



Market Update: September 2024

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Overview



- › August, whilst being a relatively ‘small’ month compared with others in terms of sales values, was nonetheless encouraging for garden centres and their suppliers
- › Garden categories were 7% up on August 2023, providing a welcome springboard for autumn gardening categories such as bulbs in the coming months
- › Non-garden categories such as catering continued to perform strongly, underlining the strengths of garden centres as destinations
- › Consumer confidence remains buoyant, in part supported by continued high levels of wage growth relative to inflation in the cost of goods – the pound in the consumer’s pocket to some extent is going further than a year ago.
- › These factors, whilst encouraging, don’t disguise the fact that 2024 overall has been challenging for garden centres and the growers and manufacturers supplying them; year to date sales in garden categories, including plants, are down 4% on 2023
- › Businesses in the industry continue to face cost pressures; whilst wage growth is proving good for consumer confidence, there’s no doubt that maintaining competitive wage increases presents a significant challenge for businesses in horticulture, and indeed more widely.
- › Given the changes in the Low Pay Commission’s remit (and the possible abolition of age bands in the minimum wage), there is potential for further growth in wages costs to impact on businesses in 2025
- › However, the strong August sales performance provides some confidence and reassurance that consumer demand for gardening remains strong, with subdued sales in 2024 being driven by the weather rather than any fundamental changes in consumer attitudes to gardening, gardens, or garden centres.

Read on for the detail...

Key Points: August

Overall August Garden Centre sales were **up +8%** vs August 2023

Gardening categories were **up +7%** on August 2023

Consumer confidence remained static and was **+12pts** above August 2023

Global shipping costs fell substantially in August, but **remain high** compared with a year ago

Pay growth was **5.1%**. This exceeds inflation & boosts consumer confidence, but also increases cost pressures on businesses

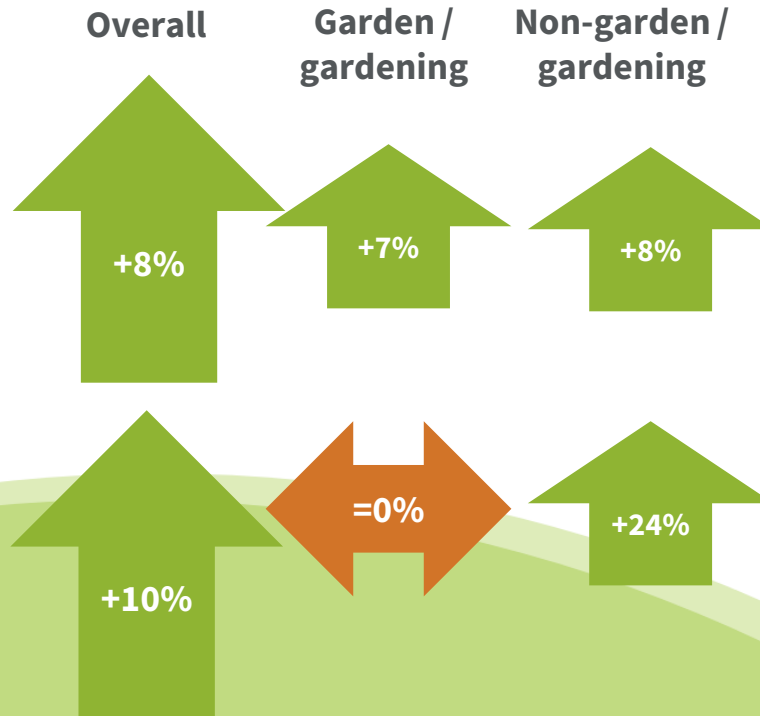
Garden centre sales: August



Overall, garden centre sales were up +8% compared to August 2023 in a more positive month for core gardening with some more favourable weather in the first half of the month. Garden/gardening category sales were up +7% despite continued challenges for retailers in shifting garden furniture, meanwhile non-garden/gardening category sales continued to be boosted by strong catering and food hall sales and were up +8%. In comparison to August 2022, sales were up +10% overall, likely reflecting the extremely hot temperatures of two years ago suppressing demand for gardening.

Aug 2024 vs Aug 2023

Note: non-garden/gardening includes catering



How are these figures calculated?

The national sales figures we report each month come from our HTA Garden Retail Monitor (GRM) systems. We have an EPOS-based system where sales data from submitting garden centres is automatically uploaded to a secure server; and a manual-entry version to which we cross-reference the figures. Participating garden centres can then login to a 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 EPOS 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: August

Overall, garden centre sales were up +8% by value and up +6% by volume, highlighting demand is playing a bigger role than price inflation in year-on-year comparisons. This pattern is consistent across both garden and non-garden ranges. Overall sales were up +10% compared with August 2022 whilst volumes were up +14%, likely reflecting bigger ticket garden furniture products making up a smaller proportion of sales compared with two years ago (see page 9 for garden category analysis).

