**MEDIA STATEMENT**

27 October 2021

For immediate release

Food Prices set to rise into 2022

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**Times are tough. Times are going to get tougher. Food prices rise again.**

The average Household Food Basket increased by R98,08 (2,3%) month-on-month, and R400,83 (10,2%) year-on-year. In October 2021, the average Household Food Basket costs R4 317,56. The rise in food prices in October is in line with our predictions and are set to continue into 2022.

The massive electricity tariff hike of ±14.59% effected in June and July 2021, had to result in price hikes of goods and services down the line. These increases are now reflecting in higher food prices on supermarket shelves.

October further typically sees higher vegetable prices (specifically potatoes, butternut, and tomatoes) due to seasonal changes: potatoes, for example have been harvested in the Free State and Limpopo (unfavourable weather conditions resulted in lower yields), and the next crop in KZN will be ready from December. We are also seeing some anomalies in food prices across areas, with a spike in maize meal prices in parts of Joburg and Cape Town (South Africa has a bumper maize crop this year), including higher milk, amasi and egg prices, higher poultry and meat prices, and bread prices in some areas. Cape Town saw a surge in prices this month of R174,49 (4,2%) month-on-month. Cape Town prices have tended to be moderate over the past year, October has seen a shift which brings the total cost of the basket (R4 280,67) more in line with Joburg (R4 305,69) and Durban (R4 327,06) prices.

Rising food prices, which are likely to continue into 2022, will put severe pressure on households whose incomes remain low through low baseline wages and low-level social grants and whilst jobs remain elusive. Monthly food expenses take up a large portion of income. Higher food prices, together with higher electricity prices and taxi fare hikes, are putting enormous pressure on the household purse and the family plate.

The cost of the household food basket is very high and families can’t afford it. We remain in an emergency food crisis, and this crisis is set to deepen. Our problem is not only that we are going hungry but what is on our plate when there is food. The higher cost of foods has emptied out the trollies of any nutritional diversity. Women tell us that “whatever we have got; we eat, it doesn’t matter anymore as long as we can eat it.” White starches, and sugar, and salt and oil fill our plates – but in time, our children’s bellies cry out for good quality meat protein, sugar beans, and dairy and eggs, calcium, vegetables and fruits, and vitamins, minerals, and fibre. We will pay a very high price for not making proper nutritious food for our children a key political priority.

Projections for the next several months, based on past data, and current factors suggest food prices will rise through to 2022.

- The higher electricity tariffs, including the additional costs of sourcing back up supplies amid loadshedding, load reduction and black outs, will increase the cost of production, transport, and storage.
- The forthcoming fuel price increases in November will run through the value chains making agricultural production and transport more expensive.
- The escalating crude oil price which is predicted to continue its surge will not only increase fuel prices but will increase the cost of many inputs into agriculture, processing, and packaging (crude oil is a core component in fertilizers and pesticides, plastics, and packaging). If the ZAR weakens, these costs will increase further.
- South Africa’s railway system in many parts of the country is crumbling, and more of our goods and services are being transported by road, and therefore require fuel. Pressure on our highways will increase adding longer travel times on the road (this adds to the cost of fuel and cold storage, amongst others). The heavier traffic and heavier cargo further result in a deterioration of road surfaces and will require more maintenance, again longer time on the road, including damage to vehicles.
- More incidences of civil unrest and disruptions of major highways and logistics in general must be a factor in our future, given the upcoming elections, the period thereafter, and the general desperation and frustration of so many of our people.
- Finally, we are moving into the festive season, where retailers typically hike their prices.

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Key data from the October 2021 Household Affordability Index
The October 2021 Household Affordability Index, which tracks food price data from 44 supermarkets and 30 butchers, in Johannesburg (Soweto, Alexandra, Tembisa and Hillbrow), Durban (KwaMashu, Umlazi, Isipingo, Durban CBD and Mtubatuba), Cape Town (Khayelitsha, Gugulethu, Philippi, Langa, Delft and Dunoon), Pietermaritzburg and Springbok (in the Northern Cape), shows that:

- **In October 2021:** The average cost of the Household Food Basket is **R4 317.56**
- **Month-on-month:** The average cost of the Household Food Basket increased by **R98.08 (2.3%)**, from R4 219.48 in September 2021 to R4 317.56 in October 2021.
- **Year-on-year:** The average cost of the Household Food Basket increased by **R400.83 (10.2%)**, from R3 916.72 in October 2020 to R4 317.56 in October 2021.

