



**Market Update: March 2023**

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# Overview: Key Points



Overall  
February  
Garden Centre  
sales were up  
+3% on  
February 2022

Catering sales  
were up by  
+21% on  
February 2022

ATVs were  
down -5% and  
-6% in the garden  
store and cafes  
respectively  
compared with  
January 2022

February 2023  
was the **driest**  
February in 30  
years!

Consumer  
confidence  
improved by 7pts  
but remains  
historically low

# Overview: the story this month

- February 2023 was the driest February in 30 years, lowering reservoir levels and bringing concern for longer-term drought prospects over the summer should the UK experience further dry, hot spells. The dry weather did however encourage early core gardening sales in comparison to a considerably wetter February 2022.
- But in rebound to the pulling forward of product replacement cycles during the pandemic and retailers selling off excess inventory this time last year, higher value garden furniture made up a considerably smaller proportion of baskets this February. As a result the garden/gardening category finished February flat versus last year, whilst the garden store Average Transaction Value (ATV) was down -5%.
- Catering continued to perform strongly (+21%) and offer consumers something in the way of a small treat amid the tough economic climate, concerns for which returned to the top spot in Ipsos Mori's Issues Index as the issues of price inflation and the UK economy were of most concern to the British public.
- However, consumer confidence showed a marked 7-point improvement in February, particularly amongst ratings of personal finances and the country's general economy over the next year.
- Whilst it remains to be seen if confidence continues to improve and move out of historically-low territory, petrol and diesel prices continued to fall and average pay growth remained high at 6.1% helping to bring some relief to household incomes. Meanwhile, businesses importing goods continue to experience some relief from falling shipping container prices, which are now 80% below where they were 12 months ago.
- However, there are pressures on wage bills, looming utility price hikes and longer-term concerns for water restrictions adding caution to optimism for businesses.

Read on for the detail...

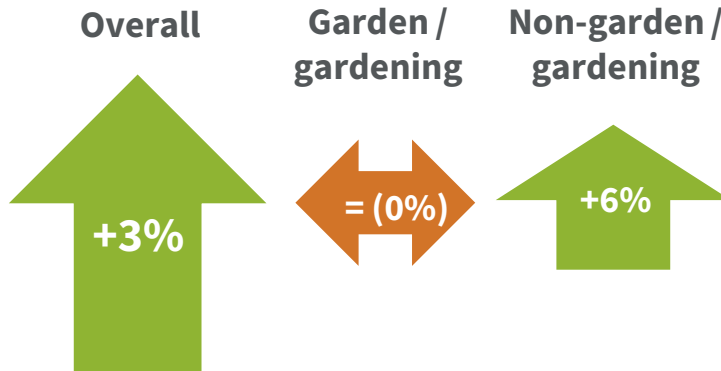
# Garden centre sales: February



Overall, February national garden centre sales were up +3% on February 2022, as milder, drier weather encouraged consumers into their gardens ahead of the core spring season and catering continued to perform strongly. Though there was notable variation between retailers. Garden/gardening sales were on par with February of last year, with strong plants and core gardening category sales being counteracted by a large decline in higher value garden furniture sales year-on-year with many retailers shifting excess stock post-pandemic this time last year. Meanwhile, non-garden/gardening sales were up 6% on February 2022 with garden centre cafes/restaurants continuing to see strong trade. Comparisons to February 2021 are again set against the UK's third national lockdown where people were discouraged from leaving home, shopping for non-essentials or socialising, despite garden centres being allowed to remain open. Catering was also closed to dine-in customers causing the large uplift (+71%) in the non-garden/gardening category.

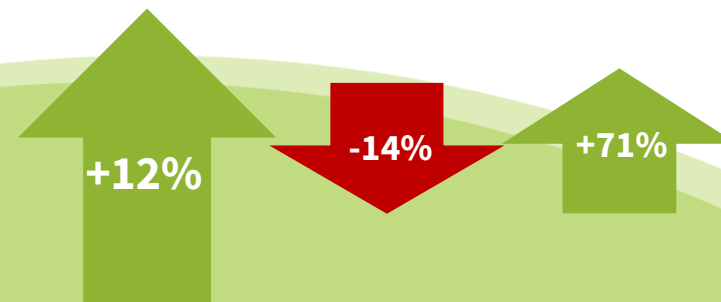
## Feb 2023 vs Feb 2022

\*note non-garden/gardening includes catering



## Feb 2023 vs Feb 2021

\*note during February 2021, the UK was in its third national lockdown of the pandemic and catering was largely prohibited.



## 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](https://hta.org.uk/grm)

(Figures reported are exclusive of VAT)

# Garden centre sales volumes: February



Due to the high levels of price inflation in the current economic climate, we report on the quantity of goods sold in addition to sales values to assess the level to which year-on-year comparisons are reflective of end-goods price increases or change in demand. As detailed on page 5, overall sales in value terms were up +3% on February 2022, however volumes of goods sold were up +8%. This difference is driven by the garden/gardening category, where sales were flat but volumes of goods sold were up +11%. This could reflect heavier than usual discounting on plants due to winter stock damages and moving through excess stock; but also the greater proportion of plants (which are of relatively lower value) relative to garden furniture (of relatively higher value) in the basket this year in comparison to last year which was considerably wetter and saw retailers shifting high levels of furniture inventory.

<b>Feb 2023 vs Feb 2022</b>	<b>Overall</b>	<b>Garden/gardening</b>	<b>Non-garden/gardening</b>
<b>Value of sales (£, exc. VAT)</b>	<b>+3%</b>	<b>= (0%)</b>	<b>+6%</b>
<b>Volume of sales</b>	<b>+8%</b>	<b>+11%</b>	<b>+6%</b>

<b>Feb 2023 vs Feb 2021</b>	<b>Overall</b>	<b>Garden/gardening</b>	<b>Non-garden/gardening</b>
<b>Value of sales (£, exc. VAT)</b>	<b>+12%</b>	<b>-14%</b>	<b>+71%</b>
<b>Volume of sales</b>	<b>+25%</b>	<b>-14%</b>	<b>+89%</b>

# Garden centre sales: February

## Average Transaction Values (ATVs)

The Average Transaction Value (ATV) for February within the garden store was £22.27 (excl. VAT), down -5% on last year where garden furniture made up a greater proportion of baskets relative to plants. This was also -26% lower than February 2021, though during the lockdown shopping habits changed to focus on more items in fewer trips to minimise risk of infection.

