



Market Update: April 2022

Contents



3. Overview: Key Points
4. Overview: The story this month
5. Garden centre sales: March
6. Garden centre sales: calendar year to end of March
7. Garden centre sales: Detailed March breakdown part 1
8. Garden centre sales: Detailed March breakdown part 2
9. Garden centre sales: March average transaction values
10. Consumer confidence: Financial
11. HTA Member Business Confidence – Q1 2022
12. HTA Member Business Confidence – Q1 2022
13. Consumer issues tracker part 1
14. Consumer issues tracker part 2
15. Consumer issues tracker part 3
16. The UK Economy - inflation
17. Unemployment
18. Weekly hours worked
19. Drewry Cargo Ship Index
20. Vehicle fuel prices – petrol & diesel
21. Water – river flows
22. Water – groundwater levels
23. Weather
24. Closing comments

New Interactive Contents Page:

Please click on a page title/number to be taken to it, or you can scroll through the pages as per normal.

To return back to Contents page, click on “Back to contents” button on each page



Overview: Key Points

Overall
Garden centre
sales down by
**-26% on
March 2021**

**Second
sunniest
March since
1919**

**CPIH reaches
5.5%
outstripping
wage growth
at 4.1%**

**Consumer
financial
confidence
declines 7
points to -31**

**Unemployment
rate is on par
with pre-
pandemic times
at 3.9%**

Overview: the story this month

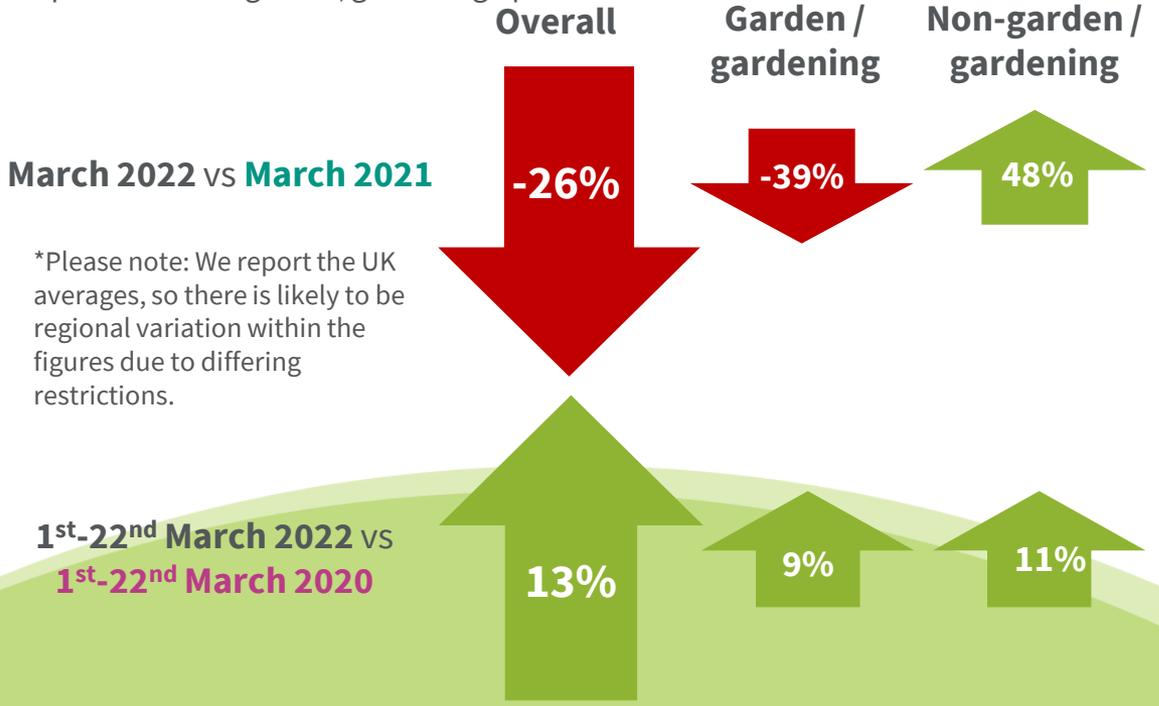
- The weather is likely to become a key determinant of gardening, sales and footfall going forwards as the pandemic's influence subsides. March 2022 was the second sunniest since 1919, with warm weather pushing consumers outdoors before the end of the month turned colder and wetter. However, the year-on-year sales comparisons are set against a March where households were only permitted to socialise outdoors, spurring on investment in the garden and garden projects.
- The average transaction value in garden stores for March 2022 was £30.49 excl. VAT, down -18% on March 2021. This suggests that pandemic shopping behaviours may have reverted back to 'normal' with more trips to the garden centre with fewer items in each basket. Garden furniture also likely pushed up last year's basket values.
- Garden centre sales were down -26% overall in comparison to March 2021, where garden centres and gardening/DIY held the monopoly in leisure activities due to lockdown restrictions. However, overall sales from 1st-22nd March 2022 vs 1st-22nd March 2020 pre-lockdown were up 13%.
- Consumers were faced with the continuing rising cost of living. Despite the 5p reduction in the fuel levy, average fuel prices still dented many consumers' and businesses pockets. Increasing fuel costs are also one of the main underlying factors pushing up the rate of inflation as CPIH reached a high of 6.2% (see more on page 16).
- The economy and inflation were also top of mind for consumers, as the most important issues perceived to be facing the UK. This is likely driven by a fall in real-time income as many employees saw below inflation pay increases at 4.1%.
- Despite consumers feeling negative over their financial situation, in our Q1 survey many HTA members highlighted they were likely to invest in their businesses. Members indicated they would be investing in staff and skills training, growing their workforce and infrastructure (both premises and IT).

Read on for the detail...



Garden centre sales: March

Overall, garden centre sales in March 2022 were down -26% on March 2021 which saw the UK’s third lockdown. These figures are national averages and so are subject to variation across the devolved nations where COVID restrictions differed. Catering was closed in the Q1 2021 lockdown and so the figures also reflect a rebound of catering being open in 2022. Garden/gardening sales were -39% down on March 2021 when garden centres were one of the few retailers open to consumers who were spending leisure time at the home and/or making home and garden improvements when only outdoor socialisation was permitted. Non-garden/gardening sales were up 48% compared to March 2021, largely influenced by the reopening of catering. Our comparisons to 2020 here isolate the first 3 weeks (1st to 22nd March), as garden centres were completely closed for the final 9 days of the March until mid-May. Overall sales for 1st-22nd March 2022 were 13% on this same period of 2020, when concern was building around COVID and non-essential travel discouraged. Within this, garden/gardening sales were up 9% and non-garden/gardening up 15%.



*Please note: We report the UK averages, so there is likely to be regional variation within the figures due to differing restrictions.

