

Project update: The Basic Needs Basket



No end in sight for the poor and marginalised: Basic Needs Basket indicates

The Basic Needs Basket (BNB) is a monthly survey that tracks the cost of 38 food and non-food items across nine provinces in South Africa. The food and non-food items comprise the minimum basket of goods that are commonly purchased by households and reflect the lived realities for households in South Africa. The selected tracked food and non-food prices are building on the Household Expenditure Survey (HES), undertaken in 2011-2012 by SPII with the support of Statistics South Africa in Evaton, South Africa. In that HES, each household would provide the purchased products in the household every month and these food and non-food prices were further explored through focus-group discussions in Alexandra Township (Gauteng), Ngove (Limpopo) and Evaton (Gauteng) in 2014 with different groups, including youth, women and the elderly. SPII in partnership with the Association of Community-Based Advice Offices of South Africa (ACAOSA) have 18 dedicated fieldworkers across the nine provinces that collect data on the 38 identified food and non-food prices every month. There are two data points in each province, in an urban¹ and rural² setting.

¹ These include Pick n Pay, Shoprite and Spar.

² These include local spaza shops and local supermarkets outside the big retailers such as Pick n Pay, Shoprite and Spar.



Pictured: The BNB team, which includes the SPII Research Team and 18 dedicated fieldworkers from the Association of Community-Based Advice Offices of South Africa (ACAOSA)

A 2015 report by SPII titled *The Right to Food in South Africa in South Africa: An analysis of the content, policy effort, resource allocation and enjoyment of the constitutional right to food* concluded the following with regard to access to food in South Africa: 'Despite widespread hunger and food insecurity, there has not been a sufficient coordinated policy effort by government to end hunger and ensure the right to food. (2) The right to food is the only socioeconomic right for which framework legislation has not been enacted by government since the Constitution entered into force in 1996. (3) Policies that do exist have suffered from an accountability deficit and an implementation process that has failed to match government's commitment to address food security, especially in terms of scope, coordination and high level support'.

We have a concentrated system in our food value chain, we have small farmers struggling to sell products and consumers struggling to afford the food (SPII, 2015).

Highlights from the BNB:

- Price increases were experienced for most products that fall under the cereals/starch, toiletries/hygiene, and meat/fish/poultry/protein product groups between January and March 2015 despite having experienced a period of significant fuel decreases in the last quarter of 2014. These three product groups account for 52% of the BNB price monitored products.
- Within cereals/starch products (mealie-samp (2.5kg); rice (2kg) and white bread (700g)) prices remained relatively stable over the review period, with maize meal (5kg) experiencing a 2% price increase during this time.
- Vegetables/fruits continued to experience decline in prices during this period, partly attributed to the oversupply of most of these perishables during the summer season/rainy season of the majority of South African provinces. Overall, we note that within the majority of the nine provinces, the total BNB costs were higher in rural areas in comparison to urban areas. The fact that the majority of the poor remain in rural areas makes their plight worse by the higher prices experienced in these areas.
- The most expensive areas – taking into account the quarterly average cost – were Limpopo (L) Urban, followed by Limpopo (L) Rural, Free State (FS) Urban³ and Eastern Cape (EC)⁴ Rural. The total average cost of the BNB in each of these provinces ranges from a high of R925 to a lower R891.

According to Statistics South Africa, there was an increase in the number of people who did not have adequate food. The number of people without access to enough food in South Africa rose from 13.8 million in 2013 to 14.1 million in 2014. The Consumer Price Index (CPI), released by Statistics South Africa (2015) states that the 'the food and non-alcoholic beverages index increased by 0, 9% between December 2014 and January 2015. The annual rate decreased to 6, 5% in January 2015 from 7, 2% in December 2014. The following components in the food and non-alcoholic beverages index increased: other food (2,0%), cold beverages (1,7%), fish (1,5%), meat (1,4%), sugar, sweets and desserts (1,0%), oils and fats (0,7%), hot beverages (0,6%), bread and cereals (0,5%), milk, eggs and cheese (0,2%) and vegetables (0,1%). The following component decreased: fruit (-1, 0%)".

Proponents against the use of the CPI as an indicator have often noted argued that indicator is skewed due to the levels of inequality and that it tracks the impact of food price inflation on the middle class. SPII's BNB aims to produce data on what a poor South African household would purchase on a month-to-month basis, and it does not track the nutritional value of the products in SPII's BNB nor is it weighted. CPI basket of goods and their associated expenditure are updated annually and weighted annually. This process avoids potential biases that might arise over time, such as the development of new goods and services or the tendency of for

³ Free State (FS) Urban located Kroonstad CBD.

