Market Update: October 2024

Contents

Overview

- Overall garden centre sales were up +1% on September 2023 including catering, which was boosting overall sales. Excluding catering, overall garden centre sales were down -1% versus September 2023.
- Garden/gardening categories were down -6% on September 2023 which may have been as a result of the poor weather.
- Non-garden gardening categories continued to perform strongly compared to September 2023, up +9% on the same period last year including catering, and when excluding catering, up +6%.
- Average transaction values for the garden centre were down -2% on September last year at £22.85. ATV's in the café/restaurant grew year-on-year (+4%), which could be a factor of price inflation or a shift in the makeup of 'baskets' to higher value items as sales were up +15% by value, but up +9% by volume.
- Consumer confidence fell by -7pts on August as the warnings of the autumn budget had rattled consumers. Immigration, NHS and Economy were the top 3 issues within the Ipsos Issues Index.
- With consumer attitudes shifting in anticipation to the autumn budget and the weather, how consumers readiness to spend may be affected. Consumers may need an extra incentive to visit and spend in the run up to Christmas.

Read on for the detail…

Key Points: September

Overall September Garden Centre sales were **up +1%** incl. catering vs September 2023

Gardening category sales were **down -6%** on September 2023

Consumer confidence fell **7pts** from August 2024

Food & Farm Shop sales were up **+17%** vs September 2023

Southern England had **233%** of the **average rainfall** in **September 2024** – the **wettest** the **region** has been since **1918**

Garden centre sales: September

Based on member feedback, we have updated the figures below to report sales inclusive and exclusive of café/restaurant for more meaningful comparisons. Garden centre sales overall were up +1% compared to September 2023. However, if we exclude catering, overall garden centre sales were down -1%. This shows just how well catering has performed and continues to perform throughout the year. Garden/gardening categories didn't do as well in September 2024 versus 2023, down -6%, especially in plant categories such as Hardy plants (see page 9). September is a strong month for bulb sales, as people start to plant their spring/summer bulbs (see page 9), however good sales in this category was not enough to completely offset the challenging weather. Across the two year comparisons, overall sales were up +10% including catering. Non-garden/gardening sales were significantly boosted by strong catering performance.

	Overall *Incl. catering*	**Overall** *excl. catering*	**Garden/ gardening**	**Non-garden/ gardening** *incl. catering*	**Non-garden/ gardening** *excl. catering*
Sep 2024 vs Sep 2023	+1%	-1%	-6%	+9%	+6%
Sep 2024 vs Sep 2022	+10%	+5%	-3%	+24%	+16%

(Figures reported are exclusive of VAT)

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**

Source: HTA Garden Retail Monitor

Garden centre sales: September

Overall, garden centre sales were up +1% when including catering, and sales volumes were up +2%. Non garden/gardening values were up +9% including catering and +6% in terms of volumes. This indicates that food related goods in categories such as food & farm shop had a potential inflation effect, as well as catering (see page 10 for more). Nevertheless, the composition of the basket may also have influenced the values and volumes, see page 7 & 8 for more.

Sep 2024 vs Sep 2023	**Overall** *Incl. catering*	**Overall** *Excl. catering*	**Garden/ Gardening**	**Non-garden/ Gardening** *Incl. catering*	**Non-garden/ Gardening** *Excl. catering*
Value of sales (£, exc. VAT)	**+1%**	**-1%**	**-6%**	**+9%**	**+6%**
Volume of sales	**+2%**	**-1%**	**-5%**	**+6%**	**+4%**

Sep 2024 vs Sep 2022	**Overall** *Incl. catering*	**Overall** *Excl. catering*	**Garden/ Gardening**	**Non-garden/ Gardening** *Incl. catering*	**Non-garden/ Gardening** *Excl. catering*
Value of sales (£, exc. VAT)	**+10%**	**+5%**	**-3%**	**+24%**	**+16%**
Volume of sales	**+7%**	**-1%**	**-9%**	**+18%**	**+8%**

Source: HTA Garden Retail Monitor

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

There was a modest change year on year in Transaction Numbers in September 2024 versus September 2023. They were up +1% on September 2023 despite the weather and flooding in certain regions (see weather on page 12 & 13). However the Average Transaction Value was -2% on September 2023, with the value being £22.85. Sales were dampened on garden/gardening categories and less big ticket items such as garden furniture were likely purchased (garden furniture sales were down -4% versus September 2023 - see page 9), contributing to lower basket values.

Transaction Numbers: Garden Store

+1%

SEP 2024 vs SEP 2023

+6%

SEP 2024 vs SEP 2022

Average Transaction Values (ATVs): Garden Store

exc. VAT
£ 22.85

inc. VAT
£ 26.89

SEP 2024

VS SEP 2023 (exc. VAT)	VS SEP 2022 (exc. VAT)
-2% (£23.24)	-1% (£23.15)

Source: HTA Garden Retail Monitor

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

Success in the café/restaurant continued onwards in September, with transaction numbers up +12% on the same period last year. The Average Transaction value for September 2024 in the café/restaurant was £11.59 which was +4% on September 2023 and +8% on September 2022. However, catering and food & farm shop categories in particular faced some inflation (see pages 20 & 21). For example, catering was up +15% on September 2023 and volumes were up +9% on September 2023, indicative of inflation being a factor.

