



Market Update: June 2024

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Overview

- May's weather continued the theme of 2024 so far to complete the UK's wettest spring since 1986 with rainfall 155% of the long-term average, and only 83% of average sunshine for the time of year.
- This meant overall garden centre sales and garden store transaction numbers were both down -3%, with garden/gardening category sales (-8%) and outdoor plant sales particularly dampened.
- Non-garden/gardening category sales (+10%) continued to be buoyed by strong performing catering (+13%) and food and farm shop (+12%) sales, providing consumers with extra incentive to visit when the weather is less favourable for gardening.
- As a result, year to end of May comparisons show 2024 as up +4% versus 2023.
- Consumer confidence improved a further 2 points in May, with consumers markedly more optimistic about their personal finances amidst the falling rate of inflation (CPIH 3%) and high wage growth (5.8%).
- This is a positive position for household budgets and the industry too should the weather improve to offer incentive for any pent-up gardening demand.
- But businesses face cost pressures from keeping up with rising wage bills and rising shipping costs once again.

Read on for the detail...

Key Points: May

**Overall
May
Garden Centre
sales were
down -3%
vs
May 2023**

**Food & farm
shop sales were
up +12%
on
May 2023**

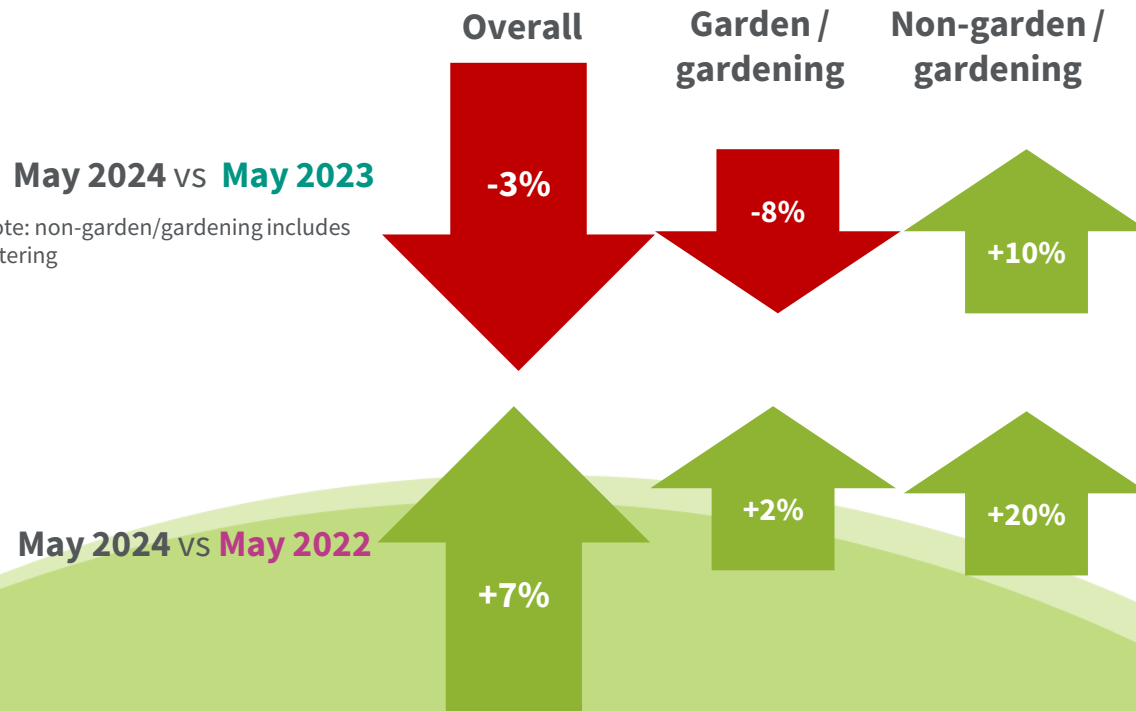
**Consumer
confidence
improved
2pts to -17
+10pts
above
May 2023**

**May 2024
had
83% of average
sunshine hours
for the time of
year**

**Hardy Plants
sales were
down -18%
vs May 2023**

Garden centre sales: May

Overall, garden centre sales for May 2024 were down -3% on May 2023. We saw significant variation between retailers across the country due to different extremes in rainfall (see pages 12 and 13). Garden/gardening category sales were dampened (-8% vs May 2023), meanwhile non-garden/gardening sales (+10%) were boosted by strong performing cafes and restaurants and farm shop departments (see page 10). These figures highlight the importance of catering for cash flow when the weather is unfavourable, whilst an extended gardening season and more favourable June will be needed to shift stock through the supply chain. Overall garden centre sales were up +7% on May 2022, however this likely reflects the lack of a late May Spring Bank Holiday in 2022, when it was moved to early June to coincide with the Platinum Jubilee.