⁴ Limpopo (L) Rural located Kopermyn (Ga-maja Village).

consumers to move away from buying goods and services which have risen relatively in price. However, the basket provides the prices that people around the country experience on a month to month basis, and aims to give a voice to those who spend half their income on food. The reliance on social grants increase as food prices increase and social grants' increase is not keeping up with the food price increase.

Amid the decrease in the standard of living for many poor and marginalised South Africans lies the policy challenge for policy makers with regard to the rising cost of living, unemployment and income inequality. As noted in the 2015 Food Report, there are implications for the adequacy of food supply in terms of nutrition for poor households. This has been acknowledged and the school nutrition programme which is aiming to extend meals to breakfast, weekends and school holidays is a welcome relief. Key questions that policy makers have to consider and answer include:

- issues of distribution of resources in the country, including land
- the National Minimum wage vs Youth Subsidy debate
- the call for universal basic income grant, a direct cash transfer with the purpose of providing increased social protection for the most vulnerable groups in society.

Table: National Averages of tracked food and non-food items across the nine provinces

FOOD ITEMS	Quantity of items tracked	January (2015)	February (2015)	March (2015)	April (2015)	May (2015)	June (2015)
Brown bread	700g	R 9,62	R 9,61 ↓	R 9,73 ↑	R 9,60 ↓	R 9,44 ↓	R 9,33 ↓
Poultry products (chicken portions)	2 (KG)	R 44,76	R 46,19 ↓	R 45,28 ↑	R 46,76 ↑	R 46,22 ↓	R 46,05 ↓
White bread	700g	R 10,75	R 10,72 ↓	R 10,83 ↑	R 10,95 ↑	R 10,41 ↓	R 10,25 ↓
Maize meal	5 (KG)	R 36,01	R 33,63 ↑	R 35,61 ↓	R 39,06 ↓	R 41,82 ↑	R 36,98 ↓
Tomatoes	1 (KG)	R 12,53	R 13,75 ↑	R 13,52 ↓	R 12,46 ↓	R 13,12 ↑	R 12,06 ↓
Beef and Veal	1 (KG)	R 41,76	R 41,03 ↓	R 45,37 ↑	R 46,37 ↑	R 45,81 ↓	R 45,12 ↓
Cabbage fresh	1 Head	R 11,76	R 11,40 ↓	R 11,28 ↓	R 12,01 ↑	R 11,79 ↓	R 11,91 ↓
Fresh full cream milk	1 Litre	R 14,28	R 13,43 ↓	R 13,07 ↓	R 14,59 ↑	R 13,78 ↓	R 14,40 ↓
Potatoes	1 (KG)	R 11,39	R 16,52 ↓	R 14,27 ↓	R 11,99 ↓	R 13,31 ↑	R 11,87 ↓
Maas	2 (KG)	R 24,10	R 23,57 ↓	R 22,48 ↓	R 23,77 ↑	R 23,01 ↓	R 24,32 ↑
Cooking oil	2 Litre	R 33,38	R 33,20 ↓	R 34,09 ↑	R 30,95 ↓	R 29,69 ↓	R 29,43 ↓
Mixed vegetables	2 Litre	R 26,96	R 27,01 ↑	R 27,89 ↑	R 27,50 ↓	R 29,42 ↑	R 29,43 ↑
Rice	2 (KG)	R 20,92	R 21,77 ↑	R 20,84 ↓	R 26,70 ↑	R 21,86 ↓	R 29,55 ↑
White sugar	2.5 (KG)	R 26,49	R 14,02 ↓	R 27,52 ↑	R 26,72 ↓	R 28,58 ↑	R 24,13 ↓
Large eggs	6 Dozen	R 9,25	R 15,55 ↑	R 10,35 ↓	R 11,08 ↑	R 15,55 ↑	R 29,64 ↑
Canned pilchards	400g	R 15,72	R 8,72 ↓	R 16,07 ↑	R 16,02 ↓	R 15,55 ↓	R 9,42 ↓
Onions	1 (KG)	R 7,93	R 6,33 ↓	R 8,77 ↑	R 9,33 ↑	R 9,36 ↑	R 15,65 ↑
Salt	0.5 (KG)	R 6,17	R 18,18 ↑	R 6,60 ↓	R 7,00 ↑	R 6,30 ↓	R 6,32 ↑
Tagless Teabags	0.1 (KG)	R 15,45	R 18,15 ↑	R 16,63 ↓	R 19,52 ↑	R 17,63 ↓	R 16,58 ↓
Apples	1.5 (KG)	R 19,14	R 8,63 ↓	R 19,57 ↑	R 16,94 ↓	R 16,49 ↓	R 16,40 ↓
Baked beans	410 (g)	R 8,41	R 8,63 ↑	R 8,27 ↓	R 8,86 ↑	R 8,55 ↑	R 8,84 ↑
Margarine spread	0.5 (KG)	R 20,39	R 20,12 ↓	R 18,88 ↓	R 19,50 ↑	R 18,99 ↓	R 18,34 ↓
Mayonnaise	0.75 (KG)	R 20,26	R 20,53 ↑	R 20,59 ↑	R 20,83 ↑	R 20,01 ↓	R 20,64 ↑
Bread flour	10 (KG)	R 79,80	R 74,85 ↓	R 83,57 ↑	R 85,16 ↑	R 82,06 ↓	R 83,49 ↑
Instant yeast	200 (g)	R 8,74	R 8,64 ↓	R 8,56 ↓	R 9,92 ↑	R 10,23 ↑	R 4,23 ↓
Sugar beans	500 (g)	R 12,67	R 16,09 ↑	R 16,31 ↑	R 24,92 ↑	R 15,85 ↓	R 17,97 ↑
Mealie-samp	2.5 (KG)	R 16,67	R 16,75 ↑	R 20,48 ↓	R 22,90 ↑	R 18,65 ↓	R 20,01 ↑
Coffee	250 (g)	R 26,89	R 29,39 ↓	R 28,88 ↓	R 28,65 ↓	R 28,60 ↓	R 26,90 ↑

