INFORMATION

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Market Report on IPM ESSEN 2025

Horticulture Faces Challenging Times with Confidence

After the exceptional years for horticulture during the COVID-19 pandemic, which far exceeded all expectations, the market in Germany has been gradually returning to normal since 2022. By 2023, the market volume for flowers and plants in Germany had already declined by nearly 4% to €8.6 billion (retail prices)—a figure slightly below pre-pandemic levels, but still acceptable. However, a concerning trend emerged: revenues were achieved with significantly lower quantities sold. This suggests a fundamental market contraction, coupled with rising prices for flowers and plants. To begin with, these price increases were often insufficient to offset the sharp rise in input costs and higher minimum wages. As a result, the industry was eager at the start of 2024 to see how the year would unfold.

Despite the well-known multi-crisis context and consumer uncertainty, the horticulture sector in Germany approached the new season with confidence and composure. Once again, the impact of weather on business performance became evident—but not solely weather. Looking back on 2024, the weather appeared contradictory: too hot, too cold, too wet, too dry, too early, too late. Ultimately, the year was marked by extremes but resulted in a stable market overall. The market volume for 2024 stood at €8.8 billion, driven primarily by price increases.

In a survey conducted by TASPO at the start of 2024, 40% of gardeners were optimistic that the 2024 season would go well. In contrast, 33% were of the opinion that it would be more difficult. The remaining 27% did not want to assess the 2024 financial year and did not want to comment on it due to the uncertain conditions. The outlook for 2024 was not described as rosy: less demand and rising costs. The war in Ukraine, the conflict in the Middle East, rising energy prices and rising inflation with the accompanying uncertainty among the population were seen as unfavourable conditions for unrestrained consumption. At the same time, rising production costs were predicted as a result of CO_2 levies, stricter road tolls, increased bureaucracy, minimum wage increases and rising general costs such as insurance, etc., which would lead to a reluctance to buy on the part of both end consumers and horticultural companies.

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In view of the uncertain framework conditions, the beginning of the year was characterised by protests. At the beginning of 2024, gardeners joined the agricultural protest weeks in Berlin to express their dissatisfaction with the federal government's budget plans. Many protesters criticised the lack of appreciation shown by politicians towards the sector and felt that their competitiveness and livelihoods were at stake.

As a sign of a somewhat more cautious approach, it was already clear from the AMI's autumn 2023 PWZ grower survey that market adjustments would follow. At the beginning of the year, half of the growers surveyed announced their intention to adjust their production and product ranges for 2024 due to cost increases and economic policy problems. Cold-housing crops became more interesting again and the focus was no longer on early assortments due to energy prices. On the contrary: more than half of the farms wanted to start production later in order to counteract the energy problem.

The year is off to a good start

Royal FloraHolland - one of the largest trading centres for flowers and plants in Europe - took stock of the start of the year in January 2024. According to the report, the volumes of the top ten cut flowers in January were slightly higher than in the same period in January 2023, while the prices of the products were lower on average.

The wholesale flower markets in Germany also reported that the predicted slump in sales did not materialise and that sales were in line with the previous year's level. The year 2024 got off to a good start for pot plant businesses in particular.

Valentine's Day better than expected

As one of the first important special sales days in horticulture at the start of the year, Valentine's Day is a barometer for the success or failure of the industry.

67% of gardeners had no great expectations for Valentine's Day business in 2024 in the run-up to the event, with only 33% expecting good sales. Afterwards, however, more than half were satisfied with sales on Valentine's Day. Only 19% did not do well at all.

The Valentine's Day flash survey conducted by the Association of German Flower Wholesalers and Importers (BGI) also clearly shows that the pessimistic expectations and fears of consumer restraint were unjustified. In mild weather, sales were well on a par with the previous year despite Ash Wednesday. The major marketers such as Landgard, Veiling Rhein-Maas, Plantion and Royal FloraHolland also share this view. All of them report better sales and volumes than in the previous year.

According to analyses by Royal FloraHolland, most of the top ten garden plants in terms of sales and volume were significantly higher in February 2024 than in the same month last year. Consumers were simply in the mood for a sunny spring with colour in their surroundings. On average, sales were 26% up on the previous year and quantities were almost 33% higher. Conversely, the fact that sales did not increase as much as the number of units means that prices were low; on average 5.5% lower than in February 2023. This is in line with the statements of the other 'big players'. With the exception of tulips, the price level was moderate by Valentine's standards. It was noticeable that the classic red rose was again more in demand than in the previous year, when roses in the colours salmon, dark pink and purple were also in high demand. The symbolism of the red rose was once again more popular with young customers.

Veiling Rhein-Maas also reported an overall positive business performance in its interim summary for the first quarter of 2024. Product sales were also above the 2023 level due to high demand and a decent price level across the various sales channels. Roses, chrysanthemums, gerberas and eustomas were particularly in demand. Only in the case of tulips were the quantities supplied significantly lower than in the previous year due to lower bulb production in 2023. Marketing of potted plants went well overall from February onwards. Demand for garden plants was also good due to the mild weather. Only the price level for daffodils was below the previous year's level. All other products sold well in the first quarter of 2024, with bowls and arrangements again in particularly high demand.

