



Market Update: April 2023

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Overview: Key Points



**Overall March
Garden Centre
sales** were
down -28% on
March 2022

**Catering sales
were up by
+15%** on March
2022

ATVs were
**down -13% and
-4%** in the garden
store and cafes
respectively
compared with
March 2022

March 2023 was
the **wettest
March in 40
years** in
England, with
rainfall well above
average in Wales &
N.I.

**Consumer
confidence
improved by 2pts**
but remains
historically low

Overview: the story this month

- March 2023 was the wettest March for 40 years in England meanwhile rainfall was well above average in Wales and Northern Ireland too, dampening consumer appetite for gardening. As a result, garden centre garden/gardening category sales were -40% down on March 2022.
- However, whilst rainfall was somewhat needed to improve water levels, the extreme wet weather of March followed on from the driest February in 30 years and the Met Office predict increased likelihood of a dry April-June period, so businesses should remain vigilant about water supply and responsible use.
- Overall garden centre sales were down -28% on March of last year, with the largest upward pull coming from catering which continues to perform strongly (+15%) to counteract the impact of poor weather.
- However average transaction values (ATV) in the café/restaurant remain behind last year (-4%) despite inflation pushing up prices, suggesting that consumers are opting for a smaller treat but in higher numbers. The ATV within the garden store was £27.01, -13% down on March 2022 when garden furniture (of relative higher value) made up a considerably greater proportion of baskets relative to other items as garden centres sold through excess inventory.
- Finances continue to dominate consumer concerns in Ipsos Mori's Issues Index, though consumer confidence marginally improved by 2points from February to March. This however masks a drop-off in consumer ratings of their personal financial situation over the next 12 months, and the Savings Index measure increasing suggests that consumers could be cautious about making significant purchases in the coming months.
- Clearly though, the weather has returned as the biggest driver of garden centre footfall and spend.

Read on for the detail...

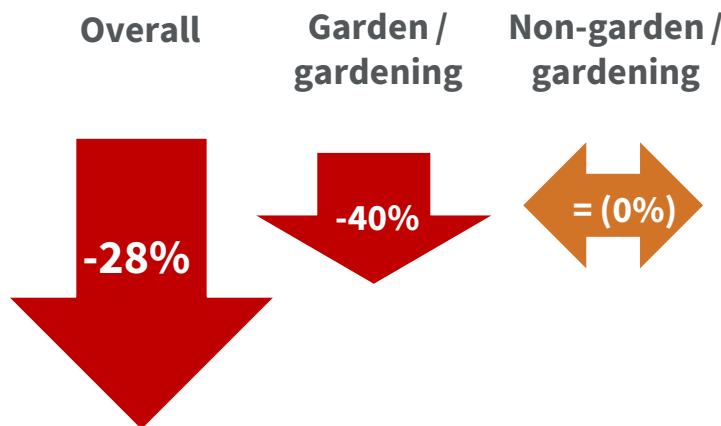
Garden centre sales: March



In March 2023, overall national garden centre sales were down -28% compared with March 2022, as core gardening categories were severely impacted by prolonged dull and wet weather (see page 11). Garden/gardening category sales were down -40% compared with the considerably drier March 2022, and down -56% on March 2021 when many people took up gardening whilst much out-of-home leisure was unavailable during the lockdown. Catering continued to perform strongly and lessen the impact of the weather on overall sales, and the non-garden/gardening category finished flat on March of last year. Non-garden/gardening comparisons to March 2021 are reflective of the UK's third national lockdown and catering outlets closed to dine-in customers.

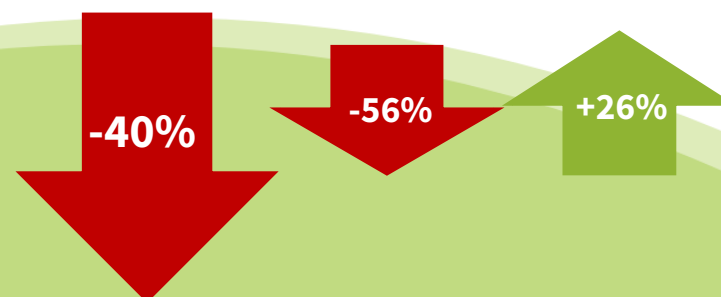
Mar 2023 vs Mar 2022

*note non-garden/gardening includes catering



Mar 2023 vs Mar 2021

*note during March 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

(Figures reported are exclusive of VAT)

Garden centre sales volumes: March



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 down -28% on March 2022, and volumes of goods sold were down -22%. Overall, trade was clearly behind that of last year, but the sales volumes seemingly less heavily impacted compared with sales values is likely reflective of garden furniture (of relatively higher value) featuring in a considerably greater proportion of baskets this time last year as garden centres sold through excess stock. In our March 2023 analysis, garden furniture sales made up 8% of total garden centre sales by value, compared with 12% in March 2022.

