

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

The June 2023 Household Affordability Index, which tracks food price data from 47 supermarkets and 32 butcheries, in Johannesburg (Soweto, Alexandra, Tembisa and Hillbrow), Durban (KwaMashu, Umlazi, Isipingo, Durban CBD, Hammarsdale and Pinetown), Cape Town (Khayelitsha, Gugulethu, Philippi, Langa, Delft and Dunoon), Pietermaritzburg, Mtubatuba (in Northern KwaZulu-Natal), and Springbok (in the Northern Cape), shows that:

- **In June 2023:** The average cost of the Household Food Basket is **R5 056,45**.
- **Month-on-month:** The average cost of the Household Food Basket **decreased** by **R15,14 (-0,3%)**, from R5 071,59 in May 2023 to R5 056,45 in June 2023.
- **Year-on-year:** The average cost of the Household Food Basket **increased** by **R367,65 (7,8%)**, from R4 688,81 in June 2022 to R5 065,45 in June 2023.

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

Foods which increased in price in June 2023, by **5% or more**, include: rice (9%), onions (13%), and inyama yangaphakathi (5%).

Foods which increased in price in June 2023, by **2% or more**, include: white sugar (2%), sugar beans (2%), potatoes (3%), fish (2%), tinned pilchards (3%), and canned beans (4%).

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

In June the maize meal price came down by 3%. Some meats came down marginally. Milk, *amasi* (maas) and eggs came down marginally. All vegetables came down except for onions and potatoes. All fruits came down.

Although the overall Household Food Basket has shown a slight decline in June 2023, the foods which make up the core staples, and which are prioritized first in the purse, remain stubbornly high. This month these foods increased by R34,82 (1,3%), with a year-on-year increase of R237,87 (9,3%), with the total prioritized foods standing at R2 798,18 in June 2023. The prices of these foods need to go down before households experience some relief at the till, as they make up the core of the household meals and still cost a lot relative to most low incomes. (*See page 3 of June 2023, Household Affordability Index*).

Statistics South Africa's latest *Consumer Price Index* for May 2023<sup>i</sup> shows that **Headline inflation was 6,3%**, and for the **lowest expenditure quintiles 1-3, it is 9,9%, 9,4% and 8,1%** respectively. **CPI Food inflation was 12,0%** (for CPI Food & NAB it was 11,8%, we use the figure excluding non-alcoholic beverages). STATS SA's *Producer Price Index* for April 2023<sup>ii</sup> shows **agriculture was 3,7%** (May PPI to be released on 29<sup>th</sup> June 2023).

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

The Joburg basket **decreased** by R31,94 (-0,6%) month-on-month, and **increased** by R283,78 (6,0%) year-on-year, to **R5 032,94** in June 2023.

The Durban basket **increased** by R35,35 (0,7%) month-on-month, and **increased** by R293,16 (6,1%) year-on-year, to **R5 075,94** in June 2023.

The Cape Town basket **decreased** by R40,53 (-0,8%) month-on-month, and **increased** by R493,62 (11,0%) year-on-year, to **R4 984,46** in June 2023.

The Springbok basket **decreased** by R95,17 (-1,7%) month-on-month, and **increased** by R349,84 (6,9%) year-on-year, to **R5 396,29** in June 2023.

The Maritzburg basket **increased** by R4,06 (0,1%) month-on-month, and **increased** by R343,52 (7,5%) year-on-year, to **R4 946,04** in June 2023.

The Mtubatuba basket **increased** by R49,00 (0,9%) month-on-month, and **increased** by R526,20 (11,1%) year-on-year, to **R5 286,73** in June 2023.

## **Workers**

The National Minimum Wage is **R25,42** an hour and **R203.36** for an 8-hour day. In June 2023, with 21-working days, the maximum National Minimum Wage for a General Worker is **R4 270,56**. Workers work to support their families. The wage workers earn is not just to sustain themselves alone, it is used to support the entire family. For Black South African workers, one wage typically must support 4 people. **Dispersed in a worker's family of 4 persons, the NMW, is reduced to R1 067,64 per person – this is below the upper-bound poverty line of R1 417 per person per month.**

The June 2023 cost of a basic nutritional food basket for a family of four persons is **R3 505,56** (See page 6 of June 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 **53,8%** of a worker's wage (R2 299,50/R4 270,56). Food is bought after monies for transport and electricity have been paid for or set aside (leaving only **R1 971,06** – for food and everything else), and so in June 2023, PMBEJD calculates that workers' families will **underspend on food by a minimum of 43,8% (having R1 971,06 left after transport and electricity, and with food costing R3 505,56). In this scenario there is no possibility of a worker being able to afford enough nutritious food for her family.**

**If the entire R1 971,06 all went to buy food, then for a family of 4 persons, we are looking at R492,76 per person per month. This is below the food poverty line of R663** (See page 8 of June 2023, Household Affordability Index).

## **Women and children**

In June 2023, the average cost to feed a child a basic nutritious diet was **R893,78**. Over the past month, the average cost to feed a child a basic nutritious diet **decreased** by **R7,41** or **-0,8%**. Year-on-year, the average cost to feed a child a basic nutritious diet **increased** by **R80,49** or **9,9%** (See page 6 of June 2023, Household Affordability Index).

In June 2023, the **Child Support Grant** of **R500** is **25%** below the **Food Poverty Line** of **R663**, and **44%** below the average **cost to feed a child a basic nutritious diet (R893,78)**.

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

The June 2023 *Household Domestic & Personal Hygiene Index* shows an **increase** of **R9,62 (1,0%)** month-on-month. Year-on-year the household domestic and personal hygiene products index **increased** by **R115,21 (13,7%)** bringing the total average cost of basic household domestic and personal hygiene products to **R954,96 in June 2023** (See page 5 of June 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> STATSSA (2023). **Consumer Price Index May 2023**. Statistical release P0141. 21 June 2023. Statistics South Africa. Pretoria. P4, 7. See Link: <https://www.statssa.gov.za/publications/P0141/P0141May2023.pdf>

<sup>ii</sup> STATSSA (2023). **Producer Price Index April 2023**. Statistical release P0142.1. 25 May 2023. Statistics South Africa. Pretoria. P12. See Link: <https://www.statssa.gov.za/publications/P01421/P01421April2023.pdf>