Spring business got off to a good start - purchases were made

In March 2024, analyses by market research institute GfK showed that consumer sentiment had recovered slightly after a difficult start to the year. With a continued high propensity to save, the consumer climate nevertheless increased slightly again, which was conducive to special sales days such as Women's Day or Mother's Day. According to the flower wholesale markets, Women's Day alone generated 30 to 40 % more footfall in the wholesale markets. In any case, Women's Day is playing an increasingly important role in the sale of flowers and plants. According to 87% of retail gardeners, the 2024 spring season went very well. Only 13% state that customers were still reluctant to buy.

Figures better than expectations

The figures show that sales are better than expectations. After a dreary winter, it is clear time and again that people are simply in the mood for spring and colour again. It is therefore understandable that trend research at the beginning of the year called for 2024 to be colourful. With powerful colours such as red, magenta and orange, flowers and plants - in view of the uncertain global situation - should provide the urgently needed positive impetus in everyone's personal environment.

Even though the financial scope of private households was severely strained and the savings rate was at a high level, there was not as much reluctance or even refusal to buy flowers and plants in the spring as some had feared. Once again, it can be seen that the consumption of flowers and plants is not following the general trend for consumer goods, but is stable or even growing.

Stable Easter business

In retrospect, Easter business was quite good. Both Landgard and Veiling Rhein-Maas reported higher demand at higher prices. Demand for outdoor plants in particular was brisk despite the early Easter business due to the good weather. This was also confirmed by the gardeners surveyed by TASPO on the Easter business trend. Almost three quarters of customers were in a buying mood at Easter. Only 7% described Easter business as sluggish.

A similar picture emerges from the Netherlands: overall, volumes and prices for most of the top ten garden plants in March 2024 were higher than in the previous year. On average, prices were 3.4% higher with a 12.8% increase in sales.

Many explained the strong sales in March by the relatively stable weather conditions. As a reminder, March 2024 was the warmest March since weather data has been recorded. Whether in specialist shops, DIY stores or food retailers, customer demand was undiminished and consistently strong.

Sales change with the weather

April 2024 was very challenging, as after a phenomenal start in the first two weeks due to the weather, seasonal business declined in many regions in the second half of April due to the weather. After the very spring-like days, the weather put a damper on consumer spending. The cold spell with frost at the end of April put a demonstrable brake on business.

The weather improved at the beginning of May, allowing the bedding and balcony plant season to pick up speed again. May then offered sunny sales days again, which were occasionally dampened slightly by public holidays and rain. The goods did not flow as they should have. The bedding and balcony business therefore shifted somewhat from May to June due to the weather. This resulted in an overlap in sales with the perennial season, which started normally. This resulted in a large selection of flowers and plants for customers in June this year, as both product groups were sold in parallel.

According to Royal FloraHolland, sales in May 2024 were consistently lower than in the same month in 2023. Sales of house and garden plants in May were almost 10% lower than in 2023. Overall, however, the 2024 bedding and balcony season was above average, according to the wholesale flower markets.

Mother's Day business in 2024 was very mixed

According to the flower wholesale markets in Germany, sales on Mother's Day were satisfactory, even if the date with the public holiday was rather unfavourable for sales. There was a lack of sales in specialist shops due to the bridging day and short trips. After all, it is precisely those who can afford to take a trip in between who are regular customers of florists. Due to this constellation, between 5% and 17% less sales were generated on Mother's Day in 2024, depending on the region, according to the BGI. Prices were slightly higher than in the previous year. On a positive note, the BGI noted that the desire to give flowers on Mother's Day has not diminished and that reasonable prices are being paid for good goods, although bouquet sizes are tending to be smaller. In southern Germany in particular, floral Mother's Day gifts are still very popular.

Due to the weather, many bedding and balcony plants were left standing at the end of the season. The desire to consume has declined somewhat among many customers nationwide since mid-May 2024. June fell short of retailers' expectations.

In a TASPO survey in July 2024, gardeners were therefore somewhat disappointed with the course of business to date. 67% were of the opinion that things could have gone much better, while only 37% were satisfied.

Less time to buy flowers?

One reason for the low sales may also be the shorter shop opening hours in summer. At the end of the summer holidays, wholesale flower markets reported that more and more florists were closing for two to three weeks during the summer holidays due to work-life balance or staff shortages. TASPO surveyed the industry and came to the conclusion that 15% of companies were taking company holidays, 27% were reducing their opening hours and the vast majority (58%) remained open without restrictions.

A good first half of 2024

Veiling Rhein-Maas is satisfied with the course of business in the first half of 2024 despite the capricious weather conditions. The bottom line is that the same product turnover was achieved as in the first half of the previous year (248 million euros). According to the marketing organisation, this was mainly due to good average prices, although the range of goods on offer was slightly lower than in the previous year.

After a strong February, March and the first two weeks of April, May and June were characterised by a difficult marketing situation. The gardening weather was rarely favourable, which was reflected in the sales figures for bedding and balcony plants. According to various retail gardeners, 10 % fewer customers came in the first half of the year. However, the remaining customers spent an average of 5 % more, which in many cases cushioned the lower customer frequency. Perennials, on the other hand, were bought in good numbers, which was partly explained by replacement planting due to snail damage.

The summer holidays made themselves felt in sales and caused a normal lull in sales. However, expectations were met. Veiling Royal FloraHolland reported positive developments in sales and quantities of its top ten products in July compared to

July 2023. The main winners were cut flowers, which generated 30% more turnover with 8% higher unit sales. The 20% higher average prices were responsible for the very good sales figures.