Mar 2023 vs Mar 2022	Overall	Garden/gardening	Non-garden/gardening
Value of sales (£, exc. VAT)	-28%	-40%	= (0%)
Volume of sales	-22%	-37%	= (0%)

Mar 2023 vs Mar 2021	Overall	Garden/gardening	Non-garden/gardening
Value of sales (£, exc. VAT)	-40%	-56%	+26%
Volume of sales	-29%	-54%	+38%

Garden centre sales: March

Average Transaction Values (ATVs)

The Average Transaction Value (ATV) for March within the garden store was £27.01 (excl. VAT), down -13% on last year where garden furniture, which is of relatively higher value, made up a greater proportion of baskets relative to other items. This was also -28% lower than March 2021, though this likely reflects shopping habits that changed during the lockdowns to focus on more items in fewer trips to minimise risk of infection. March's ATV within the garden centre café/restaurant was £10.40, down -4% on March last year despite sales performing strongly and cost 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 MAR 2022	VS MAR 2021
-13% (£31.12)	-28% (£37.34)



VS MAR 2022
-4% (£10.87)

(Figures reported are exclusive of VAT)

Garden centre sales: detailed March breakdown part 1

Garden/gardening category sales overall were down -40% on March 2022, despite inflation pushing up end prices (see pages 20 and 21), and were down -56% compared with March 2021 which saw lockdown increase demand for gardening.

Sales were down across all of the garden/gardening sub-categories we report on as the extremely wet weather dampened consumer appetite for gardening. Sales of hardy plants (-45%), bedding plants (-43%), bulbs (-25%) and seeds (-19%) were all behind last year as high levels of rainfall restricted consumers' ability to venture outside. Weakened sales of these products have a knock-on effect on sales of sundries and link-sale products like growing media, tools and plant support.

The largest downward pressure on overall garden/gardening category performance came from garden furniture, which saw sales down -49% on last year. Whilst March is generally a small month for furniture sales, volumes sold were down -46% on March of last year which saw garden centres still 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	March 2023 vs 2022	March 2023 vs 2021
Bedding plants	-43%	-55%
Hardy plants, shrubs & trees	-45%	-61%
Indoor plants	-11%	-34%
Seeds	-19%	-33%
Bulbs	-25%	-32%
Plant care products	-31%	-47%
Garden tools & equipment	-36%	-52%
Garden features & structures	-44%	-62%
Outdoor containers	-43%	-64%
Garden furniture	-49%	-65%

Garden centre sales: detailed March breakdown part 2

Non-garden/gardening sales were up flat compared with March 2022.

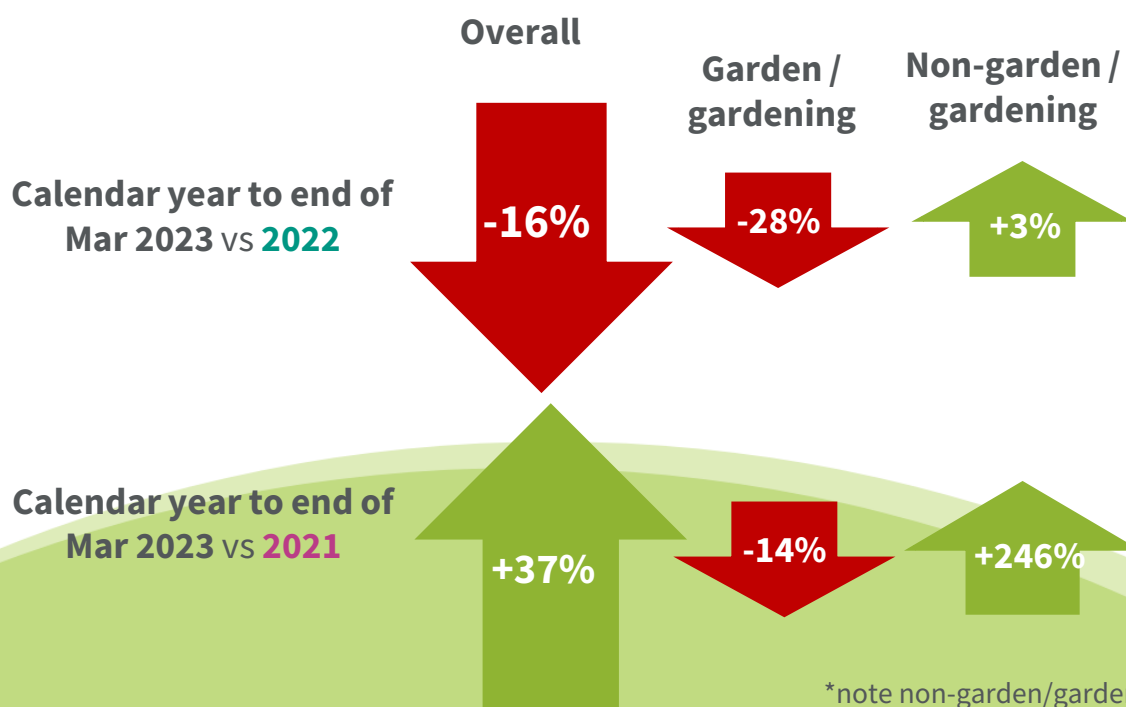
Catering continued to be the predominant factor within this making up 16% of total store sales by value in March, with sales ahead of last year (+15%). Our Average Transaction Values (ATV) analysis on page 7 suggests customers may be visiting in higher numbers or more frequently, but for a smaller treat amid the current economic climate.

