HTA

Market Update: November 2024

Contents

Overview

- Overall garden centre sales were down -6% on October 2023, but excluding catering, sales were down -9% highlighting the challenging conditions faced by garden centres.
- October is a relatively small month in the grand scheme of the garden centre sales year, and we've seen significant variation between retailers due to how quickly Christmas departments are opened and how much of any remaining garden furniture is being sold through.
- But, garden/gardening categories continued to struggle (-14%), with the weather not inspiring plant sales. At a key time for Autumn planting, bulb sales were down -6%.
- The challenges for member businesses are confounded by the Chancellor's Autumn Budget, which announced increases to employer National Insurance contributions and the National Living Wage.
- As a result, our recent Member Consultation Survey indicates 66% of members report definitely needing to increase their prices and 40% report they will definitely face postponing or reducing investment in the business due to the Budget measures. HTA will be presenting the impacts and full results of the survey to Government in the coming weeks.
- Despite the challenges, Christmas sales got off to a good start (+5% vs October 2023), with fragile consumer confidence (-1pt from September to October not factoring in any impacts of the Budget) potentially encouraging consumers to spread their spending and start earlier.
- Transaction numbers in the cafes/restaurants were also up +4% on October 2023, highlighting that garden centres can still be a key destination for leisure experiences over the festive period, and deliver all important cash flow for garden centres over the quieter months of January and February ahead of the 2025 core gardening season.

Read on for the detail…

Key Points: October

Overall October Garden Centre sales were **down -6%** incl. catering vs October 2023

Garden/ gardening category sales were **down -14%** vs October 2023

Consumer confidence fell **1pt** from September 2024

Christmas sales were up **+5%** vs October 2023

Transaction numbers in the **café / restaurant** were **up +4%** vs October 2023

Garden centre sales: October

Based on member feedback, we have updated the figures below to report sales inclusive and exclusive of café/restaurant for more meaningful comparisons. Overall garden centre sales were down -6% on October 2023, and down -9% when catering is excluded, demonstrating the strength of garden centre hospitality in boosting sales. October is a relatively small month in the scheme of the full year (7% of annual sales), and so bigger movements driven largely by last furniture or early Christmas sales, are on a smaller base. To this effect, October saw significant variation between retailers. Nationally, garden/gardening sales suffered at the hands of the weather despite being drier than last year; sales were down -14% on October 2023 as plant categories were particularly impacted (see page 9). Non-gardening sales were flat in comparison to October 2023, but down -2% excluding catering; as Christmas sales got off to a good start but were counterbalanced by weaker wild bird care and pet department sales.

	Overall *Incl. catering*	**Overall** *excl. catering*	**Garden/ gardening**	**Non-garden/ gardening** *incl. catering*	**Non-garden/ gardening** *excl. catering*
Oct 2024 vs Oct 2023	-6%	-9%	-14%	0% (=)	-2%
Oct 2024 vs Oct 2022	-4%	-8%	-12%	+8%	+6%

(Figures reported are exclusive of VAT)

N.B. For this edition, as October is a relatively smaller month in the garden centre sales year and due the variation we have seen within retailers, we report on the Median values for single month of October comparisons to more accurately reflect the market.

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: October

Overall, garden centre sales by value and volume were down -6%. When the impact of catering is removed, sales were down -9% by value and -7% by volume. Garden/gardening sales were down -14% by value, but volumes were down -11% when comparing to October 2023, suggesting a change in composition of the basket to favour lower value items. Meanwhile, non-garden/gardening sales were on par with October 2023 by value, but down -3% in terms of volumes, which could be indicative of price inflation and/or movement to higher ticket items. The average transaction values in cafe/restaurants were up +2% in line with this.

Oct 2024 vs Oct 2023	**Overall** *Incl. catering*	**Overall** *Excl. catering*	**Garden/ Gardening**	**Non-garden/ Gardening** *Incl. catering*	**Non-garden/ Gardening** *Excl. catering*
Value of sales (£, exc. VAT)	**-6%**	**-9%**	**-14%**	**0% (=)**	**-2%**
Volume of sales	**-6%**	**-7%**	**-11%**	**-3%**	**-3%**

Oct 2024 vs Oct 2022	**Overall** *Incl. catering*	**Overall** *Excl. catering*	**Garden/ Gardening**	**Non-garden/ Gardening** *Incl. catering*	**Non-garden/ Gardening** *Excl. catering*
Value of sales (£, exc. VAT)	**-4%**	**-8%**	**-12%**	**+8%**	**+6%**
Volume of sales	**-7%**	**-9%**	**-15%**	**0% (=)**	**+2%**

N.B. For this edition, as October is a relatively smaller month in the garden centre sales year and due the variation we have seen within retailers, we report on the Median values for single month of October comparisons to more accurately reflect the market.

