

Key Data from April 2024 Household Affordability Index

24 April 2024 For immediate release

Economic justice through the lens of human dignity

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The April 2024 Household Affordability Index, which tracks the prices of 44 basic foods 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 April 2024: The average cost of the Household Food Basket is R5 336,31.
- **Month-on-month**: The average cost of the Household Food Basket *increased* by **R58,38 (1,1%)**, from R5 277,93 in March 2024 to R5 336,31 in April 2024.
- **Year-on-year**: The average cost of the Household Food Basket *increased* by **R312,36 (6,2%)**, from R5 023,95 in April 2023 to R5 336,31 in April 2024.

Food pricing trends in April 2024.

Higher vegetable prices, particularly onions, drove the April household food basket upwards. The Joburg basket, which increased substantially higher than Durban and Cape Town, further drove the average household food basket upwards. In April 27 foods increased, and 17 foods decreased.

Foods in the basket which <u>increased</u> in price in April 2024 by 5% or more, include: sugar beans (6%), onions (44%), tomatoes (13%), carrots (18%), spinach (12%), green pepper (17%), and soup (5%).

Foods in the basket which <u>increased</u> in price in April 2024 by 2% or more, include: white sugar (2%), maas (2%), chicken livers (2%), beef liver (2%), beef tripe (2%), cabbage (4%), tinned pilchards (3%), bananas (4%), peanut butter (2%), apricot jam (3%), and brown bread (2%).

Foods in the basket which <u>decreased</u> in price in April 2024, by 5% or more, include: potatoes (-5%), tea (-5%), fish (-5%), apples (-12%), and oranges (-30%).

Foods in the basket which <u>decreased</u> in price in April 2024, by 2% or more, include: frozen chicken portions (-4%), curry powder (-2%), stock cubes (-3%), full cream milk (-2%), wors (-4%), canned baked beans (-2%), and margarine (-2%). See page 2 of April 2024, Household Affordability Index.

Inflation on the food baskets per area tracked.

In April 2024, food baskets increased by small amounts in the Metro's of Durban and Cape Town, and by a very high amount in Johannesburg. Food baskets decreased by high amounts in Springbok, Pietermaritzburg and Mtubatuba.

The Joburg basket *increased* by R224,90 (4,2%) month-on-month, and *increased* by R591,12 (11,8%) year-on-year, to **R5 612,18** in April 2024. *The higher priced Joburg basket is driven not only by the higher vegetable prices, but also several of the core staple foods (maize meal, rice, flour, sugar, beans, bread).*

The Durban basket *increased* by R12,88 (0,2%) month-on-month, and *increased* by R376,33 (7,7%) year-on-year, to **R5 257,00** in April 2024.

The Cape Town basket *increased* by R28,15 (0,5%) month-on-month, and *increased* by R96,91 (1,9%) year-on-year, to **R5 186,76** in April 2024.

The Springbok basket *decreased* by R140,57 (-2,4%) month-on-month, and *increased* by R384,66 (7,2%) year-on-year, to **R5 722,17** in April 2024.

The Maritzburg basket *decreased* by R61,82 (-1,2%) month-on-month, and *increased* by R90,77 (1,8%) year-on-year, to **R5 060,31** in April 2024.

The Mtubatuba basket *decreased* by R91,76 (-1,7%) month-on-month, and *increased* by R140,32 (2,7%) year-on-year, to **R5 284,13** in April 2024.

(See pages 10-15 for area specific data, in the April 2024, Household Affordability Index).

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Statistics South Africa's latest Consumer Price Index.

Statistics South Africa's latest *Consumer Price Index* for March 2024ⁱ shows that **Headline inflation was 5,3%**, and for the **lowest expenditure quintiles 1-3 it is 6,3%**, **5,8%**, and **5,4%** respectively. **CPI Food inflation was 4,9%** (for CPI Food & NAB it was 5,1%, we use the figure excluding non-alcoholic beverages). STATS SA's *Producer Price Index* for February 2024ⁱⁱ shows **agriculture was 2,3%**.

Women and children

In April 2024, the average cost to feed a child a basic nutritious diet was **R959,38**. Over the past month, the average cost to feed a child a basic nutritious diet *increased* by **R17,49** or **1,9%**. Year-on-year, the average cost to feed a child a basic nutritious diet *increased* by **R67,24** or **7,5%** (See page 6 of April 2024, Household Affordability Index).

In April the annual Child Support Grant increase came into effect, this year the increase is R20, taking the CSG from R510 to R530 per child per month. The annual increases on the Child Support Grant are arbitrary having no relation to projected inflation for the year, nor the cost of raising a child.