Food & farm shop was the only other category to register sales above March 2022, meanwhile the Pets category sales were on par with last year. Sales of wild bird care (-13%) were likely hampered by poor weather and supply challenges as a result of the ongoing Russia-Ukraine conflict.

Category	March 2023 vs 2022	March 2023 vs 2021
Indoor living & homewares	-11%	-30%
Gifting	-4%	-15%
Wild bird care	-13%	-26%
Pets	= (0%)	+9%
Food & farm shop	+3%	-7%
Catering	+15%	N/A

Garden centre sales: calendar year to end of March

Calendar year to end of March comparisons show 2023 as down -16% on 2022, as the weather returned as the predominant influence on sales performance and hampered January and March. Garden/gardening category sales were -28% down this year compared to the calendar year to end of March 2022; meanwhile non-garden/gardening and in particular catering, helped to counteract this (+3%). 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 12% of total store sales in the month of March 2023 but was closed to dine-in customers two years ago.



How are these figures calculated?

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


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


(Figures reported are exclusive of VAT)


Weather

March was largely duller and considerably wetter than average, with England and Wales experiencing the wettest March in over 40 years (see page 12 for more regional breakdowns). This was somewhat needed following on from the driest February in 30 years helping water levels improve, but there is a need to remain vigilant – especially in areas that have not recovered from the drought period last year. The precipitation outlook issued by the Met Office on 27th March shows a slightly increased likelihood of drier than usual conditions for the April-June period. March was a month of two halves in terms of temperature, with a cooler first half and a milder second half balancing out in the overall figures.

	Mar 2023	Mar 2022
 Hours of sunshine	81.1	165.7

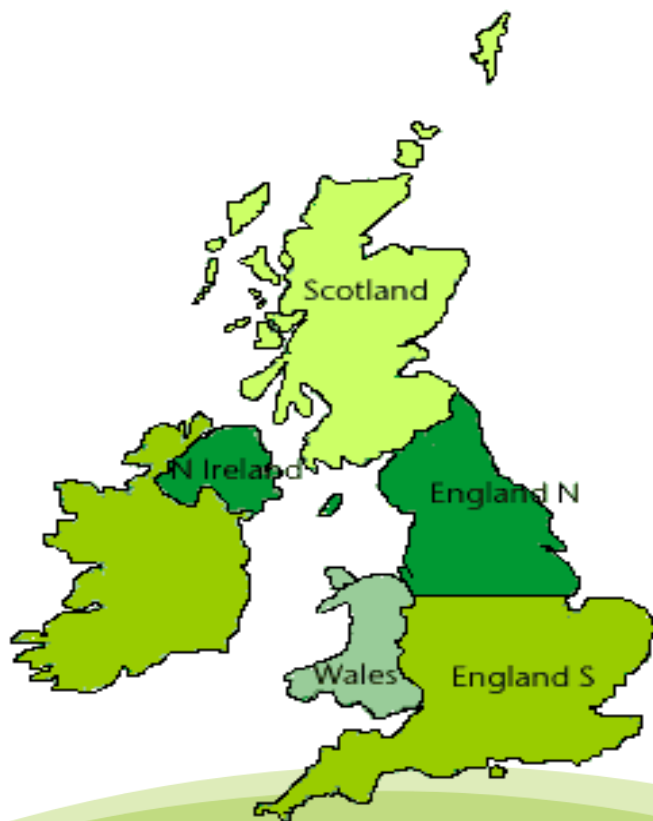
	Mar 2023	Mar 2022
 Rainfall (mm)	132.0	50.7

	Mar 2023	Mar 2022
 No. of rain days	20.4	8.5

	Mar 2023	Mar 2022
 Mean temperature (Celsius)	5.7	6.7

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.