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: May **HTA**

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. Overall garden centre sales were down -3% by value and down -2% by volume, as the weather reduced demand and ability to garden (garden/gardening sales were down -8% by value and volume). Meanwhile, non-garden/gardening sales were up +10% by value and up +8% by volume, suggesting price inflation is playing only a small role. The impact of inflation becomes slightly more pronounced over the 2 year comparison period, where non-garden/gardening sales were up +20% by value but +16% by volume.

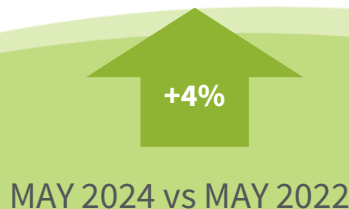
May 2024 vs May 2023	Overall	Garden/gardening	Non-garden/gardening
Value of sales (£, exc. VAT)	-3%	-8%	+10%
Volume of sales	-2%	-8%	+8%

May 2024 vs May 2022	Overall	Garden/gardening	Non-garden/gardening
Value of sales (£, exc. VAT)	+7%	+2%	+20%
Volume of sales	+7%	+2%	+16%

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

In line with sales performance, transaction numbers in the garden store (i.e. sales of all categories excluding catering across both physical and web stores) were down -3% compared to May 2023 when the weather was considerably sunnier and drier. Compared to May 2022, transactions were up +4%, likely influenced by the Spring Bank Holiday falling in May this year as usual, but falling in June in 2022 for the Platinum Jubilee. The ATV in the garden store for May 2024 was £34.62 (exc. VAT), down -2% on May 2023 as baskets featured fewer higher ticket items like furniture, BBQs and tools (see page 9) as a result of the weather. The ATV was flat compared to May 2022 however.

Transaction Numbers: Garden Store



Average Transaction Values (ATVs): Garden Store



VS MAY 2023 (exc. VAT)	VS MAY 2022 (exc. VAT)
-2% (£35.43)	=0% (£34.58)

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

Despite the wetter weather, footfall to garden centre cafés and restaurants remained strong, with transaction numbers up +4% on May 2023 and up +13% on 2022. The catering ATV for May 2024 was £10.93 (exc. VAT), a similar figure to May 2023 (+1%) despite price inflation (see page 20), and down -5% versus May 2022 where the immediate period following COVID restrictions lifting changed the way consumers visited hospitality. These figures suggest that whilst customers are visiting in higher numbers, they may be opting for a smaller treat in the café/restaurant.

Transaction Numbers: Café/restaurant



MAY 2024 vs MAY 2023



MAY 2024 vs MAY 2022

Average Transaction Values (ATVs): Café/restaurant

exc. VAT
 **10.93**

inc. VAT
 **13.05**

APR 2024

VS MAY 2023 (exc. VAT)	VS MAY 2022 (exc. VAT)
+1% (£10.86)	-5% (£11.52)

Garden centre sales: May garden/gardening breakdowns



In May 2024, garden/gardening departments overall were -8% down on May 2023, with all sub-categories behind prior year apart from Bulbs (+1%) and Garden features and structures (=0%).

Year to date comparisons show outdoor living categories such as garden furniture (-6%) and BBQs and heating (-9%) particularly suffered at the hands of the volatile, wet weather of 2024 thus far.

Hardy plants and bedding plants made up 10% and 24% of overall garden centre sales respectively in May 2024, compared with 12% and 25% in May 2023, highlighting how plants were featuring in fewer baskets. Despite this, encouragingly outdoor plant sales were ahead of May 2022.

Category	May 2024 vs 2023	YTD May 2024 vs 2023	May 2024 vs 2022
Bedding plants	-8%	0% (=)	+14%
Hardy plants, shrubs & trees	-18%	-7%	+13%
Indoor plants	-7%	0% (=)	-9%
Seeds (excl. grass seed)	-1%	+3%	+16%
Bulbs	+1%	+4%	+3%
Plant care products	-8%	+3%	+9%
Garden tools & equipment	-15%	-1%	-1%
Garden features & structures	0% (=)	+9%	-1%
Outdoor containers	-5%	+2%	-8%
Garden Furniture	-1%	-6%	-29%
BBQ and Heating	-2%	-9%	+2%

Garden centre sales: May non-garden/gardening breakdowns

In May 2024, non-garden/gardening department sales overall were up +10% on May 2023, with catering (+13%) and food and farm shop (+12%) categories continuing to perform strongly.

Sales of gifting (+6%) and wild bird care (+6%) products were also up on May 2023. All sub-categories except for indoor living and homewares, were also ahead of May 2022, as indoor departments may have held more appeal for consumers in the wet weather.