Source: HTA Garden Retail Monitor

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

The differences in transaction numbers when comparing October 2024 with the last two years were modest. Compared to October 2023, transaction numbers in the garden store were down -1%, with the dull weather and consumers looking to tighten their purse strings potentially impacting footfall. The ATV was on par (£23.49 excl. VAT) with October 2023, and up +2% compared to October 2022 despite transaction numbers down (-5%) across the two-year comparison.

Transaction Numbers: Garden Store

-1%

OCT 2024 vs OCT 2023

-5%

OCT 2024 vs OCT 2022

Average Transaction Values (ATVs): Garden Store

exc. VAT
£ 23.49

inc. VAT
£ 27.62

OCT 2024

VS OCT 2023 (exc. VAT)	VS OCT 2022 (exc. VAT)
0% (=) (£23.41)	+2% (£23.06)

N.B. For this edition, as October is a relatively smaller month in the garden centre sales year and due the variation we have seen within retailers, we report on the Median values for single month of October comparisons to more accurately reflect the market.

Source: HTA Garden Retail Monitor

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

Transaction numbers in the café/restaurant were up +4% when comparing October 2024 with October 2023, and up +9% compared to October 2022, together with buoyant catering sales (+5%) highlighting the demand for garden centre hospitality. The Average transaction value was also up +2% to £12.00 (excl. VAT), but our analysis shows this was likely influenced to some degree by price inflation (see page 20).

Transaction Numbers: Café/restaurant

+4%

OCT 2024 vs OCT 2023

+9%

OCT 2024 vs OCT 2022

Average Transaction Values (ATVs): Café/restaurant

exc. VAT

£ 12.00

inc. VAT

£ 14.34

OCT 2024

VS OCT 2023 (exc. VAT)	VS OCT 2022 (exc. VAT)
+2% (£11.76)	+6% (£11.31)

N.B. For this edition, as October is a relatively smaller month in the garden centre sales year and due the variation we have seen within retailers, we report on the Median values for single month of October comparisons to more accurately reflect the market.

Source: HTA Garden Retail Monitor

Garden centre sales: October garden/gardening breakdowns

In October, garden/gardening sales were down -14% compared to October 2023, as the trend of dull, wet weather this year continued.

October is a big month for Bulb sales (though September is the peak of the season) making 23% percent of annual garden centre bulb sales. Bulb sales were down -6% versus October 2024, but up +3% compared to October 2022 and up +2% in year-to-date comparisons. Plant categories similarly did not fare so well, with bedding plant sales down -6% and hardy plants down -18%. By volume, sales of bedding plants were down -10% and hardy plants down -14%, indicating reduced demand for planting likely driven by the weather conditions.

In year-to-date comparisons, once again, all garden categories except for features and structures (+6%) and bulbs (+2%) saw sales on par or below sales in 2023 up to the end of October, highlighting the effects of the weather and challenges for consumers and businesses alike seen this year.

Category	Oct 2024 vs 2023	YTD Oct 2024 vs 2023	Oct 2024 vs 2022
Bedding plants	**-6%**	**-4%**	**-11%**
Hardy plants, shrubs & trees	**-18%**	**-10%**	**-16%**
Indoor plants	**-3%**	**-4%**	**-2%**
Bulbs	**-6%**	**+2%**	**+3%**
Seeds (excl. grass seed)	**-12%**	**-2%**	**-19%**
Plant care products	**-18%**	**-1%**	**-14%**
Garden tools & equipment	**-15%**	**-4%**	**-12%**
Garden features & structures	**-8%**	**+6%**	**-9%**
Outdoor containers	**-17%**	**0% (=)**	**-20%**

YTD – Calendar year to end of October

N.B. For this edition, as October is a relatively smaller month in the garden centre sales year and due the variation we have seen within retailers, we report on the Median values for single month of October comparisons to more accurately reflect the market.

Source: HTA Garden Retail Monitor

Garden centre sales: October non-garden/gardening breakdowns

In October 2024, non-garden/gardening sales overall were flat compared to October 2023.

Catering sales were up +5% compared to October 2023, as were food and farm shop sales (+4%), as food related categories continue to perform strongly and provide a real boost to dampened core gardening sales.

Sales in the Wild bird care and Pets departments did not do so well, down -5% and -6% respectively. But encouragingly, Christmas sales were off to a good start in October, up +5% on October 2023, and up +5% on October 2022. As a result of fragile consumer confidence and pressures on household budgets, there may be increased appetite for spreading Christmas spend and starting earlier. Garden centres can continue to be attractive destinations for Christmas magic for family and friends amid tougher times.