Weather by region

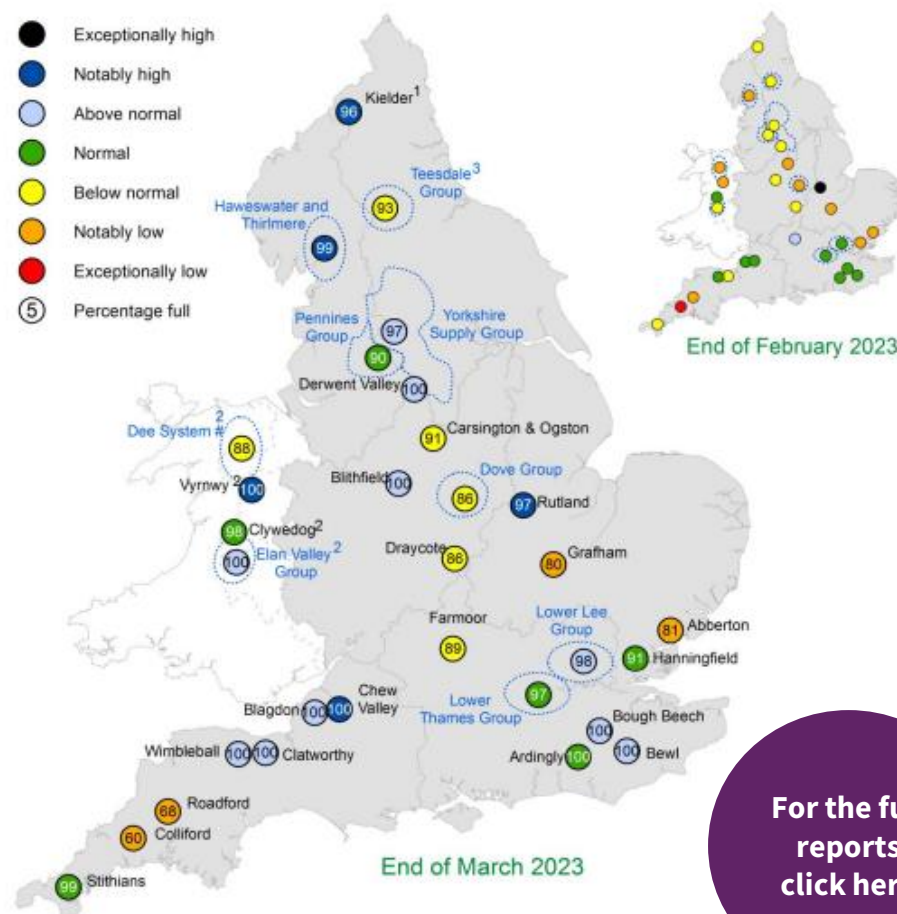


Region	Mean Temp (Degrees Celsius)	Sunshine Hours	Rainfall (mm)
Overall	5.7	81.1	132.0
South England	7.2	70.0	123.6
North England	5.9	84.5	110.7
Wales	6.2	64.3	206.5
Scotland	3.6	94.6	130.1
Northern Ireland	6.3	85.3	151.2

England has had its wettest March since 1981, with Wales and Northern Ireland also seeing one of the wettest on record (rainfall 91% and 58% more than average respectively). Meanwhile, rainfall in Scotland was much closer to average for the time of year (just 3% above average). Majority of the UK had a duller than average month, with only some counties in the northwest of Scotland seeing more than average sunshine. Scotland again was closer to average for sunshine, but was cooler than average and saw snow and temperatures struggle to rise above freezing for much of the first half of March.

Current reservoir levels

Total reservoir stocks at the end of March increased by 7% from the end of February, with increases at all but two of the sites reported on. Two-thirds of reservoirs/reservoir groups were classed as normal or higher for the time of year. However, one-third of sites had below normal or notably low levels. As we enter the warmer, typically drier months, the risk of Temporary Use Bans (e.g. hosepipe bans) in parts of the country still remains.



Forecast river flows

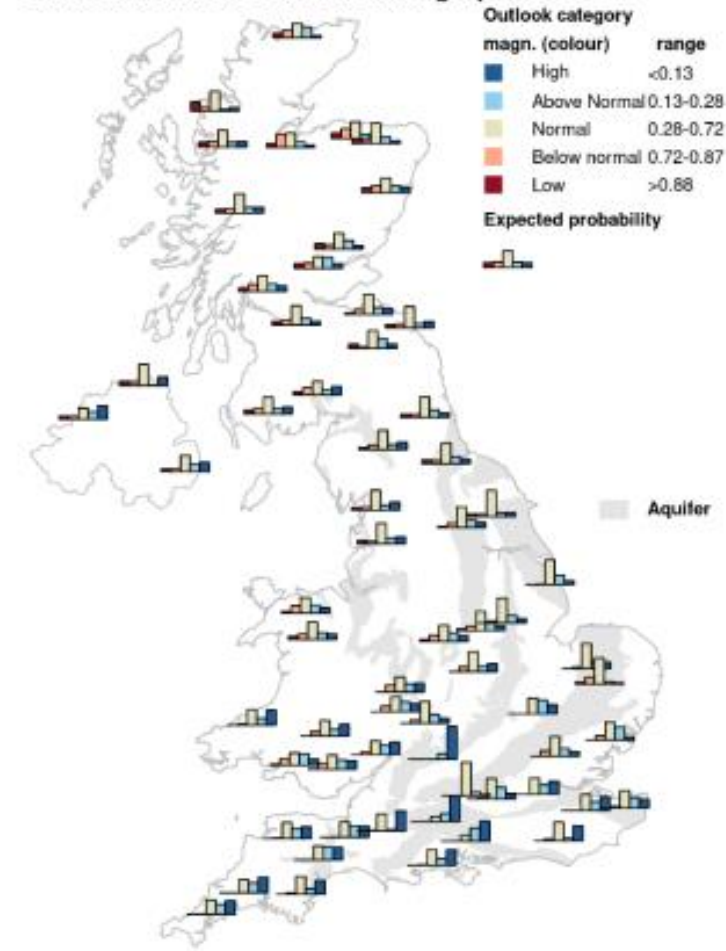
This three month outlook for river flows takes into account forecast rainfall and currently shows that normal to above normal levels are expected across most of the south of England and Wales, with normal levels for the rest of the UK. Some areas of northern Scotland are predicted to have below normal river flow levels across the April-June period.