February's ATV within the garden centre café/restaurant was £10.15, down -6% on February last year despite sales performing strongly and price increases through the supply chain. This suggests consumers may be visiting in higher numbers or at greater frequencies but for a smaller treat amid the rising cost of living.



VS FEB 2022	VS FEB 2021
-5% (£23.52)	-26% (£30.00)



VS FEB 2022
-6% (£10.75)

(Figures reported are exclusive of VAT)

# Garden centre sales: detailed February breakdown part 1

Garden/gardening sales were on par with February 2022 despite inflation pushing up end-prices (see pages 20 and 21), and were down -14% compared with February 2021.

Sales of outdoor plants and core gardening ranges performed strongly ahead of the main season in what was a considerably drier February, with seeds and plant care products up +28%, and garden tools up +23% on last year. This may too have been driven by consumer concerns for food security and an increased appetite for grow your own.

The largest downward pressure on overall garden/gardening category performance came from garden furniture, which saw sales down -47% on last year. Whilst February is typically a small month for furniture sales, February of last year saw garden centres shifting high inventory levels as demand tapered off post-pandemic. As furniture items are usually of significant value, a large swing in volumes sold is likely to have a big impact on sales and average basket values.

Category	February 2023 vs 2022	February 2023 vs 2021
Bedding plants	<b>+10%</b>	<b>+10%</b>
Hardy plants, shrubs & trees	<b>+4%</b>	<b>-19%</b>
Indoor plants	<b>-7%</b>	<b>-10%</b>
Seeds	<b>+28%</b>	<b>-4%</b>
Bulbs	<b>+14%</b>	<b>+13%</b>
Plant care products	<b>+28%</b>	<b>-4%</b>
Garden tools & equipment	<b>+23%</b>	<b>-10%</b>
Garden features & structures	<b>-7%</b>	<b>-25%</b>
Outdoor containers	<b>-7%</b>	<b>-28%</b>
Garden furniture	<b>-47%</b>	<b>-25%</b>



# Garden centre sales: detailed February breakdown part 2

Non-garden/gardening sales were up +6% compared with February 2022.

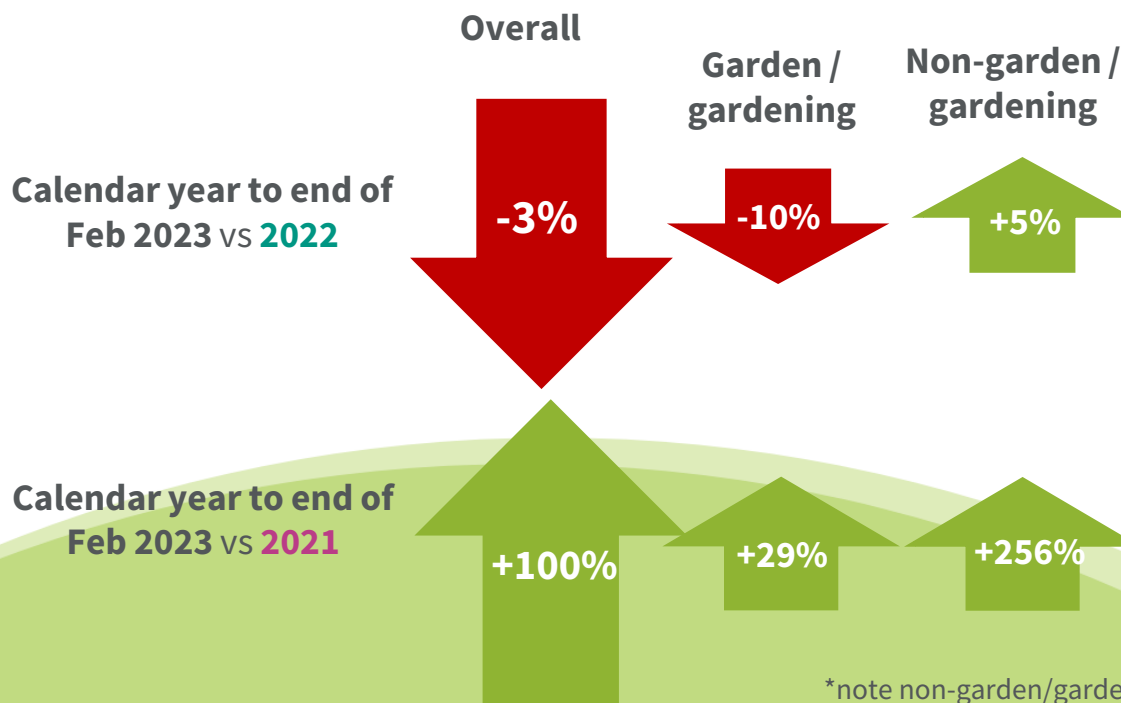
Catering continued to be the predominant factor within this making up 15% of total store sales in February, with sales ahead of last year (+21%). Volumes of items sold within the garden centre cafe/restaurant were up +25%, and our Average Transaction Values (ATV) analysis on page 7 suggests customers may be visiting in higher numbers or more frequently, but for a smaller treat amid the current economic climate.

Indoor living and homewares were behind February of last year (-15%), along with wild bird care (-3%) that has seen supply challenges as a result of the Russia-Ukraine conflict.