Category	Oct 2024 vs 2023	YTD Oct 2024 vs 2023	Oct 2024 vs 2022
Indoor living & homewares	**+1%**	**-2%**	**-3%**
Gifting	**0% (=)**	**+2%**	**+7%**
Wild bird care	**-5%**	**+6%**	**+4%**
Pets	**-6%**	**+2%**	**-4%**
Food & farm shop	**+4%**	**+13%**	**+14%**
Catering	**+5%**	**+12%**	**+15%**
Xmas	**+5%**	**+3%**	**+5%**

YTD – Calendar year to end of September

N.B. For this edition, as October is a relatively smaller month in the garden centre sales year and due the variation we have seen within retailers, we report on the Median values for single month of October comparisons to more accurately reflect the market.

Source: HTA Garden Retail Monitor

Garden centre sales: calendar year to end of October

In year to end of October comparisons, sales were on par with 2023, and up slightly compared to the year to end of October 2022 (+1%). The story throughout 2024 so far continued, with catering boosting sales as garden/gardening categories suffered (down -5% on year to end of October 2023, and -9% on year to end of October 2022). Sales of hardy plants for instance were down -10% year to end of October, more is discussed on page 9. Non-garden/gardening categories have performed well, up +7% on year to end of October 2023 and +16% on year to end of October 2022, with the shining stars being catering (+12%) and food and farm shop (+13%). Despite the volatile weather and fiscal challenges this year consumers weren't deterred from visiting restaurant/cafes nor purchasing food-related goods (see page 10).

	Overall *Incl. catering*	**Overall** *excl. catering*	**Garden/ Gardening**	**Non-garden/ gardening** *incl. catering*	**Non-garden/ gardening** *excl. catering*
Calendar year to end of Oct 2024 vs Oct 2023	0% (=)	-2%	-5%	+7%	+5%
Calendar year to end of Oct 2024 vs Oct 2022	+1%	-3%	-9%	+16%	+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

October 2024 saw typical temperatures for the time of year despite the first storm of the season, Storm Ashley, hitting the UK towards the end of the month bringing heavy rain and winds to Scotland and Northern England. In fact, the month was drier than average overall and saw 84% of the long-term average rainfall across the UK, whilst England was wetter than average. Notably, October 2024 was significantly drier than October 2023 and roughly average in terms of sunshine.

	Oct 2024	Oct 2023
Hours of sunshine	**89.4**	**84.7**

	Oct 2024	Oct 2023
Rainfall (mm)	**103.5**	**177.9**

	Oct 2024	Oct 2023
No. of rain days	**14.4**	**16.9**

	Oct 2024	Oct 2023
Mean temperature (Celsius)	**10.4**	**10.7**

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	10.4	89.4	103.9
South England	11.7	98.6	88.7
North England	10.5	102.2	96.2
Wales	10.7	96.8	126.3
Scotland	8.9	70.1	121.5
Northern Ireland	10.5	87.4	81.2

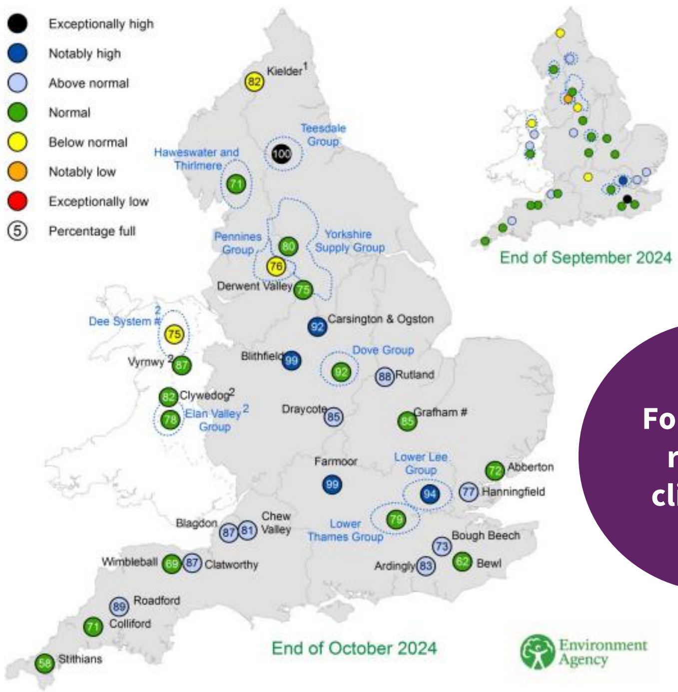
The weather for October 2024 was drier across the UK as a whole than is normal for the time of year, but there was regional variation. Wales saw 58% of the total rainfall experienced in October 2023 for instance, whilst southern England had 3% more rainfall than the long-term average. In Northern England, sunshine hours were 1.4 times what they were in October 2023. This is despite being one of the areas hit by Storm Ashley, which brought rain and strong winds to the north of the UK.