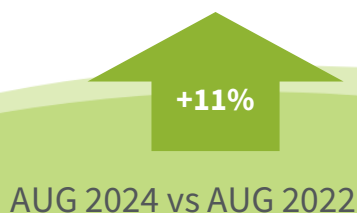
Aug 2024 vs Aug 2023	Overall	Garden/gardening	Non-garden/gardening
Value of sales (£, exc. VAT)	+8%	+7%	+8%
Volume of sales	+6%	+4%	+7%

Aug 2024 vs Aug 2022	Overall	Garden/gardening	Non-garden/gardening
Value of sales (£, exc. VAT)	+10%	=0%	+24%
Volume of sales	+14%	+7%	+18%

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

Despite spells of stormy autumnal weather and more rainfall overall, transaction numbers in the garden store were above August 2023 (+5%) and 2022 (+11%) levels. The ATV in the garden store for August was £25.86 (exc. VAT); up +1% on August 2023, but down -5% on August 2022. This is despite price inflation, likely because of sales of garden furniture down -45% across the two-year comparison (see page 9). Garden furniture made up 7% of total garden centre sales in August 2024, compared to 13% in August 2022, and as higher ticket items they play heavily into ATVs.

Transaction Numbers: Garden Store



Average Transaction Values (ATVs): Garden Store

exc. VAT
£ 25.86

inc. VAT
£ 30.45
 AUG 2024

VS AUG 2023 (exc. VAT)	VS AUG 2022 (exc. VAT)
+1% (£25.49)	-5% (£27.09)

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

Transaction numbers to the garden centre café/restaurant were up +4% on August 2023 and up +14% compared to August 2022, as the appeal of the garden centre as a leisure destination continues to appeal and offer a welcome boost to cash flow in unfavourable weather. Catering sales made up 22% of overall garden centre sales in August 2024, compared with 20% in August 2023, and 17% in August 2022. The ATV in the café/restaurant for August was £11.99 (exc. VAT), up +3% on August 2023 and +10% on August 2022, albeit these figures are likely reflective of price inflation over the time period. For instance, catering sales were up +14% by value in August, but +10% by volume.

Transaction Numbers: Café/restaurant



AUG 2024 vs AUG 2023



AUG 2024 vs AUG 2022

Average Transaction Values (ATVs): Café/restaurant

exc. VAT
 **11.99**

inc. VAT
 **14.33**

AUG 2024

VS AUG 2023 (exc. VAT)	VS AUG 2022 (exc. VAT)
+3% (£11.65)	+10% (£10.90)

Garden centre sales: August garden/gardening breakdowns



In August, sales in garden/gardening departments overall were up +7% compared to August 2023, contributing a small way in terms of recovery from a dampened spring and peak gardening season.

Sales of bedding plants (+12%) along with core gardening products like tools (+20%) and plant care (i.e. chemicals, growing media etc., +10%) performed strongly. Whilst the warmer weather in the first half of the month likely boosted sales in the BBQ and heating category (+66%).

However, retailers continued to struggle to shift garden furniture stock with the figure of -8% versus August 2023 likely reflecting discounting and lessened demand. Garden furniture made up 7% of total garden centre sales in August 2024, compared to 9% in August 2023 and 13% in 2022.

In year-to-date comparisons, all garden categories with the exception of features and structures (+8%) saw sales on par or below sales in 2023 up to the end of August, signifying the challenging season.

Category	Aug 2024 vs 2023	YTD Aug 2024 vs 2023	Aug 2024 vs 2022
Bedding plants	+12%	-4%	+34%
Hardy plants, shrubs & trees	-3%	-9%	+16%
Indoor plants	-4%	-4%	+3%
Seeds (excl. grass seed)	-6%	-1%	-8%
Plant care products	+10%	+1%	+21%
Garden tools & equipment	+20%	-3%	+6%
Garden features & structures	+25%	+8%	+8%
Outdoor containers	+16%	+1%	+8%
Garden Furniture	-8%	-18%	-45%
BBQ and Heating	+66%	+1%	+15%

YTD – Calendar year to end of August

Garden centre sales: August non-garden/gardening breakdowns

In August 2024, non-garden/gardening department sales overall were up +8% compared to August 2023.

Food and farm shop (+23%) and catering (+14%) sales remained incredibly strong, with boosted transaction numbers (+4%) suggesting garden centres are holding significant appeal as leisure destinations despite unfavourable weather conditions.

Gifting sales were also up (+5%), meanwhile wild bird care (-10%), indoor living (-4%) and pets (-1%) sales were behind August 2023. For the year-to-date though, all non-garden categories are tracking above 2023, with the exception of indoor living (-1%).