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

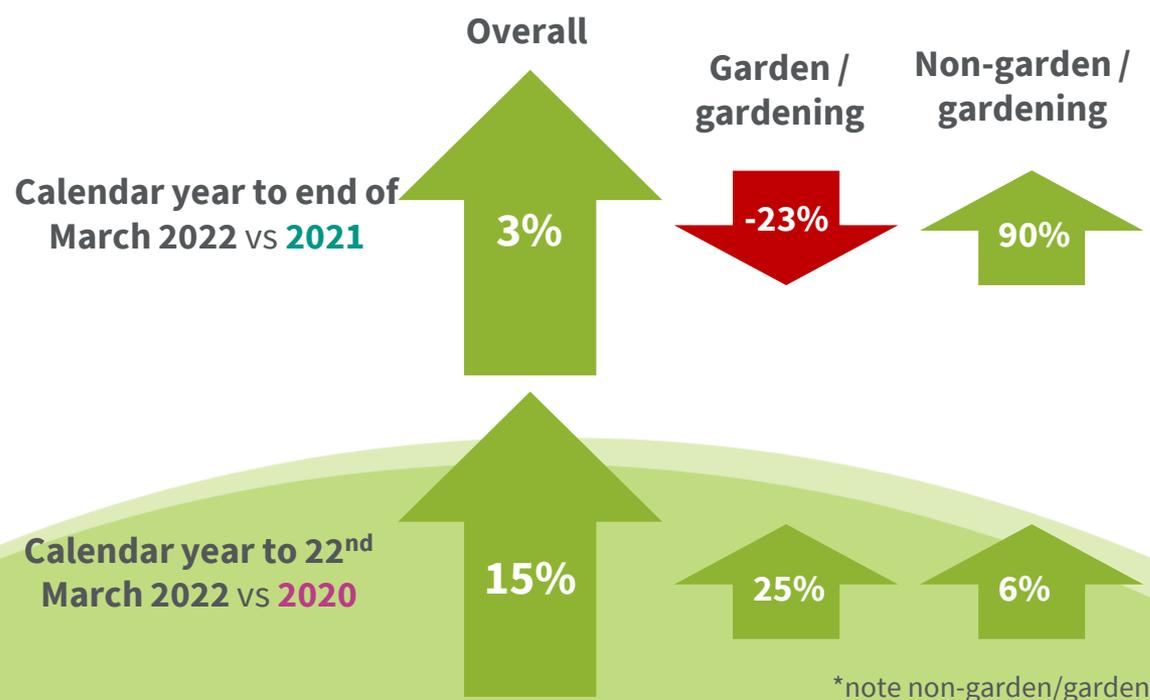
(Figures reported are exclusive of VAT)

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



Garden centre sales: calendar year to end of March

Year to end of March 2022 sales were up 3% nationally on the same period of 2021. However, this figure is a product of garden/gardening and non-garden/gardening category sales balancing each other out. Garden/gardening sales were down 23% in 2022 as the UK learns to live with COVID and consumers have far more leisure pursuits available in comparison to the lockdown of early 2021. Meanwhile, non-garden/gardening categories were 90% up largely a factor of catering bouncing back following their closure last year. Year to 22nd March comparisons with 2020 show 2022 as 15% up overall, with garden/gardening up 25% likely partly due to the increased interest in gardening since the pandemic, and non-garden/gardening up 6% versus pre-pandemic times.



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)

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



Garden centre sales: detailed March breakdown part 1

In March 2022, all product categories within garden/ gardening were down on March 2021, likely reflecting a rebounding to out-of-home leisure, hospitality and travel in the absence of the restrictions seen in 2020/2021 lockdowns.

However in a more like-for-like comparison from 1st-22nd March, sales of all garden categories were up on the same period in 2020, pre-pandemic, with the exception of seeds (-32%) and plant care products (-5%). Sales of garden furniture (+129%), hardy plants (+44%) and bulbs (+42%) were particularly strong as majority of the UK enjoyed warm, sunny weather mid-month.

Category	March 2022 vs 2021	March 1 st -22 nd 2022 vs March 1 st -22 nd 2020
Bedding plants	-19%	+15%
Hardy plants, shrubs & trees	-27%	+44%
Houseplants	-23%	+2%
Seeds	-15%	-32%
Bulbs	-4%	+42%
Plant care products	-21%	-5%
Garden tools & equipment	-29%	+13%
Garden features & structures	-29%	+35%
Outdoor containers	-34%	+38%
Garden furniture	-28%	+129%



Garden centre sales: detailed March breakdown part 2

Non-garden/gardening category sales were up 48% overall compared with March 2021. However, as you can see from the table to the right, this was largely driven by the rebounding of catering reopening in 2022. Sales of pet products were also up (+11%), but all other non-garden categories were behind on March last year.

Encouragingly though, catering sales in the first three weeks of March 2022 were up 32% compared with the same period in 2020, pre-pandemic, indicating signs of catering recovering despite reduced covers and low consumer confidence. Food and farm shop sales were also up (+14%).

Category	March 2022 vs 2021	March 1 st -22 nd 2022 vs March 1 st -22 nd 2020
Indoor living & homewares	-20%	-5%
Gifting	-9%	-18%
Wild bird care	-11%	-2%
Pets	+11%	=
Food & farm shop	-5%	+14%
Catering	+7189%	+32%





Garden centre sales: March

Average Transaction Values (ATVs)

March's ATV for the garden store was £30.49 (exc. VAT). This was down -18% on March 2021, suggesting that consumers may have gone back to a more typical shopping pattern, visiting across more individual trips rather than the fewer journeys for more items encouraged in lockdowns. Garden furniture sales were also down in March 2022, sales of which usually drive up ATVs as they are typically higher ticket items. The ATV however was up 22% on March 2020, likely a result of increased demand for garden/gardening and some price inflation. The catering ATV for March was £10.91, up 103% on March 2021 where catering was largely closed with the exception of few takeaways; and up 33% on March 2020 when caution around out-of-home leisure was growing.



Garden store



VS MAR 2021	VS MAR 2020
-18% (£37.00)	+22% (£24.93)



Catering



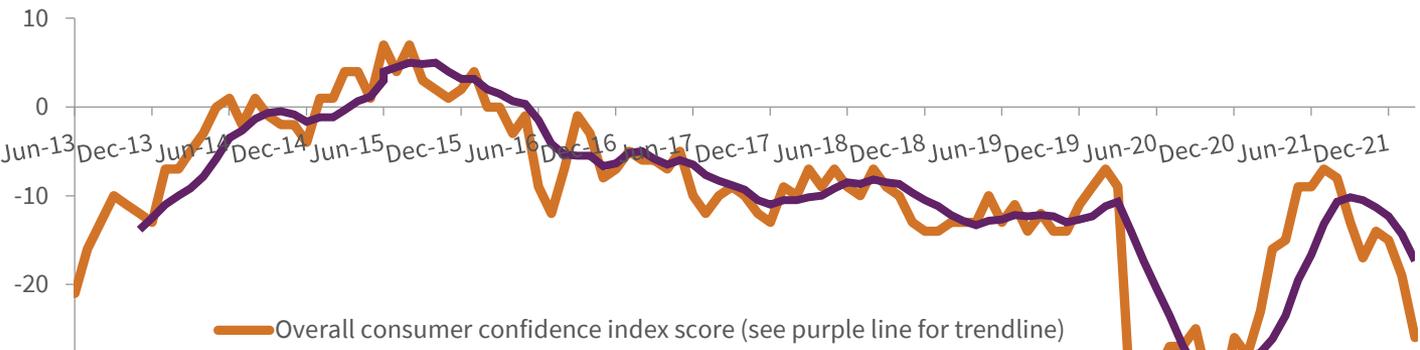
VS MAR 2021	VS MAR 2020
+103% (£5.40)	+33% (£8.21)

(Figures reported are exclusive of VAT)



Consumer confidence: financial

Consumer confidence decreased for the 4th consecutive month to a low of -31 in March. Consumers have been hit with dull a financial forecast since the year began, from 30-year high inflation to historically high food, fuel and energy prices yet their wages aren't increasing at the same pace. These factors are likely behind the negative sentiment towards consumer's personal financial situation. Consumers are doubting the general economic situation over the next 12 months, since the index decreased by 6-points, likely driven by the worry over impact of the Russian invasion of Ukraine. The major purchase index, which indicates consumers willingness to purchase high-priced goods, has decreased by 9-points as consumers were more reluctant to spend since their real-time income fell.