First half of the year above previous year's level in the Netherlands

A look at our Dutch neighbours shows that the first few months of the year also went well there. In June 2024, Plantion reported that its turnover was 5% higher than in 2023 at 56 million euros.

For the first half of 2024, the Vereniging van Groothandelaren in Bloemkwekerijprodukten (VGB) reported cumulative total exports of flowers and plants of 4.1 billion euros, which represents a slight increase of 2.5% compared to 2023. The slight increase is mainly due to relatively strong exports of cut flowers, which were up 5.1% on the previous year at around 2.5 billion euros. Plants, on the other hand, with an export value of 1.6 billion euros, were 1.3% behind the comparable figures from the first half of 2023.

It is interesting to note that the number of stems for cut flowers fell by 3% and the number of pots for plants by 2% in the same period. Overall, therefore, more export sales were generated with fewer plants in the first half of 2024.

Looking at the sales channels, it is noticeable that sales to supermarkets increased by a further 2 % in 2024. At 36.6%, sales via this channel already accounted for one of the largest export sales channels in the first half of 2024, followed by wholesalers with sales of 26.6%. Garden centres and DIY stores are in third place in terms of importance with 15.2% of sales, followed by cash & carry stores (7.2%) and flower shops (6.8%). The remaining 7.6% of turnover was generated via various other sales channels.

According to the Dutch experts, the sales figures between flowers and plants, but also between the specialised retail trade and the organised wholesale trade, have changed significantly since coronavirus. Brexit is expected to continue to cause problems for exports to the UK. New agreements between the EU and the UK are needed for more normality. Imports from Africa have decreased slightly due to unfavourable weather conditions (periods of rain).

A look at the Netherlands' three most important export target countries shows that 1.6% fewer flowers and plants were exported to Germany - the strongest sales country - in the first half of 2024 compared to 2023. Sales to the UK, the second most important market, increased by around 5.6% despite the difficulties caused by Brexit, while France, the Netherlands' third strongest export country, imported 7.2% less in terms of product value.

It is striking that outside the top three export countries, exports to Eastern Europe increased extremely strongly. According to the VGB, Eastern Europe would have developed remarkably well in terms of the consumption of flowers and plants in

2024. The Czech Republic, Romania and Poland are the new growth drivers for sales of flowers and plants, while sales to France are becoming increasingly sluggish.

Brief digression: demand for cut flowers in 2024

Overall, spending on cut flowers up to and including September 2024 remained at the previous year's level. Specialist retailers remained 2 % below the previous year's spending, while system retailers increased. Within the specialist retail sector, specialist florists in particular lost ground, while nurseries and garden centres were able to improve on their previous year's results. Within the system retail sector, DIY stores recorded significant increases in sales of cut flowers at a low level. Only the discounters remained just under 4% below the previous year's results up to and including September 2024. The food retail sector continued to grow.

The volume of cut flowers sold fell by 7 % compared to the previous year. Retailers bought 11 % fewer bouquets from private customers, and system retailers 6 % fewer. Prices for cut flowers rose by around 10 % in both the specialised retail and system retail sectors.

The autumn remained quiet

The 2024 autumn season was only very good for 18% of respondents in an ad hoc survey of German horticultural businesses conducted by TASPO. It was satisfactory for 55% and very subdued for 27%. The cautious assessment is due to the fact that the autumn did not really get going. The reason for this is thought to be the mild weather, which meant that customers were often not yet in the mood for typical autumn plants such as callunas, chrysanthemums and the like.

On balance, however, the same sales were achieved in September 2024 as in 2023 with slightly lower volumes, as many horticultural retailers reported on request.

Weak All Saints' Day

According to retailers, demand for All Saints' Day fell short of expectations. The reluctance to buy is explained by the general political and economic bad news, which would have led to even more uncertainty among customers. However, the weather in October also put a spanner in the works; it rained almost every day.

Royal FloraHolland's balance sheet for October 2024 shows that sales and prices for many of the top ten products were higher than in the same month last year. Unit sales, on the other hand, weakened somewhat.

Dutch trend continued

The latest and most up-to-date report from the VGB based on Floridata's export statistics has been available since the beginning of October 2024.

According to the statistics, Dutch flower and plant exports closed the first three quarters of 2024 with an export value of 5.5 billion euros. At 3.5%, growth was once again 1% higher than in the first half of the year. Cut flower exports were particularly responsible for this, with growth of almost 7% to 3.4 billion euros. Plant exports, on the other hand, totalled 2.1 billion euros in the first three quarters, which corresponds to a slight decline of 1%.

As a special feature, the Dutch experts point out that the production conditions in the main supplier countries for flowers in Africa, South America, but also the Netherlands itself, have led to lower supply and stable demand in 2024 due to the weather. As a result, purchase prices were higher. The observations made in the first half of the year regarding the development of export countries continue to apply in the latest report. For example, exports to the UK rose cumulatively by 8% in the first nine months, while exports to France fell in the same period.

The Dutch horticultural sector is very concerned about the future with regard to rising costs such as inspections for exports to third countries (including the United Kingdom), transport, energy and labour.

The good garden

The big question that everyone in the sector is asking themselves is to what extent consumers still have an appetite for greenery. It is clear that in times of coronavirus, customers have learnt that their home is an asset that needs to be cherished and cared for. Accordingly, they are prepared to invest in their home and garden despite the coronavirus crisis, especially if the expenditure - as with flowers and plants - is manageable. Customers want to be inspired by flowers and plants - that is the job of the sector.