Source: MET Office

Current reservoir levels

Reservoir stock increased to 81%, compared to 79% at the end of September 2024. This increase was seen in three quarters of reservoirs and reservoir groups reported.

The National Drought Group has announced that due to the unpredictable weather, we must prepare not only for droughts, but flooding. This is even in the event of healthy water resources. More can be read in the latest update from the group here.



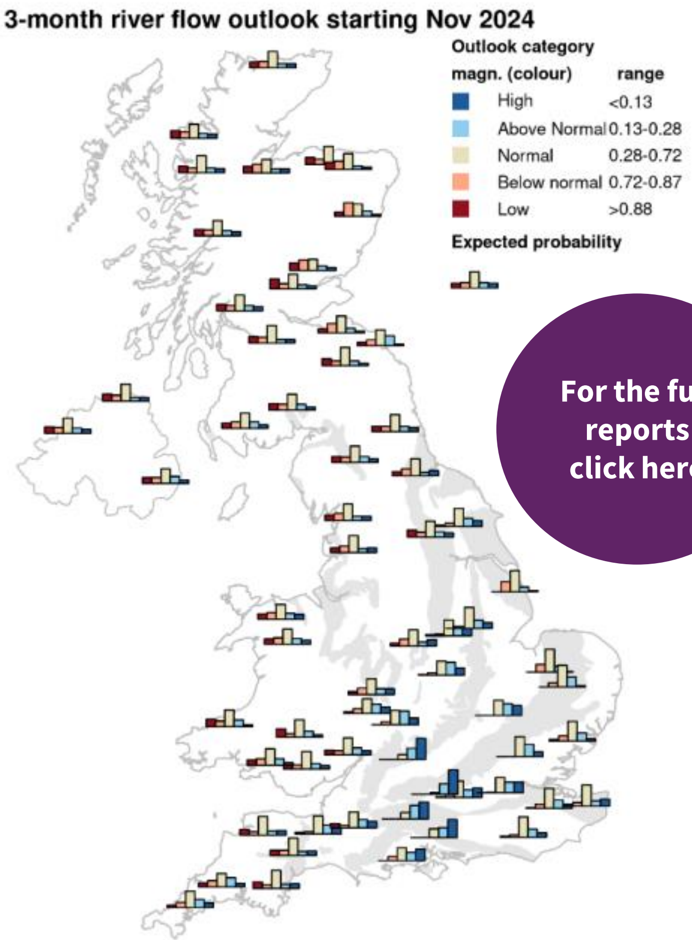
For the full reports click here

Source: Environment Agency

Forecast river flows

For the 3-month river flow outlook starting November 2024, flows are likely to be normal to below normal across eastern and southern Scotland and Northern Ireland. In South East England, they are likely to be normal to above normal. The rest of the UK is expected to have normal flows.

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.