Transaction Numbers: Café/restaurant

+12%

SEP 2024 vs SEP 2023

+31%

SEP 2024 vs SEP 2022

Average Transaction Values (ATVs): Café/restaurant

exc. VAT

£ 11.59

inc. VAT

£ 13.84

SEP 2024

VS SEP 2023 (exc. VAT)	VS SEP 2022 (exc. VAT)
+4% (£11.12)	+8% (£10.72)

Source: HTA Garden Retail Monitor

Garden centre sales: September garden/gardening breakdowns

In September, sales in garden/gardening departments were down -6% compared to September 2023, due to a duller, wetter September.

September is peak season for Bulb sales making 29% percent of annual garden centre sales for that month, and sales were up +8% apart from September 2023. However, other plant categories did not fare very well, with Hardy plants down -13% and bedding plants down -6%. In terms of volumes, Hardy plants were down -8% and bedding plants were -6% (same as the values). This shows a shift towards smaller shrubs and trees being purchased.

Garden furniture sales have faced pressure from squeezed margins due to increased shipping costs for retailers (see page 23), and COVID pulling forward the replacement cycle for furniture meant many retailers were faced with high stock levels in the years following. Together with the wet weather, garden furniture sales in September were down -4% compared to September 2023, down -20% in comparison to September 2022 and down -18% when comparing year to end of September 2023.

In year-to-date comparisons, all garden categories except for features and structures (+7%) and bulbs (+3%) saw sales on par or below sales in 2023 up to the end of September, which signifies the challenges seen within the season.

Category	Sep 2024 vs 2023	YTD Sep 2024 vs 2023	Sep 2024 vs 2022
Bedding plants	**-6%**	**-4%**	**+4%**
Hardy plants, shrubs & trees	**-13%**	**-10%**	**-7%**
Indoor plants	**-6%**	**-4%**	**-7%**
Bulbs	**+8%**	**+3%**	**+18%**
Seeds (excl. grass seed)	**-1%**	**-1%**	**-13%**
Plant care products	**-9%**	**0% (=)**	**0% (=)**
Garden tools & equipment	**-12%**	**-4%**	**+3%**
Garden features & structures	**-8%**	**+7%**	**-2%**
Outdoor containers	**-4%**	**0% (=)**	**0% (=)**
Garden Furniture	**-4%**	**-18%**	**-20%**

YTD – Calendar year to end of September

Source: HTA Garden Retail Monitor

Garden centre sales: September non-garden/gardening breakdowns

In September 2024, non-garden/gardening sales overall were up +9% compared to September 2023.

All year on year comparisons were up for September 2024 versus September 2023 and September 2024 versus September 2022. Food and farm shop (+17%) and catering (+15%) continued to remain strong, alongside transaction numbers of +12%, the cafes and restaurants, as well as food goods were still desirable despite dull weather. Catering was up +41% in comparison to September 2022.

Indoor living sales were up by +4%, followed by pets (+2%), gifting (+1%) and wild bird care (+1%). When comparing year to end of September 2024 to year to end of September 2023, all bar Indoor living & homewares were up on the year before.

Category	Sep 2024 vs 2023	YTD Sep 2024 vs 2023	Sep 2024 vs 2022
Indoor living & homewares	**+4%**	**-3%**	**+1%**
Gifting	**+1%**	**+2%**	**+7%**
Wild bird care	**+1%**	**+7%**	**+3%**
Pets	**+2%**	**+3%**	**+12%**
Food & farm shop	**+17%**	**+14%**	**+35%**
Catering	**+15%**	**+12%**	**+41%**

YTD – Calendar year to end of September

Source: HTA Garden Retail Monitor

Garden centre sales: calendar year to end of September

For the year to end of September, we once again see the sales are on par with both year to end of September 2023 and year to end of September 2022. This was boosted by catering sales, as when excluded, sales were down -2% compared to year to end of September 2023 and -4% compared to year to end of September 2022. The weather has been largely wet and unsettled throughout this year, with a non-starter summer season, garden/gardening categories suffered (-5% in comparison to year to end of September 2023 and -9% compared to year to end of September 2022). However, non-garden/gardening did well in the year to end comparisons, showing the weather didn't stop people coming to the cafes, but also food hall and farm shop categories remained popular this year.