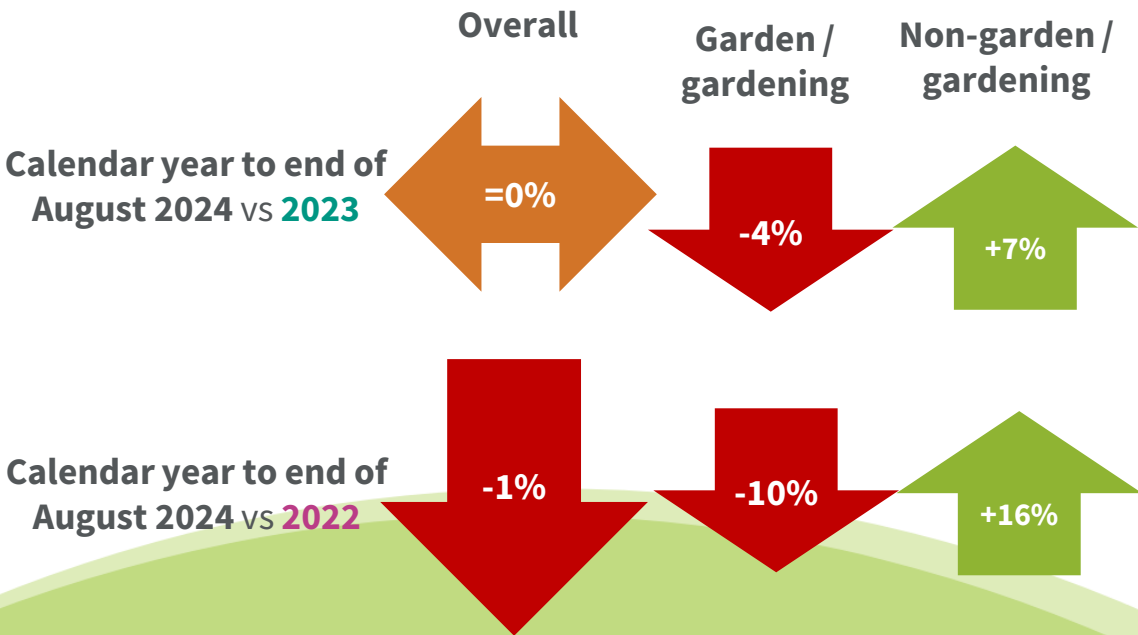
Category	Aug 2024 vs 2023	YTD Aug 2024 vs 2023	Aug 2024 vs 2022
Indoor living & homewares	-4%	-1%	=0%
Gifting	+5%	+2%	+8%
Wild bird care	-10%	+7%	+2%
Pets	-1%	+3%	+19%
Food & farm shop	+23%	+13%	+44%
Catering	+14%	+12%	+43%

YTD – Calendar year to end of August

Garden centre sales: calendar year to end of August



For the calendar year to the end of August, garden centre sales have remained on a par with those of 2023. The story of the year has very much been one of weather, with the adverse conditions affecting gardening ranges and plants especially. Whilst trading performance in these categories has been disappointing, it's important to note that there's still opportunity to play for in the gardening categories, with the bulb season about to start, and likely a level of consumer disappointment with the spring weather perhaps leading to appetite for autumn gardening ideas and inspiration. Catering through the year has remained strong and has helped support overall store performance through what has possibly been (2020 aside) the most challenging trading year since the record rains of 2012.



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.

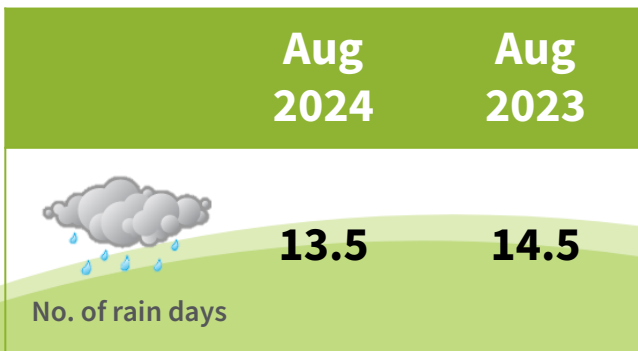
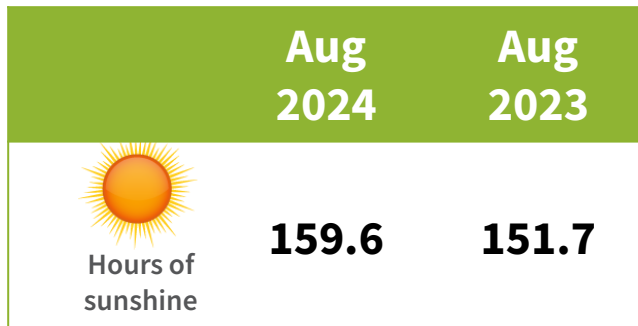
If you're interested or for more information visit: hta.org.uk/grm

(Figures reported are exclusive of VAT)

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

Weather

August 2024 was part of the coolest summer we have had since 2015. In comparison to last year, most measures were similar on average, with only rainfall being more than in August 2023 (1.2 times the rainfall). We also saw 7% less rain days than that of August 2023 meaning the days that were had were wetter than those of August 2023. Storm Lillian hit parts of the country, including northern England nearer to the bank holiday weekend.



