

Key data from the March 2022 Household Affordability Index

The March 2022 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 Mtubatuba), Cape Town (Khayelitsha, Gugulethu, Philippi, Langa, Delft and Dunoon), Pietermaritzburg and Springbok (in the Northern Cape), shows that:

- **In March 2022:** The average cost of the Household Food Basket is **R4 450,09**.
- **Month-on-month:** The average cost of the Household Food Basket **increased** by **R94,39 (2,2%)**, from R4 355,70 in February 2022 to R4 450,09 in March 2022.
- **Year-on-year:** The average cost of the Household Food Basket **increased** by **R410,53 (10,2%)**, from R4 039,56 in March 2021 to R4 450,09 in March 2022.

Food baskets increased in all areas tracked. 33/44 foods increased in price. The significant increases are cake flour, cooking oil, eggs, tea, and bread. Also including maize meal, rice, white sugar.

The Joburg basket increased by R86,64 (2%), and R430,00 (10,6%) year-on-year.

The Durban basket increased by R16,22 (0,4%) and R366,30 (9%) year-on-year.

The Cape Town basket increased by R151,38 (3,6%) and R394,08 (10%) year-on-year.

The Springbok basket increased by R163,87 (3,6%) and R496,22 (11,7%) year-on-year.

The Pietermaritzburg basket increased by R51,95 (1,2%) and R396,62 (10,3%) year-on-year.

The surge in the Brent crude oil price (which is an input in everything from the farm to the plate), including the higher costs of wheat, sunflower oil and other foods and agricultural inputs which South Africa imports, will drive prices upwards as the conflict in the Ukraine continues. Bread is a staple food in South Africa. PMBEJD tracks prices in the first week of the month, the conflict in the Ukraine has escalated since we collected prices.

The outlook for food prices specifically related to the higher Brent crude oil price and wheat, and other grains and cereals and legumes and oil; including higher fuel and the higher forthcoming electricity price tariffs, is likely to be very severe for South Africa.

Statistics South Africa's latest Consumer Price Index for February 2022ⁱ shows that **Headline inflation was 5,7%**, and for the **lowest expenditure quintiles 1-3, it is 7%, 6,6% and 5,8%** respectively. **CPI Food inflation was 6,7%**.

Workers

In March 2022, government chose to increase the National Minimum Wage by **R1,50 an hour** (from R21,69 an hour to R23,19 an hour), **R12 a day**, and **R264 per month** (based on a 22-day working month). This increment in the light of the difficulties coming this year is unlikely to ease the suffering of workers, instead it is likely to deepen it. Transport fares, electricity and food and other essential domestic hygiene products are projected to increase well beyond the annual wage increment.

In March 2022, the maximum National Minimum Wage for a General Worker is **R4 081.44**. Transport to work and back will cost a worker an average of R1 408,00. Electricity will cost a worker an average of R731,50. A basket of basic but nutritious food will cost a worker R3 092,25. Together these three core expenses come to **R5 231,75**.

Because food is bought after monies for transport and electricity have been paid for or set aside, in March 2022, PMBEJD calculates that workers' families will underspend on food by a minimum of 37,2% this month (See pages 7 and 8 of March 2022, Household Affordability Index). This underspend comes after the new NMW increment has been implemented and before the impact of much higher fuel prices, food prices and the new electricity tariff of July will all come crashing down on workers. R1,50 extra an hour is the buffer government has

provided to the millions of South African workers who use their wage to provide not only for their own families but (and we should bend our knees and be grateful) the millions of people (our brothers and our sisters) that are unemployed. It will take but a short time for this buffer to be eviscerated. In this context we are all likely in for a very tough year.

Women and children

In March 2022, the average cost to feed a child a basic nutritious diet was **R787,99**. **Year-on-year**, the cost to feed a child a basic nutritious diet has **increased by R65 or 9%**.

In March 2022, **the Child Support Grant of R460 is 26% below the Food Poverty Line of R624**, and **42% below the average cost to feed a child a basic nutritious diet of R787,99**.

In its annual adjustments, Government chose to increase the Child Support Grant by **R20** from April 2022. **This is an increase of 4,3%. This increment has not yet come into effect, it will be implemented from April. Over the last month, between February and March, the cost to feed a child increased by R16,04.**

The R20, when implemented in April, will move **the Child Support Grant of R480 from 26% below the Food Poverty Line of R624, to 23% below the Food Poverty Line**. With the projected rising food costs coming, it is likely that child food poverty, under nutrition, stunting, poor cognitive and physical growth, illness and poor health, inability to concentrate at school, struggles to function and adjust in society, will all worsen.

ⁱ STATSSA (2022). **Consumer Price Index February 2022**. Statistical release P0141. 23 March 2022. Statistics South Africa. Pretoria. P5 and 8. See Link: <http://www.statssa.gov.za/publications/P0141/P0141February2022.pdf>