Statistics South Africa’s latest Consumer Price Index for September 2021 shows that Headline Inflation is 5%, and for the lowest expenditure quintiles 1-3, it is 6.6%, 6.1% and 5.4% respectively. CPI Food inflation is 7%. The Producer Price Index for August 2021 shows that agricultural, forestry and fishing was 8.6%.

In October 2021, all household food baskets increased. Cape Town which has tended to be reasonably moderate over the past year, spiked in October by R174.49 or 4.2%, and now shows a similar year-on-year trend as all other areas. Pietermaritzburg also spiked by R111.58 or 2.7% (this off the back of the July unrest which saw the basket move above R4 000 a month). Joburg and Durban also increased, similarly off the back of massive spikes in August 2021. Springbok, whilst its price increases are more moderate, continues to climb.

Table 1: Household Food Baskets showing year-on-year and month-on-month.

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<tbody>
<tr>
<td>Joburg</td>
<td>R3 969.41</td>
<td>R4 242.53</td>
<td>R4 305.69</td>
<td>R63.16</td>
<td>1.5%</td>
<td>R336.28</td>
<td>8.5%</td>
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<tr>
<td>Durban</td>
<td>R3 907.62</td>
<td>R4 270.96</td>
<td>R4 327.06</td>
<td>R56.10</td>
<td>1.3%</td>
<td>R419.44</td>
<td>10.7%</td>
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<tr>
<td>Cape Town</td>
<td>R3 920.86</td>
<td>R4 106.18</td>
<td>R4 280.67</td>
<td>R174.49</td>
<td>4.2%</td>
<td>R359.81</td>
<td>9.2%</td>
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<tr>
<td>Springbok</td>
<td>R4 034.53</td>
<td>R4 595.13</td>
<td>R4 628.01</td>
<td>R32.88</td>
<td>0.7%</td>
<td>R593.48</td>
<td>14.7%</td>
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<tr>
<td>Pietermaritzburg</td>
<td>R3 709.92</td>
<td>R4 073.30</td>
<td>R4 189.88</td>
<td>R111.58</td>
<td>2.7%</td>
<td>R479.96</td>
<td>12.9%</td>
</tr>
<tr>
<td>Average</td>
<td>R3 916.72</td>
<td>R4 219.48</td>
<td>R4 317.56</td>
<td>R98.08</td>
<td>2.3%</td>
<td>R400.84</td>
<td>10.2%</td>
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Figure 1: Household Food Baskets over the past year (October 2020 to October 2021).
What foods have gone up month-on-month?
The foods that are driving the average household food basket upwards include:

- Potatoes (up 41% or R34,07, with total cost of R116,92 for 10kg)
- Butternut (up 56% or R46,86, with total cost of R131,24 for 10kg)
- Tomatoes (up 27% or R21,84, with total cost of R103,81 for 6kg)
- Maize meal (up 4% or R10,53, with total cost of R248,55 for 30kg)
- Full cream milk (up 4% or R3,24, with total cost of R81,01 for 6L)
- Wors (up 4% or R4,45, with total cost of R125,11 for 2kg)
- Chicken livers (up 4% or R2,35, with total cost of R62,38 for 2kg)
- Canned beans (up 4% or R2,38, with total cost of R69,50 for 6 x 410g cans)

High increases on potatoes are a problem because potatoes are a key staple food, potatoes also provide substance in meal preparation. Women tell us that the quality of potatoes either in supermarkets or from street vendors are extremely poor. They are old and hard and dry and small and generally terrible. Potatoes on the streets however are much cheaper, so, women still buy them and hope for the best.

Women tell us that at the wildly expensive price of butternut right now, it is unlikely to be bought. Instead of butternut, carrots are well priced now, so women make do with carrots.

Tomatoes are very expensive but they are also key to giving flavour to meals. Women tell us they don’t buy tomatoes to keep, they just buy 3 or 4 tomatoes either in the supermarket or from local vendors, for meals that day and the next day. Because the food on our plates is so devoid of any difference and very bland, tomatoes at least add some taste. Tomatoes, with onions and carrots, and potatoes are also important because the chicken portions women buy are said to be so dreadful and tasteless that you must cook chicken with vegetables.

The higher maize meal price worries women because every family must buy maize meal. Maize meal must be in the home. Most families now eat maize meal from Monday to Sunday. Women deal with higher prices by buying cheaper brands, and smaller volumes (which they buy more frequently whenever money becomes available). Women say that buying like this makes them anxious, because without maize there is nothing in the home.