Overall index score for March: **-31**

*this is 5 points lower than February 2021

Measure	Relative score (March)	vs. February 2021
<u>Personal financial situation:</u> during last 12 months over next 12 months	-13 -18	2 points lower 4 points lower
<u>General economic situation:</u> during last 12 months over next 12 months	-51 -49	1 points lower 6 points lower
Major Purchase Index	-24	9 points lower
Savings Index	18	4 points higher

Consumers are asked how the financial position of their household has changed over the last year and is expected to change in the next year, as well as that of the general economy. They're also asked if they believe 'now' is a good time to make major purchases or to be saving money. The first three measures in the table make up the overall index score. Whilst the Savings Index indicates whether consumers are looking to save rather than spend their money. **Relative scores are given as a comparative to when records began in 1974.**

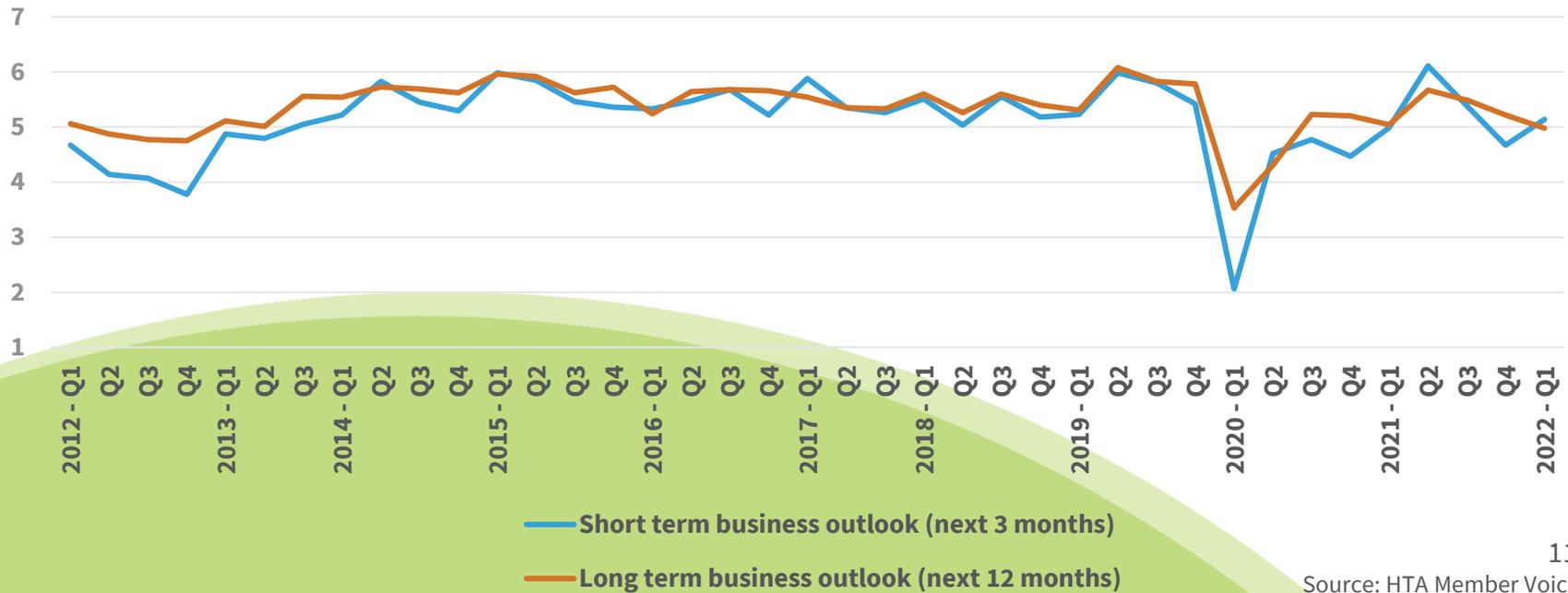
[Click to view the full summary](#)



HTA Member Business Confidence – Q1 2022

Every quarter, members are asked how positive or negative they feel about the outlook for their business for the next 3 and 12 months respectively. We’ve tracked this since 2012, and outlook generally remains relatively stable over time. Business confidence over 3 months and more long-term (12 months) plummeted as the UK left the EU, and the pandemic emerged in early 2020 with lockdowns halting trade. But confidence has gradually picked up since it’s low point in early 2020. Confidence has recently begun to improve since the last two quarters, yet it is still below levels seen prior to 2020.

HTA member business outlook
(1 = very negative, 7 = very positive)





HTA Member Business Confidence

- Q1 2022

In Q1, members indicated they would likely be investing in their skills & staff training (63%) and their number of employees is likely to increase (36%, up from 28% in Q4 2021) over the next year. Businesses are also intending on building new infrastructure/buildings or premises (53%, up from 44% in Q4 2021) and investing in technology/IT infrastructure (45%, up from 44% in Q4 2021). These indexes all indicate that HTA members business are growing, and need new staff, skills and infrastructure to keep up with demand. The overall index score 0.22 is slightly higher than previous quarter (0.06points) as members are more positive about business.

Overall index score: 0.22

This is 0.06 higher than Q4 2021



How the index score works
 Each quarter, members are asked about their expectations for the next 12 months in terms of sales, staff and investments – these measures constitute the overall index score. The responses are weighted to ensure they are representative of HTA membership overall; and an index score is generated for each measure by subtracting the proportion of responses towards the negative end of the scale from the those at the positive end to produce a **score between -1 and 1**. An average of these scores is then calculated to produce an overall index score that can be tracked over time and reported on a quarterly basis. So, the closer the score is to 1, the more positive and confident HTA members are feeling.