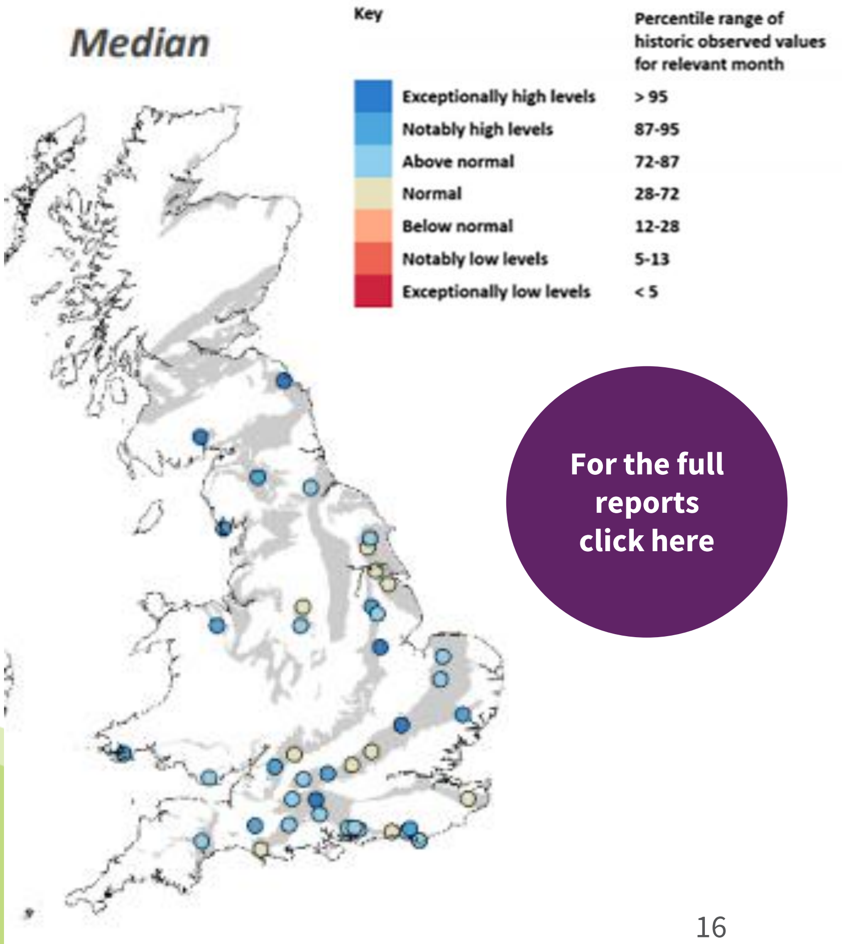
For the full reports click here

Source: Centre for Ecology and Hydrology

Forecast groundwater levels

Under median rainfall conditions, groundwater levels are predicted to remain above normal to notably high to the end of January. This is except in the Chalk of East Yorkshire, Lincolnshire, Sussex and the Permo-Triassic sandstone in South Wales and the Central Midlands. Those areas are expected to be normal.

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

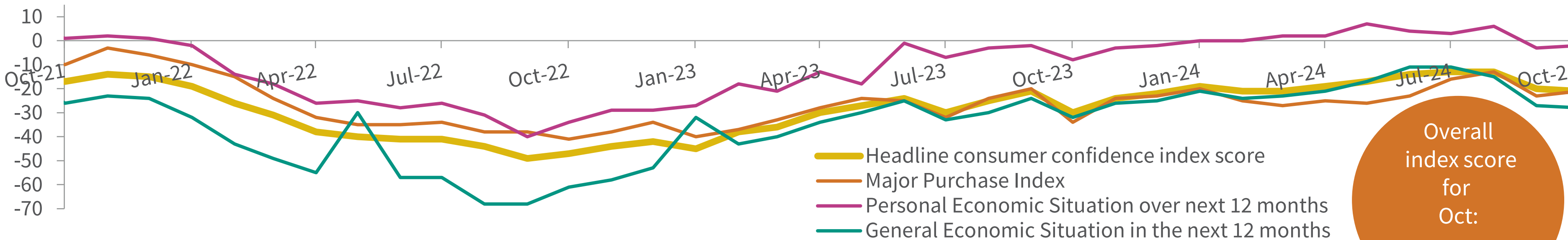


For the full reports click here

Source: Centre for Ecology and Hydrology

Consumer confidence

Consumer confidence fell slightly by a point in October 2024, down to -21. This however reflects fieldwork before the Autumn Budget announcement on the 30th October 2024, as consumers awaited the key points of the budget. We saw the highest fall in the measure of the 'general economic situation during the last 12 months' (-5 points). Meanwhile, the biggest increase was seen in the Savings Index, which indicates that consumers were likely to tighten purse strings as of October 2024. This was followed by the Major Purchase Index, up 2 points. However, this measure remained in negative territory, indicating consumers still think now is a bad time to be making significant purchases. The impacts of the Autumn Budget on consumer confidence will be reported in December's edition, whilst the budget will bring significant challenges to member businesses.



Overall index score for Oct:
-21*

*this is 1 point lower than Sep 2024

Measure	Relative score (October 2024)	vs. Sep 2024
Personal financial situation: during last 12 months **over next 12 months**	-10 **-2**	1 point lower **1 point higher**
General economic situation: during last 12 months **over next 12 months**	-42 **-28**	5 points lower **1 point lower**
Major Purchase Index	-21	2 points higher
Savings Index	27	4 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.**