For the year to end of May 2024, sales across all non-garden/gardening categories were ahead of 2023, with catering (+17%) and food and farm shop (+15%) departments offering extra incentives for consumers to visit garden centres when the weather isn't favourable for gardening. Sales of wild bird care were also ahead in year-to-date comparisons (+13%), likely reflecting improved supply of raw materials previously impacted by the beginning of the Russia-Ukraine war, and consumers looking to care for their garden visitors in the colder Spring.

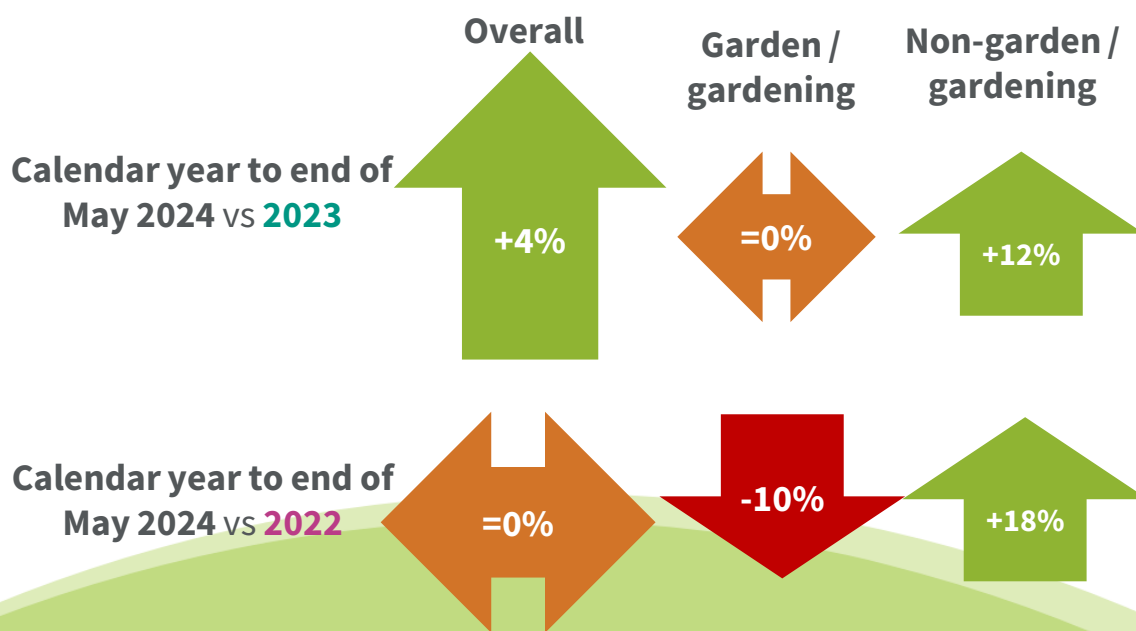
Category	May 2024 vs 2023	YTD May 2024 vs 2023	May 2024 vs 2022
Indoor living & homewares	0% (=)	+4%	-4%
Gifting	+6%	+5%	+4%
Wild bird care	+6%	+13%	+6%
Pets	+1%	+4%	+11%
Food & farm shop	+12%	+15%	+28%
Catering	+13%	+17%	+37%

YTD – Calendar year to end of May

Garden centre sales: calendar year to end of May



For the calendar year to end of May 2024, overall garden centre sales were up +4%, and flat on the same period in 2022, an encouraging position considering the volatile weather conditions and cost of living pressures on household spending. Garden/gardening categories were flat compared to the year to end of May 2023, and down -10% on the sunnier and drier first 5 months of 2022. Non-garden/gardening sales were up 12% for the calendar year to end of May versus 2023, as catering provided a welcome boost to sales.



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)

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


Weather




May was another unsettled month, with changeable weather patterns and significant regional differences. The UK overall experienced its warmest May since records began in 1884, with mean temperatures 2.4°C above the long-term average for May, exceeding the previous record by 1°C. However, this was primarily due to the lack of frosts and higher overnight temperatures, rather than warmer daytime temperatures. May was a relatively dull month with 83% of average sunshine levels for the time of year and rainfall more than twice that of May 2023. Northern England was particularly hard hit with wet spells, recording rainfall 155% of the long-term average, whilst the UK overall had 116% of average.

