



### **Key data from the March 2024 Household Affordability Index**

The March 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 March 2024:** The average cost of the Household Food Basket is **R5 277,93**.
- **Month-on-month:** The average cost of the Household Food Basket **increased** by **R0,63 (0,0%)**, from R5 277,30 in February 2024 to R5 277,93 in March 2024.
- **Year-on-year:** The average cost of the Household Food Basket **increased** by **R311,72 (6,3%)**, from R4 966,20 in March 2023 to R5 277,93 in March 2024.

### **Food pricing trends in March 2024.**

March price data shows a marginal increase in the total cost of the average household food basket. 28 foods increased, and 16 foods decreased in March. All baskets fluctuated quite unpredictably this month.

**Foods in the basket which increased by 5% or more** in March 2024 include: curry powder (6%), chicken feet (6%), *inyama yangaphakathi* [beef tripe] (6%), fish (8%), tomatoes (12%), and cabbage (12%).

**Foods in the basket which increased by 2% or more** in March 2024 include: rice (3%), sugar beans (4%), samp (2%), stock cubes (3%), tea (3%), chicken gizzards (3%), chicken livers (2%), green pepper (2%), *cremora* (3%), canned beans (2%), peanut butter (3%), and brown bread (3%).

**Foods in the basket which decreased in price in March 2024, by 5% or more**, include: carrots (-7%), butternut (-20%), apples (-6%), and oranges (-22%).

**Foods in the basket which decreased in price in March 2024, by 2% or more**, include: potatoes (-4%), beef liver (-2%), spinach (-4%), and white bread (-2%). See page 2 of March 2024, Household Affordability Index.

### **Inflation on the food baskets per area tracked.**

In March 2024, food baskets increased by small amounts in Joburg, and Cape Town, and by a very high amount in Springbok. Food baskets decreased marginally in the KwaZulu-Natal areas of Durban, Pietermaritzburg, and Mtubatuba.

The Joburg basket **increased** by R29,76 (0,6%) month-on-month, and **increased** by R367,07 (7,3%) year-on-year, to **R5 387,28** in March 2024.

The Durban basket **decreased** by R18,83 (-0,4%) month-on-month, and **increased** by R372,71 (7,7%) year-on-year, to **R5 244,11** in March 2024.

The Cape Town basket **increased** by R47,55 (0,9%) month-on-month, and **increased** by R230,83 (4,7%) year-on-year, to **R5 158,61** in March 2024.

The Springbok basket **increased** by R288,84 (5,2%) month-on-month, and **increased** by R432,71 (8,0%) year-on-year, to **R5 862,74** in March 2024.

The Maritzburg basket **decreased** by R1,91 (-0,0%) month-on-month, and **increased** by R229,78 (4,7%) year-on-year, to **R5 122,13** in March 2024.

The Mtubatuba basket **decreased** by R12,34 (-0,2%) month-on-month, and **increased** by R225,50 (4,4%) year-on-year, to **R5 375,88** in March 2024.

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

### **Statistics South Africa's latest Consumer Price Index.**

Statistics South Africa's latest *Consumer Price Index* for February 2024<sup>i</sup> shows that **Headline inflation was 5,6%**, and for the **lowest expenditure quintiles 1-3 it is 6,9%, 6,4%, and 5,9%** respectively. **CPI Food inflation was 6,0%** (for CPI Food & NAB it was 6,1%, we use the figure excluding non-alcoholic beverages). STATS SA's *Producer Price Index* for January 2024<sup>ii</sup> shows **agriculture was 6,5%**. (The February 2024 PPI's expected release date is the 28th of March 2024).

### **Workers**

The National Minimum Wage is **R27,58** an hour and **R220,64** for an 8-hour day. In March 2024, with 19 working days, the maximum National Minimum Wage for a General Worker is **R4 192,16**. 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 reduced to R1 048,04 per person – this is below the upper-bound poverty line of R1 558 per person per month.**

The March 2024 cost of a basic nutritional food basket for a family of four persons is **R3 694,62** (See page 6 of March 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 **57,9%** of a worker's wage (R2 426,92/R4 192,16). Food is bought after monies for transport and electricity have been paid for or set aside (leaving only **R1 765,24** – for food and everything else), and so in March 2024, PMBEJD calculates that workers' families will **underspend on food by a minimum of 52,2% (having R1 765,24 left after transport and electricity, and with food costing R3 694,62). In this scenario there is no possibility of a worker being able to afford enough nutritious food for her family. If the entire R1 765,24 all went to buy food, then for a family of 4 persons, we are looking at R441,31 per person per month. This is below the food poverty line of R760** (See page 8 of March 2024, *Household Affordability Index*).