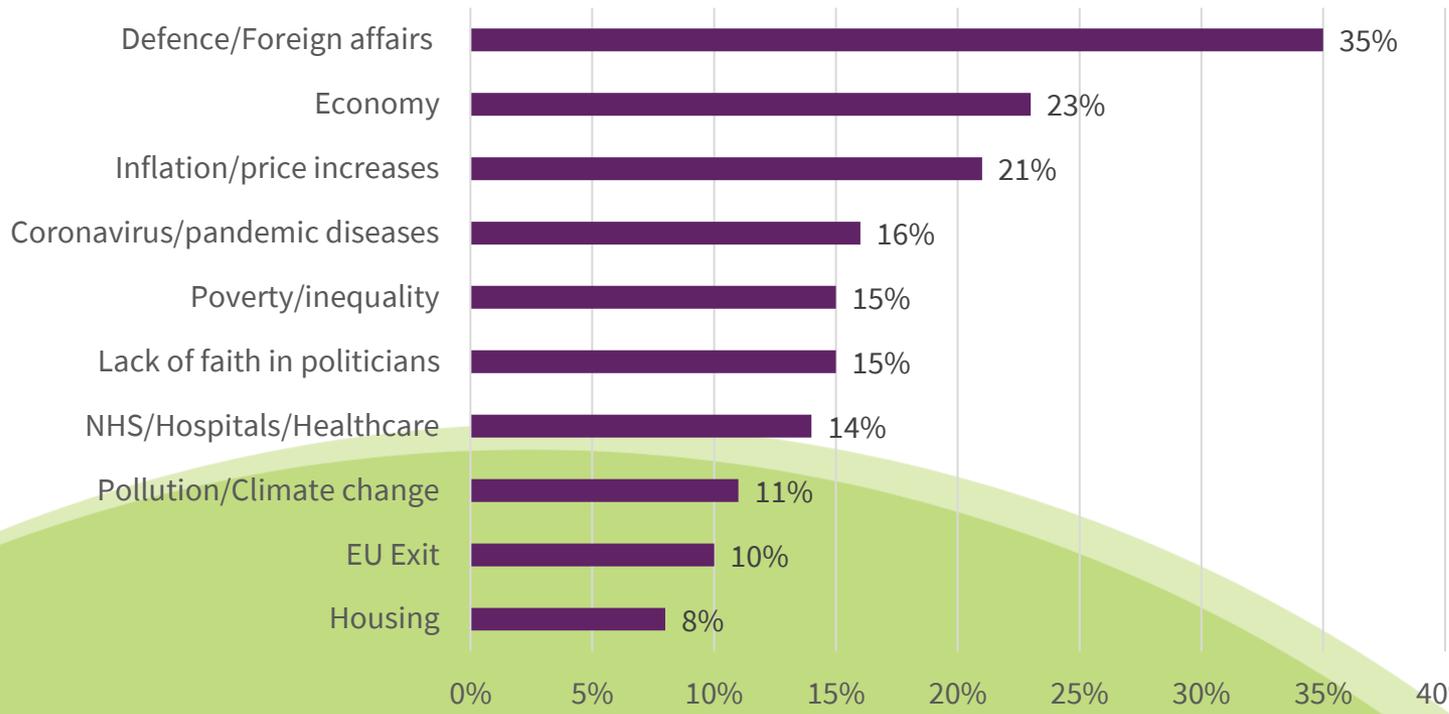
Each measure used in the index score uses a 5-point scale allowing clear positive and negative ends of the spectrum to be identified (as shown on the graph to the left). These scales are: (Expected sales/staff): **Decrease a lot, decrease a little, stay the same, increase a little, increase a lot** (Expected investments): **No, probably not, unsure, 12 probably yes, definitely**



Consumer Issues Tracker

Whilst concern for the rising cost of living dominated two of the top three spots for a second consecutive month, March's Consumer Issues Index saw a new issue hit the top following a big jump in concern about defence and foreign affairs in light of the Russian invasion of Ukraine. This is the highest level of concern on this issue since the terror attack on the Bataclan theatre in Paris in December 2015. Meanwhile, concern for COVID continued to decline as the UK moves away from freely-available lateral flow testing and mandatory isolation periods. Poverty and inequality and lack of faith in politicians were mentioned as important concerns by 15% of GB adults, against a backdrop of the Chancellor's Spring Statement and greater worry amongst the lowest-income households.

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



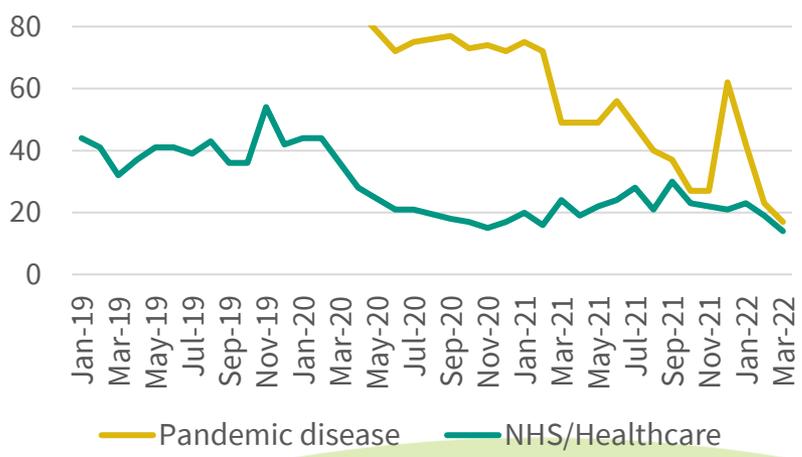
Change since Feb:	
%	Position
+26%	↑ +8
-3%	↓ -1
-1%	=
-7%	↓ -2
=	↑ +1
-2%	↓ -1
-5%	↓ -3
-2%	↓ -1
-3%	↓ -1
+1%	↑ +3



Consumer Issues Tracker (2)

Defence/foreign affairs became a new priority concern for UK adults, having swiftly moved up to the top spot with 35% listing it as an important issue. It was a more pressing issue to consumers than Covid-19 in March 2022, but since it is a new entry to the index there is no historical data trend. The economy remained a leading issue for consumers as almost 1 in 4 consumers expressed their worry over it, coupled with an uptick in consumers separately listing inflation as a worry, likely from the recent ‘cost of living crisis’ coverage in the news. Consumers’ concern over the NHS/Healthcare and the pandemic has decreased in recent months as all covid restrictions have been removed.