	May 2024	May 2023
 Hours of sunshine	159.3	207.2

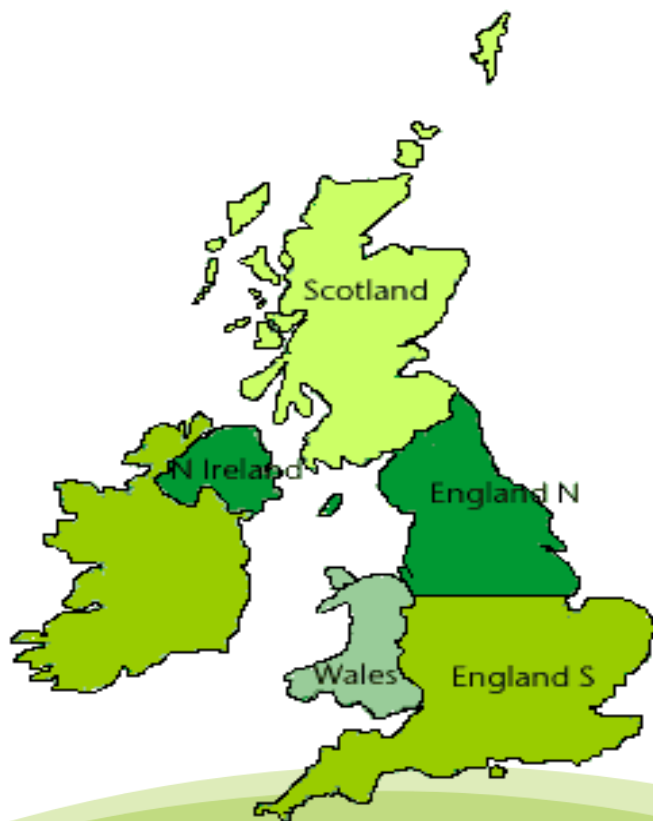
	May 2024	May 2023
 Rainfall (mm)	82.5	39.1

	May 2024	May 2023
 No. of rain days	11.4	7.3

	May 2024	May 2023
 Mean temperature (Celsius)	13.1	11.6

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	13.1	159.3	82.5
South England	13.7	185.3	78.2
North England	13.4	139.8	94.7
Wales	12.7	157.3	95.4
Scotland	12.3	145.8	82.8
Northern Ireland	12.9	140.3	46.9

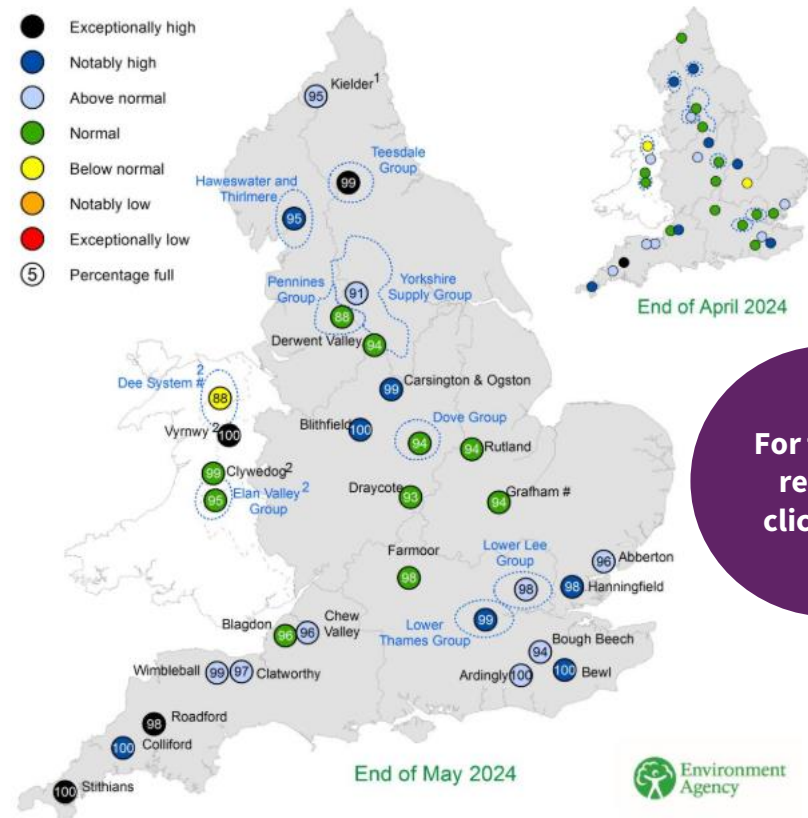
England, Scotland and Northern Ireland all experienced their warmest May, while Wales had its equal-warmest. Northern Ireland was particularly dry, recording rainfall 63% of the long-term average; whilst areas in Northern England experienced record-breaking amounts of rainfall (155% of the long-term average).

Current reservoir levels

For the sites in England measured by the Environment Agency, reservoir storage overall remained at 95% at the end of May and above average for the time of year, despite storage decreasing by 6% or less at almost two-thirds of sites. Majority of reservoir groups were classified as normal or higher.