Category	February 2023 vs 2022	February 2023 vs 2021
Indoor living & homewares	-15%	-6%
Gifting	+2%	+14%
Wild bird care	-3%	-14%
Pets	+2%	+31%
Food & farm shop	+3%	+28%
Catering	+21%	N/A

# Garden centre sales: calendar year to end of February

Calendar year to end of February comparisons show 2023 as down -3% on 2022, as the weather returned as the predominant influence on sales performance and hampered January sales before improving in February. Garden/gardening category sales were -10% down this year compared to the calendar year to end of February 2022; meanwhile non-garden/gardening and in particular catering, helped to counteract this (+5%). Comparisons with 2021 are more reflective of the situation two years ago rather than now as lockdown restricted trade, particularly in catering, which made up 15% of total store sales in the month of February 2023 but was closed to dine-in customers two years ago.



**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](https://hta.org.uk/grm)

\*note non-garden/gardening includes catering which has faced restrictions across the UK


(Figures reported are exclusive of VAT)

# Weather

February 2023 was the driest February in 30 years, as the UK had just 45% of average rainfall for the month. February of last year was considerably wetter, contributing to the sales uplift year-on-year within the core gardening and plants categories. February 2023 was also mild, with temperatures 1.7<sup>o</sup> C above the long-term average. Scotland and Northern Ireland were the mildest relative to average (see page 12 for more regional breakdowns).

	Feb 2023	Feb 2022
 Hours of sunshine	<b>70.2</b>	<b>73.6</b>

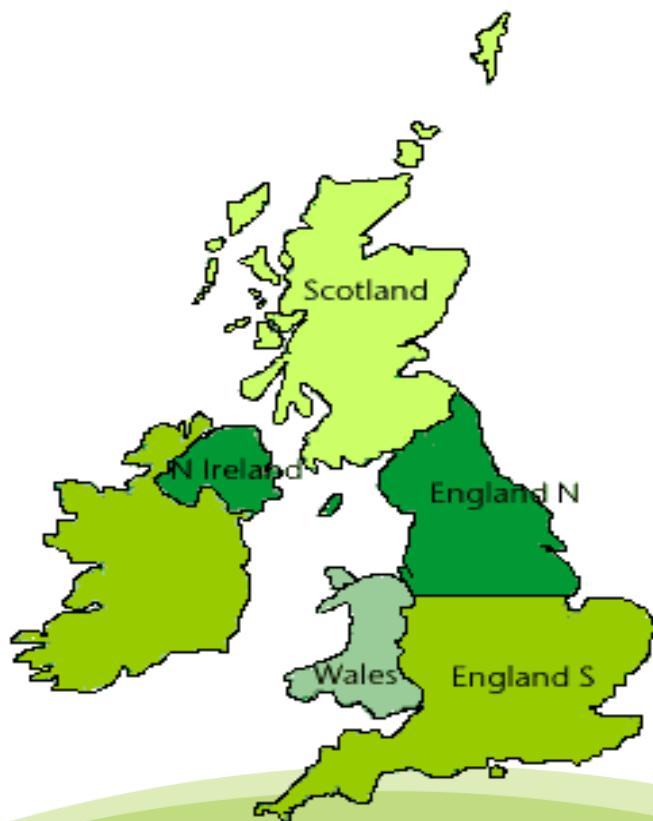
	Feb 2023	Feb 2022
 Rainfall (mm)	<b>43.4</b>	<b>146.2</b>