	Overall *Incl. catering*	**Overall** *excl. catering*	**Garden/ gardening**	**Non-garden/ gardening** *incl. catering*	**Non-garden/ gardening** *excl. catering*
Calendar year to end of Sep 2024 vs Sep 2023	0% (=)	-2%	-5%	+7%	+5%
Calendar year to end of Sep 2024 vs Sep 2022	0% (=)	-4%	-9%	+17%	+9%

(Figures reported are exclusive of VAT)

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**

Source: HTA Garden Retail Monitor

Weather

The weather in September 2024 was unsettled throughout, with warm weather to start then very wet weather and thunderstorms at the end. There was plenty of variation in weather amongst regions in the UK (see page 13). It was also a less sunny month overall with 87% of the average sunshine hours recorded in September 2024 compared with the same period last year. Southern England saw over 200% of the long-term average rainfall which was the most seen in the region since 1918 (see page 13).

	Sep 2024	Sep 2023
Hours of sunshine	**122.7**	**139.9**

	Sep 2024	Sep 2023
Rainfall (mm)	**114.1**	**121.4**

	Sep 2024	Sep 2023
No. of rain days	**13.3**	**13.4**

	Sep 2024	Sep 2023
Mean temperature (Celsius)	**12.7**	**15.2**

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

Source: MET Office

Weather by region

Region	Mean Temp (Degrees Celsius)	Sunshine Hours	Rainfall (mm)
Overall	12.7	122.7	114.1
South England	14.4	124.8	144.4
North England	12.7	118.5	113.0
Wales	12.8	104.8	155.2
Scotland	10.7	125.7	78.1
Northern Ireland	12.1	132.5	71.6

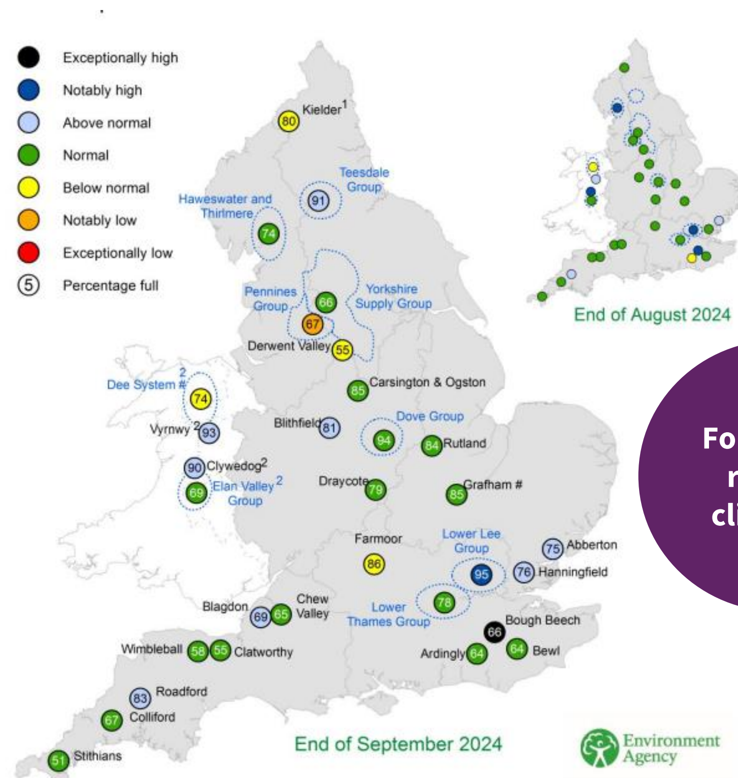
The weather was extremely wet in certain regions of the UK, with Southern England recording 233% of the long-term average. In contrast, Scotland recorded 63% of their average rainfall showing how stark a difference September was for the regions of the UK. Some regions saw floods due to rain.

Source: MET Office

Current reservoir levels

Reservoir stock across England was 76% full at the end of September, compared to 79% in August 2024. This decrease was seen in three quarters of reservoirs and reservoir groups reported.

The National Drought Group has announced the risk of drought will be low next year, and a new report looking into the 'Risks to nature and why it matters' was released. This document outlines the risks to nature and the causes, assessing the state of ecosystems, risks and what that means for the benefits of nature.