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

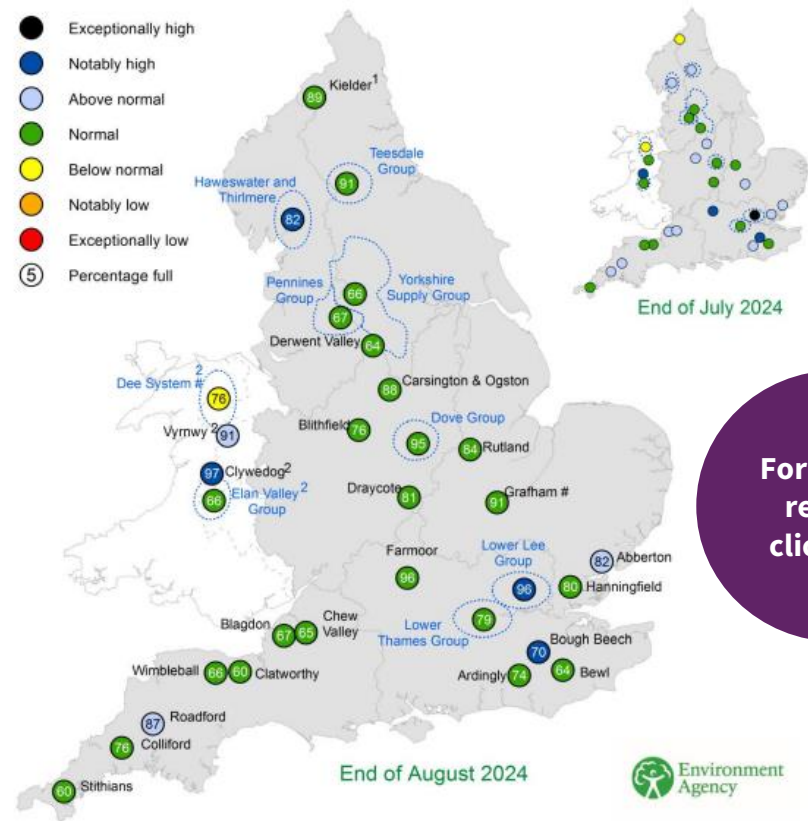


Region	Mean Temp (Degrees Celsius)	Sunshine Hours	Rainfall (mm)
Overall	15.4	159.6	103.5
South England	17.5	194.5	34.1
North England	15.7	165.8	69.2
Wales	15.3	150.6	103.5
Scotland	13.1	126.1	194.6
Northern Ireland	14.4	126.4	127.8

We saw warmer weather in Southern England with the highest mean temperature in the recorded areas in the above table. Scotland was the wettest region, and was 1.9 times wetter in August 2024 than in August 2023. Meanwhile, Southern England only had 50% of the average rainfall.

Current reservoir levels

Reservoir stock across England was 79% full at the end of August, compared to 84% in July 2024. This was likely due to the fact it was a drier month across England, many catchments in the north-west received lower than average rainfall.