Sales of potting soil to consumers can also be used indirectly as an indicator of the popularity of flowers and plants. With a total of 5 million cubic metres of soil in Germany, 76% more substrates were sold in 2023 than in 2022, which shows that consumers are not cutting back on substrates and gardening in general despite a subdued buying mood and that the desire to garden themselves remains strong.

A look at the DIY sector also confirms this assumption. After the third quarter of 2024, the DIY sector reported that, although it was still not satisfied with the course of business, the decline was still moderate in view of consumer restraint, long stretches of bad weather and difficult conditions, particularly in the construction-related trades. At 16.32 billion euros, sales in German DIY stores were 1.4 % down on the same period last year (Switzerland down 4.2 %/Austria up 0.5 %).

However, a closer look at the figures reveals a special feature in the segments. The garden chemicals/soil/seeds segment recorded an increase of 8.9 % (Austria up 11.9 %). This shows that interest in and popularity of greenery is on the rise, especially considering that in the past, segments such as garden furniture and barbecues were often responsible for growth, while flowers, plants and everything that goes with them tended to stagnate.

The importance of green

In 2024, climate change has once again entered the public and private consciousness due to overheating in cities, dying forests, droughts, water shortages on the one hand and storms and heavy rainfall with flooding on the other. Consumers are increasingly aware that something must be done and that green can significantly mitigate the consequences. When it comes to adapting to the consequences of climate change, horticulture is increasingly being seen as part of the solution, and rightly so.

It is therefore not surprising that, according to a study by R+V Versicherung, more and more people want more protection against the consequences of extreme weather. They are not only calling for more investment by the state, but are also prepared to take financial precautions themselves. 95% of those surveyed are convinced that they could be directly affected by storm damage in the future.

The fact that greenery is increasingly being seen and implemented as a building block in the fight against the climate crisis is reflected in the increasing proportion of greenery in cities, as can be seen from the Building Greenery 2023 market report published by the German Green Building Association (BuGG). According to the report, the area of green roofs in Germany increased by 8.7 million square meters in 2022 alone, which represents an almost doubling. In 2023, there were 16 million square meters of green roofs in Germany. In addition to a change in public awareness, this is certainly also the result of innovative horticultural companies that are making it increasingly easy to green roofs.

A new study by the global climate protection organization Climate Analytics, in cooperation with the Belgian organizations VITO and BUUR (Sweco), shows on the effects of climate change in the Berlin-Brandenburg metropolitan region that large, old urban trees and a continuous green canopy offer the best protection against heat stress in the city. For example, Berlin's green spaces can be up to 3° C cooler during a heatwave, which contributes to active health protection, especially in an ageing society with increasing diseases such as cardiovascular problems.

Another indicator that green is seen as a solution to climate change can be seen in politics. Increasingly, funds are being released to promote greener cities. In 2024, for example, the Federal Agency for Nature Conservation and the Federal Ministry for the Environment funded a further six projects with a total of 3.65 million euros through the Federal Biodiversity Program. The funded projects are generally concerned with various biodiversity strategies in cities - be it in allotment gardens, green facades or the renaturation of industrial areas.

It is also evident that the topic of “do-it-yourself gardening” is becoming increasingly popular. This can also be seen in offers such as the “Park of Gardens” in Bad Zwischenahn, where over 200 dates in the nature education offer “School in the

Green" were in the calendar in 2024 alone and young people learn about gardening and nature in various thematic blocks.

According to the German Federal Association of Gardening, Landscaping and Sports Facilities (BGL), consumers know that green and blue infrastructure is not a luxury for the future, but a vital necessity. As a result, the outlook for the landscaping industry is still comparatively good despite the current downturn in the construction industry. In the BGL's spring 2024 survey on future prospects for 2024 and the next five years, almost 90% of the industry and companies rated the outlook as good. Green and blue infrastructure is a task of the century that must be consistently maintained even in times of budget cuts.

The fact that the importance of this task has been recognized and cannot be ignored is shown by cities and municipalities that did not cut their spending on more greenery in the city in 2024 despite emergency budgets, but instead intensified it. Nevertheless, there is still a lot of lobbying to be done. According to a TASPO survey, almost all of the gardeners surveyed (96%) agree that the way old trees are viewed and treated in public green spaces in Germany needs to improve significantly and that they deserve more respect. It was not for nothing that a wholesale tree nursery won the TASPO Award in 2024 for its extra assortment for the sponge city and was encouraged to continue on this path.

Towards a sustainable future

GfK regularly uses its sustainability index to measure the extent of sustainable consumption. According to the index, sustainable consumption increased again in mid-2024 after a temporary slump in fall 2023. With an index of 101.6 points, the value is above the average values for 2022, the first year of measurement. The proportion of those who have made sustainable purchases in the last twelve months rose by 4 points to 32%.

Barriers to sustainable shopping are often a lack of transparency and information. Half of consumers in Germany state that they are unable to assess whether a product is environmentally friendly or not. According to GfK, product labels would provide important guidance here, but this is not necessarily the case in horticulture.

Current surveys of German companies show how important sustainability is not only for consumers. According to surveys conducted by the Bertelsmann Foundation, more than 60% of German companies are focusing on the core of their business model when transforming their company by making their products and services more environmentally sustainable. The prevailing opinion is that companies that do not transform themselves sustainably would miss out on the positive correlation between corporate development and sustainability potential and thus miss out on future market opportunities. 53% of companies see rising customer expectations based on sustainability as a key success factor for their own business model.

