



PMBEJD releases a new Household Affordability Index with food price data from Johannesburg, Durban, Cape Town, Springbok and Pietermaritzburg.

The deepening household affordability and food crisis in South Africa, exacerbated by Covid19 compelled us to expand the scope of the Household Affordability Index beyond Pietermaritzburg. We ran a pilot project from April-August and are now able to provide new food price data for Johannesburg, Durban, Cape Town, Springbok and Pietermaritzburg.

*Using the Pietermaritzburg methodology, and in conversation with women, we have designed a **new household food basket** which women living on low incomes tell us constitutes a good proxy for the typical core foods and volumes of these foods in the trollies of low income households, given affordability constraints. Food prices are tracked directly by women data collectors off the shelves of **44 supermarkets and 30 butcheries** which target the low-income market. The supermarkets are in Soweto, Alexandra, Tembisa and Hillbrow (Joburg), Khayelitsha, Gugulethu, Philippi, Delft, Dunoon (Cape Town), KwaMashu, Umlazi, Durban CBD, Mtubatuba (Durban), Springbok (in the Northern Cape) and Pietermaritzburg CBD. **There are 43 foods in the household basket.** The basket is designed for a household with 7-members, the average household size of families living on a low income.*

This expanded data provides a better lens into the national picture of household affordability and food prices in the homes of families living on low wages and low social grants, and with workers who are unemployed. It is able to track how families living on low incomes are responding to a deepening financial and economic crisis, given rising expenditure costs, job losses, stagnant employment, rising household debt, a deepening food crisis, deepening poverty and entrenched inequality.

*The average cost of the Household Food Basket is **R3 783,16 in September 2020.** This is well beyond the affordability thresholds of families living on low incomes. The National Minimum Wage for this same period was **R3 487,68.** Now that we have far more comprehensive empirical evidence of the food affordability crisis beyond Pietermaritzburg (data that reinforces several years of investigations), in the big metropolitan areas of Johannesburg, Durban and Cape Town – it is critical that we act. **In the immediate-term top-ups on the social grants should be made permanent.***

It would be unwise to remove the top-ups to the social grants and the R350 Special Covid19 grant whilst the cost of goods and services remain as high as they are, and where income levels have not recovered, and while jobs remain elusive. Removing the top-ups now will see families worse off than they were before March 2020. Because most families were not able to absorb the shock that came with Covid19, removing the grant too soon could act to thrust already very vulnerable households into a situation whereby they may not be able to recover.

1. The cost of the Household Food Basket.

In September 2020, the **average cost** of the Household Food Basket was **R3 783,16.**

The cost of the *Pietermaritzburg* Household Food Basket was **R3 601,38.**

The cost of the *Durban* Household Food Basket was **R3 731,40.**

The cost of the *Joburg* Household Food Basket was **R3 808,26.**

The cost of the *Cape Town* Household Food Basket was **R3 834,10.**

The cost of the *Springbok* Household Food Basket was **R3 989,84.**

The data shows that there is a ±R100 cost difference between Durban, Joburg and Cape Town. Pietermaritzburg is cheaper by a little over R100 and Springbok, more expensive by a little less than R200. Springbok is an outlier, it being a small town. The price of the Household Food Baskets across the five areas

are relatively similar, given local variances. The data suggests a fairly accurate average cost of a Household Food Basket for families living on low incomes in Joburg, Durban, Cape Town, Springbok and Pietermaritzburg. See page 2 of *Household Affordability Index* for full data.

Between August 2020 and September 2020, the **cost of the Pietermaritzburg Household Food Basket decreased by -0,5% (-R17,36)**. Over the past six months of lockdown (March 2020 to September 2020), the cost of the basket **increased by 7,2% (R232,62)**; and year-on-year (September 2019 to September 2020), the cost has **increased by 10,4% (R326,41)**. The total cost of the basket in September is **R3 453,62**.