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 Apr 2023

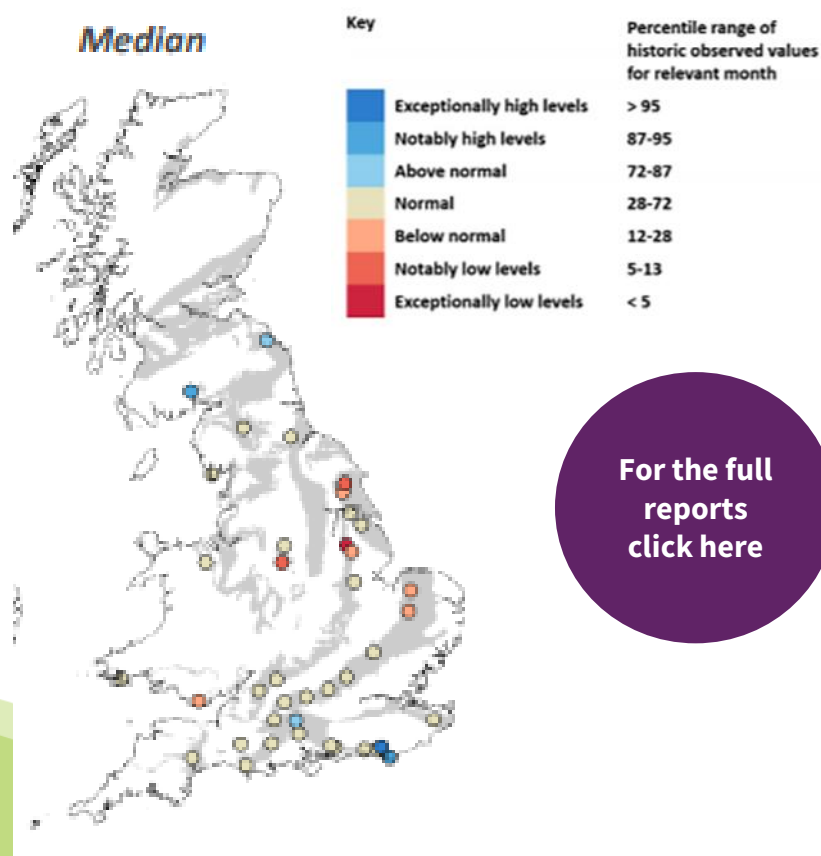


For the full
reports
click here

Forecast groundwater levels

Groundwater levels are still responding to exceptionally high rainfall throughout March meaning there is more uncertainty in the forecasts than usual. Under median rainfall forecasts over the next 3 months, groundwater levels are predicted to be predominantly normal, with areas along the east coast of England expected to have below normal levels.

Three month groundwater outlook starting Apr 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.
- Whilst rainfall in March helped water levels to improve, it followed on from a very dry February and the precipitation outlook issued by the Met Office on 27th March shows a slightly increased likelihood of drier than usual conditions across the next 3 months. There is a need to remain vigilant, especially in areas that have not recovered from the drought last year.
- 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. On 4th April the government published their 'Plan for Water' which sets out planned investment, regulation and tougher enforcement on water companies – you can read more here: <https://www.gov.uk/government/news/new-plan-for-cleaner-and-more-plentiful-water>
- As such, we expect water companies to 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 to ensure continuity of supply:
 - 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.

Members can access the HTA's advice, resources and guidance on the ongoing situation and improving resilience here: <https://hta.org.uk/news-events-current-issues/sustainability/water>

Consumer confidence: financial

GfK's Consumer Confidence Index showed a further small improvement in March, rising 2 points from February. This however, masks a fall off in confidence about personal financial situations over the next 12 months which remains weak (3 points lower than March 2022). The rising cost-of-living and unexpected further inflation rate rise provides no certainty of the current situation easing, though expectations for the general economy improved. It remains to be seen what impact the Chancellor's Spring Budget will have on confidence, which was announced shortly after the research fieldwork was completed. The Major Purchase Index improved by 4 points from February, but remains 9 points behind March 2022. This and the Savings Index indicate consumers are likely to be cautious making high value purchases over the next few months.



