MEDIA STATEMENT
28 July 2021
For immediate release

Key data July 2021

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Key data July 2021

Please note that the food price data in the July 2021 Household Affordability Index was collected in the first week of July 2021. This was before the unrest which started on the 11th of July 2021 in Pietermaritzburg, Durban, and Johannesburg.

From the 11th of July 2021 most of the supermarkets and butcheries in Durban and Johannesburg were looted, and supply chains to the supermarkets in Pietermaritzburg were severely disrupted. The data in the July 2021 Household Affordability Index for Pietermaritzburg, Durban and Johannesburg will not be reflective of the prices in supermarkets now.

Our next data cycle which starts from the 1st week of August 2021 will reflect the aftermath of the unrest on food prices.

Key data from the July 2021 Household Affordability Index

The July 2021 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 Mtabatuba), Cape Town (Khayelitsha, Gugulethu, Philippi, Langa, Delft and Dunoon), Pietermaritzburg and Springbok (in the Northern Cape), shows that:

- **In July 2021:** The average cost of the Household Food Basket is **R4 137,43**.
- **Month-on-month** (between June 2021 and July 2021): The average cost of the Household Food Basket increased by **R9,20 (0,2%)**.
- **Over the past eleven (11) months** (between September 2020 – when we released our first publication, and July 2021): The average cost of the Household Food Basket increased by **R281,09 (7,3%)**, from R3 856,34 in September 2020 to R4 137,43 in July 2021.

Over the last month we have seen that maize meal, rice, flour, and white sugar have come down. Cooking oil prices continue to be high. Potatoes, onions, and butternut prices increased. As did frozen chicken portions, eggs, and most meats. Bread prices increased marginally.

The Durban (+R31,87), Cape Town (+R51,28) and Pietermaritzburg (+R12,04) Household Food Baskets increased marginally in July 2021, whilst the Johannesburg (-R28,45) and Springbok (-R21,03) Baskets came down marginally. High food prices continue to hurt low-income families and remove nutritious food off the plate whilst making families, particularly women (because women eat last and sacrifice their nutrition for their families) and children (because children need highly nutritious foods to develop properly), more vulnerable to disease.

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<tbody>
<tr>
<td>Joburg</td>
<td>R3 886,87</td>
<td>R4 216,31</td>
<td>R4 187,86</td>
<td>-R28,45</td>
<td>-0,7%</td>
<td>R300,99</td>
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<tr>
<td>Durban</td>
<td>R3 800,59</td>
<td>R4 095,04</td>
<td>R4 126,91</td>
<td>R31,87</td>
<td>0,8%</td>
<td>R263,32</td>
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<tr>
<td>Cape Town</td>
<td>R3 902,48</td>
<td>R4 020,04</td>
<td>R4 071,32</td>
<td>R51,28</td>
<td>1,3%</td>
<td>R168,84</td>
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<tr>
<td>Springbok</td>
<td>R4 061,82</td>
<td>R4 528,57</td>
<td>R4 507,84</td>
<td>-R21,03</td>
<td>-0,5%</td>
<td>R446,02</td>
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<tr>
<td>Pietermaritzburg</td>
<td>R3 678,32</td>
<td>R3 952,63</td>
<td>R3 954,67</td>
<td>R12,04</td>
<td>0,3%</td>
<td>R286,35</td>
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<tr>
<td>Average</td>
<td>R3 856,34</td>
<td>R4 128,23</td>
<td>R4 137,43</td>
<td>R9,20</td>
<td>0,2%</td>
<td>R281,09</td>
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</tbody>
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Statistics South Africa’s Consumer Price Index for Food and Non-alcoholic Beverages was unchanged at 6.7% in June 2021. Headline inflation for this same period is 4.9%. The value of the money we have in our pockets is being eroded by higher levels of inflation on basic goods and services viz. food, electricity, and transport. High inflation levels on food are especially harmful for households living on low incomes as families spend a much higher proportion of their income on food.

**Workers**

Statistics South Africa’s latest Quarterly Labour Force Survey, for Quarter 1: 2021 shows that unemployment levels have increased. The expanded unemployment rate for Black South Africans is 47.9%. Ten million two hundred and ninety-nine thousand (10 299 000) Black South Africans are unemployed. A worker’s wage must now spread further to support 4.3 persons. With baseline wages so low, and the cost of food, electricity, and transport, so high; workers struggle to support their families even at the very basic level required to function, be productive and be healthy.

The National Minimum Wage for a General Worker in July 2021 is R3 817.44. Transport to work and back will cost a worker an average of R1 320 (34.6% of NMW), and electricity an average of R731.50 (19.2% of NMW). Together transport and electricity, both non-negotiable expenses, take up 53.7% (R2 051.50) of the NMW, leaving R1 765.94 to secure all other household expenses. The average cost of the PMBEJD Basic Nutritional Food Basket for a family of four persons in July 2021 is R2 837.70. On this data, if all the remaining money after transport and electricity went to food, families will still have a food shortfall of 37.8% (-R1 071.76).

**Note that the price of electricity went up by 14.59% in Pietermaritzburg, Durban and Johannesburg and 13.4% in Cape Town on the 1st of July. In Pietermaritzburg, workers are now paying R84 more for electricity than we did in June. The NMW increase of 4.5% resulted in a total monthly wage increase of R163.68 (on a 22-day working day month). The massive electricity hikes have eroded 51% of the NMW annual incremental increase implemented from the 1st of March 2021.**

In addition to the electricity hikes, between March 2021 and July 2021 the average household food basket increased by R97.87. Annual transport fare hikes have not yet come in.

We have made several calls over the past few years to the National Minimum Wage Commission and the Department of Employment and Labour, that the determinations of the annual NMW increase must be forward looking and consider the projected annual increases on electricity, food, and transport for the year ahead to avoid exactly what has again happened – the erosion of the value of the NMW by massive spikes in the three core worker expenses of electricity, transport, and food. The insufficient annual increase on the NMW means that workers are poorer this year than they were last year.

**Women and children**

In July 2021, the average cost to feed a child a basic nutritious diet cost R723.71. The Child Support Grant of R460 a month is 21% below the food poverty line of R585 per capita and a further 36% below the July 2021 cost of R723.71 to feed a child a basic nutritious diet.

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