The Pandemic and NHS/Healthcare



The Economy, Poverty/Inequality and Inflation



17% -7% vs Feb

14% -5% vs Feb

23% -3% vs Feb

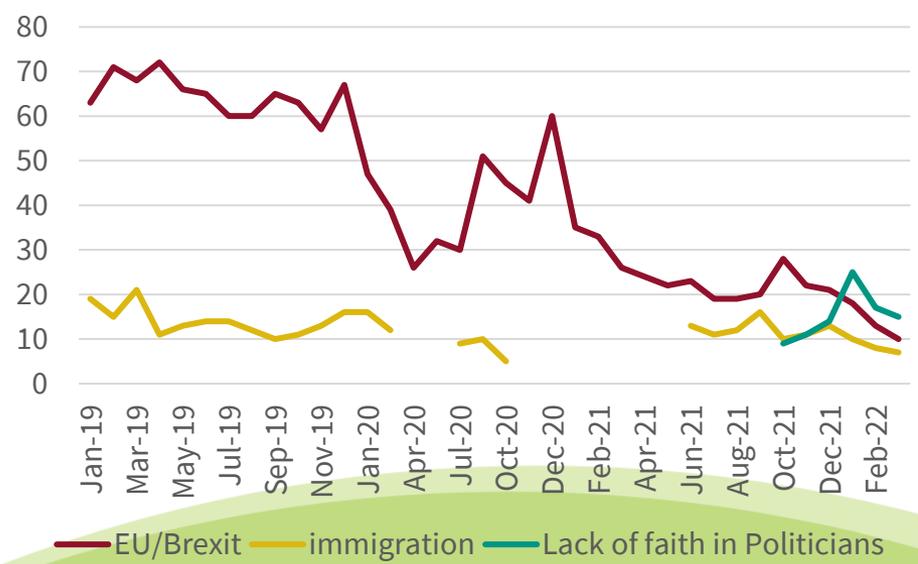
15% +1% vs Jan

21% = vs Feb

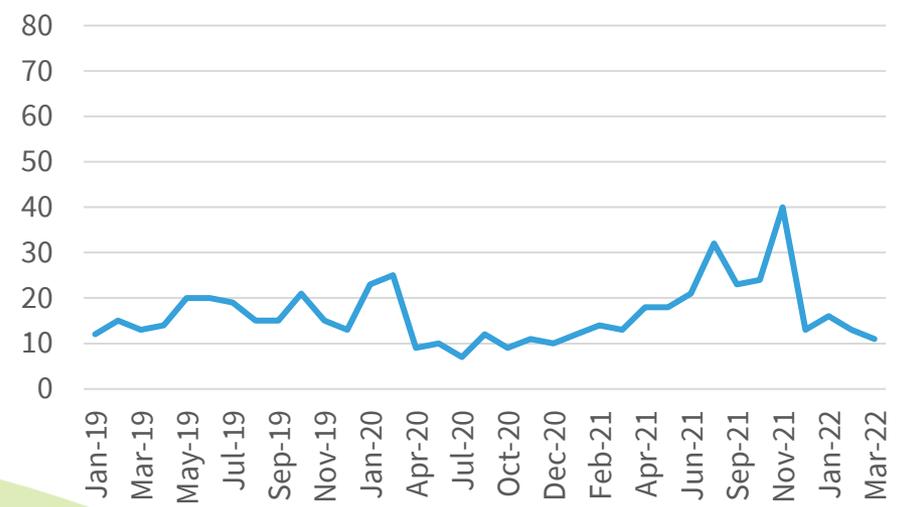
Consumer issues tracker (3)

Concern over the UK's EU-Exit has continued to gradually decline since last September as media focus has shifted away from the topic over recent months. Consumers are placing their doubts over politicians and politics within the UK, as concern has steadily increased since October 2021, and surged in January as several political scandals emerged. 11% of consumers still view climate change as a major issue, but it has been shifted more to the back of consumers minds since the end of COP26 in November 2021 as other concerns have taken priority.