Overall
index score
for March:
-36

*this is 2 points higher than
February 2023

Measure	Relative score (Mar 2023)	vs. Feb 2023
<u>Personal financial situation:</u> during last 12 months over next 12 months	-26 -21	No change 3 points lower
<u>General economic situation:</u> during last 12 months over next 12 months	-62 -40	3 points higher 3 points higher
Major Purchase Index	-33	4 points higher
Savings Index	21	2 points higher

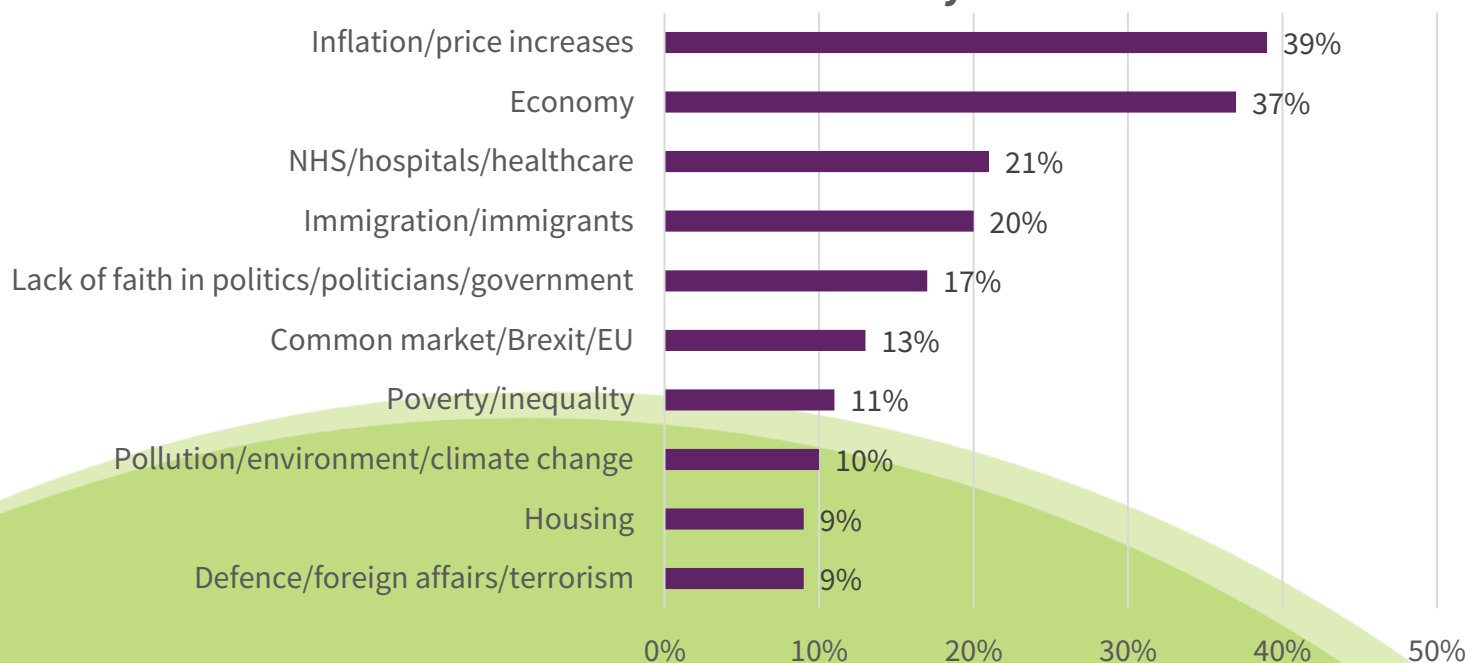
Consumers are asked how the financial position of their household has changed over the last year and is expected to change in the next year, as well as that of the general economy. They're also asked if they believe 'now' is a good time to make major purchases or to be saving money. The first three measures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

Finances continued to dominate Ipsos Mori's Issues Index in March 2023, with 39% British adults mentioning inflation/price increases and 37% mentioning the economy as the most important issues facing the country. While the proportion of people mentioning concern for the NHS fell from February, there was a sharp increase in concern about immigration particularly amongst older age groups, as the UK's updated immigration strategy was the subject of more media coverage. Lack of faith in politicians completed the top five issues mentioned unprompted by the public, likely linked with the current cost-of-living and immigration concerns.