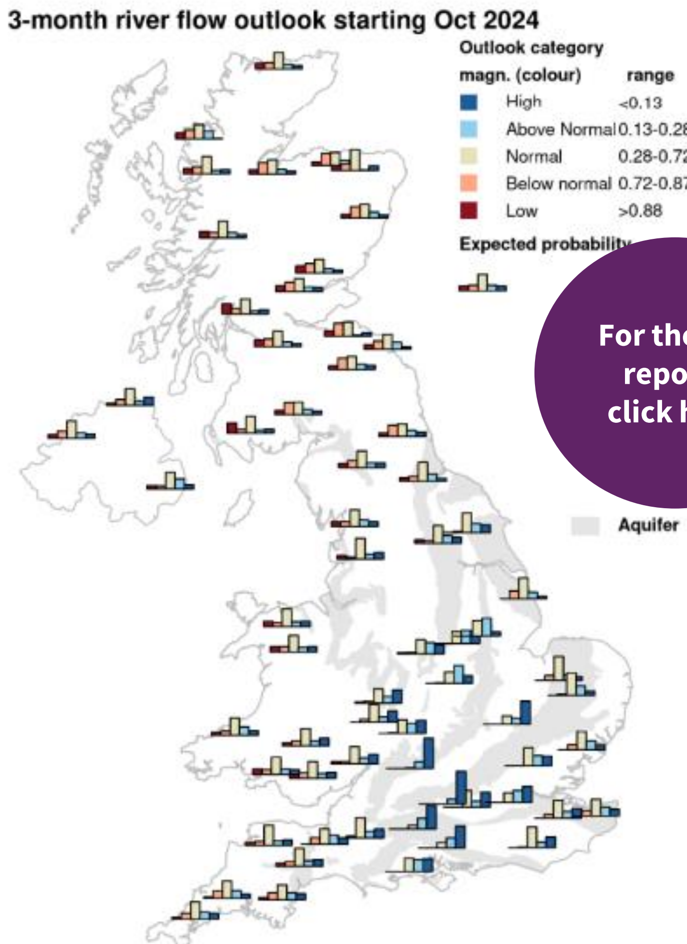
For the full reports click here

Source: Environment Agency

Forecast river flows

River flows from October to December 2024 are expected to be high within in some catchments Southern England. In other catchments in Southern England and across central England, they are expected to be normal to 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.



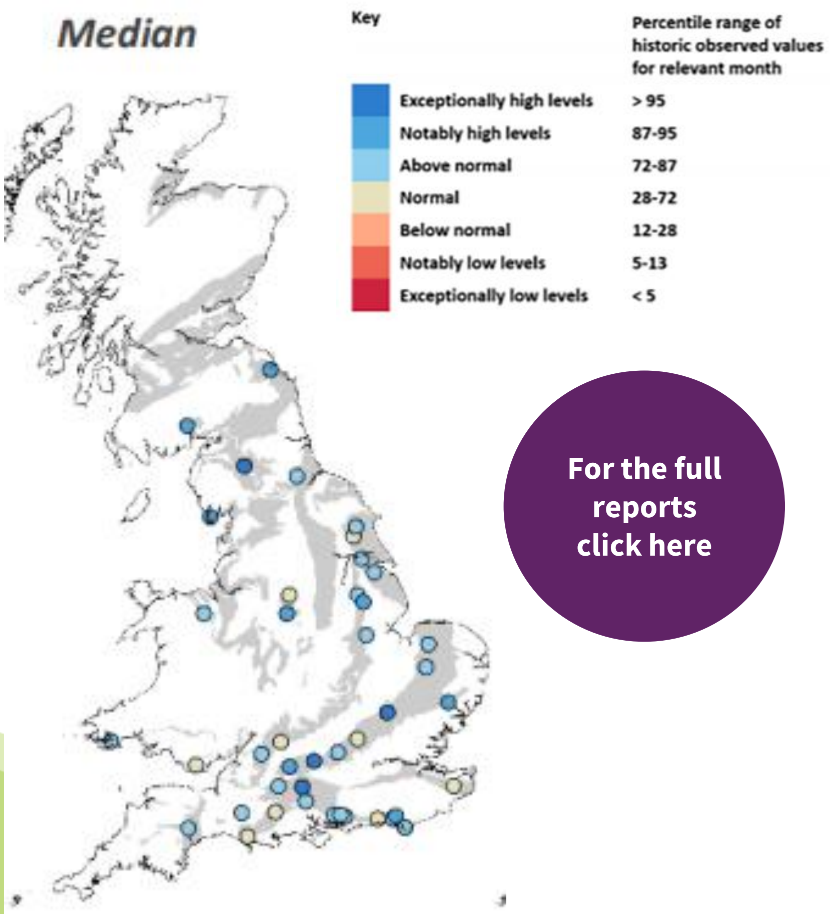
For the full reports click here

Source: Centre for Ecology and Hydrology

Forecast groundwater levels

Under median rainfall conditions, groundwater levels are predicted to return to normal by the end of December, although most sites are forecast to remain above normal or higher.