EU Exit and Immigration



Pollution/environment/climate change



10% -3% vs Feb

7% -1% vs Feb

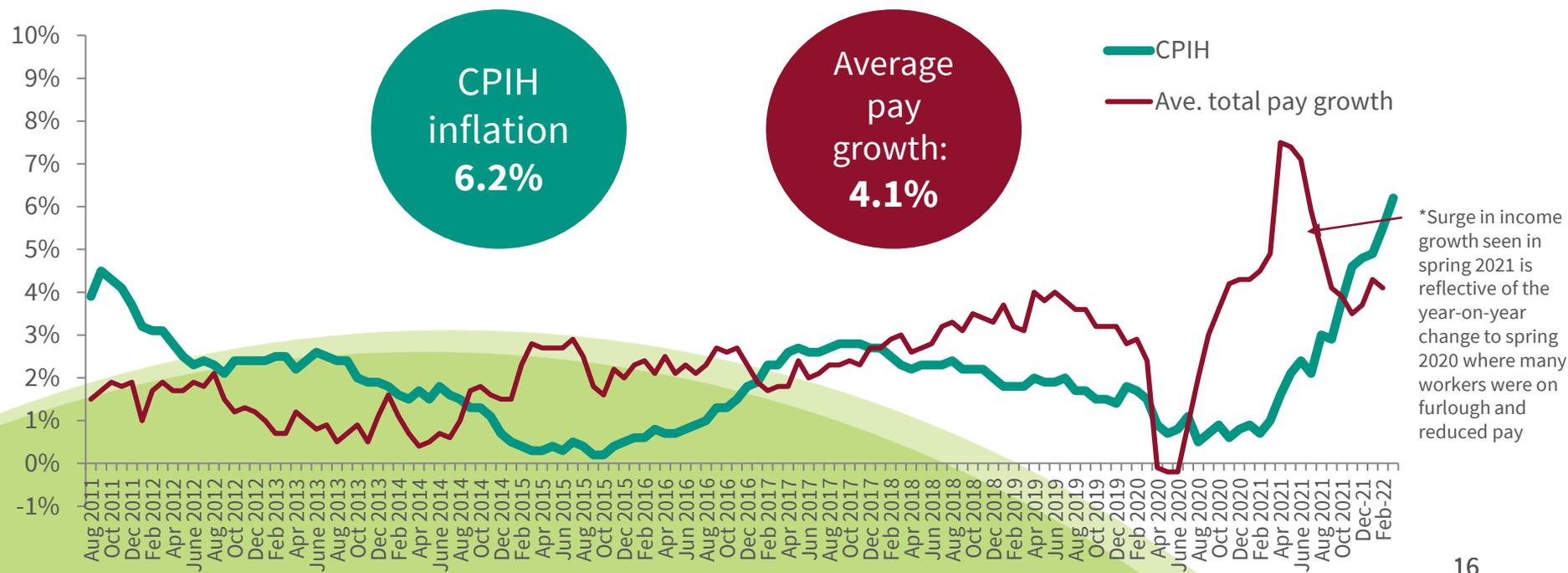
15% -2% vs Feb

11% -2% vs Feb



The UK Economy

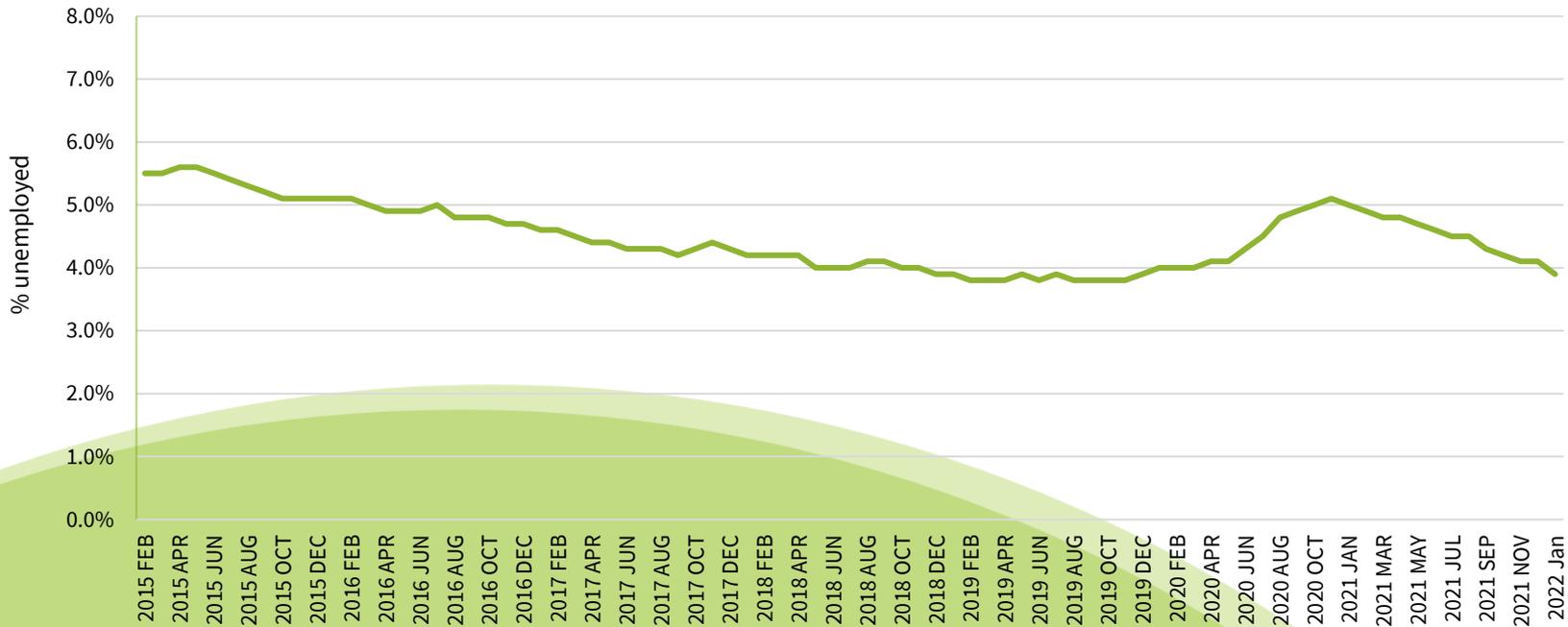
We take a look at some key indicators of the position of the UK economy to gauge the situation for consumers as well as member businesses. Both inflation and average pay growth (excl. bonuses) are measured as a percentage change over a 12 month period. The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate rose by 6.2% in the 12-months leading to March 2022. It surged by 0.7% from February to March 2022 alone. The largest contributors were from housing and household services (1.49 percentage points – mostly from gas and electricity) and transport (1.47 percentage points driven by fuel and second hand cars). Average pay growth has slowly increased (4.1%) as inflation increases, however income is not increasing fast enough to keep up with rising prices that UK consumers have been facing. Regular pay excluding bonuses fell by 1%, as consumers are essentially earning less. Decreased real-time income will deter consumers from spending on non-essentials, as their bills will absorb more of their take-home incomes.



Unemployment



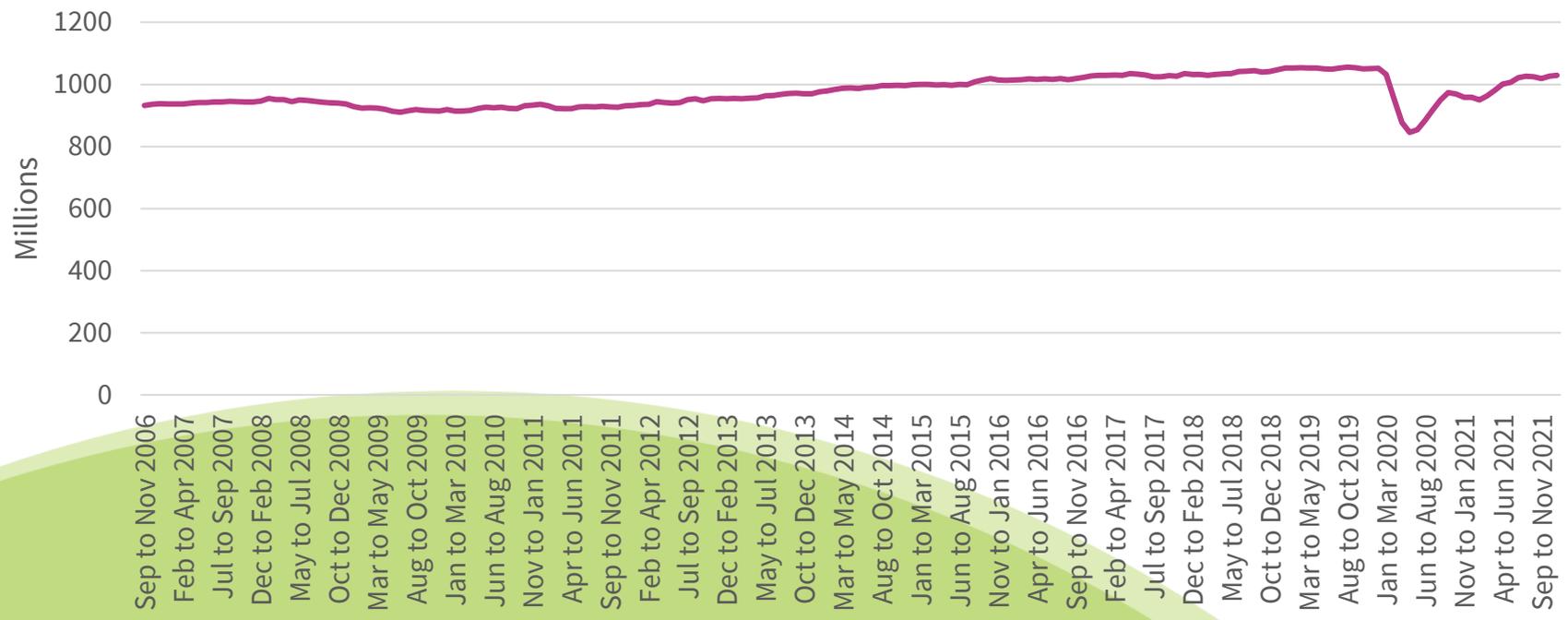
The UK unemployment rate returned to pre-pandemic levels reaching 3.9% between November 2021 to January 2022. More adults were added to the workforce as another 275,000 individuals were added to the payroll as it reached a record 29.7million. Job vacancies were still high with 1.3million vacancies from December 2021 to February 2022, but the growth rate of vacancies slowed. It is currently a job-seekers market which continues adding pressure to employers to retain and attract new employees through increasing their tangible and intangible employee benefits. Increasing employee benefits will likely drive up overhead costs. Moreover, companies making use of the seasonal worker permit scheme may have some job vacancies filled, but will face increasing wages for all workers due to minimum wage laws.