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

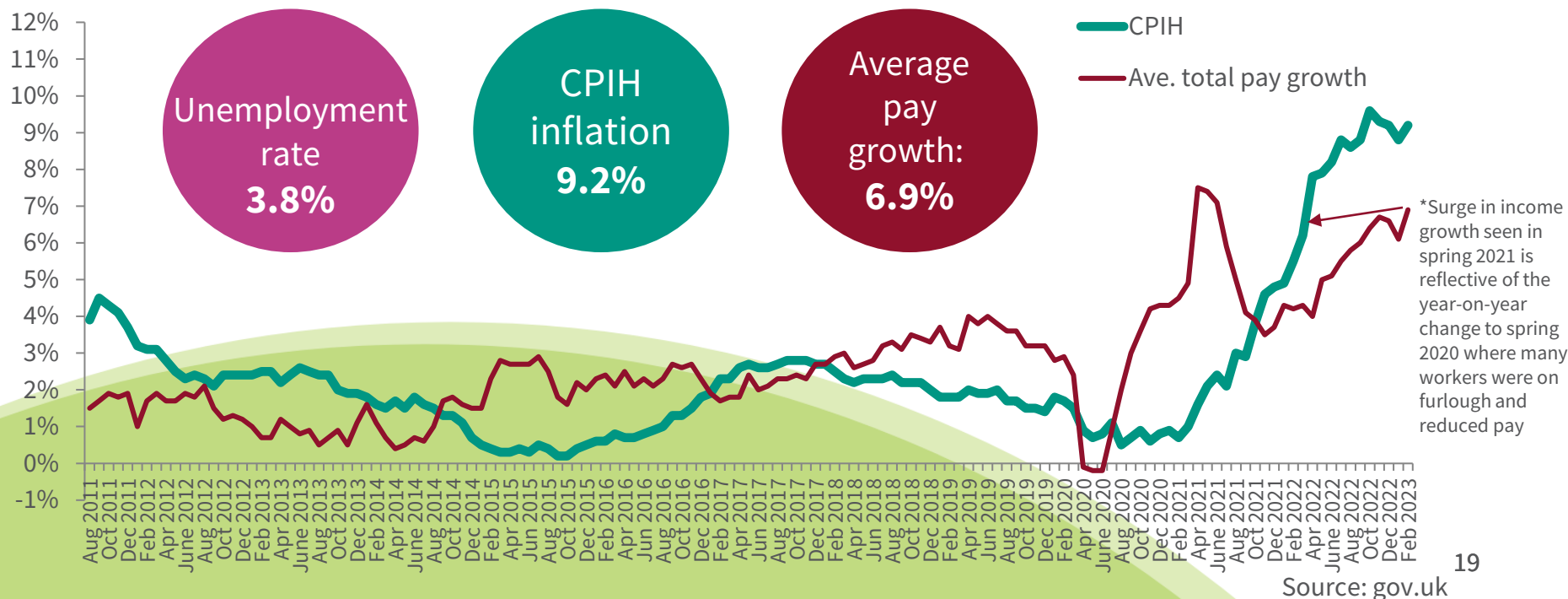


Change since Feb:	
%	Position
+4%	↑+1
-3%	↓-1
-4%	=
+8%	↑+1
+3%	↓-1
+4%	↑+2
=	↓-1
+1%	↑+1
-2%	↓-2
+1%	↑+3

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) grew from 6.1% in the three months to January, to 6.9% in the three months to February, putting pressure on business overheads. However with high levels of inflation, household incomes still effectively fell year-on-year. The job market is strong and unemployment remains low at 3.8%, a slight increase on 3.7% recorded in the three months to January. But, many businesses are still struggling with labour and skills shortages. The employment rate rose to 75.8%, driven by part-time employees and self-employed workers. In January to March, the number of job vacancies also fell, though this likely reflects uncertainty across industries with economic pressures holding back recruitment.



Retail inflation on garden products



Our March trolley

(March 2023 vs March 2022 price inflation)



Hardy plants,
shrubs & trees
+4%



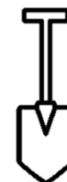
Bulbs spring/
summer
+10%



Growing
media **+9%**



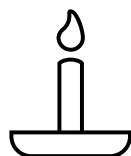
Bedding
plants **+2%**



Unpowered
tools **+4%**



Indoor plants
+3%



Candles &
accessories **+2%**



Landscaping
+4%



Chemicals
+5%



Plastic pots
+10%

Here we look at the price of individual barcodes transacted in garden centres in March 2023 and March 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 March 2023, within our trolley plastic pots (+10%), spring/summer bulbs (+10%) and growing media (+9%) 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 chemicals (+5%) and hardy nursery stock (+4%) were also higher than March last year.

Retail inflation on plants

(March 2023 vs March 2022 price inflation)



Shrubs
+2%



Foliage
houseplants
+6%



Herbaceous
+1%



Pot bedding **+6%**
Pack bedding **+2%**



Veg/salad/
herb seeds
= (0%)