	Feb 2023	Feb 2022
 No. of rain days	<b>7.3</b>	<b>18.2</b>

	Feb 2023	Feb 2022
 Mean temperature (Celsius)	<b>5.8</b>	<b>5.6</b>

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

# Weather by region

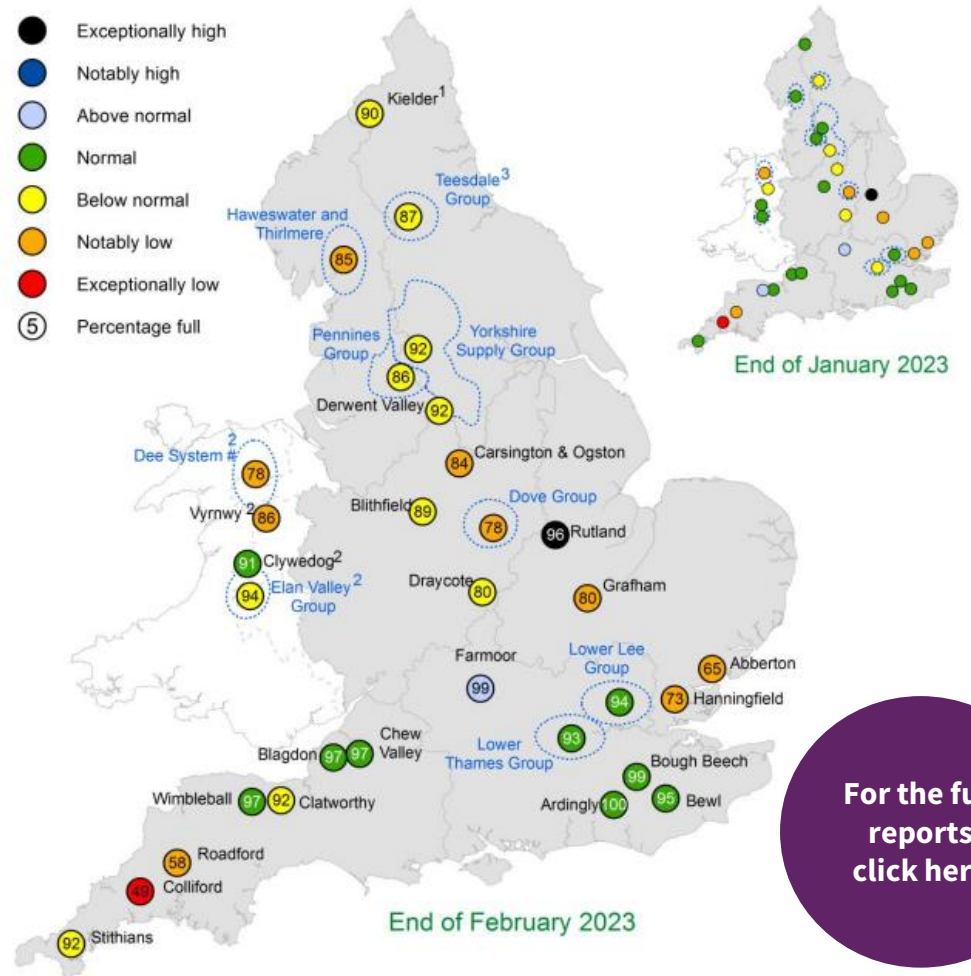


Region	Mean Temp (Degrees Celsius)	Sunshine Hours	Rainfall (mm)
Overall	5.8	70.2	43.4
South England	6.3	92.3	9.7
North England	6.0	73.8	26.1
Wales	5.8	74.2	26.2
Scotland	5.1	48.4	97.0
Northern Ireland	6.6	39.1	31.3

Rainfall was well below average generally across the UK, with less than 20% of average over most of central and southern England and Wales. However, much of northern Scotland was near or slightly wetter than average. There were also regional variations in sunshine, where most of England had a much sunnier than average February but Scotland and Northern Ireland were much duller.

# Current reservoir levels

Following a dry month, reservoir stocks at the end of February had decreased at more than half of the reservoirs reported on. Levels remain below normal at two-thirds of sites across the UK. So, significant further rainfall ahead of the gardening season will be required to stave off the risk of Temporary Use Bans (e.g. hosepipe bans) in parts of the country.



# Forecast river flows

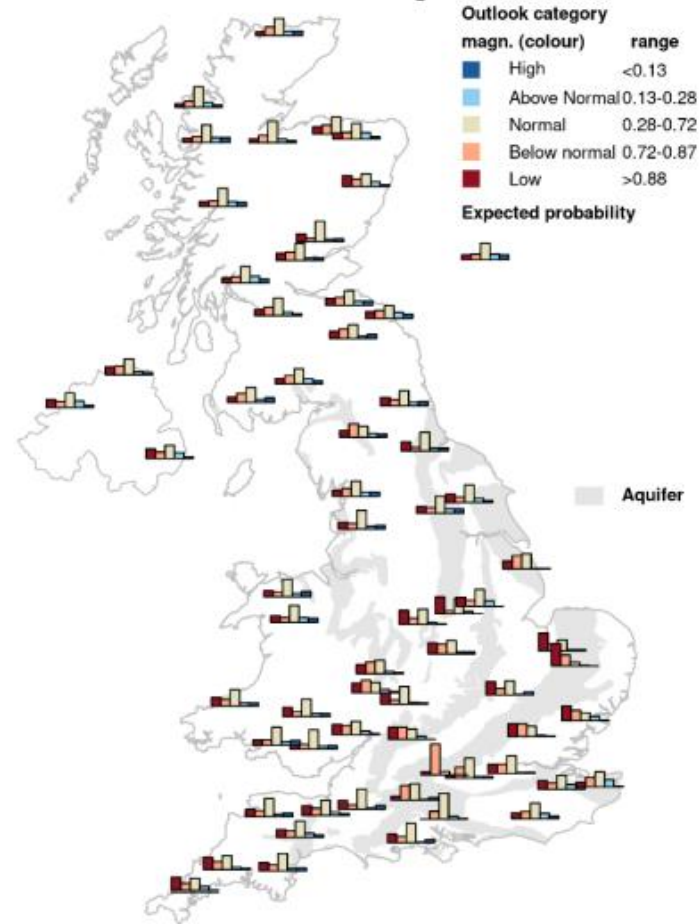
This three month outlook for river flows takes into account forecast rainfall, and currently shows that normal levels are expected across Scotland, Northern Ireland, Wales and northern and south-west parts of England. However, below normal to low levels are predicted in the South East and Midlands.

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.

The UK Centre for Ecology and Hydrology have launched an online tool to view the drought in different regions in the UK-