Weekly hours worked

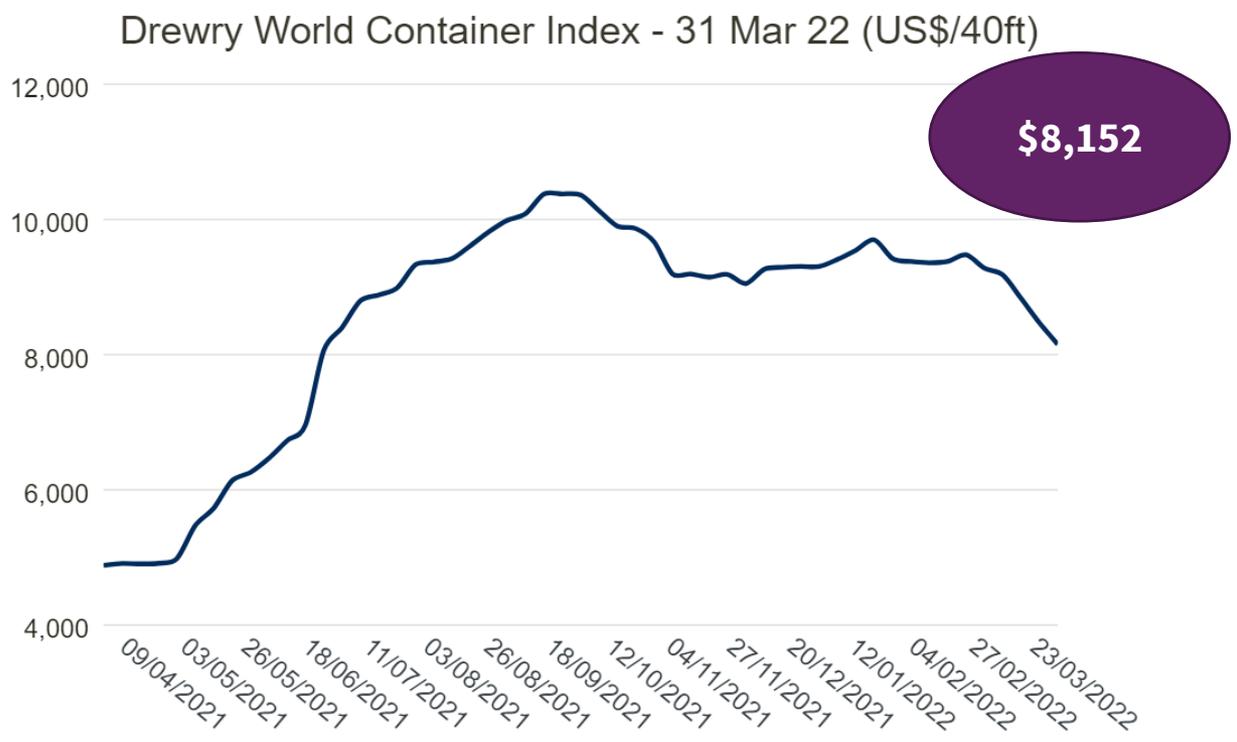
The [ONS](#) follows the total weekly hours worked by employed UK adults (16 and over), seasonally adjusted from September to November 2006 up until November 2021 to January 2022. Total hours worked were 1.029 billion between the period of November 2021 to January 2022. The total hours worked have slowly increased since the beginning of the pandemic in 2020, but they are slightly below pre-pandemic levels. The drop in hours worked towards the end of 2021 was mostly driven by a surge in Covid-19 cases and isolation periods. The legal requirement to self-isolate came to end on 24th February, but this is likely to drive-up cases as there is a higher risk of transmission. Higher covid-19 rates could cause higher staff absenteeism rates, but staff can also return to work sooner as there is no requirement to stay isolated. Another factor reflecting in the hours worked are the increased individuals being added to payroll since unemployment has decreased.





Shipping Container Prices

The [Drewry's World Container Index](#) price was \$8,152.09 as of the week of 31st March 2022, decreasing by 3.8% from the previous week. The current price of a 40ft container is 67% higher than the same week in 2021. The shipping prices are still higher than seen in previous years, but the costs are slowly decreasing since the surge in prices seen last year April. This is likely due to supply slowly increasing as the world transitions towards 'business as usual' after the supply chain interruptions from the pandemic. The decrease in shipping costs, although small, will still be welcomed during a period of most overheads increasing.

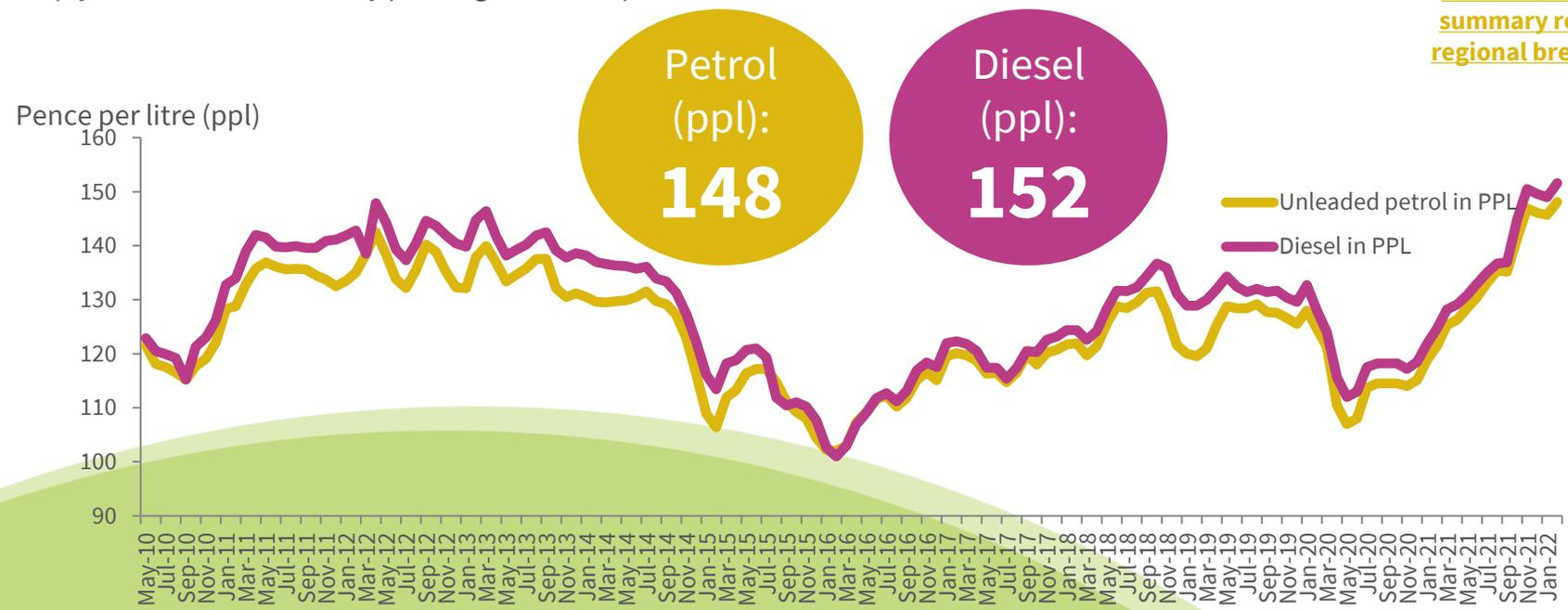




Vehicle fuel prices

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. The average prices of petrol have risen to 148.1p/litre from 145.7/litre whilst diesel increased to 151.6p/litre. However, these prices were recorded before the sanctions placed on Russia. March 2022 experienced a severely volatile oil market with Brent crude oil reaching over \$120/barrel in the second week of March, before dropping to around \$100/barrel. These market conditions caused prices to hit record highs with petrol price averages increasing to 167.03p/litre and diesel reaching 178.97p/litre for consumers towards the end of the month. Despite Rishi Sunak announcing a 5p/litre decrease in the fuel levies, these prices are still exceptionally high and many consumers will continue feeling the burden. Many businesses are likely to be feeling the increased fuel costs through the supply chain and may not be able to simply absorb the costs, likely pushing increased prices onto end customers.

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



*Please note at the time of reporting, these figures are accurate. However, due to current volatility of the market - figures may change at any time.