Noting that the new Household Affordability Index for Joburg, Durban, Cape Town, Springbok and Pietermaritzburg is only now available for release, with the first data set of September 2020, we have however been watching the rises in the pilot data since April 2020 very carefully. This leads us to conclude that the massive spikes and upward trends in the Pietermaritzburg data over the past 6 months were also playing out nationally. See page 5 *in this report* for the Pietermaritzburg Household Food Basket (lockdown & year-on-year).

The cost of the core foods in the Household Food Basket continue to be of concern. The core foods are bought first and these foods ensure that families do not go hungry whilst ensuring that meals can be cooked. When prices of core foods increase, there is less money to secure other important mostly nutritionally-rich foods, which are essential for health and well-being and strong immune systems (viz. meat, eggs and dairy which are critical for protein, iron and calcium; vegetables and fruit which are critical for vitamins, minerals and fibre; and Maas, peanut butter and pilchards, good fats, protein and calcium essential for children. The data below shows that the core foods contribute **±55%** of the total cost of the Household Food Basket. At an average cost of **R2 065,71**, these foods remove a lot of money from the household purse whilst removing proper nutritious food off the plate.

Table 1: Cost of core foods in Household Food Basket: September 2020.

Core foods tracked	Quantity tracked	Joburg	Durban	Cape Town	Springbok	Maritzburg	Average
Maize meal	30kg	R 205,46	R 189,22	R 244,97	R217,97	R 224,97	R212,68
Rice	10kg	R 138,32	R 137,99	R 143,66	R138,65	R 110,19	R135,99
Cake Flour	10kg	R 94,82	R 91,24	R 92,88	R97,32	R 85,99	R92,45
White sugar	10kg	R 151,41	R 143,16	R 160,21	R169,99	R 147,39	R151,80
Sugar beans	5kg	R 118,08	R 103,08	R 124,56	R146,57	R 115,19	R116,77
Samp	5kg	R 41,14	R 43,91	R 43,99	R48,97	R 34,74	R42,52
Cooking oil	5L	R 105,07	R 100,66	R 106,12	R111,65	R 104,59	R104,43
Salt	1kg	R 13,99	R 12,74	R 6,42	R15,49	R 15,59	R12,27
Potatoes	10kg	R 60,58	R 64,70	R 73,10	R74,27	R 72,87	R67,20
Onions	10kg	R 60,44	R 74,45	R 75,22	R98,39	R 57,44	R70,07
Frozen chicken portions	10kg	R 317,74	R 315,46	R 306,65	R325,18	R 313,30	R314,61
Curry powder	200g	R 31,32	R 29,82	R 29,82	R29,66	R 29,59	R30,25
Stock cubes	24 cubes x2	R 40,60	R 34,65	R 38,87	R43,31	R 33,98	R37,87
Soup	400g x2	R 42,29	R 36,65	R 40,48	R31,31	R 26,78	R37,47
Tea	250g	R 23,82	R 22,49	R 24,05	R17,99	R 24,39	R23,12
White bread	25 loaves	R 348,38	R 308,73	R 335,86	R274,75	R 291,40	R321,69
Brown bread	25 loaves	R 318,71	R 281,02	R 312,25	R258,08	R 258,85	R294,52
Total cost of core foods in basket		R 2 112,18	R 1 989,96	R 2 159,11	R 2 099,56	R 1 947,26	R 2 065,71
% of core foods vs. total cost of food basket		55%	53%	56%	53%	54%	55%
Total household food basket		R 3 808,26	R 3 731,40	R 3 834,10	R3 989,84	R 3 601,38	R3 783,16

2. The National Minimum Wage.

When we look at the **National Minimum Wage** for September 2020, for a General Worker earning R20,76 per hour for a full working-day month of 21 days, at a total of **R3 487,68** however, the average cost of the Household Food Basket of **R3 783,16** is well beyond low-income household affordability thresholds. Our Pietermaritzburg-based data calculates transport to work and back and electricity taking up more than half of the National Minimum Wage at **54,7%** (or R1 907,50), **leaving only R1 580.18** for all other expenses, including food. This means that families who rely on a worker earning at the National Minimum Wage level, or families

with a worker in an even more precarious job, or workers who have had a pay cut or who have to work fewer hours or days; or families that rely on social grants or workers who are unemployed will not be able to secure even the basic food that they need and will underspend on food. Families will have to make up the income shortfall through cutting back on their food consumption or finding additional income or credit, but even if they are able to do this, underspending on food will still occur and health, well-being, nutrition, and productivity will be negatively affected.