<https://eip.ceh.ac.uk/apps/droughts/>

3-month river flow outlook starting Mar 2023

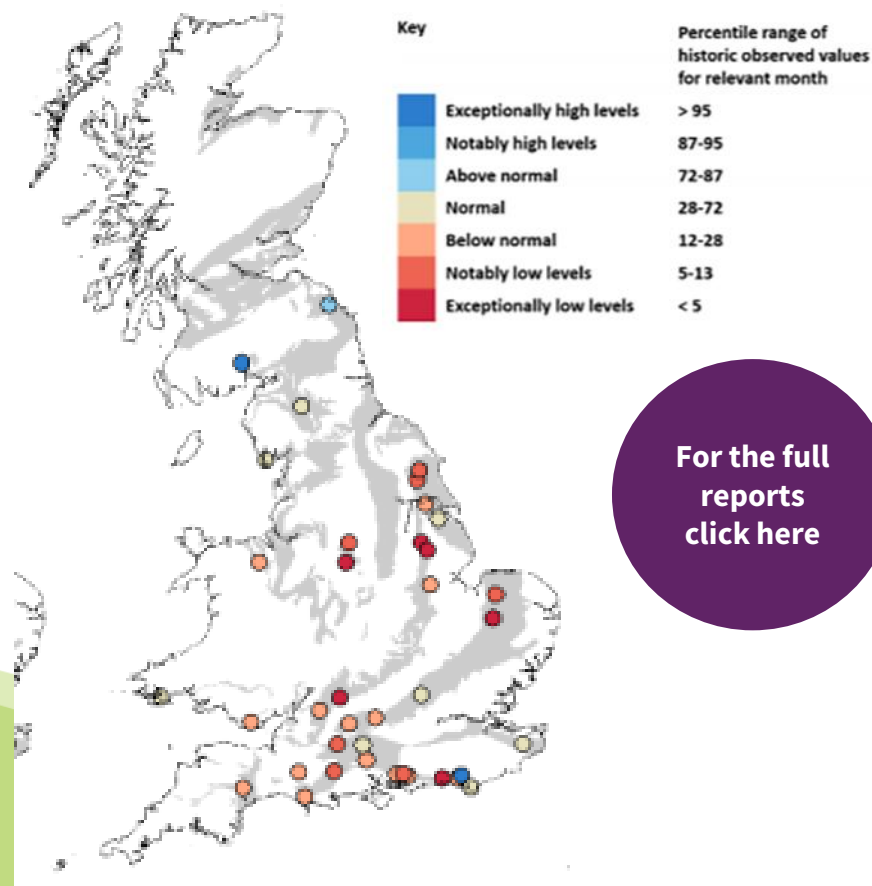


For the full reports click here

# Forecast groundwater levels

Groundwater levels are responsive to rainfall during this part of the year, and the forecasts reflect this. Under median rainfall forecasts over the next three months, levels are expected to be below normal and notably low at many sites across England where they were previously normal. Northern England and isolated areas in the East are the exception to this, with normal and above normal levels anticipated.

## Three month groundwater outlook starting Mar 2023 (based on median rainfall forecasts)



For the full reports [click here](#)

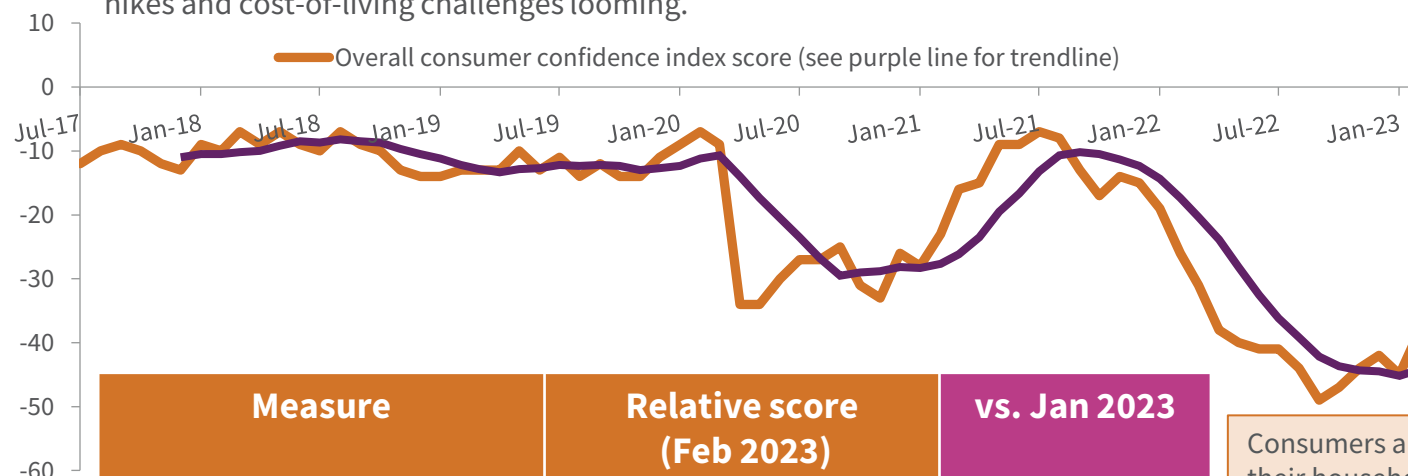
# The current water situation

- The HTA continues to represent the horticulture sector on the Environment Agency's (EA) National Drought Group which comprises government, water companies and key farming and environmental groups.
- February's Group meeting warned that another dry, hot spell could see drought conditions return, and further steady rainfall will be needed to ensure the UK's water reservoirs are in a good position ahead of the warmer, drier, summer months.
- Businesses should not rely on the weather, and undertake precautionary planning to prepare for the worst case scenario to reduce the risk of drought measures. Likewise, we expect water companies to take action and continue with public information campaigns encouraging the public to save water in the coming months, and we will work to ensure that any messaging relating to responsible use of water in gardening does not adversely affect participation in gardening. Businesses looking to help give ideas to gardeners of how to go about gardening in a way that makes responsible use of water can draw on content and ideas published by the RHS: <https://www.rhs.org.uk/garden-design/drought-resistant-gardening>
- HTA member businesses should prepare for all scenarios and take action over the next three months to ensure continuity of supply for spring/summer 2023:
  - Ensure that as much of your storage capacity is filled as is possible
  - Use water responsibly and encourage customers to do the same
  - Invest in infrastructure for water recapture where possible
  - If you have an abstraction licence, you should expect this to be questioned if water scarcity increases:
    - If you have an abstraction licence where you use less than around 60% of the annual volume you may be asked by the Environment Agency to consider reducing your licenced abstraction, the “headroom”. In these circumstances you need to make a careful consideration of the reply. Having given up part of a Licence of right you may find the new licence could end up being timed unless you apply for a variation.
    - If you have an abstraction licence that has not been used for four or more years you may be asked if you require it in the future and need to justify its future use.



# Consumer confidence: financial

Consumers showed signs of optimism in February as the overall consumer confidence index score increased by +7 points from January to -38. Whilst still at historically-low levels, all contributing measures to the index score experienced an uptick, most notably sentiments about the UK's and personal economic situations over the next 12 months. However, the Savings Index also increased by 5 points, and remains 5 points higher than February last year suggesting that consumers think now is a good time to be saving money and may be more reluctant to make bigger expenditure and purchase higher ticket items. It is too early to tell whether this improvement in financial confidence is the beginning of a turnaround or a short-lived signal of hope ahead of further energy price hikes and cost-of-living challenges looming.