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

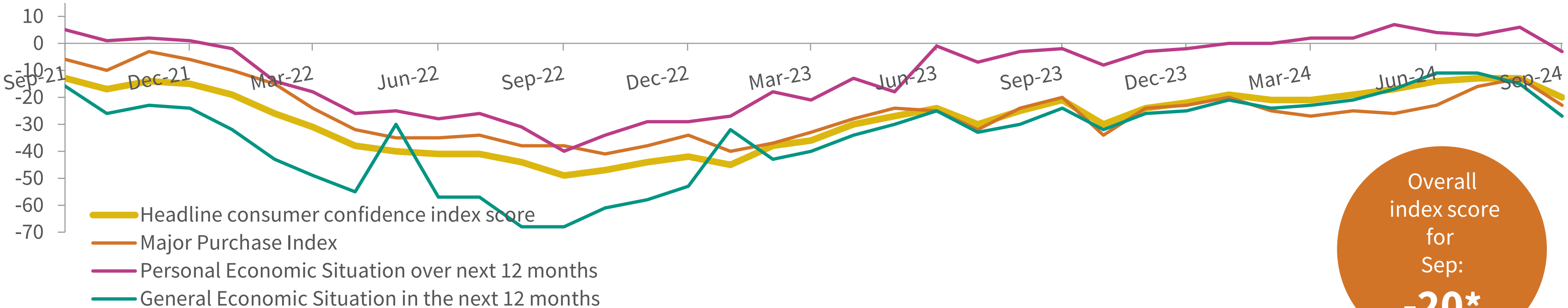


For the full reports click here

Source: Centre for Ecology and Hydrology

Consumer confidence

The consumer confidence score took a large fall in September 2024, down 7 points to -20. This is likely due to the warnings about tough measures coming in the Autumn Budget due imminently. We saw the personal financial situation dip back into negative figures, dropping 9 points. However, the highest fall came from the general economic situation, decreasing 12 points. This is despite stable inflation and potential cuts in the base interest rates. We may see consumer spend decrease which may spell bad news for the retail sector. The major purchase index also fell, meaning consumers are less likely to purchase big ticket items.



Overall index score for Sep: **-20***

*this is 7 points lower than Aug 2024

Measure	Relative score (September 2024)	vs. Aug 2024
Personal financial situation: during last 12 months **over next 12 months**	-9 **-3**	2 points lower **9 points lower**
General economic situation: during last 12 months **over next 12 months**	-37 **-27**	2 points lower **12 points lower**
Major Purchase Index	-23	10 points lower
Savings Index	23	10 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.**

Base: 2,003 UK Individuals aged 16+, interviewed 30th August – 13th September 2024

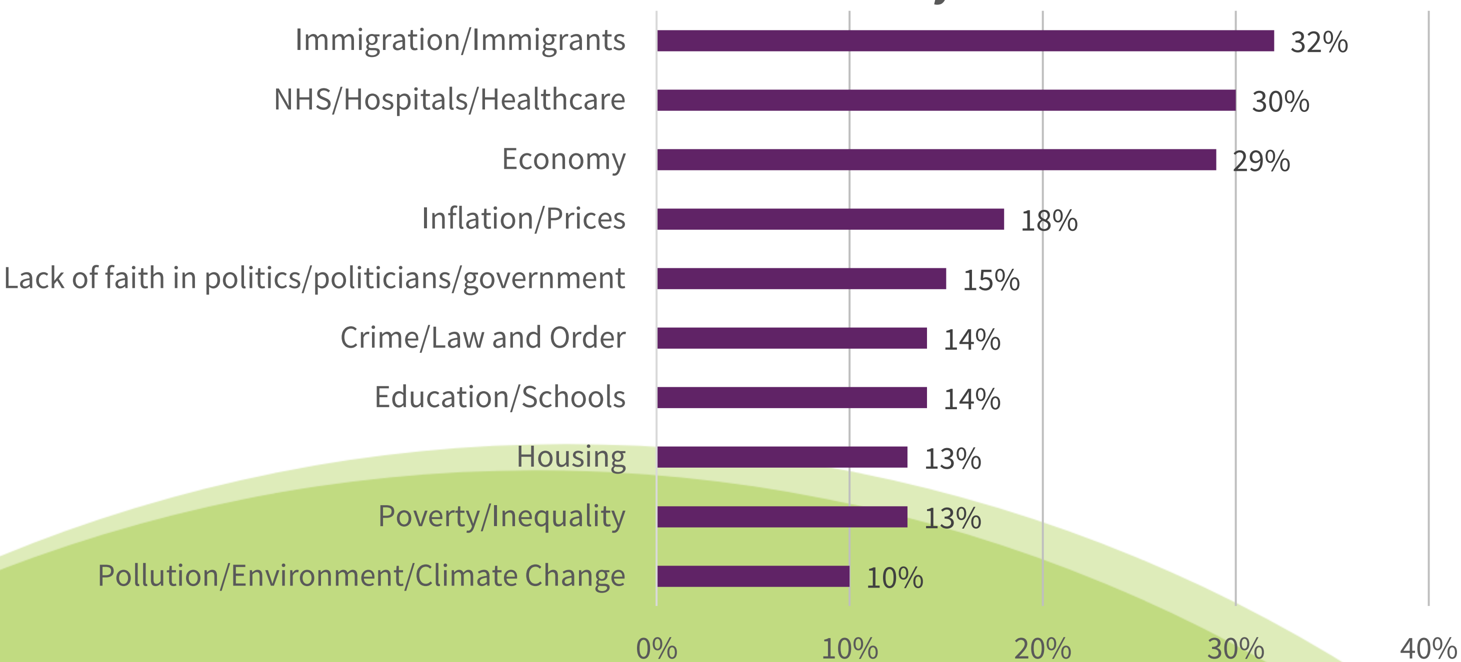
Click to view the full summary

Source: GfK

Consumer Issues Tracker: September

Immigration has remained the topmost concern amongst UK citizens, but this was closely followed by issues with the NHS and Economy, making up the top 3 concerns. This is despite inflation coming down in the past few months. Lack of faith in politics and politicians has rebounded to levels last seen earlier this year before the general election which does not bode too well for the current government.