Base: 2,003 UK Individuals aged 16+, interviewed October 1st – 15th 2024

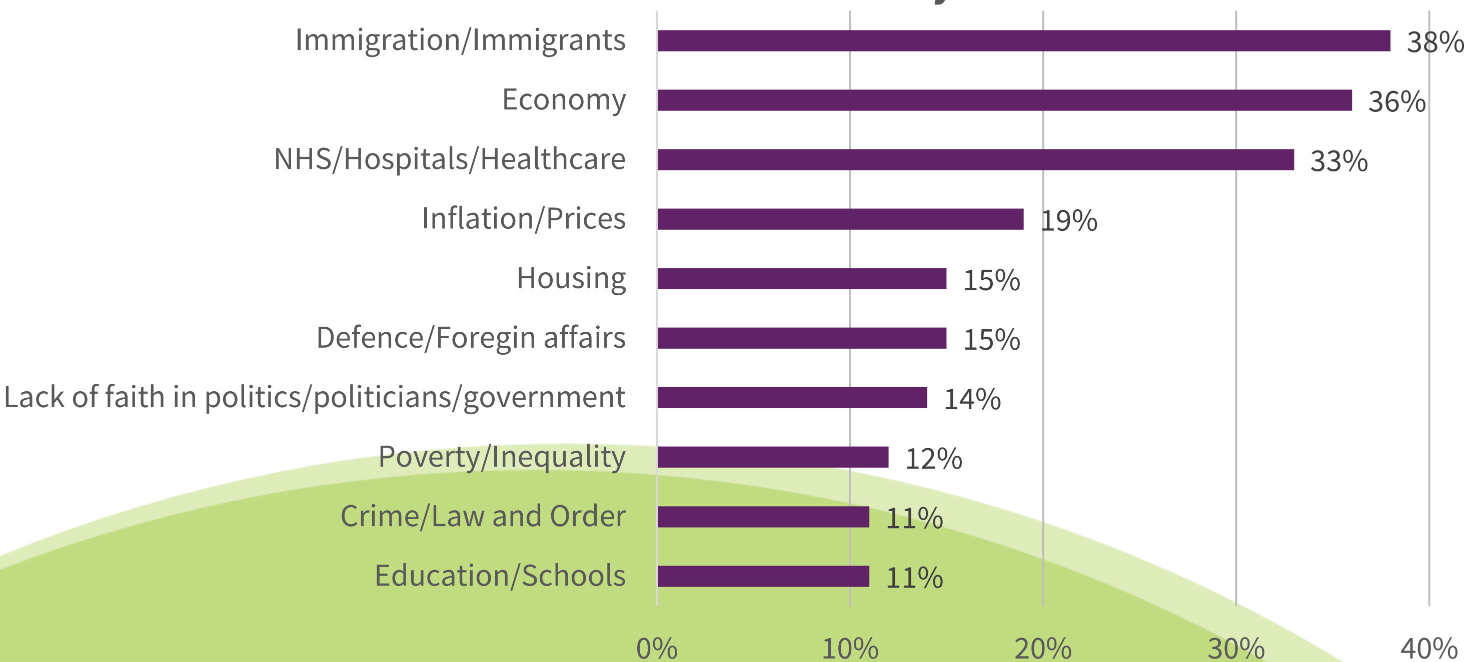
Click to view the full summary

Source: NIQ & GfK

Consumer Issues Tracker: October

Immigration was the most important issue according to consumers in October, reaching the highest recorded level since September 2016, increasing 6 points from September. This was followed by the economy and the NHS, as the budget wasn't announced at the time of fieldwork and our health services were still a priority concern for UK citizens. The conflict in the Middle East has caused Defence and Foreign Affairs to rise to 6th place.

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



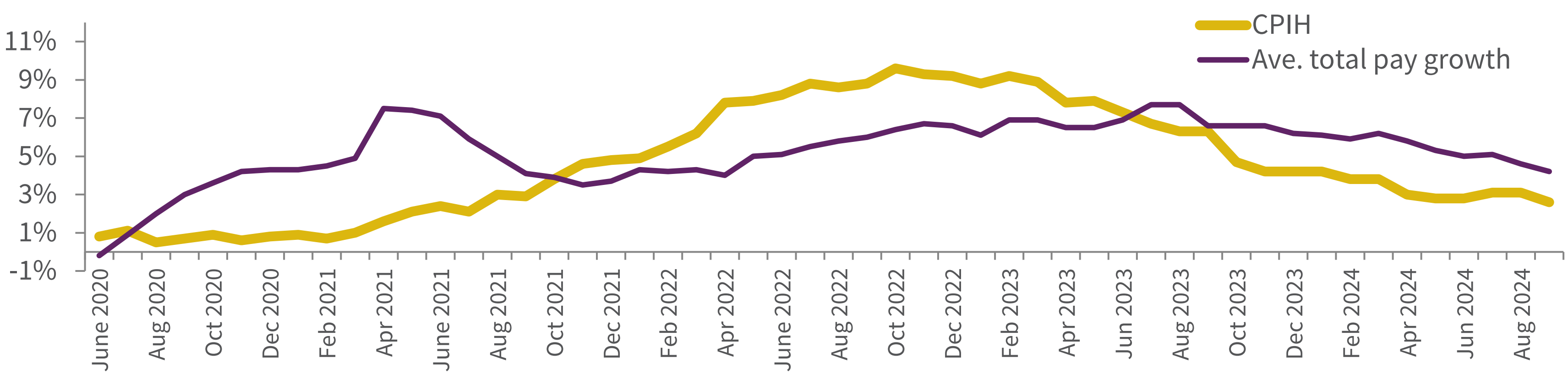
Change since Sep:	
%	Position
+6	=
+7	↑+1
+3	↓-1
+1	=
+2	↑+3
+8	↑+6
-1	↓-2
-1	=
-3	↓-3
-3	↓-3