According to BGI and other experts in the sector, there is a shift in consumer values that implies different expectations of products. In addition to keywords such as sustainable packaging, low CO2 footprint, ethically sound production, low use of fertilizers, pesticides and raw materials as well as alternative sustainable product alternatives, it will become even more important in the future that horticultural products contribute to the well-being of consumers without remorse. If everyone in the industry works together on this, nothing stands in the way of stable sales - with the exception of the well-known weather phenomenon.

State Secretary Silvia Bender - State Secretary in the Federal Ministry of Agriculture - also shares this view. At the general meeting of the Central Horticultural Association in September 2024, she emphasized that horticulture must have a sustainable future by taking the appropriate measures.

Sustainability is rewarded

It is still very uncommon in the industry for companies to draw up a carbon footprint. According to Rentenbank, however, it has been observed that this is increasingly being demanded from the supply chain. For this reason, Rentenbank is planning to grant subsidies for the costs of preparing a carbon footprint to horticultural companies from 2025. In addition to the grants, there will also be interest rate reductions on Rentenbank loans.

Certification picks up speed

In Germany, the Hohenheim-based Center for Business Management in Horticulture (ZBG) is now starting work on a new sustainability standard that will take ecological, economic and social aspects into account. Results should be available by mid-2027.

In the Netherlands, the topic of sustainability is also currently being driven forward at full speed. FSI is leading the way here with FloriPEFCR and the Dutch Flower Group. MPS is also very active and its HortiFootprint Calculator is now also FloriPEFCR-compliant.

In terms of packaging, a major driver for greater sustainability in the wholesale trade could be the EU's obligation to implement reusable packaging in the B2B sector by 2023.

In general, retailers in Germany are giving a lot of thought to how flowers and plants can be produced with even less CO2 than they are today. The main starting points lie in the supply of energy from renewable sources and in logistics. With regard to plant protection, water-saving production models and fertilization, many measures have already been taken in horticulture for more sustainability. A major lever lies in eliminating everything “unnatural” from the natural products flowers and plants, such as superfluous packaging and plastic.

The issue of supply chain legislation also needs to be discussed in conjunction with sustainability. As most owner-managed businesses in the German horticulture/wholesale sector are small and medium-sized enterprises (SMEs) and are not required to report under the EU Supply Chain Act, some pressure will be taken off in 2024. However, as corresponding evidence is nonetheless required in some cases by large chain store systems or when granting loans from banks, there are now various approaches that also enable small companies to provide standardized evidence for voluntary reporting and are intended to prevent the trickle-down effect due to the position of SMEs in the supply chain of other companies. The further development of the content of the German Sustainability Code (DNK) also plays a role here. The EU has developed a sustainability standard for SMEs, the Voluntary SME Standard (VSME), for companies that report voluntarily. Work is currently being carried out under the umbrella of the DNK on the user-friendly implementation of a web-based tool in which all important data formats can be implemented. It should be available to companies in 2025.

Training needs to become more attractive

At the beginning of 2024, the lack of staff was again identified as a pressing issue. Some businesses were forced to reduce their opening hours due to personnel shortages. This raises the question of how the personnel situation, particularly the number of trainees, will develop in the future to address these staffing shortfalls.

In a survey conducted at the start of 2024 about the state of vocational training, 63% of the gardeners surveyed reported having fewer trainees. The remainder had the same number as in previous years. Not a single respondent reported having more trainees—which would be the appropriate response to staff shortages.

All sectors of horticulture reported a decline in trainee numbers, although training as a gardener remains the most popular training in the green professions. According to an evaluation by the Federal Institute for Vocational Training, there was an overall negative trend of minus 6.6% in in-company training. Many training positions remained vacant in various regions and professions, especially in vegetable growing and tree nurseries.

Here are some facts about the training situation in Germany based on the latest official data: As of December 31, 2023, 13,080 young people were undergoing training to become gardeners in Germany, with about 22% of them being women. In the same year, 4,728 new training contracts were signed, while 1,713 contracts were prematurely terminated. The latter is a significant issue that agricultural chambers have been increasingly addressing for years, although no effective solutions have yet been found. In total, 3,810 trainees passed their final exams in 2023, with three-quarters specializing in landscaping and gardening. Compared to 2022, the overall number of trainees in green professions decreased by 633 to 32,322. The profession of farmer accounted for 9,184 trainees.

All sectors of horticulture, except fruit farming, recorded declines in the number of new training contracts. Between October 2022 and September 2023, a total of 4,965 new contracts were signed, representing a 6.6% decrease from the previous year. The most significant declines were in the sectors of tree nurseries (-15.8%), horticulture and landscaping (-6.4%) and vegetable farming (-20.4%). This trend underscores the need to improve the appeal of the profession despite growing environmental awareness.

The Fridays for Future movement has heightened the younger generation's awareness of climate protection and sustainability. This is reflected in initiatives like Azubis4Future, which advocate for greater integration of sustainability into training curricula. The industry is also responding: The BGL has launched a specialist recruitment campaign to emphasize the benefits and opportunities within the sector through targeted public relations, aiming to attract more young people to horticulture.