The UK had its wettest spring since 1986 according to the Met Office, with England having its wettest winter half year period (October 2023 to March 2024) on record, suggesting there is low risk that hosepipe bans will be needed this Summer.

However, this could change at any time as Summer approaches, and businesses and the public are encouraged to continue to use water responsibly as droughts can come unexpectedly, as in 2022.



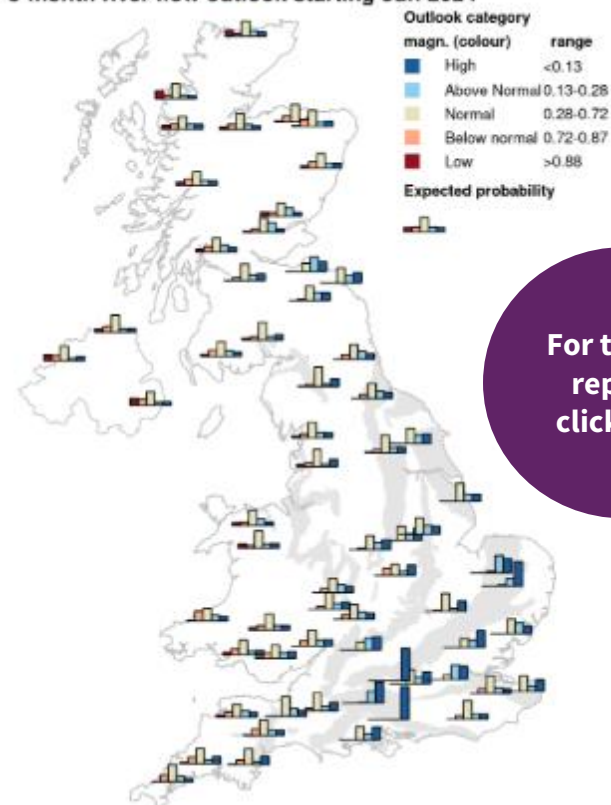
For the full reports click here

Forecast river flows

In the 3-month outlook starting June 2024, river flows are expected to be normal to above normal across England and the south of Scotland, with some catchments in the South East likely to have high flows. Normal flows are expected elsewhere.

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 Jun 2024

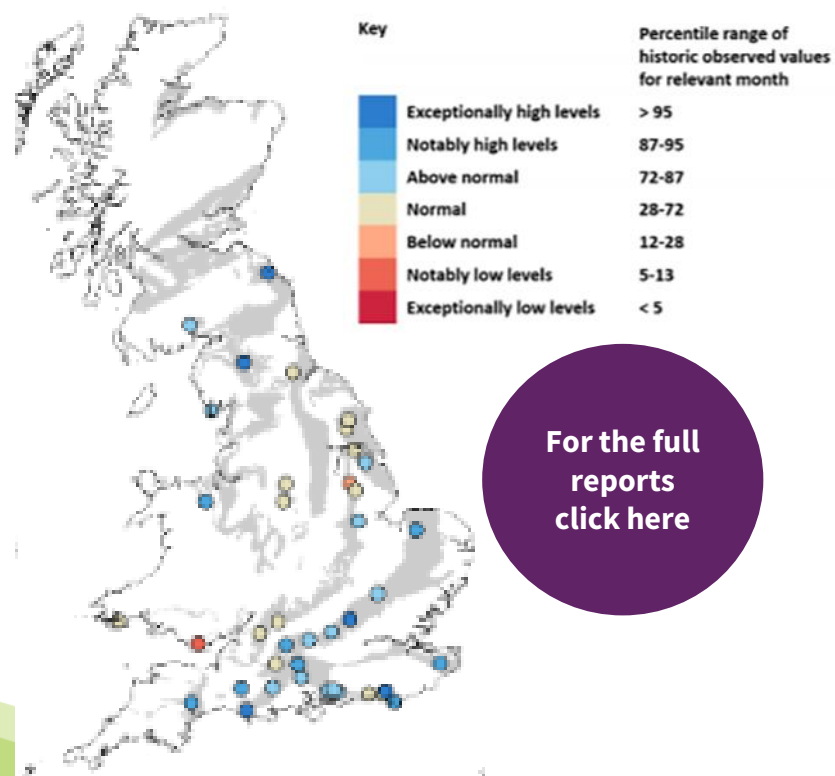


For the full reports [click here](#)

