

Key data from the January 2023 Household Affordability Index

The January 2023 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, Hammarsdale, Pinetown, and Mtubatuba), Cape Town (Khayelitsha, Gugulethu, Philippi, Langa, Delft and Dunoon), Pietermaritzburg and Springbok (in the Northern Cape), shows that:

- **In January 2023:** The average cost of the Household Food Basket is **R4 917,42**.
- **Month-on-month:** The average cost of the Household Food Basket **increased** by **R64,25 (1,3%)**, from R4 853,18 in December 2022 to R4 917,42 in January 2023.
- **Year-on-year:** The average cost of the Household Food Basket **increased** by **R516,40 (11,7%)**, from R4 401,02 in January 2022 to R4 917,42 in January 2023.

The following foods increased in price.

Foods which increased in price in January 2023, by **5% or more**, include: potatoes (a 10kg bag increased by **28%** or R19,79, to R89,79), White sugar (5%), Cabbage (8%), Carrots (6%), apples (5%), oranges (6%), wors (9%), curry powder (12%), stock cubes (7%), and soup (5%).

Foods which increased in price in January 2023, by **2% or more**, include: cooking oil (3%), samp, salt, tea, eggs, chicken feet, chicken livers, beef, tomatoes, spinach, green pepper, tinned pilchards, bananas, margarine, and brown bread.

In January 2023, food baskets decreased in Joburg and Springbok. Food baskets increased in Durban, Cape Town and Pietermaritzburg.

The Joburg basket **decreased** by R3,73 (-0,1%) month-on-month, and **increased** by R439,10 (9,9%) year-on-year, to **R4 873,28** in January 2023.

The Durban basket **increased** by R58,99 (1,2%) month-on-month, and **increased** by R464,27 (10,3%) year-on-year, to **R4 974,99** in January 2023.

The Cape Town basket **increased** by R171,14 (3,6%) month-on-month, and **increased** by R644,49 (15%) year-on-year, to **R4 948,47** in January 2023. *The Cape Town basket experienced hikes in maize meal (up 6%) and oil (up 10%), and higher potato, meat and bread prices.*

The Springbok basket **decreased** by R355,73 (-6,9%) month-on-month, and **increased** by R185,30 (4%) year-on-year, to **R4 777,13** in January 2023. *The Springbok basket decreased on the back of two supermarkets offering 10kg maize for R49,99 each – an incredible special, along with much lower meat and bread prices.*

The Maritzburg basket **increased** by R177,67 (3,8%) month-on-month, and **increased** by R597,91 (14,1%) year-on-year, to **R4 850,97** in January 2023. *The Maritzburg basket has been affected by the rains which pushed up vegetable prices.*

Statistics South Africa's latest *Consumer Price Index* for December 2022ⁱ shows that **Headline inflation was 7,2%**, and for the **lowest expenditure quintiles 1-3, it is 10,4%, 9,8% and 8,6%** respectively. **CPI Food inflation was 12,7%**. *STATS SA's Producer Price Index* for November 2022ⁱⁱ shows **agriculture was 18%** (December PPI's expected release date is 26/01/2023).

Workers

The National Minimum Wage is **R23,19** an hour and **R185,52** for an 8-hour day. In January 2023, with 21-working days, the maximum National Minimum Wage for a General Worker is **R3 895,92**. **Workers work to support their families. Dispersed in a worker's family of 4 persons, the NMW, is reduced to R973,98 – this is below the upper-bound poverty line of R1417 per capita per month.**

The January 2023 cost of a basic nutritional food basket for a family of four persons is **R3 343,97** (See page 6 of January 2023, Household Affordability Index).

On our calculations, using Pietermaritzburg-based figures for electricity and transport, and the average figure for a minimum nutritional basket of food for a family of four, puts electricity, and transport, taking up **59%** of a worker's wage (R2 299,50/R3 895,92). Food is bought after monies for transport and electricity have been paid for or set aside (leaving only **R1 596,42** – for food and everything else), and so in January 2023, PMBEJD calculates that workers' families will **underspend on food by a minimum of 52,3% (having R1 596,42 left after transport and electricity, and with food costing R3 343,97). In this scenario there is no possibility of a worker being able to buy proper nutritious food for her family. If the R1 596,42 all went to buy food, then for a family of 4 persons, we are looking at R399,11 per person. This is 40% below the food poverty line of R663** (See page 8 of January 2023, Household Affordability Index).