Juice	2 Litre	R 20,11	R 22,13 ↑	R 20,48 ↓	R 20,28 ↓	R 20,84 ↑	R 21,39 ↑
NON-FOOD ITEMS							
Washing powder	2 (KG)	R 41,09	R 41,70 ↑	R 44,74 ↑	R 43,09 ↓	R 42,51 ↓	R 41,99 ↓
Toothpaste	100 (g)	R 8,75	R 9,47 ↑	R 9,02 ↓	R 10,04 ↑	R 9,94 ↓	R 8,62 ↓
Toilet paper		R 33,29	R 34,16 ↑	R 35,32 ↑	R 34,75 ↓	R 33,54 ↓	R 32,95 ↓
Body cream/gel	100 (g)	R 24,92	R 26,67 ↑	R 24,92 ↓	R 23,95 ↓	R 23,06 ↓	R 21,56 ↓
Body soap	200 (g)	R 9,75	R 10,57 ↑	R 10,46 ↓	R 10,10 ↓	R 10,08 ↓	R 9,57 ↓
Deodorant	500 (g)	R 15,59	R 16,59 ↑	R 16,09 ↓	R 16,03 ↓	R 15,77 ↓	R 16,41 ↑
Sanitary Towels and Tampons	10's	R 18,30	R 17,89 ↓	R 17,22 ↓	R 18,43 ↑	R 17,07 ↓	R 17,01 ↓
Matches	1 Pack	R 6,40	R 6,21 ↓	R 5,82 ↓	R 7,46 ↑	R 6,30 ↓	R 6,70 ↑
Paraffin	1 Litre	R 13,50	R 21,86 ↑	R 27,59 ↑	R 14,39 ↓	R 14,17 ↓	R 15,57
Candles		R 15,76	R 15,15 ↓	R 14,80 ↓	R 14,81 ↑	R 14,17 ↓	R 15,28 ↑
TOTAL COST OF BASKET		R 799,66	R 808,81 ↑	R 841,77 ↑	R 853,39 ↑	R 829,53 ↓	R 836,31 ↑
SECTORAL DETERMINATION							
1. Farm Worker (Min per hour 13,37)		R 2 606,78	R 2 606,78	R 2 606,78	R 2 606,78	R 2 606,78	R 2 606,78
2. DOMESTIC WORKERS							
Metro		R 2 065,47	R 2 065,47	R 2 065,47	R 2 065,47	R 2 065,47	R 2 065,47
Non-metro		R 1 812,57	R 1 812,57	R 1 812,57	R 1 812,57	R 1 812,57	R 1 812,57
2. SECURITY OFFICER							
Grades D & E Area 1 (Min per hour 15,25)		R 3 172	R 3 172	R 3 172	R 3 172	R 3 172	R 3 172
Grades D&E Area 2 (Min per hour 13,95)		R 2 901	R 2 901	R 2 901	R 2 901	R 2 901	R 2 901
Grades D& E Area 3 (Min per hour 12,68)		R 2 637	R 2 637	R 2 637	R 2 637	R 2 637	R 2 637
Taxi drivers and admin (Min per hour 13,68)		R 2847.01	R 2847.01	R 2847.01	R 2847.01	R 2847.01	R 2847.01
3. SOCIAL SECURITY							
Child Support Grant (CSG)		R 330	R 330	R 330	R 330	R 330	R 330
Old Age Pension (OAG)		R 1 350	R 1 350	R 1 350	R 1 350	1350	R 1 350

DRAFT