Overall index score for February: **-38**

\*this is 7 points higher than January 2023

Measure	Relative score (Feb 2023)	vs. Jan 2023
<u>Personal financial situation:</u> during last 12 months <b>over next 12 months</b>	-26 <b>-18</b>	5 points higher <b>9 points higher</b>
<u>General economic situation:</u> during last 12 months <b>over next 12 months</b>	-65 <b>-43</b>	6 points higher <b>11 points higher</b>
Major Purchase Index	-37	3 points higher
Savings Index	19	5 points higher

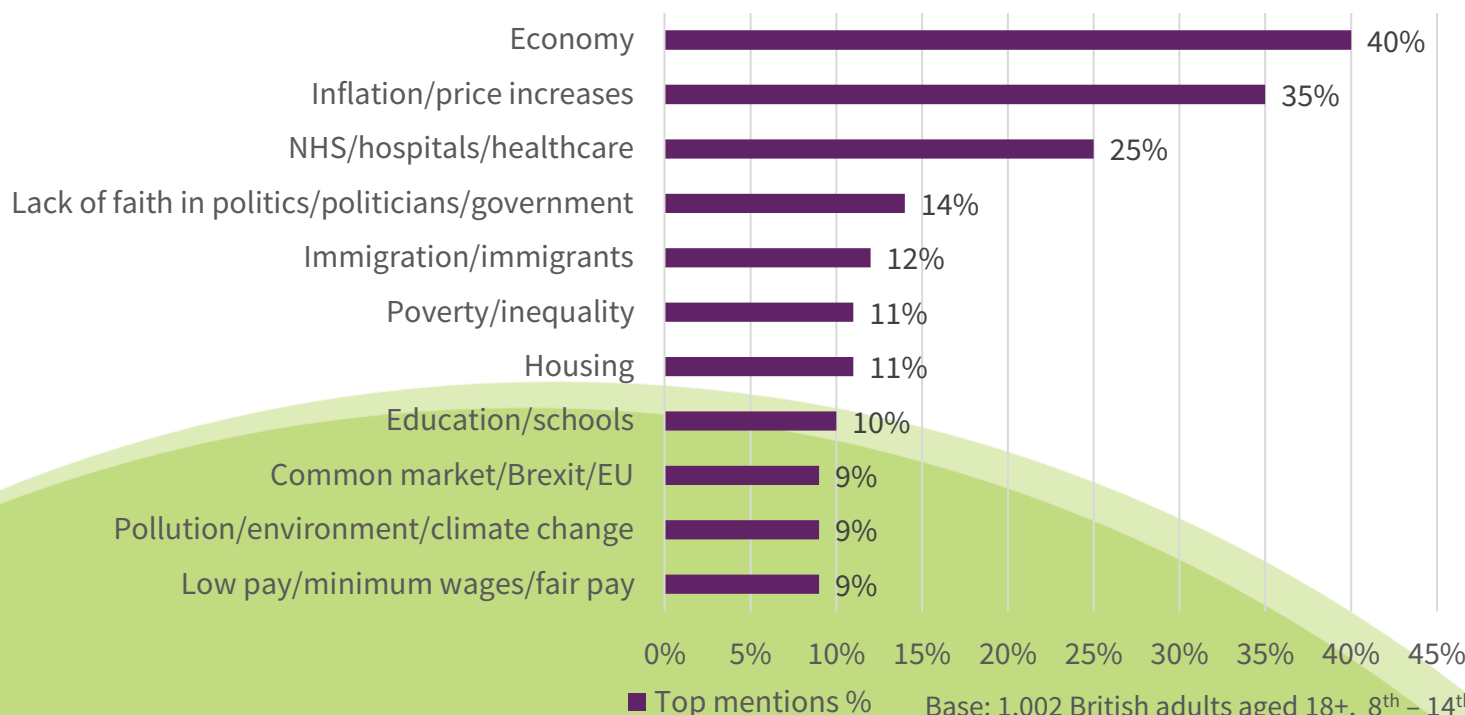
Consumers are asked how the financial position of their household has changed over the last year and is expected to change in the next year, as well as that of the general economy. They're also asked if they believe 'now' is a good time to make major purchases or to be saving money. The first three measures 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.**

[Click to view the full summary](#)

# Consumer Issues Tracker

In February 2023, finances dominated consumer concerns again as the economy and inflation returned to the top of Ipsos Mori's Issues Index, overtaking worry about the healthcare system. Four in ten British adults mentioned the economy as one of the top issues facing the country, up 3% from January; whilst 35% mentioned price inflation specifically. Meanwhile, concern for the NHS fell with 17% fewer people mentioning it as a concern unprompted, likely as the media activity around worker strikes that dominated January headlines quietened. Lack of faith in politicians and immigration completed the top five issues concerning the country, though fieldwork was completed prior to the raised profile of the home secretary and the UK's immigration policies in the media late February/early March.