Austria leads the way

In Austria, another gardening specialization was established in 2024. In addition to the well-known training courses in ornamental plant cultivation, tree nursery, vegetable cultivation, fruit cultivation, perennials, mushrooms and garden landscaping, there is now also a specialization in climate gardening. The description of the professional competence is interesting. According to this, all activities specifically teach how to take into account the ecological relationships between an urban climate-adapted environment and its influence on temperatures and the water balance of a settlement area, as well as the related legal provisions, guidelines and standards concerning the greening of buildings and green spaces in settlement areas.

Autonomous Sales Concepts as a Solution?

In light of staff shortages and the simultaneous need to create sales opportunities for flowers and plants, the question arises whether 24/7 store concepts—where customers can shop autonomously—should be more seriously considered in horticulture. The technology for such stores has long been available, as demonstrated by other industries. Accordingly, consumer acceptance of autonomous stores is steadily increasing. Depending on the occasion and target audience, it is particularly advantageous that online shopping around the clock is no longer taken for granted solely by Generation Z.

Desire for the Original

In recent years, it has become increasingly apparent that consumers have a growing desire for authenticity. The enduring trends that stem from this are sustainability, urban gardening, climate protection and self-sufficiency. As a result, the demand for sustainable products in specialist retail has significantly increased, even though, due to rising costs, it is becoming more difficult for the majority of consumers to afford them.

Nevertheless, emphasizing the added value of "sustainability" at the point of sale (POS) remains essential. Concepts on the sales floor that show customers how they can contribute to climate protection through plants are becoming increasingly important. Explaining ecological connections related to the products is becoming more popular and contributes to success. At the same time, educating the public on these issues is important to strengthen biodiversity and species diversity through contributions in private gardens.

Accordingly, themes such as how the green industry can take responsibility for society were prominent at trade fairs like IPM ESSEN 2024: resource-saving gardening, fair-produced garden products, climate-appropriate garden care and irrigation. Consumers are becoming more informed about climate change, species extinction, and resource scarcity and are increasingly interested in the origin and production methods of the products they buy. As a result, the demand for regional, organically grown plants, sustainable garden products and environmentally friendly practices also rose in 2024, according to many retail businesses. In light of this demand, it is surprising that 80% of German nurseries still do not offer wild plants in their assortments. Only 20% have a large selection and promote them.

Later in the year, the striking news came: the planting of the popular hedge plant cherry laurel was banned in Switzerland starting in September, as its contribution to biodiversity was deemed too low as a non-native species. All its positive qualities, such as CO_2 absorption, fine dust filtration and oxygen release, were disregarded. The ban shows how the issue of biodiversity has entered public discussion and is being addressed. Therefore, as mentioned earlier, education and raising awareness among consumers are essential: awareness is needed. The industry has a role to play.

On the other hand, what is performing well and being increasingly promoted are herbs, vegetables and similar plants as so-called "pleasure plants." According to 84% of gardeners in the retail horticulture sector, this assortment is very important and indispensable.

Another important topic in 2024 was the partial legalization of cannabis. However, this topic has not yet reached specialist retailers. According to a TASPO survey, 95% of garden centers do not have products for cannabis cultivation in their assortments. Only 5% can meet this demand.

What consumers are interested in regarding flowers and plants has been studied for years at the Teaching and Research Institute for Horticulture in Veitshöchheim. Along with other research institutions, they have long been working on future plants that are of interest to consumers. This mainly involves plants that are drought-tolerant and heat-resistant, plants that serve as self-sufficiency and snack plants, as well as plants that appeal to certain communities based on exclusivity and aesthetics.

Everything has its time

Gardens are also changing. In the 1970s, for example, conifers were very popular in gardens. Nowadays, the undesirable development of gravel gardens is being remedied by attractive and useful perennial plantings. It can be seen that customers are always keen to try out new plant varieties and experience them for themselves.

According to experts, the trend in home gardens is towards natural gardens when it comes to sustainability. Customers are showing more and more understanding for living and species-rich nature when it comes to garden design. Climate change is now also having an ever greater influence on the choice of plants and materials when designing gardens. Customers are increasingly asking how they can make a contribution to environmental protection with their gardens. Planning for insect-friendly flower meadows, climate-adapted trees, and deadwood hedges has become standard practice, as long as they can be aesthetically integrated.

The topics of self-supply and peat-free gardening are gaining importance in the pursuit of the perfect garden idyll. It is no surprise that seven of the ten most significant trends in gardening and landscaping focus on these aspects:

1. Sustainability and environmental awareness (Using eco-friendly materials, integrating plants that promote biodiversity, and implementing water-saving solutions)
2. Natural gardens and wild corners (Gardens that mimic natural surroundings and include wild areas to create habitats for birds and insects)
3. Perennials and herbaceous plants (Low-maintenance perennials and herbaceous plants that offer continuous blooms and color in the garden)
4. Vertical gardening (Vertical gardens and green walls for space-saving greenery)
5. Smart gardening technology (Smart technology like automated irrigation systems, remote-controlled lighting and intelligent lawnmowers)
6. Edible gardens (Growing fruits, vegetables, and herbs at home for fresh, healthy food right at your doorstep)
7. Garden spaces for relaxation and recreation (Outdoor lounges, wellness areas and tranquil retreats)
8. Plant diversity and colorfulness (Bolder choices in plant selection and the use of vibrant colors and contrasts)
9. Drought-resistant plants ((Plants that can thrive with less water and endure drought conditions)
10. Personalized gardens (Custom garden designs where owners infuse their personal stories and meanings, such as specific plant choices, artistic sculptures or memorial corners)

These trends were prominently displayed at the Chelsea Flower Show, the undisputed trendsetter for garden design and a source of inspiration for innovative approaches. Naturally, themes like sustainability, climate change and mental health were also prevalent.