Forecast groundwater levels

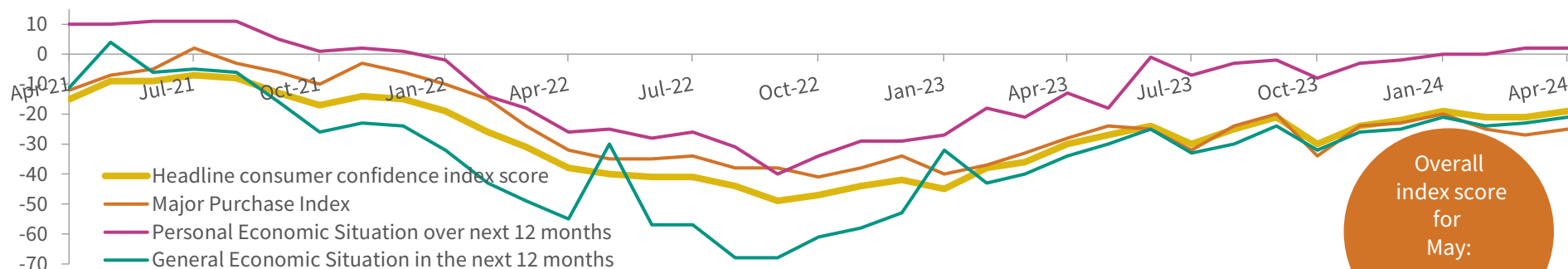
Three-month groundwater outlook starting June 2024 (based on median rainfall forecasts)

Under median rainfall conditions, groundwater levels are predicted to range from above normal to exceptionally high in the next 3 months. This is except for parts of central, Northern England and South Wales where normal levels are anticipated. However, levels are predicted to decline in the next 3 months.



Consumer confidence

May saw consumer confidence improve a further 2 points from April, returning the overall index score to pre-Russia/Ukraine war levels at -17, which is a considerable 10 points higher than May 2023. Notable movements were in consumers ratings of their own personal finances over the next 12 months (+5pts) and the UK's general economic situation (+4pts). This likely reflects the falling rate of inflation (see page 19) and prospects of interest rate cuts providing consumers with a sense that conditions are improving. The only negative in May was the slight dip in the Major Purchase Index (-1pt), highlighting that the cost of living is still a reality for many.



Overall index score for May: **-17***

***this is 2 points higher than Apr 2024**

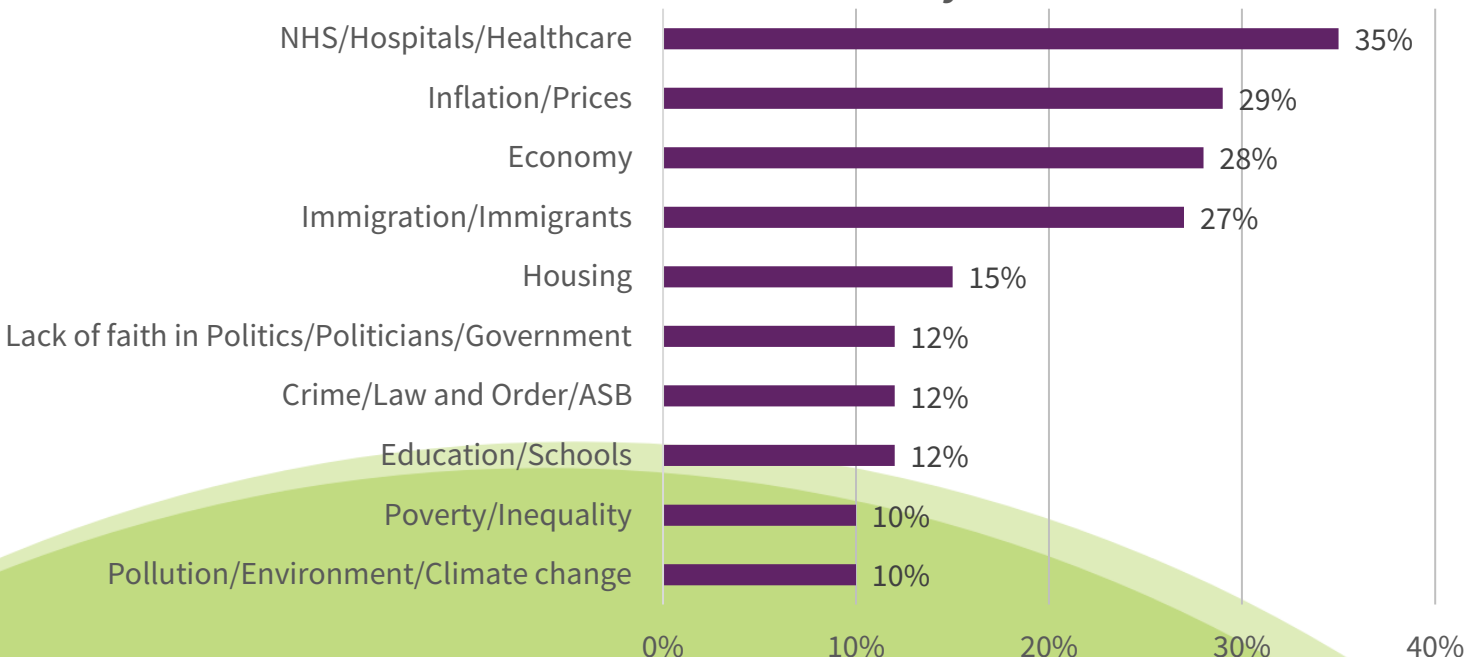
Measure	Relative score (May 2024)	vs. April 2024
<u>Personal financial situation:</u> during last 12 months over next 12 months	-10 +7	1 point higher 5 points higher
<u>General economic situation:</u> during last 12 months over next 12 months	-39 -17	2 points higher 4 points higher
Major Purchase Index	-26	1 point lower
Savings Index	27	1 point higher