National Treasury raised the Child Support Grant by R10 in 2021, R20 in 2022, R30 in 2023, and R20 in 2024. It means that over the past 4 years, the total increase on the Child Support Grant has been **R80**.

In comparison, based on PMBEJD's data on the average cost to feed a child a basic nutritious diet per month over this same period from April 2021 to April 2024, the increase on the cost to feed a child is **R207,61** (R751,77 in April 2021 to R959,38 in April 2024).

In April 2024, the **Child Support Grant** of **R530** is **30%** below the **Food Poverty Line** of **R760**, and **45%** below the average **cost to feed a child a basic nutritious diet (R959,38).**

However, mothers we have spoken with welcomed the R20 increase even though they said it is not enough. The gratitude mothers expressed for the extra R20 brought tears to our eyes; knowing that our expectations of the state are just so low, our situations are so desperate, and mothers carry our future generation with shoulders whose strength defies all logic. R530 a month is not enough for a mother to raise a healthy and happy child in a stable home, nor is it enough to ensure her child is able to make the most of her education and other possibilities that may be available to her as she grows up.

This can be illustrated by some of the conversations we have recently had with mothers about how they spend the Child Support Grant. Mothers with two small children (receiving 2 grants of R530 each, totalling R1 060) tell us that when the grant money comes in, they typically prioritize it as follows: they pay Masingcwabisane (burial insurance for the family), creche fees (for younger children), then they buy groceries: maize meal, rice, cooking oil, washing powder/green bar soap, potatoes, and sugar. At this point, they tell us, it is done: the grant money is finished.

There is no money here for electricity or gas; for eggs and sugar beans and maas and milk (no protein, no calcium, no vitamins, no minerals), no money for tea, no money for vegetables and fruit (no vitamins, no minerals, no fibre); no money for toothpaste, body cream, toilet paper; no money for transporting small children safely to school, no money for underwear, shoes, socks, shirts, dresses and jerseys; no money for crayons, pencils, paper and reading books; no money for taking sick children to the clinic.

The Child Support Grant is such an important intervention. It is well targeted and well used. If increased it has major potential for universal improvements in equity, economic growth, and employment, whilst further offering giant leaps in better education, nutrition and health, social and economic outcomes. Whilst enormous amounts of money are invested in the Child Support Grant programme at a country-level, at the individual child-level, the grant is low and means that the country reaps only a tiny fraction of the monies invested, including foregoing the massive savings down the line from a healthy, well-nourished, stable young populace. Our plea has been to prioritise child nutrition as a political decision – because healthy children whose bodies and minds are properly developed immediately provide stability across all spheres of society and the economy whilst changing the current trajectory of South Africa into one which is able to make full use of the boundless positive possibilities that our new modern world provides.

Workers

The National Minimum Wage is **R27,58** an hour and **R220,64** for an 8-hour day. In April 2024, with 21 working days, the maximum National Minimum Wage for a General Worker is **R4 633,44.** 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 3,8 people**. **Dispersed in a worker's family of 4 persons, the NMW, is R1 158,36 per person – this is below the upper-bound poverty line of R1 558 per person per month.**

The April 2024 average cost of a basic nutritional food basket for a family of four persons is **R3 763,96** (See page 6 of April 2024, 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 **55,8%** of a worker's wage (R2 586,92/R4 633,44). Food is bought after monies for transport and electricity have been paid for or set aside (leaving **R2 046,52** – for food and everything else), and so in April 2024, PMBEJD calculates that workers' families will underspend on food by a minimum of **45,6%** (having **R2 046,52** left over after transport and electricity, and with food costing **R3 763,96**). In this scenario there is no possibility of a worker being able to afford enough nutritious food for her family. If the entire **R2 046,52** all went to buy food, then for a family of **4** persons, we are looking at **R511,63** per person per month. This is below the food poverty line of **R760** (See page 8 of April 2024, Household Affordability Index).

Household domestic and personal hygiene products

The April 2024 *Household Domestic & Personal Hygiene Index* shows an *increase* of **R6,47 (0,6%)** month-on-month. Year-on-year the household domestic and personal hygiene products index *increased* by **R78,93 (8,5%)** bringing the total average cost of basic household domestic and personal hygiene products to **R1 006,91** in April 2024 (See page 5 of April 2024, 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 (2024). **Consumer Price Index March 2024**. Statistical release P0141. 17 April 2024. Statistics South Africa. Pretoria. P4, 7. See Link: https://www.statssa.gov.za/publications/P0141/P0141March2024.pdf

ii STATSSA (2024). **Producer Price Index February 2024**. Statistical release P0142.1. 28 March 2024. Statistics South Africa. Pretoria. P12. See Link: https://www.statssa.gov.za/publications/P01421/P01421February2024.pdf