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

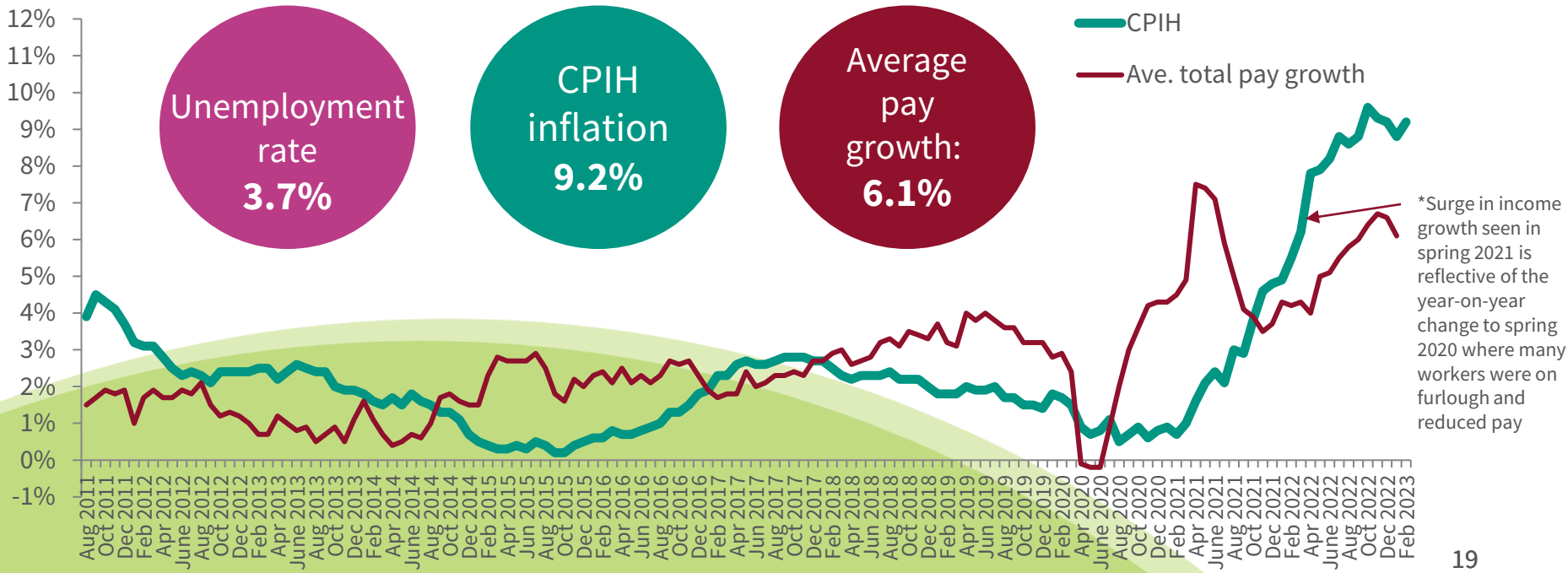


Change since Jan:	
%	Position
+3%	↑+1
-1%	↓-1
-17%	↓-2
+3%	↑+1
-3%	↓-1
+2%	=
=	↓-1
+1%	↑+2
+1%	↑+3
-2%	↓-3
+2%	=

# The UK Economy



We take a look at some key indicators of the position of the UK economy to gauge the situation for consumers as well as member businesses. Both inflation and average pay growth (excl. bonuses) are measured as a percentage change over a 12 month period. The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 9.2% in the 12-months leading to February 2023, up from 8.8% in January. Housing & household services (electricity, gas and other fuels), food, and non-alcoholic beverages remained the largest upward contributors, with restaurants and cafes, food and clothing driving most of the month-on-month change. Average pay growth (excl. bonuses) remained high at 6.1% in the three months to February, putting pressure on business overheads. However with record-high inflation, household incomes still effectively fell year-on-year. The job market is strong and unemployment remains low at 3.7%, but many businesses are still struggling with labour and skills shortages. The employment rate increased by 0.1% from the previous three month period, driven by an increase in part-time workers suggesting that the current economic climate is encouraging those previously not working back into employment. The number of job vacancies also fell, though this may be a sign that businesses are reconsidering recruitment plans in light of needing to reduce overheads.



# Retail inflation on garden products

## Our February trolley

(February 2023 vs February 2022 price inflation)



Hardy plants,  
shrubs & trees  
**+4%**



Bulbs spring/  
summer  
**+2%**



Growing  
media **+7%**



Bedding  
plants **+2%**



Unpowered  
tools **+5%**



Indoor plants  
**+5%**



Hot drinks  
**-4%**



Lawn care  
**+11%**



Wild bird care  
**+3%**



Plastic pots  
**+13%**

Here we look at the price of individual barcodes transacted in garden centres in February 2023 and February 2022, to calculate a median average rate of inflation within each of the categories featured. Each month we will select a 'trolley' of goods that are seasonally appropriate and track the level of price inflation.

In the 12 months to February 2023, within our trolley plastic pots (+13%), lawn care (+11%) and growing media (+7%) experienced the highest level of price inflation, likely due to rising input and ingredient costs due to demand and availability. The average prices garden centre customers paid for indoor plants (+5%) and unpowered tools (+5%) were also higher than February last year.

# Retail inflation on plants

(February 2023 vs February 2022 price inflation)



Shrubs  
= (0%)



Foliage houseplants  
+8%



Herbaceous  
+2%



Pot bedding +7%  
Pack bedding +1%



Veg/salad/  
herb seeds  
= (0%)



