

### **Key data from the March 2023 Household Affordability Index**

The March 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 March 2023:** The average cost of the Household Food Basket is **R4 966,20**.
- **Month-on-month:** The average cost of the Household Food Basket **increased** by **R37,87 (0,8%)**, from R4 928,34 in February 2023 to R4 966,20 in March 2023.
- **Year-on-year:** The average cost of the Household Food Basket **increased** by **R516,12 (11,6%)**, from R4 450,09 in March 2022 to R4 966,20 in March 2023.

### **The following foods increased in price.**

Foods which increased in price in March 2023, by **5% or more**, include: potatoes (8%), tomatoes (6%), and carrots (23%).

Foods which increased in price in March 2023, by **2% or more**, include: frozen chicken pieces (2%), tea (3%), full cream milk (3%), maas (3%), eggs (3%), wors (2%), cabbage (3%), tinned pilchards (3%), canned beans (3%), bananas (3%), white bread (2%), and brown bread (2%).

*In March 2023, food baskets decreased in Durban and Cape Town. Food baskets increased in Joburg, Springbok, and Maritzburg.*

The Joburg basket **increased** by R96,80 (2,0%) month-on-month, and **increased** by R522,98 (11,6%) year-on-year, to **R5 020,21** in March 2023.

The Durban basket **decreased** by R97,19 (-2,0%) month-on-month, and **increased** by R426,62 (9,6%) year-on-year, to **R4 871,40** in March 2023.

The Cape Town basket **decreased** by R14,68 (-0,3%) month-on-month, and **increased** by R573,25 (13,2%) year-on-year, to **R4 927,77** in March 2023.

The Springbok basket **increased** by R374,42 (7,4%) month-on-month, and **increased** by R695,39 (14,7%) year-on-year, to **R5 430,03** in March 2023.<sup>i</sup>

The Maritzburg basket **increased** by R140,59 (3,0%) month-on-month, and **increased** by R654,84 (15,5%) year-on-year, to **R4 892,35** in March 2023.

Statistics South Africa's latest *Consumer Price Index* for February 2023<sup>ii</sup> shows that **Headline inflation was 7%**, and for the **lowest expenditure quintiles 1-3, it is 11,0%, 10,4% and 9%** respectively. **CPI Food inflation was 14%** (for CPI Food & NAB it was 13,6%, we use the figure excluding non-alcoholic beverages). *STATS SA's Producer Price Index* for January 2023<sup>iii</sup> shows **agriculture was 10,6%** [Release date of February data, 30 March 2023].

### **Workers**

The Minister of Employment and Labour gazetted a **9,6%** annual increase on the National Minimum Wage, which took effect on the 1st of March 2023. For a worker, the 9,6% increment works out to be an extra **R2,23 an hour, R17,84 for an 8-hour day**, and if the full working-day month is worked (average 22 days), a **R392,48 monthly increase**. The NMW increased by R2,23 from R23,19 per hour to **R25,42 per hour**.

The National Minimum Wage is **R25,42** an hour and **R203,36** for an 8-hour day. In March 2023, with 22-working days, the maximum National Minimum Wage for a General Worker is **R4 473,92**. **Workers work to support their**

**families. Dispersed in a worker's family of 4 persons, the NMW, is reduced to R1 118,48 – this is below the upper-bound poverty line of R1 417 per capita per month.**

The March 2023 cost of a basic nutritional food basket for a family of four persons is **R3 430,75** (See page 6 of March 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 **53%** of a worker's wage (R2 371,50/R4 473,92). Food is bought after monies for transport and electricity have been paid for or set aside (leaving only **R2 102,42** – for food and everything else), and so in March 2023, PMBEJD calculates that workers' families will **underspend on food by a minimum of 38,7% (having R2 102,42 left after transport and electricity, and with food costing R3 430,75). In this scenario there is no possibility of a worker being able to afford enough nutritious food for her family.**

**If the entire R2 102,42 all went to buy food, then for a family of 4 persons, we are looking at R525,60 per person. This is below the food poverty line of R663** (See page 8 of March 2023, Household Affordability Index).

*In June/July 2023, when the new 2023/24 electricity tariffs of **18,65%** come into effect, and thereafter in August when taxi fares are raised, workers will have to allocate a lot more money to electricity and transport, leaving less money for food and all other essential expenses. When this happens families will face dramatic food shortfalls and hardship.*

### **Women and children**

In March 2023, the average cost to feed a child a basic nutritious diet was **R874,71**. Over the past month, the average cost to feed a child a basic nutritious diet **increased** by **R10,65** or **1,2%**. Year-on-year, the average cost to feed a child a basic nutritious diet **increased** by **R86,72** or **11,0%**.

In March 2023, the **Child Support Grant** of **R480** is **28%** below the **Food Poverty Line** of **R663**, and **45%** below the average **cost to feed a child a basic nutritious diet (R874,71)**.

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

The March 2023 *Household Domestic & Personal Hygiene Index* shows a **decrease** of **R4,71 (-0,5%)** month-on-month. Year-on-year the household domestic and personal hygiene products index **increased** by **R162,40 (21,4%)** bringing the total average cost of basic household domestic and personal hygiene products to **R921,80 in March 2023** (See page 5 of March 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.*

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<sup>i</sup> The Springbok basket has shown dramatic increases over the past two months: in February the basket increased by R278,48, and now in March the basket has increased by a further R374,42; a total increase of R652,90 in just two months. Foods spanning almost all food categories have increased – particularly maize meal and bread, but also meats, vegetables, dairy, and children's sandwich foods. Rand-value comparison with other cities shows that many of the foods in the Springbok basket are significantly higher than those of other areas – specifically in the core staples, meats, and vegetables. The Springbok basket tends to increase or decrease by remarkably high Rand-values from one month to the next, this may be due to specific variables related to the limited number of supermarkets in the area, and their retail practices, and its geographic location, neither of which are typical to the rest of the areas included in the overall index. The Springbok basket is weighted at 7% in the overall basket.

<sup>ii</sup> STATSSA (2023). **Consumer Price Index February 2023**. Statistical release P0141. 22 March 2023. Statistics South Africa. Pretoria. P5, 8. See Link: <https://www.statssa.gov.za/publications/P0141/P0141February2023.pdf>

<sup>iii</sup> STATSSA (2023). **Producer Price Index January 2023**. Statistical release P0142.1. 23 February 2023. Statistics South Africa. Pretoria. P11. See Link: <https://www.statssa.gov.za/publications/P01421/P01421January2023.pdf>