The Eskom hike of 18,65% is likely to cut government's NMW proposed offer of 8% by half for the 2023/24 term. Unless this hike is mitigated by adjusting the proposal upwards, workers are likely to experience a very difficult new year. See PMBEJD's Comment on Eskom hike & NMW (available at www.pmbejd.org.za).

Women and children

In January 2023, the average cost to feed a child a basic nutritious diet was **R853,04**. Over the past month, the average cost to feed a child a basic nutritious diet **increased** by **R9,57** or **1,1%**. Year-on-year, the average cost to feed a child a basic nutritious diet **increased** by **R76,75** or **9,9%**. In January 2023, the **Child Support Grant** of **R480** is **28%** below the **Food Poverty Line** of **R663**, and **44%** below the average **cost to feed a child a basic nutritious diet (R853,04)**.

The argument to provide a Back-to-School grant to assist parents to cover education expenses has gained traction amongst women in the areas we work in. Stationery expenses alone, can be in the region of R410 to R1200 for Grades RR to Grade 7, and as high as R2000 or more, for children in High School. Costs for school clothes and shoes, similarly, require large sums of money, and although prices differ, the following provides a sense of what they cost: jersey R200, shirt R150, tunic R280, skirt R220, t-shirt R120, socks R30, tracksuit R550, and school shoes – the cheapest shoes go for around R250. Some schools also require parents to buy certain textbooks and dictionaries, and make payments towards photocopying, and sanitation – to buy toilet paper, and towards school outings. Parents also face the ubiquitously and universally dreaded requests for donations throughout the year.

Although some schools are no-fee schools – parents are still required to make contributions to stationery and clothing in whole or part, including other expenses. School nutrition programmes where they do operate, offer variable nutrition – some parents who are able to, augment the meals provided, or replace them entirely, not satisfied with the quality of food provided.

Parents further have to find money to pay for omalume [small private transport usually driven by someone's uncle] or kombi's or buses – to safely transport children to school and back. This transport expense is substantial and can run in the region of R400 to R800, and even higher per month, where scholar transport is not provided.

Parents tell us that the money having to be paid at the beginning of the year to ensure that their children start school well places a massive financial burden on the household finances. Some women are able to cut back on critical expenses through the year to save for school but many are unable to do this, and so women tell us many families have to take out loans to pay for stationery and clothes, or that they forgo everything but the absolutely essential items required by schools, and then try and ask their children to forgive them, whilst waging war against teachers and students who pick on their kids.

Going back to school is still so unpleasant for so many parents and their children; and as a society, an education system and Government, we could do better to support our children – the future of our country. A Back-to-School Grant used to augment the January Child Support Grant allocation, may go some way to relieve some of the burden on parents and assist schools to start Day one on Day one, fresh, and ready to go.

Household domestic and personal hygiene products

The January 2023 *Household Domestic & Personal Hygiene Index* shows an **increase** of **R11,52 (1,3%)** month-on-month. Year-on-year the household domestic and personal hygiene products index **increased** by **R158,31 (20,8%)** bringing the total average cost of basic household domestic and personal hygiene products to **R920,87 in January 2023** (See page 5 of January 2023, Household Affordability Index).

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.

ⁱ STATSSA (2023). **Consumer Price Index December 2022**. Statistical release P0141. 18 January 2023. Statistics South Africa. Pretoria. P5, 8. See Link: <https://www.statssa.gov.za/publications/P0141/P0141December2022.pdf>

ⁱⁱ STATSSA (2022). **Producer Price Index November 2022**. Statistical release P0142.1. 15 December 2022. Statistics South Africa. Pretoria. P11. See Link: <https://www.statssa.gov.za/publications/P01421/P01421November2022.pdf>