

Key data from the June 2022 Household Affordability Index

The June 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 June 2022:** The average cost of the Household Food Basket is **R4 688,81**.
- **Month-on-month:** The average cost of the Household Food Basket **increased** by **R78,92 (1,7%)**, from R4 609,89 in May 2022 to R4 688,81 in June 2022.
- **Year-on-year:** The average cost of the Household Food Basket **increased** by **R560,57 (13,6%)**, from R4 128,23 in June 2021 to R4 688,81 in June 2022.

Food baskets increased in all areas tracked.

The Joburg basket increased by R122,65 (2,7%), and R532,85 (12,6%) year-on-year, to R4 749,16 in June 2022. The Durban basket increased by R73,19 (1,6%) and R687,74 (16,8%) year-on-year, to R4 782,78 in June 2022. The Cape Town basket increased by R46,32 (1%) and R470,81 (11,7%) year-on-year, to R4 490,84 in June 2022. The Springbok basket increased by R119,09 (2,4%) and increased by R517,58 (11,4%) year-on-year, to R5 046,45 in June 2022. The Maritzburg basket increased by R138,56 (3,1%) and R649,89 (16,4%) year-on-year, to R4 602,52 in June 2022.

The escalation of food inflation on basic staple foods, one which households cannot absorb, and one where no apparent relief is forthcoming, at least in the near-term, is a major concern. This situation raises three red flags: increased hunger, increased risk of social instability, and a general deterioration of health – with short-term and long-term consequences. In July public transport fares are set to increase (including the cost of transporting children to school), and the annual electricity tariff hikes will come into effect. Food price inflation is likely to continue climbing. Winter enters its second month.

29/44 foods in the total basket increased in price.

The significant increases (5% and above) are:

Cooking oil (13%). A 5L bottle of cooking oil costs an average of R228,94 (a m-m increase of R27,04).

Cake flour (7%). A 10kg bag of cake flour costs an average of R115,90 (a m-m increase of R7,52).

Brown Bread (5%). A loaf of Brown Bread went up by an average of 60 cents, with June cost of R13,83.

Onions (6%)

Curry powder (6%). Onions, salt, curry powder and soup all went up above 3% - these are all critical to add palatability to food.

Green pepper (10%)

Cremora (5%)

Apricot jam (5%)

Other increases (4% and 3%) are:

Maize meal (4%). A 10kg bag of maize meal went up by an average of R3,11, with June cost of R89,62. 30kg of maize meal, the typical quantity bought for a low-income household, costs R268,88 in June.

Samp (3%)

White bread (4%). A loaf of White Bread went up by an average of 60 cents, with June cost of R15,14.

Salt (4%)

Soup (3%)

Margarine (4%)

Cabbage (3%). *A head of cabbage increased by 57 cents, with one cabbage averaging R19,71. Cabbage is a major staple food in the home.*

Maas (3%)

Chicken feet (3%)

Wors (4%)

Inyama yangaphakathi (3%)

Canned beans (3%)

All the local and global factors driving food prices upwards continue. Locally, the severe disruptions on our major transport routes, particularly between Gauteng and Durban have impacted on food transportation (blockages, protests, bad road, accidents). Much higher commodity prices, production and logistical costs will continue to drive prices upwards and are likely to continue rising for the rest of 2022.

Statistics South Africa's latest *Consumer Price Index* for May 2022ⁱ shows that **Headline inflation was 6,5%**, and for the **lowest expenditure quintiles 1-3, it is 8%, 7,4% and 6,8%** respectively. **CPI Food inflation was 7,8%. Public transport was 12,5%, and electricity was 14,4%.**

Household domestic and personal hygiene products

The June 2022 Household Domestic & Personal Hygiene Index shows an increase of **R32,45 (4%)** month-on-month. This is the third consecutive big monthly jump in the index: in May the index jumped by R21,46 (2,7%), and in April by R26,44 (3,5%). Year-on-year the household domestic and personal hygiene products index increased by **R115,33 (15,9%)** bringing the total average cost of basic household domestic and personal hygiene products to **R839,75 in June 2022**. (See page 5 of June 2022, Household Affordability Index).

Significant increases were seen on green bar soap (up 14%), bath soap (up 5%), toothpaste (up 7%), shoe polish (up 5%), deodorant (up 5%), and dishwashing liquid (up 5%). Other increases included: washing powder, *Handy Andy, Jik*, and body creams. *Green bar soap has increased by 50% year-on-year, with the typical quantity required by women for their families, of 8 x 500g bars now costing R100,11 a month in June 2022.*

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.

Workers

The National Minimum Wage is **R23,19** an hour and **R185,52** for an 8-hour day. The annual increment of **R1.50** per hour (**6,9%**) which came into effect in March 2022, increased the monthly wage of full-time workers by **R252** in June 2022. The June 2022 cost of a basic nutritional food basket for a family of four persons is up **R327,48** year-on-year (**11,5%**), **with the total June 2022 cost standing at R3 187,08**. (See page 6 of June 2022, Household Affordability Index).

In June 2022, with 21-working days, the maximum National Minimum Wage for a General Worker is **R3 895,92**.

Food is bought after monies for transport and electricity have been paid for or set aside (together averaging R2 075,50). In June 2022, PMBEJD calculates that workers' families will **underspend on food by a minimum of 42,9%**.

We have a situation whereby 50,1% of Black South African workers are unemployed (11,3 million people on the expanded unemployment rate, from latest QLFS, Q1, 2022ⁱⁱ), and for those workers whom are lucky enough to be employed, and where a National Minimum Wage is being complied with, this wage is still so little that workers – mothers, fathers: parents of children - still have to remove nearly half of the food off their plates. Every day. It is untenable, intolerable, frightening.

Women and children

In June 2022, the average cost to feed a child a basic nutritious diet was **R813,29**. Over the past month, the cost to feed a child a basic nutritious diet increased by **R9,83**. **Year-on-year**, the cost to feed a child a basic nutritious diet has **increased by R84,24 or 11,6%**.

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. *The cost of food over the past year has increased by R80 whilst the Child Support Grant, increased by R20 (75% less than the actual inflation on a basic nutritious diet for a child).*

In June 2022, the Child Support Grant of R480 is 23% below the Food Poverty Line of R624, and 41% below the average cost to feed a child a basic nutritious diet of R813,29. Every month, the gap between how much it really costs a mother to feed her child a proper nutritious diet and the support the state provides through the R480 Child Support Grant widens.

The state topped-up social grants (to mothers and pensioners) during the worst periods of Covid-19, as a risk mitigation strategy. This apparatus needs to be on call, should the situation of higher food prices plus higher public transport and higher electricity charges (which compete in the purse for food) become too much for mothers and grandmothers to bear. The state must secure the nutrition and health and well-being of children.

ⁱ STATSSA (2022). **Consumer Price Index May 2022**. Statistical release P0141. 22 June 2022. Statistics South Africa. Pretoria. P5, 8 - 9. See Link: <https://www.statssa.gov.za/publications/P0141/P0141May2022.pdf>

ⁱⁱ STATSSA (2022). **Quarterly Labour Force Survey, Quarter 1, 2022**. Statistical release P0211. 31 May 2022. Statistics South Africa. Pretoria. P46. See Link: <https://www.statssa.gov.za/publications/P0211/P02111stQuarter2022.pdf>