Roses **+9%**



Climbers **+4%**



Trees **+7%**



Flowering
houseplants
+5%



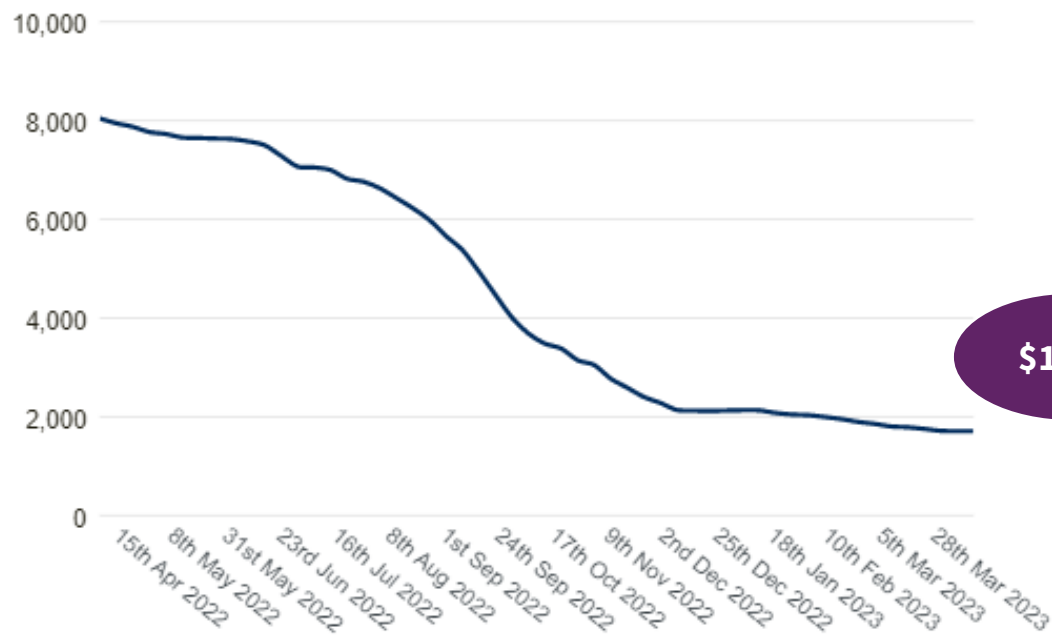
Fruit trees &
bushes
+8%

Here we look at retail price inflation across some of the plant categories specifically. Roses experienced the highest year-on-year price increases (+9%), followed by fruit trees and bushes (+8%). Increased overhead costs for importing plants and plant material across borders, growing media, 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 \$1,709 for a 40ft container as of 13th April 2023, a fall of 78% compared to the same week of last year. This is good news for businesses who import goods from overseas and reduces a point of pressure on profit margins compared with last year; though this falls against a backdrop of other rising input costs, costs of goods and a weakened pound.

Drewry World Container Index (WCI) - 13 Apr 23 (US\$/40ft)

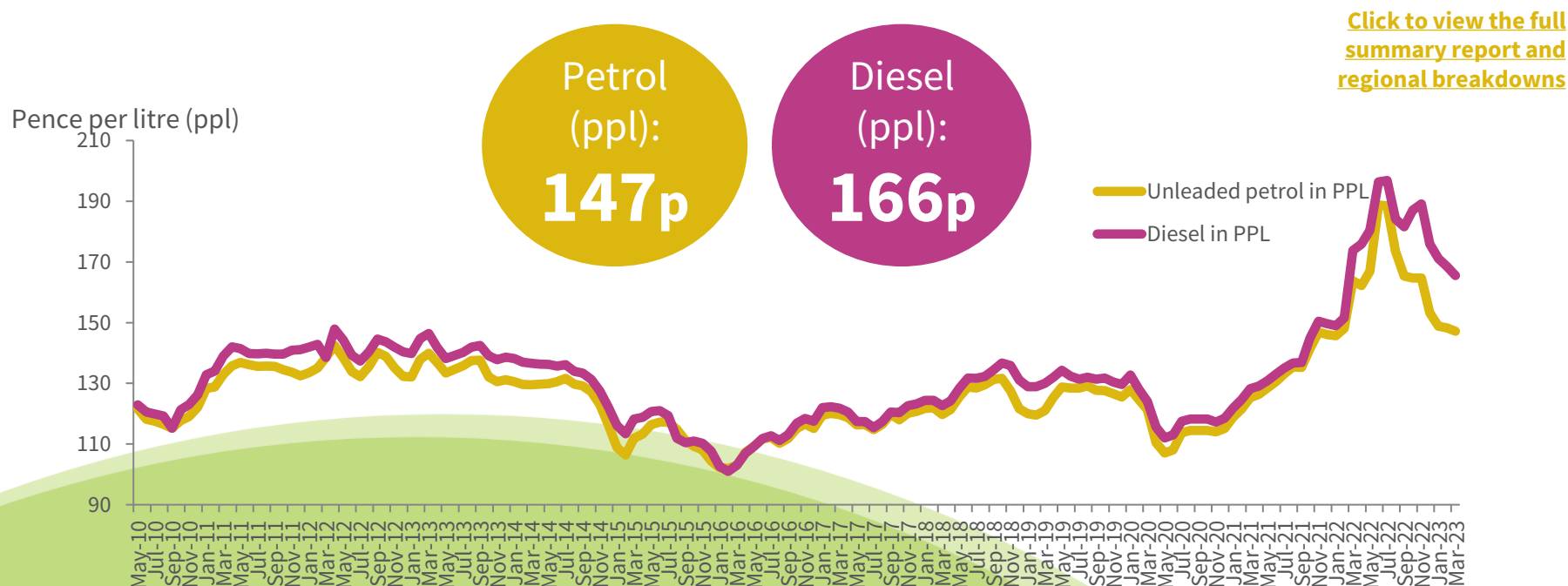


We are reporting on the aggregate of the major shipping routes.

\$1,709

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 147p/litre and diesel averaged 166p/litre in March, 1p/litre and 3p/litre reductions from February respectively. These figures represent falls of 40-50p per litre since the fuel price peak in June 2022, and the lowest prices since February 2022, bringing some relief to household finances and business transport costs. Though fuel prices remain historically high compared with pre-pandemic. The gap between diesel and petrol prices also remains one of the largest on record but has begun to reduce month-on-month as we emerge from winter and demand for diesel as a heating source curtails.



Closing comments

We hope you enjoyed the format and content of this Market Update.

If you have any questions or would like to see something else included, please don't hesitate to contact marketinfo@hta.org.uk

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