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: May

In May's Consumer Issues Index from Ipsos Mori, the NHS overtook the economy to become the biggest issue perceived to be facing the country, with 35% of UK adults mentioning the NHS unprompted as a concern. The fieldwork was conducted between 1-7 May, prior to the July General Election being called, so it remains to be seen what impact this will have on the issues consumers are worried about. Concern for the economy fell -6% as the rate of inflation continued to fall and consumer confidence about finances improved.

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

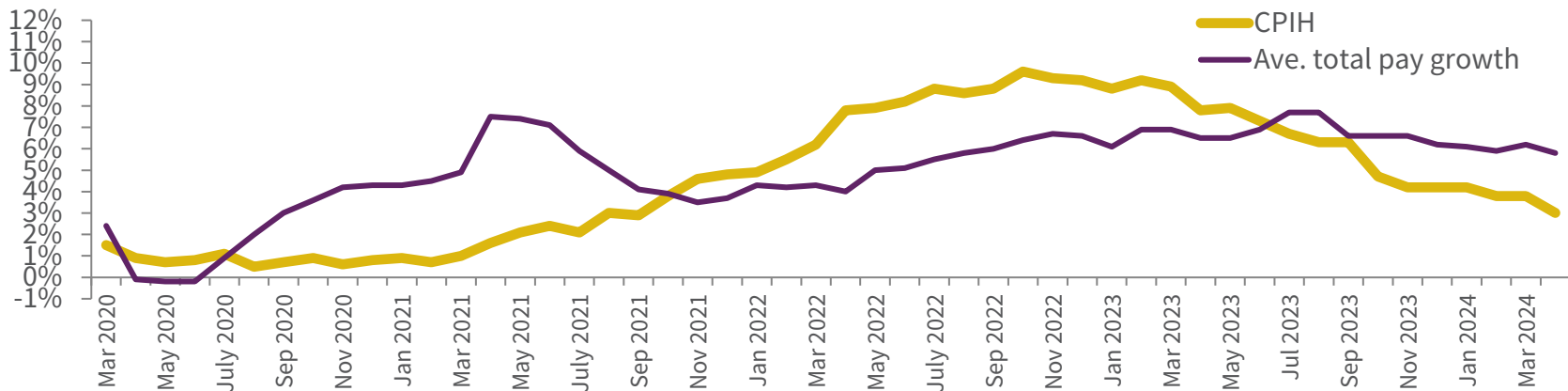


Change since Apr:	
%	Position
+6	↑+1
+2	↑+1
-6	↓-2
+3	=
-3	=
-1	=
+3	↑+5
-1	=
-3	↓-3
-2	↑+1

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 at the time of publication. The CPIH rate in April 2024 fell to 3% - the lowest level since September 2021; demonstrating that although prices are higher than a year ago, the rate of inflation has slowed which is good news for costs of goods for consumers and their finances. Average pay growth (excl. bonuses) was 5.8% in April 2024 (the latest available data), and sits well above the rate of inflation, which will have a positive effect on disposable incomes. The effect of April rises to the National Living Wage are yet to be seen in the figures, bringing further challenge for businesses managing overheads and pay differentiation. The unemployment rate increased to 4.4% in the three months to April 2024, a figure that has generally remained stable over time and signifies a small available labour pool.



*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 (Apr) **3%**

Average pay growth (Apr) **5.8%**

Unemployment Rate (Feb-Apr 2024) **4.4%**

Retail inflation on garden products

Our May trolley
(May 2024 vs May 2023 price inflation)



Hardy plants,
shrubs & trees
+2%



Bulbs spring/
Summer **-7%**



Garden tools
and equipment
= (0%)



Growing Media
= -1%



Seeds
+3%



Garden Gloves
=-1%



Plant Care
Products
=(0%)



Plastic pots
=(0%)



Hot Drinks
+4%



Lawn care
=(0%)

Here we look at the price of individual barcodes transacted in garden centres in May 2024 and May 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 May 2024, within our trolley, Seeds (+3%) and Hardy plants (+2%) experienced price inflation, likely due to rising input and overhead costs. Similarly, in the cafés/restaurants, hot drinks saw price inflation (+4%).