Roses +9%



Climbers +3%



Trees +9%



Flowering houseplants  
+10%



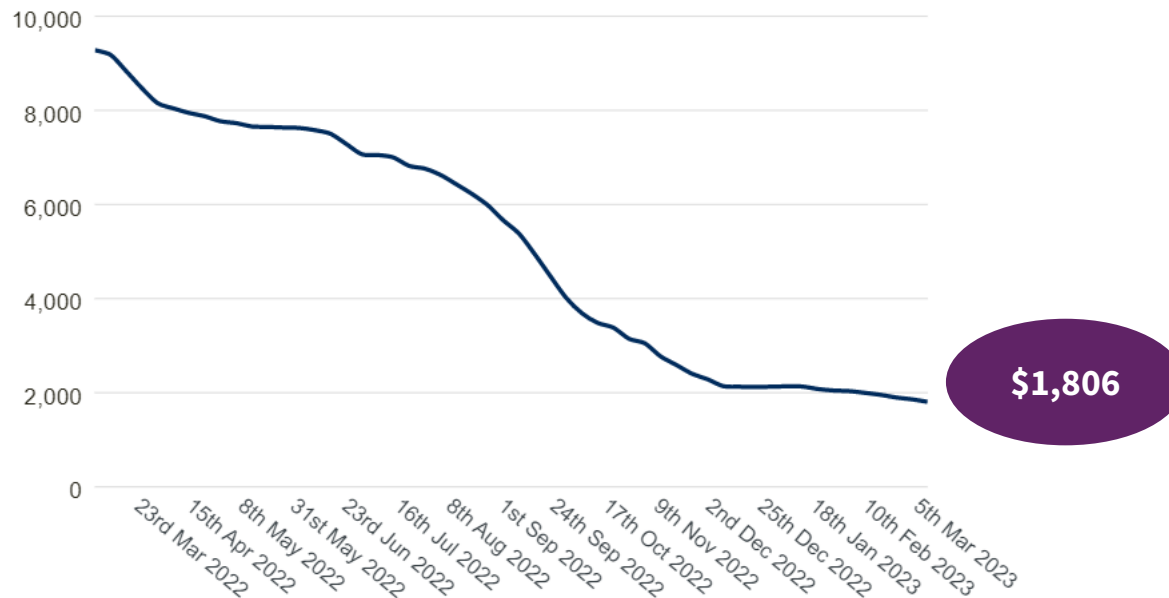
Fruit trees &  
bushes  
+5%

Here we look at retail price inflation across some of the plant categories specifically. Indoor plants experienced the highest year-on-year price increases, followed by trees (+9%) and roses (+9%). Increased overhead costs for importing plants and plant material across borders, utilities, labour and higher fuel and transport costs are likely contributing factors. Rising prices are likely to impact household decisions on whether to invest in garden plants in the next few months as further utility hikes loom amidst the current cost of living crisis.

# 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 \$1,806 for a 40ft container as of 9<sup>th</sup> March 2023, a fall of 80% compared to the same week of last year. This is good news for businesses who import goods from overseas, though falls against a backdrop of rising input costs, cost of goods and a weakened pound.

Drewry World Container Index (WCI) - 09 Mar 23 (US\$/40ft)



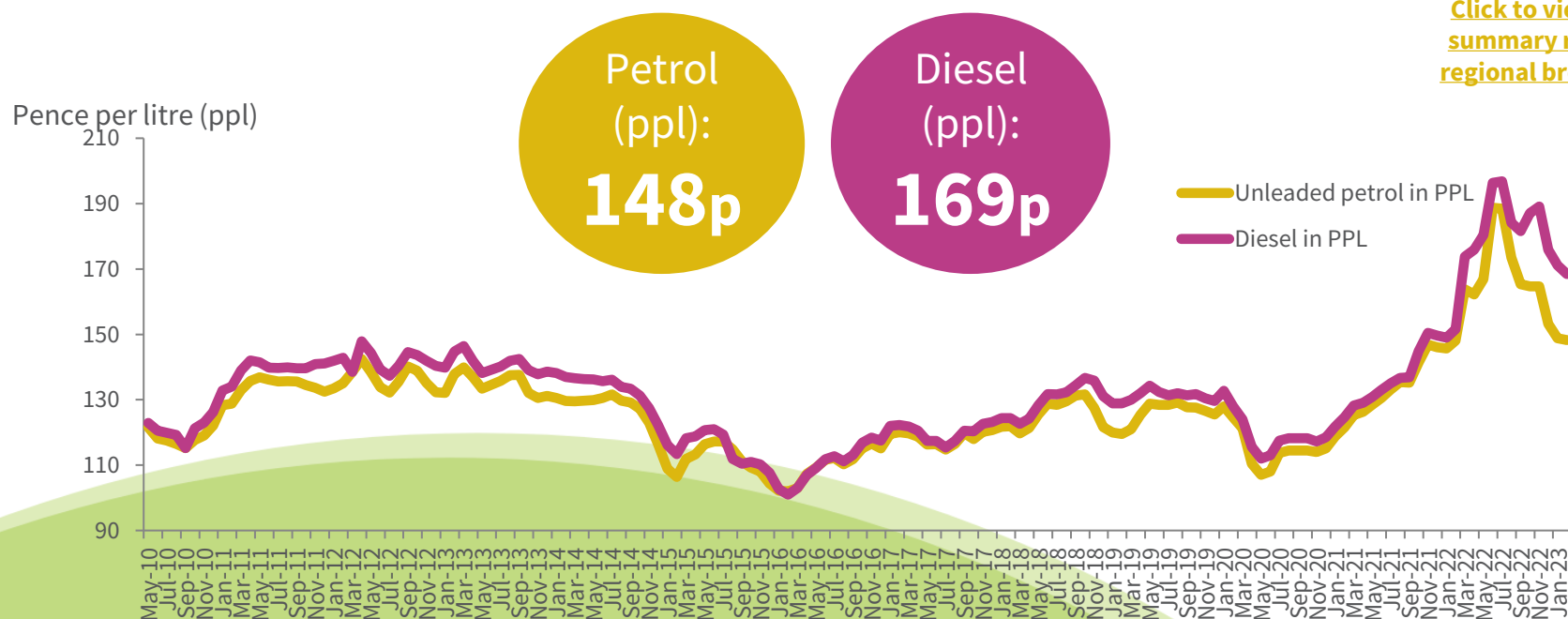
*We are reporting on the aggregate of the major shipping routes.*

**\$1,806**

# Vehicle fuel prices

We monitor vehicle fuel prices to gauge the situation for consumers and businesses alike. Figures reported are national averages measured in pence per litre but there is likely to be regional variations in price – click the link below to view the data by region. The average petrol price was 148p/litre and diesel averaged 169p/litre in February. These figures represent falls of 40-50p per litre since the fuel price peak in June 2022, bringing some relief to household finances and business transport costs. Petrol prices are now averaging roughly the same as this time last year, however diesel is still averaging 17p per litre more than this time last year. The gap between diesel and petrol prices remains one of the largest on record, with diesel prices driven up by demand for diesel as a heating fuel across Europe over winter and the Russia-Ukraine war (the UK imports roughly half of its diesel, with a large proportion previously coming from Russia).

[Click to view the full summary report and regional breakdowns](#)



# 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](mailto:marketinfo@hta.org.uk)

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