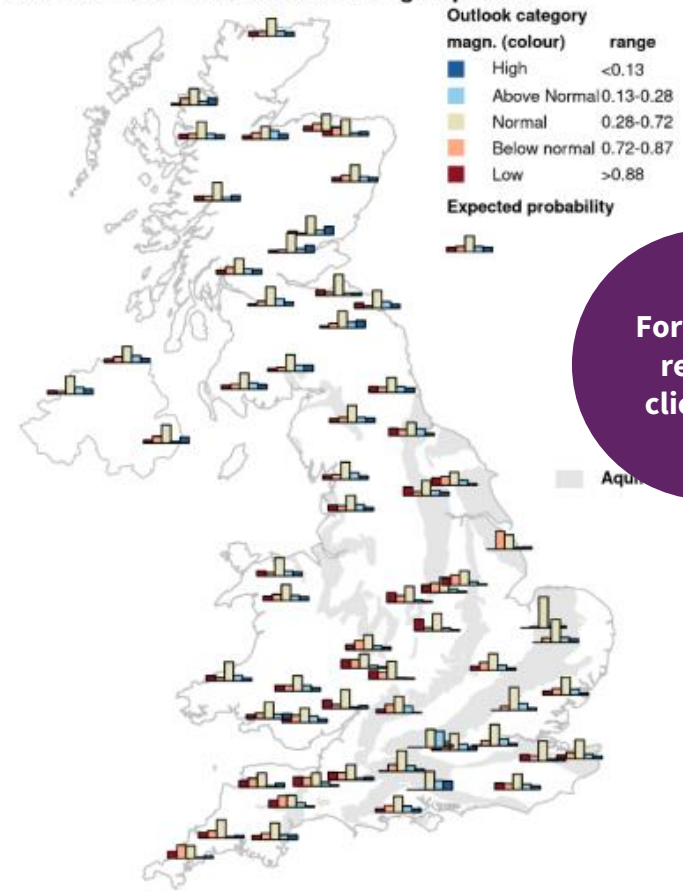
For the full reports click here

Forecast river flows

River flows over the next three months (to end November) are forecast to return to normal levels. Some catchments in the midlands and southwest of England are expected to be normal to below normal, and some in the central Southern England are expected to be above 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.

3-month river flow outlook starting Sep 2024

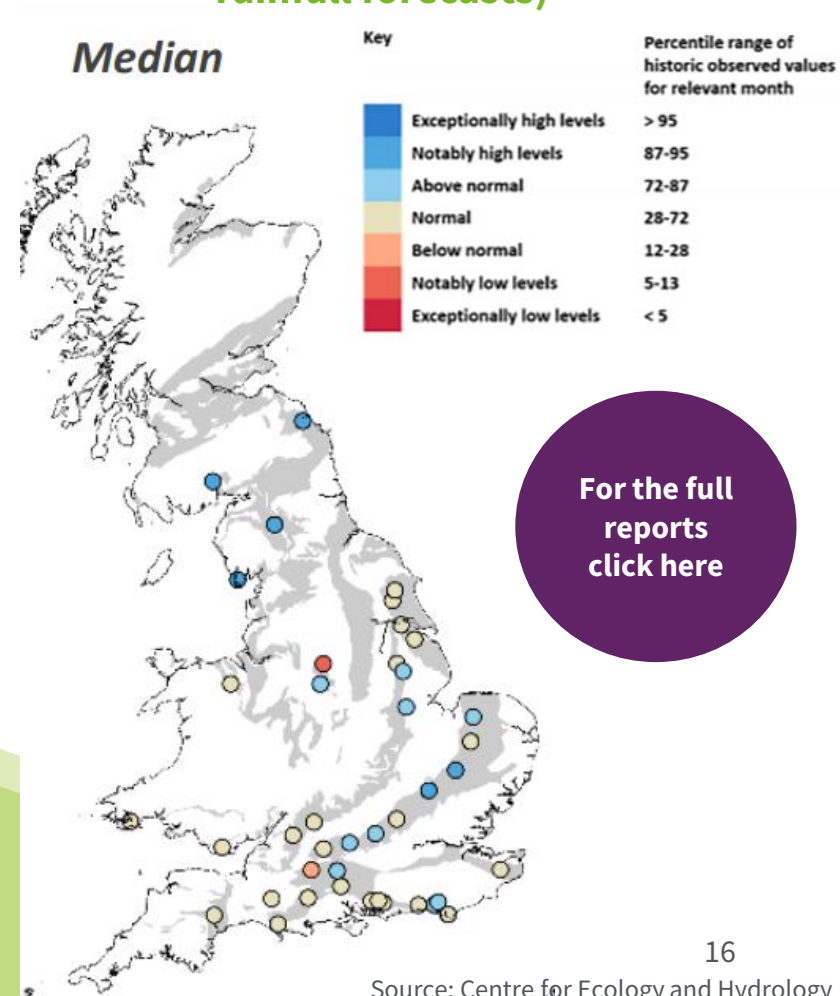


For the full reports [click here](#)

