

**Key data from the April 2022 Household Affordability Index**

The April 2022 Household Affordability Index, which tracks food price data from 44 supermarkets and 30 butcheries, in Johannesburg (Soweto, Alexandra, Tembisa and Hillbrow), Durban (KwaMashu, Umlazi, Isipingo, Durban CBD and Mtubatuba), Cape Town (Khayelitsha, Gugulethu, Philippi, Langa, Delft and Dunoon), Pietermaritzburg and Springbok (in the Northern Cape), shows that:

- **In April 2022:** The average cost of the Household Food Basket is **R4 542,93**.
- **Month-on-month:** The average cost of the Household Food Basket **increased** by **R92,84 (2,1%)**, from R4 450,09 in March 2022 to R4 542,93 in April 2022.
- **Year-on-year:** The average cost of the Household Food Basket **increased** by **R344,00 (8,2%)**, from R4 198,93 in April 2021 to R4 542,93 in April 2022.

*Food baskets increased in all areas tracked.*

The Joburg basket increased by R65,86 (1,5%), and R242,49 (5,6%) year-on-year, to R4 563,09 in April 2022. The Durban basket increased by R138,27 (3,1%) and R409,21 (9,8%) year-on-year, to R4 583,05 in April 2022. The Cape Town basket increased by R75,90 (1,7%) and R308,67 (7,5%) year-on-year, to R4 430,42 in April 2022. The Springbok basket increased by R225,37 (4,8%) and R449,46 (10%) year-on-year, to R4 960,01 in April 2022. The Maritzburg basket increased by R98,31 (2,3%) and R449,65 (11,6%) year-on-year, to R4 335,83 in April 2022.

*35/44 foods in the basket increased in price.*

The significant increases (5% and above) are: cooking oil, potatoes, beef, fish, spinach, cabbage, green pepper, tinned pilchards, bananas, polony, and apricot jam. Increases, also including maize meal, cake flour, rice, white sugar, samp, eggs, milk, frozen chicken portions, margarine, peanut butter, bread; and curry powder, stock cubes.

The cost of the household food basket continues to rise. Factors (global and local) impacting on the plate include the war in the Ukraine, the high Brent crude oil price, the high fuel price, and a weak exchange rate. Much higher production and logistical costs will continue to drive prices upwards and are likely to continue rising for the rest of 2022. The recent flooding in KwaZulu-Natal (not accounted for in this April data – prices collected before the rains) will add to these increases going forward.

Statistics South Africa's latest Consumer Price Index for March 2022<sup>1</sup> shows that **Headline inflation was 5,9%**, and for the **lowest expenditure quintiles 1-3, it is 6,7%, 6,4% and 5,7%** respectively. **CPI Food inflation was 6,6%**.

**High food prices: responses from women and by retailers**

The surge in the cost of food is hitting households, on low incomes, hard.

*"You go to the shops knowing exactly what you must buy. All of the foods on your list are essential – there is nothing left on the list that you can drop. You go around the stores, you check, you check, you check ... you start shopping and see there is no ways you are going to make it. The teller is there. Which of the most important food, of the most important food on your list are you supposed to drop? You can't. You can't make it. You go to the shops to buy the basic of the basics – the most important things – and when you are in the shop you know you can't even afford the basics." (Pietermaritzburg, 13 April 2022).*

*"How expensive things are. Huh? We cannot afford to live. We just wake up and see if we can get through it. We borrow money from our children, our neighbours, loan sharks. It is not easy, it is not easy, it is not easy." (Cape Town, 11 April 2022).*

*"It is frustrating. Every day brings a new crisis. Everything is up. You come up with a plan, with some type of alternative, some way to get money, something to help you get through, and then some other crisis comes along and your plan falls through, and you try and find another plan, and then that falls through. And it is just scary. Scary and frustrating and tomorrow is so uncertain and your children are still hungry"* (Joburg, 20 April 2022).

Women tell us that when your list is down to the basics, you have no choice – you have to buy. What are your children going to eat? *You have to buy.* What we are seeing now is a sharpening of what has been happening over the past few years. Women find the money to buy the basics. Smaller volumes of foods of the cheapest brands on the shelf are bought more often, and then women "will see" (find a way to buy more). Women make a plan. Everything becomes short-term, day-by-day, week-by-week. Foods get finished and they stay that way until money can be found. The plate is hollowed out. There is no colour on the plate. The same foods get eaten day in and day out. Everybody is miserable because nobody is eating properly. Women live on their nerves, trying to find a plan, a way, a special.