Base: 1,004 British adults aged 18+, 2nd – 8th October 2024

Source: Ipsos

Inflation and Wages

We report on the latest official CPIH inflation rate, which was 2.6% in September 2024. This drop in inflation was unexpected which is good news for household finances, with inflation appearing to be on a downward trajectory and maintaining a gap below pay growth. Average pay growth (excl. bonuses) was 4.2% in September 2024 (the latest available data) which was a drop from 4.6% in August. Since then however, the new Chancellor released the Autumn Budget, outlining measures to increase employer National Insurance contributions and the National Living Wage amongst other items. This is set to bring significant challenges for member businesses come April 2025, with 66% of HTA members (growers, retailers, landscapers and manufacturers) reporting they will definitely need to increase their prices, and many telling us they face reducing capital investment (43%) and freezing recruitment (54%) as a result. Across the UK, unemployment remains low but increased 0.3% to 4.3% in September.



*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 Sept: **4.2%**

Unemployment Rate (Jul – Sep 2024) **4.3%**

Sources: gov.uk; HTA & APL member consultation survey November 2024

Retail inflation on garden products

Our October trolley

(October 2024 vs October 2023 price inflation)

Hardy plants, shrubs & trees **+2%**

Bedding plants **+1%**

Garden tools and equipment **= (0%)**

Growing Media **= (0%)**

Plant Care Products **= (0%)**

Garden Gloves **+2%**

Wild Bird Care **= (0%)**

Weed killers **= (0%)**

Tree decorations **= (0%)**

Hot Drinks **+7%**

Here we look at the price of individual barcodes transacted in garden centres in October 2024 and October 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 October 2024, within our trolley hardy plants, (+2%), garden gloves (+2%) and bedding plants (+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%.

On the other hand, in the cafés/restaurants, hot drinks saw price inflation (+7%) likely playing into increased ATVs.

Plant care products, wild bird care, garden tools and equipment, weed killers, tree decorations, and growing media, all maintained prices on a par with October 2023.

Source: HTA Garden Retail Monitor

Retail inflation on plants

(October 2024 vs October 2023 price inflation)

Shrubs
+1%

Foliage houseplants
= (0%)

Herbaceous
= (0%)

Pack bedding
+1%

Roses
+7%

Climbers
+1%

Flowering houseplants
+2%

Fruit trees & bushes
+2%

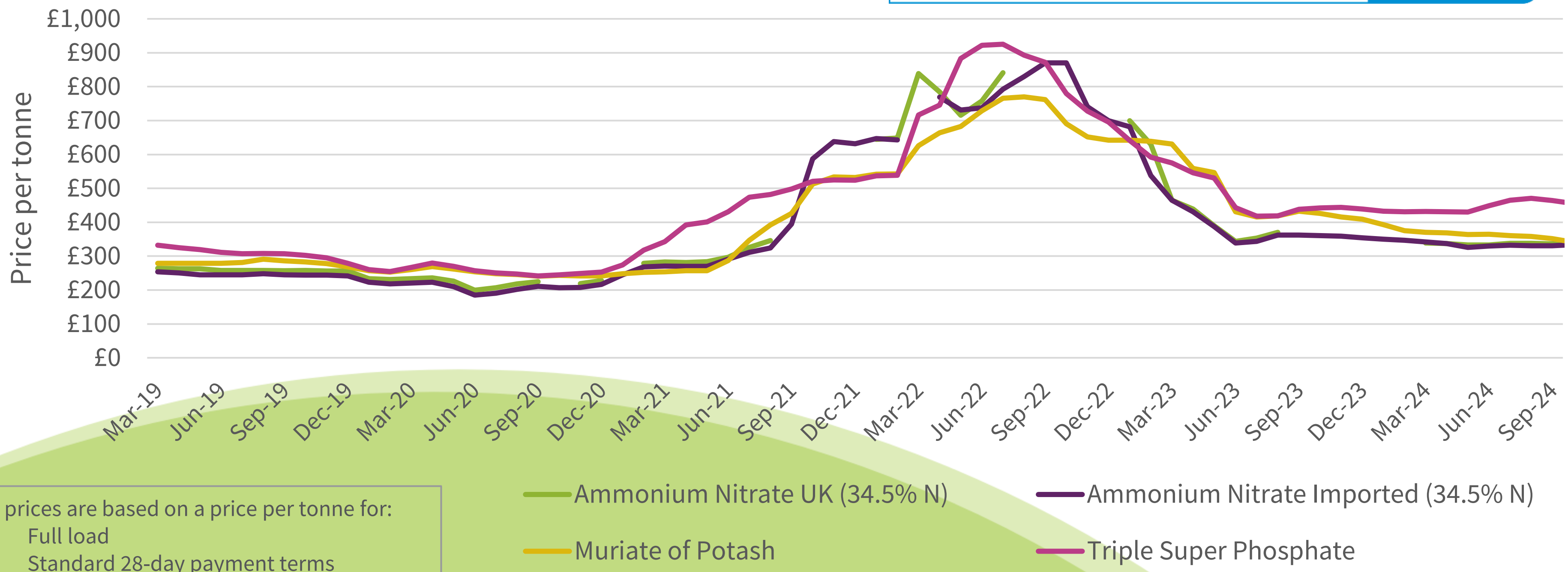
Here we look at retail price inflation across some of the plant categories specifically.
Keeping up the trend of last month roses (+7%) experienced higher price inflation compared to other plant categories. Roses tend to feature more premium ranges.

