

## Spikes in Food Prices takes cheer out of festive season for poor and working-class families

*December has seen dramatic spikes in food prices with prices increasing for most of the meats and vegetables in the household food basket.*

*It is expected that prices rise annually in December. These increases however are harder to absorb during this time because of the shorter working days and hours in this period. Workers have less money in their pockets whilst simultaneously having to pay higher prices for goods.*

*We have noticed that the public mood in downtown supermarkets and in Pietermaritzburg streets seems to be quite depressed. People have almost no money in their pockets. This year has been hard and it seems that this festive season will not carry with it the cheer of past years.*

- **Month-on-month** the cost of the household food basket **increased** by R93,45 (3%) to R3 199,86 in December 2019.
- **Year-on-year** the cost of the household food basket **increased** by R176,97 (5,9%) from R3 022,90 in December 2018 to R3 199,86 in December 2019.

Families are further required to spend more money on transport, food, clothes, church; and school uniforms, shoes, stationery etc. during the festive season and beginning of the new year. This places an enormous burden on workers (and unemployed workers) and pensioners, and for many families means that Christmas and the New Year is an extremely stressful time instead of a time to relax and connect with family, friends and the church.

Most South African families start the New Year in deeper levels of debt, with uncertainty and anxiety; and with a very tenuous foundation for a productive, healthy and positive new year. PMBEJD has been a strong advocate for putting money in people's pockets to spend and get the economy moving; and spend to invest in families for a strong foundation to support the investments in education and health; and for greater and more innovative economic activity.

We have suggested that together with increasing the National Minimum Wage and providing a 13<sup>th</sup> cheque to pensioners annually in December is a fairly easy intervention which could immediately start shifting the social and economic trajectory for all South Africans.

*See other highlights of the December 2019 Household Affordability Index below*

In December 2019 a general worker earning the National Minimum Wage at the 10% exemption level and working for a full 19 days will earn R2 736 per month. Transport cost R1 064 (38,9% of the wage) and electricity cost R598,52 (21,9% of the wage). Together **transport and electricity charges take up 60,8%** (R1 662,52) of the National Minimum Wage, **leaving R1 073,48 for all other expenses** (including food).

- In December 2019 the cost of a basic nutritional basket of food for a family of four was **R2 460,48 (4%** month-on-month and **6.1%** year-on-year); and for a family of seven (the average household size for households living on low incomes in Pietermaritzburg) was **R4 303,61 (4%** month-on-month and **6%** year-on-year).
- In December 2019 families are **underspending on proper nutritious food by 26%** (at the very best-case scenario).

South Africa's working class are not able to feed their families properly on the wages earned.

- In December 2019 the **month-on-month cost of feeding a small child aged 10-13 years a basic nutritious diet increased** by **R24,19 (4,2%)** to **R603,44** in December 2019.
- In December 2019 the Child Support Grant of R430 a month is set **23% below the food poverty line** (of R561) and **29% below the cost to secure a basic nutritious diet for a small child aged** between 10 to 13 years (R603,44).

The massive deficits on children's plates remains a core challenge for South Africa. We must urgently find a way to intervene. Increasing the Child Support Grant to a level which allows mothers to feed their children properly should be looked at.

***See the December 2019 Household Affordability Index***