### **Responses by retailers**

At the retail level, supermarkets have responded by rounding on the higher food prices by bringing in a lot of new cheaper brands, offering shop brands, offering specials (some unbelievable), offering 'combos' (maize meal, rice, flour, sugar, oil; potatoes, onions, carrots etc.), offering store cards. We asked women if these supermarket specials and new offerings help in being able to buy the food they need to buy. The response is mostly yes. The supermarket offerings of savings do seem to help but nobody really knows the real fair cost of food now, so it all seems a bit of trickery – dazzle with a savings here while they pick your pocket there.

*In summary: the current food price shocks are happening on food baskets that have been unaffordable for the past few years. Most families now only buy the basic of the most basic foods. There is nothing to cut back. There is no behavioural change to make. Women have exhausted their strategies. There is no space to manoeuvre on the family plate. **The space that is left is on finding a cheaper priced food.** This space is the domain of the retailers.*

### **Household domestic and personal hygiene products**

The April 2022 Household Domestic & Personal Hygiene Index shows an increase of **R26,44 (3,5%)** month-on-month, with the total average cost of the products being **R785,84 in April 2022**. This is a big monthly jump in the index. Increases were across the board, and included: green bar soap (9%), washing powder (10%) and bath soap (5%); toilet paper, toothpaste, Vaseline, cream, *handy andy*, dishwashing liquid, deodorant, and sanitary pads. The escalation in price of *green bar soap*, in particular, has raised concern. This long bar of magic green soap can do almost anything related to cleaning of bodies, clothes, dishes, homes; and simply must be bought.

The cost of basic hygiene products is high. These products compete in the household purse with food. These products are essential for good health and hygiene. Not much notice is taken on how women find the money to buy these products, and yet these are essential for good health, and hygiene; but also, in having a sense of dignity, being able to function in society, being accepted. Being a school-going child ..., a young adult ..., being in the workplace – being clean ... hygiene products must be secured. Pressures on the household purse to secure basic food on the table must also include securing the means to be clean.

Year-on-year the household domestic and personal hygiene products index increased by **R68,07 (9,5%)** bringing the total average cost of basic household domestic and personal hygiene products to **R785,84**. (See page 5 of April 2022, Household Affordability Index).

### **Workers**

The National Minimum Wage is **R23,19** an hour and **R185,52** for an 8-hour day. April 2022, with a short working-day month of 18 days, the maximum National Minimum Wage for a General Worker is **R3 339,36**.

Transport to work and back will cost a worker an average of **R1 152,00**. Electricity will cost a worker an average of **R731,50**. A basket of basic but nutritious food, for a family of 4 persons, will cost a worker **R3 139,37**. Together these three core expenses come to **R5 022,28**.

**Because food is bought after monies for transport and electricity have been paid for or set aside, in April 2022, PMBEJD calculates that workers' families will underspend on food by a minimum of 53,6% this month** (See pages 7 and 8 of April 2022, Household Affordability Index).

The majority of South African workers do not earn enough money to cover their basic expenses each month. It means that in a crisis, there is no savings buffer. The spikes in the food basket are not being absorbed by workers, because there is no extra money to pay for the higher prices. Instead, workers cut back further on their family's basic consumption, get sick more often, are more stressed and distracted, are less productive; and have less money to spend, and spread in the broader economy.

### ***Women and children***

In April 2022, the average cost to feed a child a basic nutritious diet was **R800,35**. **Year-on-year**, the cost to feed a child a basic nutritious diet has **increased by R48,58 or 6,5%**.

In April 2022, the annual government increment on the Child Support Grant has come into effect. The Child Support Grant has been increased by **R20**, from R460 to R480 per child. **This is an increase of 4,3%**.

In the past two months, between February 2022, when the increase of R20 was announced, and its implementation now in April 2022, the cost to feed a child a basic nutritious monthly diet has increased by **R28,40**. From an average of R771,95 in February 2022 to R800,35 in April 2022: a R16,04 increase in March, and now another R12,36 increase in April). Food price inflation trends are likely to continue upwards and eat and eat and eat at the Child Support Grant.

**In April 2022, the Child Support Grant of R480 is 23% below the Food Poverty Line of R624, and 40% below the average cost to feed a child a basic nutritious diet of R800,35.** *Annual increments do not close the gap between the actual cost of feeding a child a basic nutritious diet per month (on our data R480 vs R800), nor do the increments keep up with the actual inflationary increase on food.*

Government, in response to the need to restrict movement and shut down economic activity to contain Covid-19, introduced a top-up on social grants to buffer against hunger. We may be facing another such crisis, which may require a similar immediate intervention. Perhaps it is worth being on call, should food prices continue to escalate. Government intervention may be required and increasing social grants have shown to be effective.

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<sup>i</sup> STATSSA (2022). **Consumer Price Index March 2022**. Statistical release P0141. 20 April 2022. Statistics South Africa. Pretoria. P5 and 8. See Link: <https://www.statssa.gov.za/publications/P0141/P0141March2022.pdf>