"Trolleys are not full like before. People do not have enough money. People are struggling and are just buying the most important foods, just the basics" (Durban Central, 4 September 2020).

"People are not buying like they used to buy before. People only buy the basics. People buy cheaper brands. People buy in smaller volumes" (Hillbrow, 8 September 2020).

"The queues you see outside the loan sharks are just crazy long. People get their wages or grants and go and pay them off and beg for another loan" (KwaMashu, 8 September 2020).

Tracking the cost of a household food basket is critical to understand the financial and economic crisis most South African families face. Food is an essential expense. Everything rests on our bodies having good health and good nutrition. If we did not know this before, then we know it now. If millions of South African families are not able to secure even a basic basket of food every month (even a basket like ours which will not ensure good health); then we must understand the depth of our crisis. The deficit on our plates has major and far reaching consequences but it also serves as an indicator for the emergency we are in.

Dealing with the causes of families not being able to afford proper nutritious food must become one of government's key priorities. It will require changes in how the economy and food system is structured. Can we restructure the economy to serve society? Can we restructure the food system to one that provides good quality nutritious and affordable food close to the table whilst also providing a dignified wage to farm workers and financial security for farmers? Changes will need to be made in how money circulates within the economy; how the food value chains are structured, controlled, regulated; how wages are defined and determined, and how the social security system needs to ramp up immediately to increase the level of social grants and expand access as a short to medium term intervention to ameliorate the affordability crisis at household level. Not dealing with the household affordability crisis will be extremely costly in the long-term, for our bodies, our health and well-being, and economic, social, and political stability. We cannot have any type of positive future or hopeful economic outlook if we do not address the household affordability crisis.

3. The average cost of feeding a child a basic nutritious diet

In September 2020, the average cost to feed a child a basic nutritious diet cost **R695,74**. The Child Support Grant of **R440** a month is **25% below the food poverty line of R585** per capita and a further **37% below the September cost of R695,74 to feed a child a basic nutritious diet**. There can no longer be a justification by government to continue removing **more than a third of the foods** off the plates of ±12,78 million children. The Child Support Grant must be increased to a level which will allow mothers/caregivers to feed their children properly.

4. Grant levels and top-ups

The top-ups to the Child Support Grant of R500 per mother/caregiver, including the R250 top-up to the Old Age Grant, and the R350 Special Covid19 Grant as an emergency crisis response to Covid19 have been critically important interventions. The value of the top-ups is not enough to assist households to absorb the shock of income losses and food price increases but they do help. Whilst many of the drivers of higher increases on goods and services (especially food) have now been removed, the cost of the household food baskets for low income households is still at a very high base. Food prices have not come down off these Covid19 and lockdown highs; and with the Festive season approaching, food prices are expected to rise. At the same time, transport hikes and electricity tariff hikes have come into play which have exacerbated the household affordability crisis (by removing money from the food purse). Job losses, pay cuts, fewer days or hours paid work because of Covid19 and the lockdown, and South Africa's deteriorating economy, continue to lower income levels.

"People are struggling – we have lost jobs, got pay cuts, have to work fewer hours; at the same time food is up, taxi fares are up, electricity is up" (Tembisa, 8 September 2020).

"It is frustrating and exhausting. There is no pay day and you have to put food on the table. You have to keep the lights on. You have to pay for transport. How are we supposed to do this now?" (KwaMashu, 8 September 2020).

"Our expenses are even higher now. They have not come down" (Gugulethu, 7 September 2020).