Forecast groundwater levels

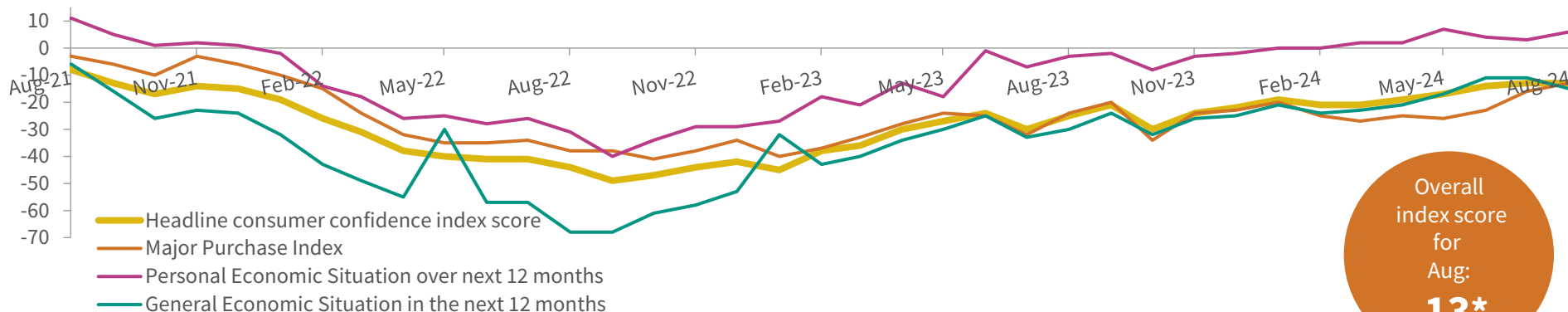
Three-month groundwater outlook starting August 2024 (based on median rainfall forecasts)

Under median rainfall conditions, groundwater levels are predicted to return to normal by the end of November. In the next month however, groundwater levels over the next month are forecast to remain above normal to notably high throughout the UK.



Consumer confidence

Consumer confidence in August remains steady at -13, the same as July 2023. This is however 12 points higher than in August 2023, but it ends the consecutive increase in scores seen in the last few months. The Major Purchase Index and Savings index have improved on July 2024, showing that although consumers are likely to save, they are also slightly more likely to spend on those big-ticket items than last month. This is good news for garden centres and garden leisure items. However, with the Autumn Budget incoming, we will monitor how this will affect consumer confidence in the next coming months.



Overall index score for Aug: **-13***

***this is the same as July 2024**

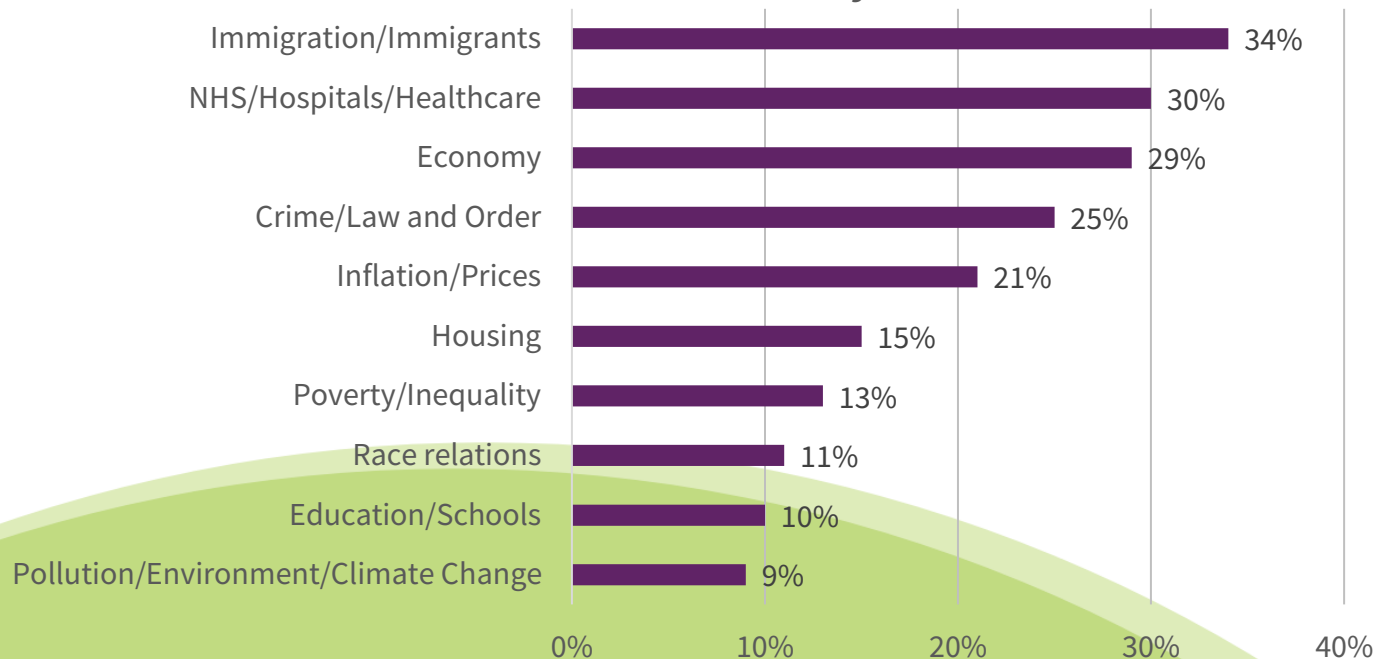
Measure	Relative score (August 2024)	vs. July 2024
<u>Personal financial situation:</u> during last 12 months over next 12 months	-7 +6	1 point higher 3 points higher
<u>General economic situation:</u> during last 12 months over next 12 months	-35 -15	3 points lower 4 points lower
Major Purchase Index	-13	3 points higher
Savings Index	33	6 points 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: Aug