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



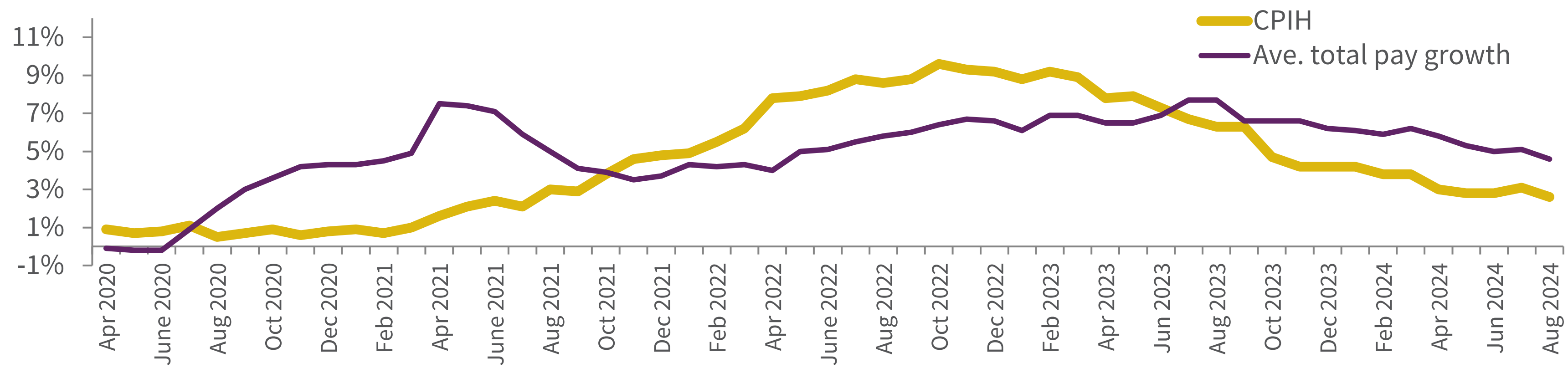
Change since August:	
%	Position
-2	=
=	=
=	=
-2	↑+1
+7	↑+6
-11	↓-2
+4	↑+2
-2	↓-2
=	↓-1
+1	=

Base: 1,003 British adults aged 18+, 4th – 10th September 2024

Source: Ipsos

Inflation and Wages

We report on the latest CPIH inflation rate, which was 2.6% in September 2024. This drop in inflation was unexpected which remains good news for consumers and their finances. The drop in inflation may also mean a drop in bank interest rates in the Bank of England. Average pay growth (excl. bonuses) was 4.6% in August 2024 (the latest available data), which is a drop compared to April to June measures, however - consumers' wages are still increasing faster than inflation. Unemployment decreased to 4.0% in the three months to August 2024, remaining stable once again within 0.1%. This decrease and stability remains positive for recruitment.