"All the money people have is spent in the supermarket. There is nothing left after that" (Dunoon, 7 September 2020).

It would be unwise to remove the top-ups to the social grants and the R350 Special Covid19 grant whilst the cost of goods and services remain as high as they are, and where income levels have not recovered, and while jobs remain elusive. Removing the top-ups now will see families worse off than they were before March 2020. Because most families were not able to absorb the shock that came with Covid19, removing the grant too soon could act to thrust already very vulnerable households into a situation whereby they may not be able to recover. ***It would be prudent to make the top-ups to the grants, and the special Covid19 Grant permanent.***

"If government takes away the top ups and the Covid grant, things will be very bad, there will be homes with no food. Government must keep the grants for the whole year and into next year" (Umlazi, 8 September 2020).

"People are going to be starving if they take that grant away. We are praying government doesn't take it away. People want government to keep the grant in place" (Dunoon, 7 September 2020).

"Government is saying they will take away the top ups in October as if Corona will stop in October. Corona is not going to stop in October. Government has told us that it will be with us for well into next year. Who do they think they are fooling? Things will be very bad if government takes away the top ups. Government must extend the top ups till next year. What exactly do they expect people to do? There are no jobs" (KwaMashu, 8 September 2020).

More is required if we are to help families get out of the devastation that Covid19, the lockdown, and the deteriorating economy has wrought. Helping families get out of poverty should be another key priority post-Covid19 – this would mean income investment and access to cash, where millions of people will be able to start spending and drive a broad-based recovery in the economy, create their own livelihoods in the absence of jobs, and focus on their families, health, wellbeing and future going into 2021.