Due to the far-right riots at the end of July/beginning of August 2024, immigration became the topmost concern, which hasn't been seen since October 2016. In addition, race relations had entered the top 10 concerns, the last time being in 2020. With the concerns and damage caused during the riots, crime has also entered the top 10. Nevertheless, issues such as the NHS and Economy remained of high concern amongst UK citizens.

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

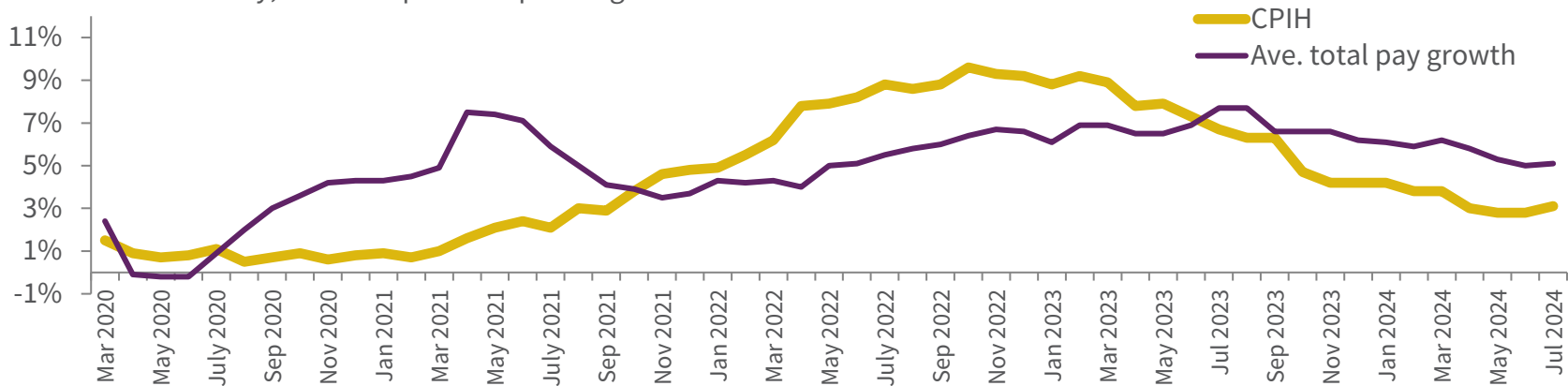


Change since July:	
%	Position
+3	↑+2
-17	↓-1
-5	↓-1
+19	↑+10
-1	↓-1
-3	↓-1
+1	=
+10	↑+15
-6	↓-3
=	=

Inflation and Wages



We report on the latest CPIH inflation rates available at the time of publication, which was July 2024. The CPIH rate in July 2024 was at 3.1%. However, these levels are still low comparatively to those seen in 2022, which is good news consumers and their finances. Average pay growth (excl. bonuses) was 5.1% in July 2024 (the latest available data), showing an increase which is good news in terms of wage growth, with the value remaining above inflation – in real terms consumers’ wages are increasing faster than inflation. The unemployment rate decreased to 4.1% in the three months to July 2024, remaining stable once again within 0.1%. This low level of unemployment continues to be a factor in recruitment and wage cost inflation. Whilst pay growth over the last year has been on a downward trend, this has the potential to change depending on how the policies of the new government manifest themselves. One of the first announcements of the new government was to change the remit of the Low Pay Commission to allow it to factor in the cost of living when recommending minimum wage rates, and an intention to remove age bands from the minimum wage. These developments have the potential to drive future wage inflation in the economy, and to impact on operating costs of businesses.



*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 (August) **3.1%**

Average pay growth (Jul): **5.1%**

Unemployment Rate (May – Jul 2024) **4.1%**

Retail inflation on garden products

Our August trolley

(August 2024 vs August 2023 price inflation)



Hardy plants,
shrubs & trees
+4%



Bedding plants
= +3%



Garden tools
and equipment
= (0%)



Growing Media
= (0%)



Lawn care
= +2%



Garden Gloves
= (0%)



BBQs & heating
= (0%)



Plant Care
Products
= (0%)



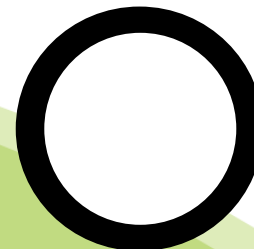
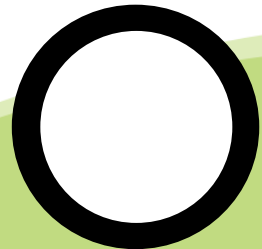
Garden furniture
= (0%)



Hot Drinks
+5%

Here we look at the price of individual barcodes transacted in garden centres in August 2024 and August 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 August 2024, within our trolley hardy plants, (+4%), bedding plants (+3%) and lawn care (+2%) experienced price inflation, likely due to rising input and overhead costs. Similarly, in the cafés/restaurants, hot drinks saw price inflation (+5%).