*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 (Sept) **2.6%**

Average pay growth August: **4.6%**

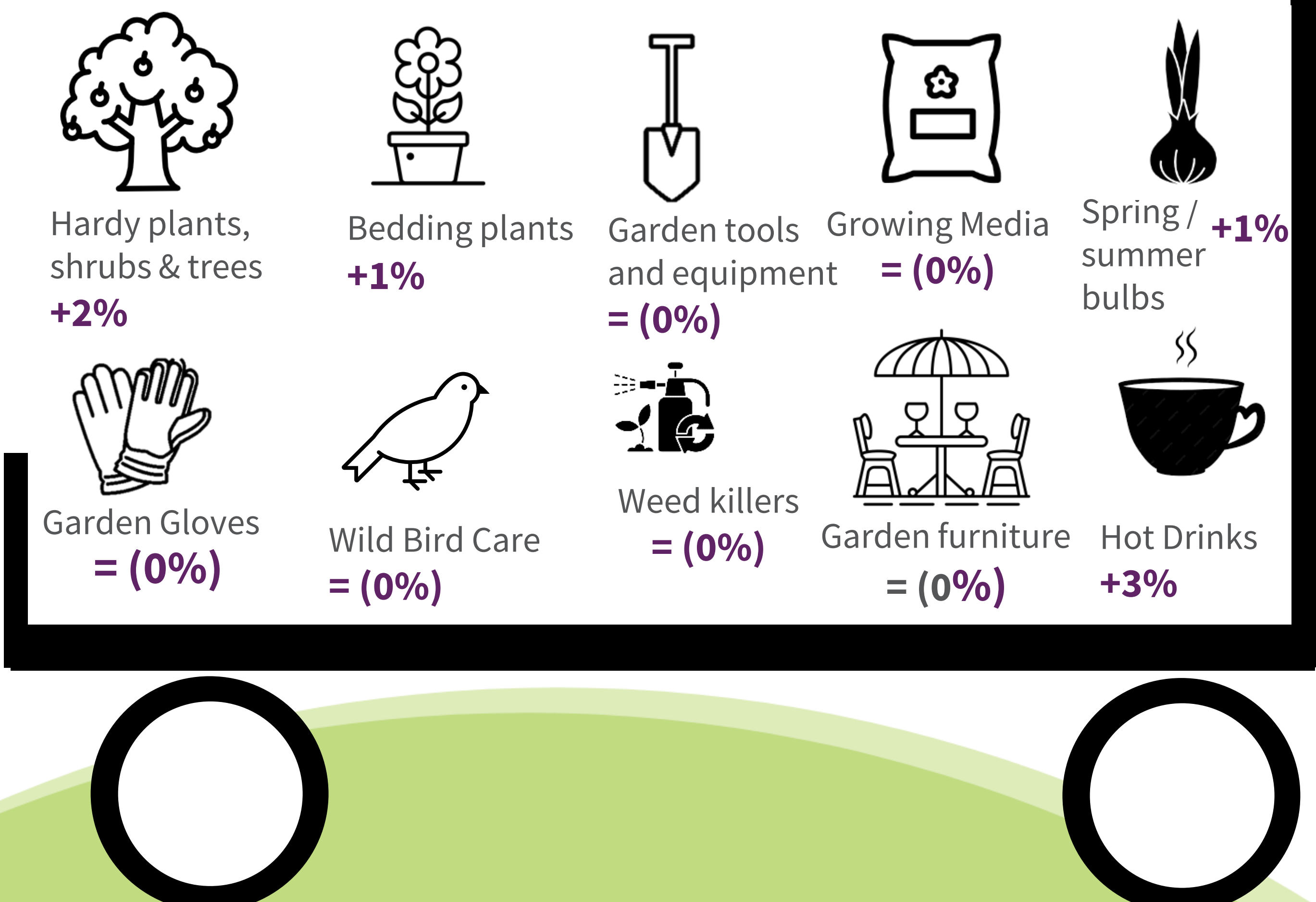
Unemployment Rate (June – Aug 2024) **4.0%**

Source: gov.uk

Retail inflation on garden products

Our September trolley

(September 2024 vs September 2023 price inflation)



Here we look at the price of individual barcodes transacted in garden centres in September 2024 and September 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 September 2024, within our trolley hardy plants, (+2%), bedding plants (+1%) and spring bulbs (+1%) experienced marginal inflation to much less of a degree than we've seen in previous months. These are in-line with latest general UK inflation which is now around 2%. Similarly, in the cafés/restaurants, hot drinks saw price inflation (+3%). Garden furniture, wild bird care, garden tools and equipment, garden gloves and weed killers as well as growing media, all maintained prices on a par with September 2023.

Source: HTA Garden Retail Monitor

Retail inflation on plants

(September 2024 vs September 2023 price inflation)

Shrubs
+1%

Foliage houseplants
= (0%)

Herbaceous
= (0%)

Pack bedding
+2%

Roses
+13%

Climbers
= (0%)

Flowering houseplants
= (0%)