In 2024, visitors marveled at gardens in which the collection and recycling of rainwater was demonstrated in a practical way, how cement can be dispensed with to reduce the CO2 footprint, how recycled materials can be used, how climate-tolerant plants can be consciously staged, how natural gardens can be implemented under the motto “chaos gardening” and much more.

Smaller pots remain popular

Regardless of the range of flowers and plants on offer, there is a clear trend towards smaller pots for flowers and plants, as already described in 2023. We explained this phenomenon in detail in the last market description. According to flower retail experts, this can also be observed in 2024. The trend towards the collapse of the mid-price segment is confirmed. “There is only cheap or expensive”, as “people seem to have lost their sense of prices”.

Less is more

An interesting central finding of a "Future Study on Retail 2024" involving 2,000 respondents from the DACH region reveals that 20% of participants wish for a reduction and simplification of offerings in garden centers and DIY stores, following the motto: Less is more. Instead of quantity, they advocate for more quality in trends, products, services and brands within horticulture.

This does not mean offering only standardized products for flowers and plants. On the contrary: the more diverse and differentiated the overall selection of flowers and plants, the better for the industry. However, in individual stores, reductions should be implemented according to the store's profile: “Reduce to the max!”

Consumer sentiment and economic development

According to GfK, 2024 began with weak consumer sentiment: economic and income expectations as well as propensity to buy recorded declines. The economy closed 2023 with negative growth of 0.3% and the pessimistic economic outlook for 2024 was confirmed (GfK).

Despite rising real wages, consumption remained weak according to ifo, as consumers' high propensity to save slowed trade. At the same time, consumers had more financial resources thanks to wage increases and inflation compensation payments (ifo).

There were positive developments at the end of the year: Food retailers and retailers of bicycles and consumer electronics reported a significant improvement in their business situation (ifo). According to GfK, the rise in real incomes and the falling savings rate could favor an upturn in the retail sector in 2025.

A GfK analysis showed that although the proportion of consumption flowing into the retail sector declined (EU: 33.9%, Germany: 27%), consumers want to spend more on leisure and experiences again. This offers potential for sectors such as horticulture (GfK).

Consumer sentiment improved slightly according to GfK and the inflation rate fell to 2.4%—close to the European Central Bank's target. These developments lay a solid foundation for a more optimistic outlook for 2025 (GfK, ifo).

Bright spots in consumer behaviour

According to the 2024 Happiness Atlas, the life satisfaction of Germans increased significantly compared to the previous year, despite perceptions to the contrary. This marks 2024 as a turning point following the crisis years of 2020 to 2023, with subjective satisfaction once again approaching the positive trend of the 2010s. In addition to this increased satisfaction, the German Retail Federation (HDE) reported in a year-end 2024 survey that consumer sentiment had shown slight recovery by the end of the year. Other surveys, such as GfK's Economic Climate Index, also indicated a slight improvement in consumer confidence. However, for 2025, the HDE does not anticipate major economic boosts despite easing consumer restraint and improved income forecasts.

In horticulture, there is optimism for 2025 based on the observation that, during uncertain times, people place even greater value on creating a beautiful home as a retreat, a source of comfort and a space for well-being with as many positive impulses as possible. Flowers and plants undeniably provide exactly that. Consequently, the goal for all stakeholders along the horticultural value chain must be to capture and actively cater to this sentiment. False modesty has no place here. In this context, initiatives within the industry aimed at raising awareness and attracting new customers for greenery are to be applauded. For example, the primary school project "Our School Garden," led by the Landgard Foundation and Burda Publishing, equips primary schools nationwide with raised beds, plants and essential tools to establish their own school gardens, accompanied by supporting educational materials. Every point of contact with flowers and plants makes a difference.

It is encouraging that the decline in inflation suggests a normalization of consumer sentiment. A focus study by the IFH Förderer e. V. found that consumers' economic uncertainty in summer 2024 had decreased compared to the previous year. In purchasing behavior, it was observed that less attention was being paid to discounts and special offers. Although German retail was still operating in crisis mode, it began benefiting from more impulsive and spontaneous consumer behavior. The share of German consumers making emotional purchases increased to 35% (a rise of 3%), meaning the proportion of spending on spontaneous and impulsive purchases grew. In total, this 3% increase equated to a €23 billion gain out of a total €204 billion.

For retailers, this means that there is renewed potential in inspiring and enticing emotional, spontaneous buyers. This is particularly important for products such as flowers and plants.

Foreign trade under pressure

In 2023, foreign trade in plants and flowers recorded its lowest level in the last nine years. Nevertheless, the decline in value (in euros) was less pronounced than in exported volumes, which indicates a certain degree of stability. The situation is similar for imports.

Despite the challenges, the potential for recovery and stability remains visible in some areas. Growth phases such as in spring 2024 and the stabilization of export values are positive signs for the future of the industry.

Costs continue to rise

The cost burdens on horticultural businesses are already extraordinarily high. The wars in Ukraine and the Middle East pose a major economic risk in European countries. If the conflicts escalate further, the prices of raw materials could quickly rise considerably, meaning that production costs could also increase further.