Garden furniture, BBQs and heating, garden tools and equipment, garden gloves and plant care products as well as growing media, all maintained prices on a par with August 2023.



Retail inflation on plants

(August 2024 vs August 2023 price inflation)



Shrubs
+2%



Foliage
houseplants
= (0%)



Herbaceous
+3%



Pack bedding
+2%



Roses
+8%



Climbers **+4%**



Flowering
houseplants
= (0%)



Fruit trees &
bushes
+9%

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

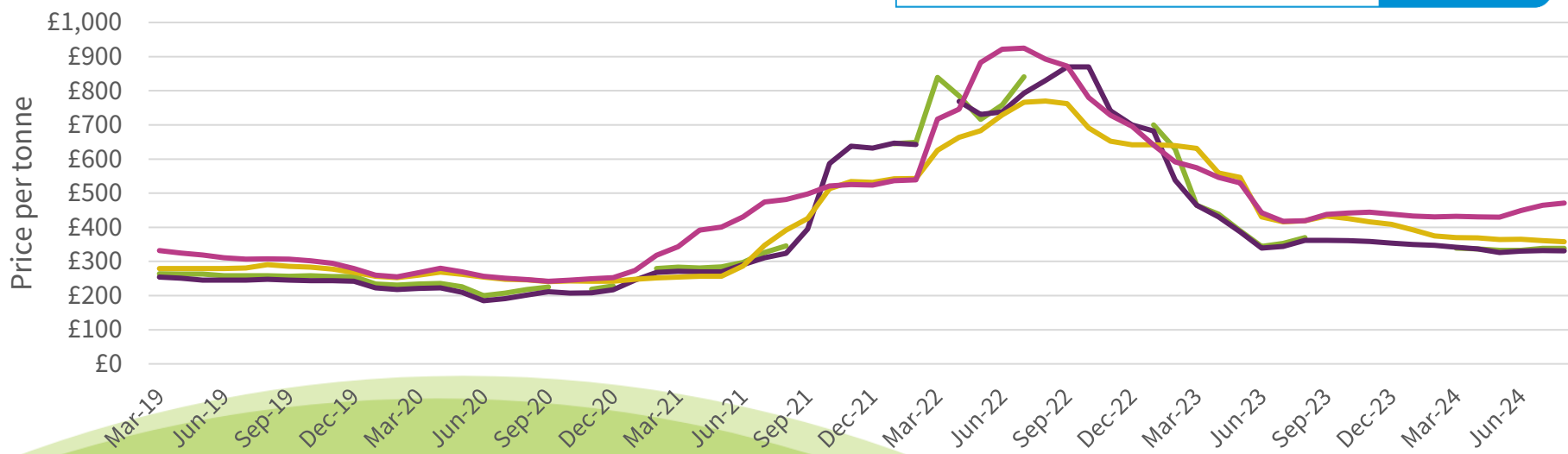
Fruit trees (+9%), roses (+8%), climbers (+4%), herbaceous (+3%), pack bedding(+2%) and shrubs (+2%) showed the biggest rise in prices year on year in the garden centre channel likely due to higher overhead costs (i.e. energy, labour, inputs).

Flowering houseplants and foliage houseplants maintained their prices on par with August 2023.

GB Fertiliser Prices

Fertilisers are a major input cost in plant production and rising costs increase the likelihood of squeezed margins through the supply chain. 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. Overall fertiliser costs have remained (comparatively) stable over the last year. To the end of August and compared with a year ago, the cost of the key components tracked are down between 5% and 10%, and by substantially more compared with the spikes in costs in 2022. However, costs remain substantially above those seen prior to March 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 \$4,168 for a 40ft container as of 13th September 2024, compared with \$5,551 a month previously. This represents a welcome fall in costs compared with those reported since May, and whilst the rates are also substantially below the peaks seen in the pandemic, they are still substantially higher than rates being reported a year ago. The situation in the Red Sea and middle east more generally remains volatile, and so whilst these recent movements in cost are welcome this trend continues the greater the impact on goods and commodities shipped from the far east.

Drewry World Container Index (WCI) - 12 Sep 24 (US\$/40ft)



\$4,168

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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