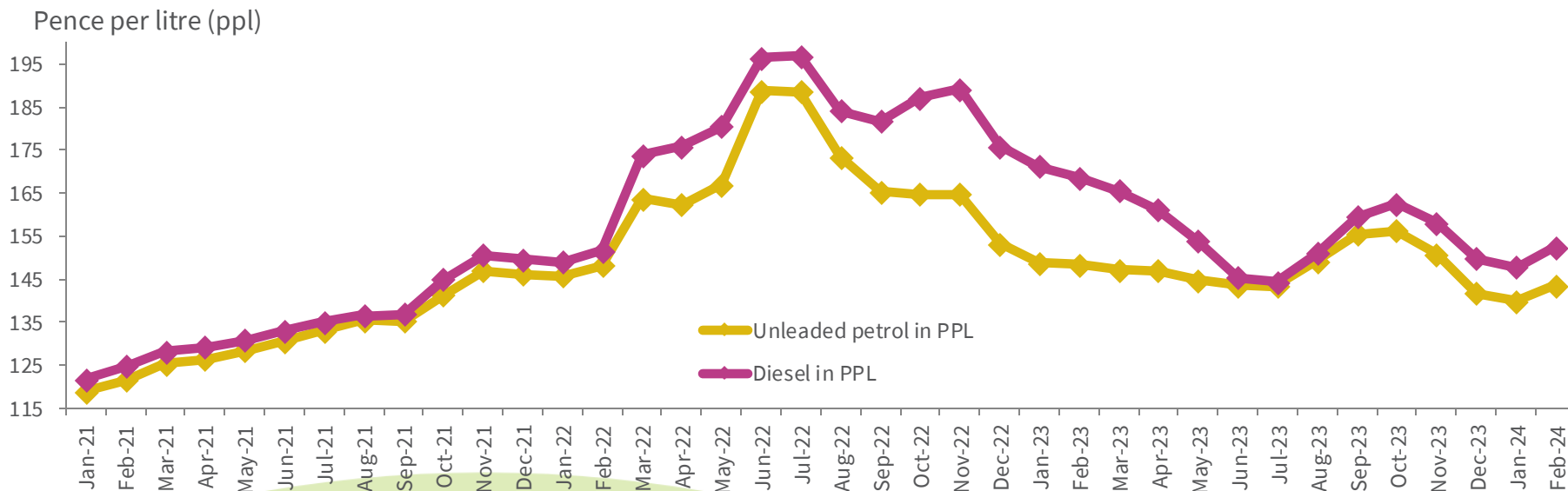


\$3287

We are reporting on the aggregate of the major shipping routes.

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 143.5p/litre in February 2024, and diesel averaged at 152.5p/litre, ending the downward trajectory of fuel prices seen in the last few months. This was reflective of increases in crude oil prices as the situation in the Middle East remains uncertain. Despite the increase, prices were still not as high as those seen in the recent peak of summer 2023.



Petrol (ppl):
144p

Diesel (ppl):
153p

[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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