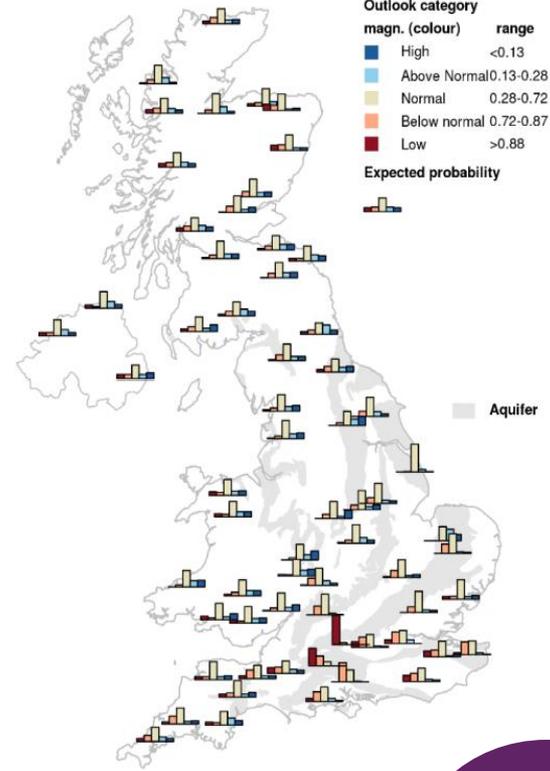
Water – River flows

The charts show the expected probabilities of above or below average river flow levels in the coming months. Essentially, the more yellow, orange or red that appears in a chart, the greater the probability of below normal levels in the area and an increased probability of water shortages.

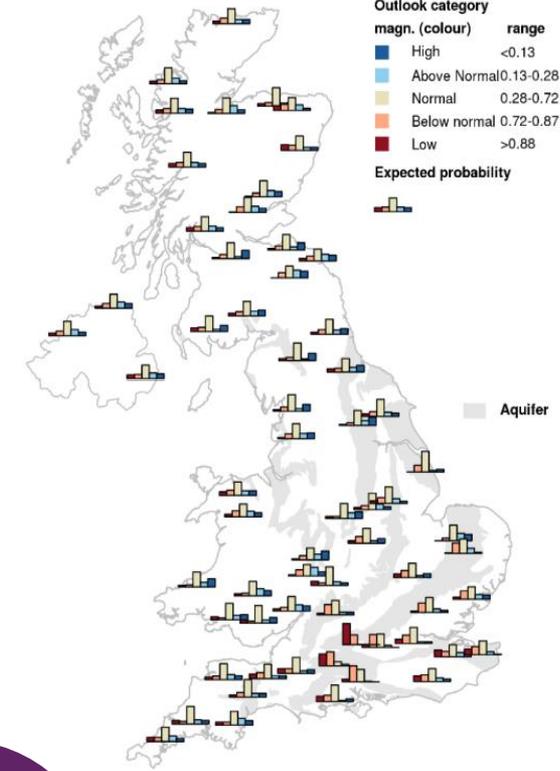
River flows during March 2022 were normal to below normal in South and East England, and North-East Scotland. However, central southern England was the exception, experiencing below normal flows.

During the March to May period, river flows are expected to be normal to above normal in most of the Northern and Western UK regions. South and South-East England and North-East Scotland are predicted to have below normal to normal river flows. The HTA will continue to monitor and report on this.

1-month river flow outlook starting Mar 2022



3-month river flow outlook starting Mar 2022



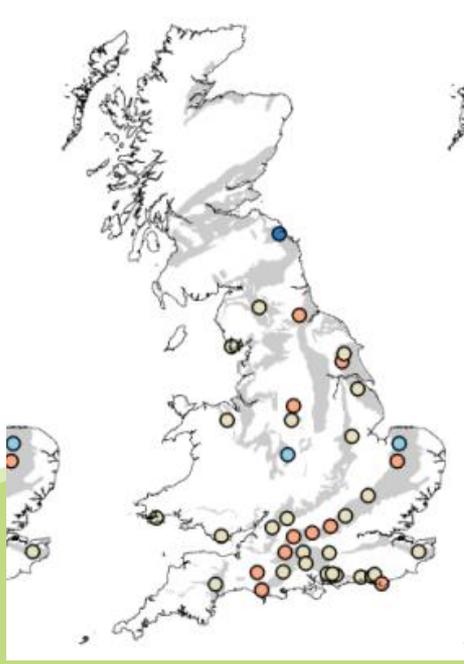
For the full reports [click here](#)

Water – Groundwater levels

The charts show the expected probabilities of above or below average groundwater levels in the coming months. Essentially, the more yellow, orange or red that appears in a chart, the greater the probability of below normal levels in the area and an increased probability of water shortages.

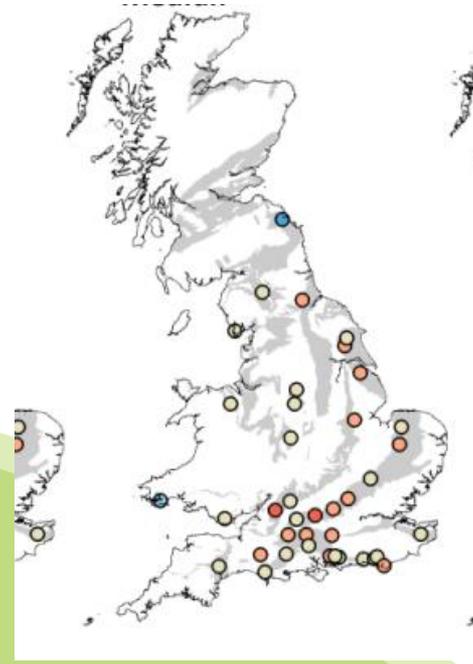
February 2022 saw normal to below normal levels in southern England, whilst the rest of the UK regions experienced mixed levels. The outlook for March to May anticipates normal to below normal levels for most of the UK, with a few areas being exceptions such as Wales and North-East England are due to experience above normal to notably high levels. The HTA will continue to monitor and report on this.

1 month outlook



Key	Percentile range of historic observed values for relevant month
Exceptionally high levels	> 95
Notably high levels	87-95
Above normal	72-87
Normal	28-72
Below normal	12-28
Notably low levels	5-13
Exceptionally low levels	< 5

3 month outlook



For the full reports click here

Weather

Spring arrived in March as the UK was hit with sunny weather and warmer temperatures mid-month before mixed and colder weather arrived around the 23rd. March 2022 was the sunniest March since 1929, and the second sunniest March overall in the series (started in 1919). A high temperature of 20.8 degrees was recorded at St James' Park in London and the month was relatively dry with the UK only having 58% of the average March rainfall. The weather is likely to become a key determinant of gardening, sales and footfall going forwards as the pandemic's influence subsides.

	March 2022	March 2021
 Hours of sunshine	166	102

	March 2022	March 2021
 Rainfall (mm)	50	87

	March 2022	March 2021
 No. of rain days	9	11

	March 2022	March 2021
 Mean temperature (Celsius)	6.7	6.4

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.

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

Notice and disclaimer

This report is copyright to the Horticultural Trades Association (HTA) except where otherwise noted. To the extent permitted by law, the HTA will not be liable by reason of breach of contract, negligence or otherwise for any loss or consequential loss (including loss of anticipated profits, damage to reputation or goodwill, loss of expected future business, damages, costs or expenses payable to any third party or other indirect losses) occasioned by any person or entity acting or omitting to act or refraining from acting in reliance on this report or the data and/or information used to compile the same.