Regardless of further escalations, rising costs mean that price adjustments in the industry are unavoidable. The key question is how customers will respond to these changes and whether they will accept these necessary changes. In early summer, TASPO asked growers specifically how customers would react to price adjustments. The result: according to the respondents, a third (30%) of customers would fully understand the price adjustments and would buy unchanged, while half (50%) of customers would occasionally hesitate, but would ultimately buy anyway. The remaining 20% would be reluctant to buy and would no longer purchase one product or another due to the price adjustments. In view of the large majority of 80% of customers who would continue to consume, it can be assumed that demand will remain stable.

Online trade

According to a TASPO survey, 76% of gardeners believe that online shops are important for the sale of flowers and plants. A glance at the internet, such as on Kleinanzeigen.de, confirms the gardeners' assumption. A search for the term “Elephant Ear/Alocasia” in April 2024 yielded 17 pages of results on Kleinanzeigen.de alone. The listings included both private sales and a significant number of commercial sellers offering high-priced items.

How much of the flower and plant trade occurs through platforms like classifieds and advertisements remains unclear. These figures are not yet reflected in any production or sales statistics. However, industry experts estimate that at least 2% of flower and plant sales in Germany occur through this "parallel market," which is largely overlooked.

It is also interesting to examine the behavior of B2B online trade, i.e., wholesale. An analysis from the new B2B Market Monitor by ECC KÖLN, Creditreform, Intershop and CGI shows that B2B online trade from wholesalers and manufacturers grew by 11.7% in 2023, reaching €476 billion. This means that manufacturers and wholesalers now generate 10.9% of their total revenue through online shops and B2B marketplaces. For 2024, lower growth of 6.6% is forecast for the B2B online trade.

A noteworthy trend is that more and more wholesalers are opening their online shops for direct sales to end consumers. Currently, 85% of B2B online retailers also sell to private customers.

Significant changes in online trade are anticipated, according to an ECC CLUB study, as new players like Temu, Shein and TikTok Shop (launching in Germany in 2025) are expected to strongly compete with established marketplaces like Amazon. Although Amazon currently holds a 60% share of online trade and serves as the leading information source for 52% of shoppers, this dominance could soon change. Whether flowers and plants will play a notable role in this shifting landscape remains to be seen.

Production and supply security are becoming increasingly important

Production and supply chain security for flowers and plants is now seen as a major challenge. In the past, flowers and plants were abundant. A large quantity was always available on the spot market. However, this situation has been changing for years. There are several reasons for this shift: one is the ongoing structural transformation, where even larger production businesses are now exiting the market, leading to a decline in local supply.

Due to the energy crisis, large companies in the Netherlands are shutting down and production is increasingly shifting to modern, more efficient large-scale facilities outside the EU, such as in Africa. However, according to experts, sourcing goods from these regions is becoming problematic due to growing phytosanitary challenges as well as a progressively fragile logistical infrastructure.

Although new technologies will soon make it possible to extend the shelf life of roses to 50 days and transport them via sea routes without issue, supply chains are becoming increasingly unreliable and difficult to plan. According to insiders, the "maritime infrastructure" is no longer as dependable as supply chains require due to piracy, warfare, targeted attacks on cargo ships, disputes over maritime territories and acts of sabotage.

Another factor is that flowers and plants in Germany or nearby countries are now mainly grown under contract farming to ensure greater sales security. For the trade, this means that spontaneous purchases to cover shortfalls are no longer feasible.

Wishes for the future

Flowers and plants are often purchased impulsively, especially in city centers, driven by inspiration and presentation. These products inherently offer a quality that consumers desire: naturalness. This appeal can be further enhanced when customers are authentically provided with the comforting sense of "sustainability," allowing them to consume without guilt or second thoughts. Attributes like CO2-neutrality, organic production and plastic-free packaging are becoming increasingly important.

In the future, it will be essential to create more 24/7 inspiring shopping impulses and opportunities. Sales events such as Halloween can play a key role here. Studies by the HDE show that in 2024, consumer spending for Halloween-specific purchases increased from €480 million to €540 million, representing a 12.5% rise compared to the previous year. This growing popularity of the pumpkin festival is becoming an increasingly important revenue driver for retail, from which the horticulture industry could also benefit.

Conclusion 2024/2025

The year 2024 has shown that horticulture is continuing on its path despite many challenges. This is mainly due to the fact that, especially in times of crisis, consumers are looking for beautiful little distractions in their everyday lives that are affordable. Flowers and plants fulfill precisely this requirement despite price increases. They contribute to a better life - whether flowers and plants in the home or as greenery in public spaces. More and more people understand this. Flowers and plants need to be promoted even more strikingly and comprehensibly than the industry as a solution and creator of benefits for this need.

A big wish for 2025 would be for competition not to be based on the usual classics that are produced in large quantities, but for horticulture to become even more differentiated in its offerings. This would also make it easier to showcase the essential profitability of the businesses. The products for this are sufficiently available.

Horticulture is equipped for the future if the major issues in the industry are tackled jointly by everyone and everyone makes a contribution: climate resilience, sustainability certification, energy and water efficiency, plant protection gap indication, containment of quarantine pathogens and a reduction in bureaucracy.

“The industry needs to become fresher, bolder and more present!” said Eva Kähler-Theuerkauf, the new President of the Central Horticultural Association. There is no better way to put it in a nutshell.

The market report was prepared on behalf of Messe Essen by Andreas Löbke, CO CONCEPT, in December 2024.

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