Wors is an important item in the home as it can be chopped up and is heavily spiced and fatty, so it tastes meaty (even though protein levels are low). Typically, wors will be looked for at cheaper prices over several stores, as families crave at least a trick of a meat-taste. But we are hearing that some families are forgoing wors and instead buy beef liver and chicken liver (this too is expensive though). Chicken livers are incredibly nutritious, full of Vitamin A and Iron, mothers will try and find it at a good price for their children, especially if there is now less meat on the plate. The innards of chicken and feet, gizzards, necks etc. used to be cheap. They are no longer cheap. For example, on our October data: 1kg chicken portions is R34.83/kg, 1kg chicken feet is R35.53/kg, 1kg chicken gizzards is R39.59/kg and 1kg chicken livers is R31.19/kg. Innards however are more likely to taste like what people remember chicken to taste like. Chicken innards prices over the past year have spiked massively (between 8 and 23%).

Canned foods tend to be the go-to, at the end of the month, we are being told that some families, if they can pick these foods up more cheaply, are using them to make up for the shortfall in meat. Canned beans can be found on specials, so women will look for these.

Currently the price of carrots, cabbage, and spinach is alright. Women also tell us that if there are local street vendors, that these vegetables and other fruits are bought on the street. The quality is good. The foods are fresh. And women can buy in smaller quantities.

The higher cost of foods means that women spend most of their purse on the core foods which are needed to keep hunger at bay and prepare meals. There has been a distinct drop in the diversity on the plate. Again, if local street vendors are close by, women cope much better, and can put some colour on the plate. Good quality affordable protein however, in the form of chicken, beef, fish, eggs and milk and amasi are becoming
harder to secure. The price of 5kg sugar beans has increased by 36% or R44,69 over the past year, with a total cost of R169,62. This hike in sugar beans, once a very affordable and still critical source of protein, is no longer a staple in the diets of most South Africans. This is a real nutritional problem. Women tell us that you hardly see sugar beans in women’s trollies anymore.

Marginal increases of 2% were recorded on:
- Sugar beans
- Stock cubes
- Soup
- Tea
- Amasi
- Bananas
- Apples
- Margarine
- Polony

The drivers of the higher food prices in October 2021 are that the massive electricity tariff hikes of June and July 2021 of ±14,59% are firmly in the food value chains. Loadshedding, load reductions and random blackouts further add costs onto goods and services because alternative energy infrastructure is expensive, as is its inputs. Fuel prices continue rising.

October further ushers in a new season, and many of our South African grown cereals and vegetables have already been harvested or are in the ground, waiting to be harvested in the Summer. Whilst the food price data of October 2021 has jumped, the future going into the Christmas period, along with the rise in food value chain costs and various local and international crises, suggests that tougher times are coming. *This is all very interesting to know, but the problem is that for most South African households, their capabilities to absorb any further pressure with very little in the way of substantial support, or a job on the horizon, may not be withstood.*

The year-on-year inflation on the average Household Food Basket is now inching above 10% and is R400 more expensive than it was this time last year. The Household Food Basket, which is not nutritionally complete, in October 2021 stands at R4 317,56. This is well beyond what most South African workers earn, and certainly much higher than the money that would be available to be allocated to secure food, after transport to work and back (taxi fares have now increased), electricity (and all the alternative costs due to loadshedding, reductions and black outs), safe scholar transport, burial insurance, and debt repayments have been made.

Our calculations for a worker employed full-time at the National Minimum Wage rate (R21,69 per hour or R3 643,92 per month), shows that after transport and electricity have been secured (at an average total of R2 075,50: R1 344 to transport and R731,50 to electricity), a workers family is only left with R1 568,42. If all this money were to be directed to secure food (and it cannot possibly be) then in a typical Black South African family of 4,3 persons, with only one person bringing in a wage, and using a reductive calculation, each person would be allocated R364,75 for food for the entire month. *See page 8 of October 2021 Household Affordability Index.*

The newly updated Food Poverty Line is valued at R624 per capita. At R364,75 per person per month, this figure is lower than even PMBEJD’s lowest calculations of how much it costs to provide a basic but nutritious diet for a child aged between 3-9 years, which in October stands at R655,18. Millions of workers in South Africa do not earn enough even to secure their own and their family’s wholly insufficient food intake, it being nearly half the food poverty line and further below even the monthly cost to feed a small child. Imagine.

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