### **Comments on the new National Minimum Wage**

The new National Minimum Wage, which took effect on the 1<sup>st</sup> of March 2024 is **R27,58 per hour**. The **daily rate is R220,64**, and if the full-working day month at an average of 21 days is worked, the new **monthly rate is R4 633,44**. **This is an 8,5% or R2,16 increase per hour (from the previous R25,42)**. If a worker works an 8-hour day, the increase is R17,28; and if the full working-day month at an average 21 days is worked, the monthly rate is increased by R362,88.

**The 8,5% increase on the NMW this year is unlikely to cover inflation on workers expenses this year.** Our forecast this year is that workers expenses are likely to increase by 9,8%, which because expenses are higher than the NMW, would have required a 13,7% increase on the NMW. Whilst worker expenses are likely to increase by R586,02 per month, the new NMW adjustment offers workers an extra R362,88 per month, 38% less than our inflation forecast. It means that again workers will face a deficit in their wages just in terms of absorbing inflation. Moreover, the 8,5% increase does nothing to close the gap between the low wage (at an average of R4 633,44 for a full working-day month), and the actual monthly cost of the 3 core worker expenses of transport, electricity, and food for a family of 4 persons (R6 572,66).<sup>iii</sup>

*Annual adjustments on the NMW require both an inflationary-linked increase plus an additional increase to move the NMW closer to the real cost of worker expenses. Because this is not happening, the NMW runs the risk of going the same way as the Old Age Grant, Child Support Grant, and Special Relief of Distress Grant – a wage with no connection to reality, no connection to its purpose, and with annual increases becoming increasingly abstract and meaningless.*

*For workers who work to support their families on their wage, every year the NMW becomes increasingly oppressive. We are working but we are just not getting anywhere. It is excruciating frustrating, but it also carries substantial risks for our health and wellbeing, increased indebtedness, social dissent, and economic depression. It is estimated that 3,8 million workers are paid at the level of the NMW, of whom nearly 500 000 workers are part-time. Together NMW workers make up more than a fifth of our employed workforce – the types of jobs these workers are employed to do provide the foundation on which our society and economy is built. Future adjustments to the NMW must be very carefully thought through.*

### **Women and children**

In March 2024, the average cost to feed a child a basic nutritious diet was **R941,89**. Over the past month, the average cost to feed a child a basic nutritious diet **increased** by **R3,64** or **0,4%**. Year-on-year, the average cost to feed a child a basic nutritious diet **increased** by **R67,18** or **7,7%** (See page 6 of March 2024, Household Affordability Index).

In March 2024, the **Child Support Grant** of **R510** is **33%** below the **Food Poverty Line** of **R760**, and **46%** below the average **cost to feed a child a basic nutritious diet (R941,89)**.

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

The March 2024 *Household Domestic & Personal Hygiene Index* shows a **decrease** of **R22,27 (-2,2%)** month-on-month. Year-on-year the household domestic and personal hygiene products index **increased** by **R78,64 (8,5%)** bringing the total average cost of basic household domestic and personal hygiene products to **R1 000,44** in March 2024 (See page 5 of March 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.*

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<sup>i</sup> STATSSA (2024). **Consumer Price Index February 2024**. Statistical release P0141. 20 March 2024. Statistics South Africa. Pretoria. P4, 7. See Link: <https://www.statssa.gov.za/publications/P0141/P0141February2024.pdf>

<sup>ii</sup> STATSSA (2024). **Producer Price Index January 2024**. Statistical release P0142.1. 29 February 2024. Statistics South Africa. Pretoria. P12. See Link: <https://www.statssa.gov.za/publications/P01421/P01421January2024.pdf>

<sup>iii</sup> Calculations and more detail, accessed here: [https://pmbejd.org.za/wp-content/uploads/2024/01/PMBEJD-submission-to-The-NMW-Commission-on-the-2024-NMW-adjustment\\_08012024.pdf](https://pmbejd.org.za/wp-content/uploads/2024/01/PMBEJD-submission-to-The-NMW-Commission-on-the-2024-NMW-adjustment_08012024.pdf)