Fruit trees & bushes
+1%

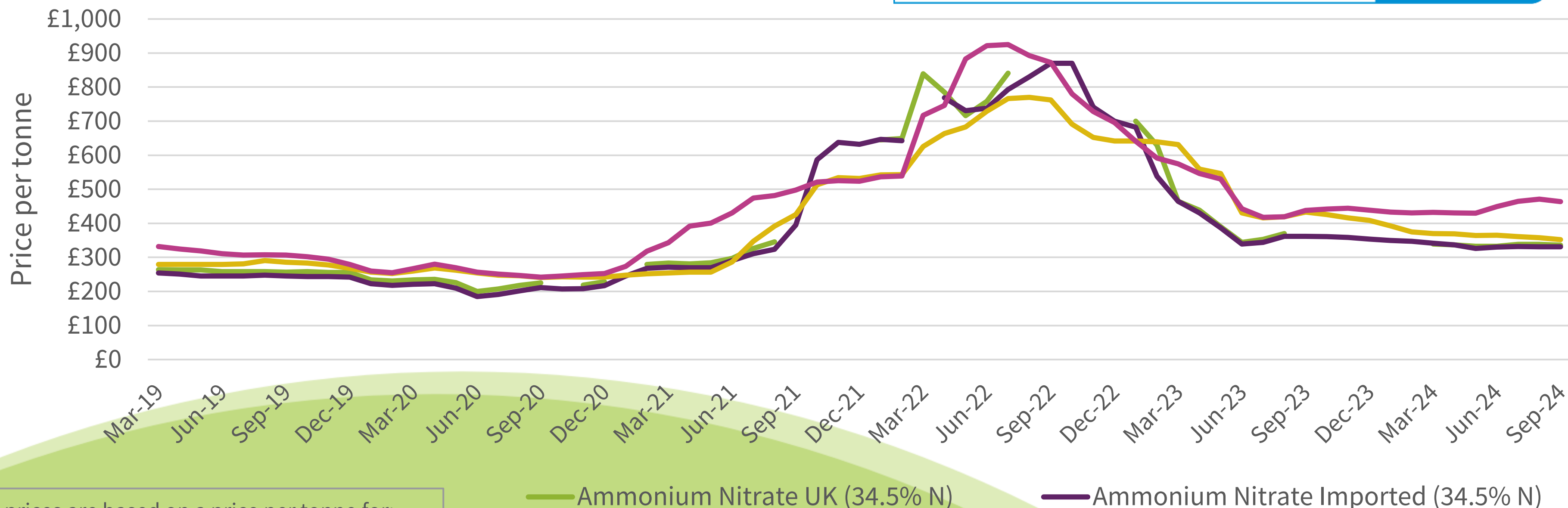
Here we look at retail price inflation across some of the plant categories specifically.
Roses (+13%) experienced significant inflation compared to pack bedding(+2%), fruit trees and bushes (+1%) and shrubs (+1%) that showed marginal rise in prices year on year in the garden centre channel likely due to higher overhead costs (i.e. energy, labour, inputs).
Climbers, herbaceous, flowering houseplants and foliage houseplants maintained their prices on par with September 2023.

Source: HTA Garden Retail Monitor

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 September and compared with a year ago, the cost of the key components tracked were varied, from being up 6% all the way to down 14%. However, costs remain substantially above those seen prior to March 2021.

Accurate, timely and independent data you can trust

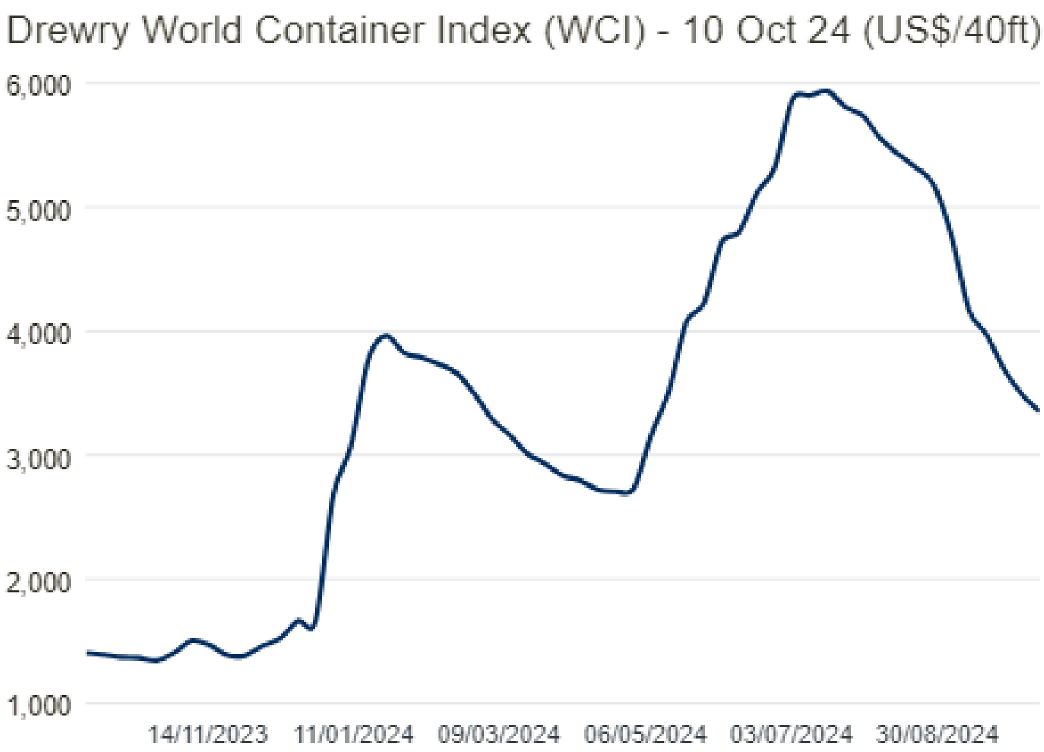


All prices are based on a price per tonne for:

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

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 $3,349 for a 40ft container as of 17th October 2024, compared with $4,168 a month previously. As the rate continues to drop quite sharply, the rate is still quite high in comparison to rates seen last year. The situation in the Middle East is still quite precarious, journeys still remain longer and are having a knock-on effect on large goods and items.



$3,349

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

Source: Drewry

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