Fruit trees and bushes (+2%), flowering houseplants (+2%), climbers (+1%), pack bedding(+1%) and shrubs (+1%) showed marginal rise in prices year on year in the garden centre channel. Whilst plant production has been subject to higher overhead costs (i.e. energy, labour, inputs), sales of plants have been dampened throughout 2024 due to the weather, and so discounting at retail may be counterbalancing some of this.
Herbaceous and foliage houseplants maintained their prices on par with October 2023.

Source: HTA Garden Retail Monitor

GB Fertiliser Prices

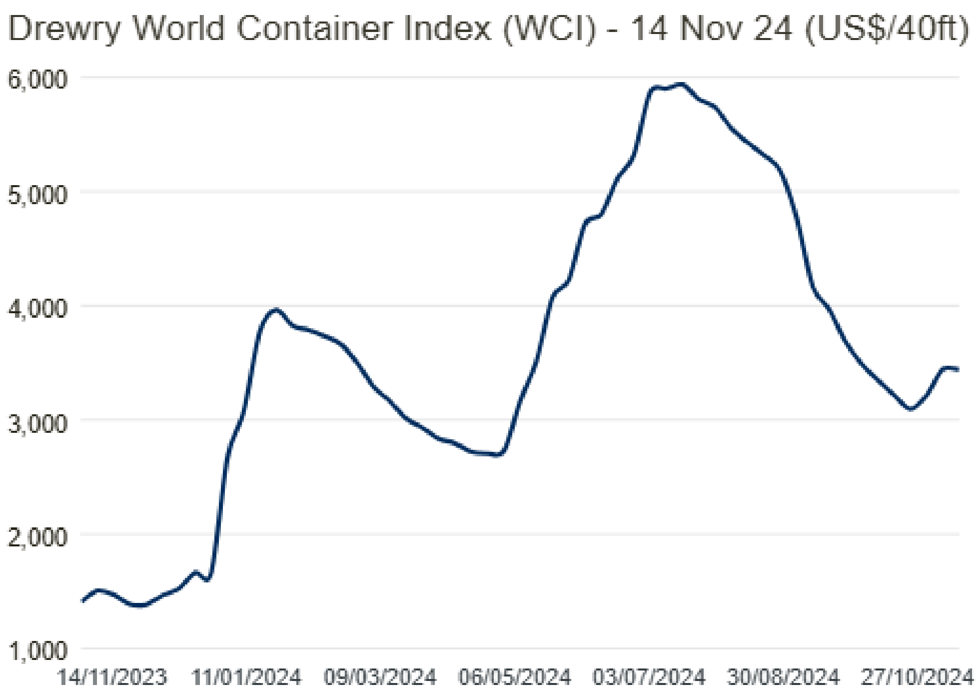
Fertilisers are a major input cost in plant production and rising costs increase the likelihood of squeezed margins through the supply chain. Using data supplied by the AHDB, the below graph shows how straight fertiliser prices have changed since 2019. Whilst those included are not typically used in 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. The cost of the key components tracked remained similar to those seen a year ago, and substantially below the peaks of 2022.



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 $3,440 for a 40ft container as of 14th November 2024, representing a significant drop since the summer peaks of 2024 and pandemic peaks of c. $10,000 in 2021. The situation in the Middle East is still quite precarious, journeys are still taking longer and this is adding time delays and costs to imported goods. Prices remain more than 2 times higher than 2019 (pre-pandemic) prices.



$3,440

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