Spring/Summer Bulbs saw the highest drop in prices (-7%) followed by Growing Media (-1%) and Garden Gloves (-1%) that also saw a slight drop in prices on average across barcodes. The drop may be attributed to retailers needing to discount products to shift stock as the bad weather reduced footfall and demand. Garden tools and equipment, plastic pots, lawn care and plant care products, all maintained prices on a par with May 2023.²⁰

Retail inflation on plants

(May 2024 vs May 2023 price inflation)



Shrubs
+2%



Foliage houseplants
-1%



Herbaceous
+3%



Pack bedding **=(0%)**



Roses
+4%



Climbers **+2%**



Flowering houseplants
-1%



Fruit trees & bushes
+6%

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

Fruit trees (+6%) and roses (+4%) showed the biggest rise in prices year on year in the garden centre channel, likely a factor of higher overhead costs (i.e. energy, labour, inputs) on more established crops.

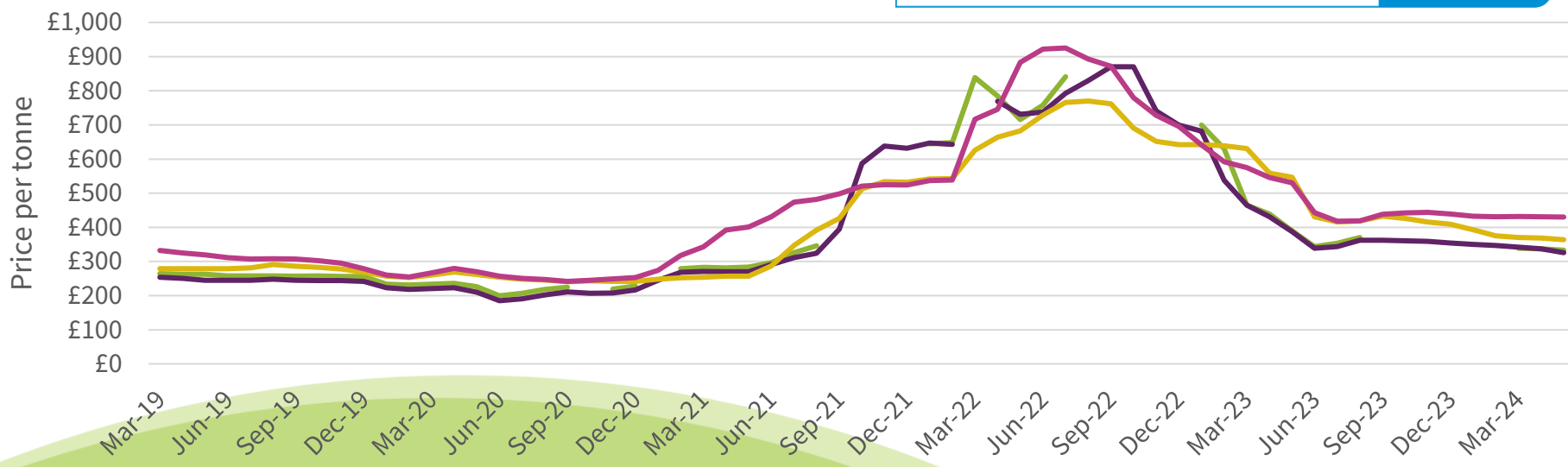
Pack bedding (0%) is the only plant category within our trolley that maintained prices on par with May 2023.

Flowering house plants (-1%) and Foliage houseplants (-1%) saw reductions in prices consistent with April 2024 data which also showed minor price reductions.

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. Fertiliser prices have been very slowly declining since the summer of 2023, and in May 2024 were averaging 15-20% lower than a year prior. This is good news for production costs, though prices remain slightly above the lows of 2020 and early 2021.

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 \$4,801 for a 40ft container as of 13th June 2024, an increase of 2% compared to the week before, but almost double prices at the beginning of May. The index also represents a three-fold increase in prices from the same week in May 2023, yet remains significantly below the peaks seen in the pandemic and the first half of 2022. Despite some stability seen in the Red Sea, shipping journeys continue to take alternate routes via the Horn of Africa, increasing transportation time and bringing challenges for ship dispatching. These factors coupled with increasing demand, are causing shipping companies to increase prices.

Drewry World Container Index (WCI) - 13 Jun 24 (US\$/40ft)



\$4,801

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

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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