**Pietermaritzburg Household Food Index:
March 2020 to September 2020 & year-on-year.**

Foods tracked	Quantity tracked	Index 2019/20			change in Rands		change in %	
		Sep_2019	Mar_2020	Sep_2020	Mar 2020 vs. Sep 2020	Sep 2019 vs. Sep 2020	Mar 2020 vs. Sep 2020	Sep 2019 vs. Sep 2020
Maize meal	25kg + 10kg	R 221,97	R 246,47	R 262,47	R 16,00	R 40,50	6%	18%
Rice	10kg	R 81,59	R 87,19	R 110,19	R 23,00	R 28,60	26%	35%
Cake Flour	10kg	R 70,19	R 73,79	R 85,99	R 12,20	R 15,80	17%	23%
White sugar	10kg	R 137,59	R 145,19	R 147,39	R 2,20	R 9,80	2%	7%
Sugar beans	5kg	R 89,99	R 84,39	R 115,19	R 30,80	R 25,20	36%	28%
Samp	5kg	R 34,59	R 35,79	R 34,74	-R 1,05	R 0,15	-3%	0%
Cooking oil	5L	R 88,99	R 91,19	R 104,59	R 13,40	R 15,60	15%	18%
Salt	1kg	R 15,39	R 15,39	R 15,59	R 0,20	R 0,20	1%	1%
Potatoes	10kg	R 54,42	R 48,45	R 72,87	R 24,42	R 18,46	50%	34%
Onions	10kg	R 52,55	R 55,24	R 57,44	R 2,20	R 4,89	4%	9%
Frozen chicken portions	10kg	R 327,48	R 339,44	R 313,30	-R 26,14	-R 14,18	-8%	-4%
Curry powder	200g	R 28,19	R 27,59	R 29,59	R 2,00	R 1,40	7%	5%
Stock cubes	24 cubes x2	R 35,98	R 35,58	R 33,98	-R 1,60	-R 2,00	-4%	-6%
Soup	400g x2	R 27,98	R 26,38	R 26,78	R 0,40	-R 1,20	2%	-4%
Tea	250g	R 22,99	R 20,79	R 24,39	R 3,60	R 1,40	17%	6%
Maas	4L	R 41,19	R 39,79	R 43,39	R 3,60	R 2,20	9%	5%
Eggs	60 eggs	R 88,59	R 86,99	R 92,59	R 5,60	R 4,00	6%	5%
Chicken feet	5kg	R 157,35	R 173,59	R 184,84	R 11,25	R 27,49	6%	17%
Gizzards	2kg	R 61,44	R 59,44	R 63,89	R 4,46	R 2,46	7%	4%
Beef	2kg	R 143,44	R 151,44	R 148,89	-R 2,55	R 5,45	-2%	4%
Wors	2kg	R 103,19	R 111,94	R 120,89	R 8,96	R 17,70	8%	17%
Inyama yangaphakathi	2kg	R 69,94	R 64,94	R 78,39	R 13,46	R 8,46	21%	12%
Tomatoes	6kg	R 69,97	R 59,15	R 58,74	-R 0,41	-R 11,23	-1%	-16%
Carrots	5kg	R 18,74	R 23,79	R 20,19	-R 3,60	R 1,45	-15%	8%
Butternut	10kg	R 51,98	R 49,13	R 65,12	R 16,00	R 13,14	33%	25%
Spinach	8 bunches	R 40,00	R 63,92	R 57,28	-R 6,64	R 17,28	-10%	43%
Cabbage	2 heads	R 20,38	R 26,98	R 29,58	R 2,60	R 9,20	10%	45%
Cremora	800g	R 31,39	R 32,19	R 34,39	R 2,20	R 3,00	7%	10%
Tinned pilchards	400g x6	R 98,95	R 101,56	R 99,54	-R 2,02	R 0,59	-2%	1%
Canned beans	410g x6	R 61,75	R 65,16	R 67,14	R 1,98	R 5,39	3%	9%
Bananas	4kg	R 36,76	R 47,16	R 40,69	-R 6,47	R 3,93	-14%	11%
Apples	1.5kg	R 17,39	R 24,65	R 15,19	-R 9,46	-R 2,20	-38%	-13%
Margarine	1kg x2	R 66,78	R 63,98	R 72,38	R 8,40	R 5,60	13%	8%
Peanut butter	400g x2	R 47,58	R 57,18	R 63,58	R 6,40	R 16,00	11%	34%
Polony	2.5kg	R 64,49	R 60,49	R 54,99	-R 5,50	-R 9,50	-9%	-15%
Apricot jam	900g x2	R 50,38	R 51,98	R 57,18	R 5,20	R 6,80	10%	13%
White bread	25 loaves	R 259,80	R 248,35	R 291,40	R 43,05	R 31,60	17%	12%
Brown bread	25 loaves	R 235,85	R 224,35	R 258,85	R 34,50	R 23,00	15%	10%
Total household food basket		R 3 127,21	R3 221,00	R3 453,62	R 232,62	R 326,41	7,2%	10,4%

From March 2020 to September 2020: The cost of the household food basket *increased* by R232,62 (7,2%) from R3221,00 in March 2020 to R3 453,62 in September 2020.

Year-on-year: The cost of the household food basket *increased* by R326,41 (10,4%) from R3 127,21 in September 2019 to R3 453,62 in September 2020.

The household food basket has been designed together with women living on low incomes in Pietermaritzburg. It includes the foods and the volumes of these foods which women living in a household with seven members (the average low-income household size in Pietermaritzburg) tell us they typically try and secure each month. Food prices are sourced from supermarkets (5) and butcheries (4) that target the low-income market and which women identified as those they shop at. Food selection at the supermarket shelves mirrors how women themselves make decisions at the supermarket shelves viz. that the foods are chosen on relative affordability and reasonable quality. The date for data collection is between the 1st and 4th day of each month. There are 38 foods in the household food basket.

The household food index is designed with women living on low incomes to provide a sense of what the food baskets of low-income households cost in Pietermaritzburg and is specifically designed to measure food price inflation as experienced by households living on low incomes. Although located in Pietermaritzburg, the household food index may provide a picture into food price inflation as experienced by households living on low incomes in South Africa.