

BASIC NEEDS BASKET POLICY BRIEF:

(APRIL 2016 – JUNE 2016)



A DECENT STANDARD OF LIVING: A TRADE-OFF FOR THE POOR

INTRODUCTION

The major challenges inherited from South Africa's apartheid regime are represented by deeply-rooted, structural poverty. Although Statistics South Africa measures poverty in three categories (food poverty line (R400), lower bound poverty line (R544) and upper bound poverty line (R753)), many observers agree that the majority of South Africa's population lives in abject poverty. 63% of young children live in households that fall below the upper bound poverty line (UBPL), with Limpopo, KwaZulu-Natal and Eastern Cape provinces recording the highest rates of child poverty.¹ The poverty rate in South Africa, when measured by the UBPL is 45,5% which translates to 23 million South Africans, while 10.2 million (20,2%) live below the food poverty line.² Despite the poverty reduction initiatives undertaken by the South African government, households remain desperate for job opportunities in order to afford at least one meal a day.

Extreme economic inequalities mark South Africa as one of the most unequal nations in the world. South Africa's economic structure locks the poor in a poverty trap, leaving them with shrinking economic participation, and extended destitution. The effects of poverty go beyond feeding an empty stomach. Parents are unable to afford school uniforms and children are unable to attend school. Women are struck the hardest by rising and persistent levels of poverty with limited employment opportunities. This often results in women participating in transactional sex to support their children, making them vulnerable to contracting chronic diseases such as HIV/AIDS and ultimately leading to poor health. Poverty breeds poor health and vulnerable and marginalised groups including women and children are therefore unable to break their cycles of poverty. The majority of South Africa's population finds itself unable to increase its economic and social

capital or live a decent standard of life. It is evident that substantial effort on the part of all South Africa's social partners is required to interrogate existing economic policy gaps and reshape South Africa's economic growth path.

It is in this context that the Studies in Poverty and Inequality Institute (SPII) in partnership with the Association of Community-based Advice Offices of South Africa (ACAOSA), has re-launched its Basic Needs Basket (BNB) research project in South Africa in mid- 2014. The Basic Needs Basket is a monthly survey of the cost of essential food and non- food items that comprise the items that a low income family in both rural and urban areas across the nine provinces of South Africa consider to be basic necessities. The BNB project seeks to generate information regarding the impact of price inflation on the spending power on goods and services that are frequently consumed by low income households. It is important to note that the BNB only monitors prices of the most common pack size purchased and not the actual quantities required for an average sized household. The qualitative approach of the BNB project is concerned mainly with understanding people's descriptions of their basic everyday needs, in so doing, to attempt to ascertain perceptions of the requirements of a decent level of living. Further to this, the project aims to develop a costed basket of basic needs that is endorsed by a democratic majority of participants. Through the collected data, SPII aims to advocate for government to take the necessary steps to ensure that workers receive fair wages, and social cash transfer beneficiaries receive above inflation increases on their grants in order to afford to live a decent standard of life as well as meet their basic needs.

PROVINCIAL BREAKDOWN OF THE COST OF LIVING: APR-JUN 2016

As demonstrated by the provided data during the period April to June, the cost of food and non-food items for households living below the poverty line is daunting with average household expenses in eight of the nine provinces in South Africa exceeding all three measurable poverty lines – food poverty line (R400), upper bound poverty line (R544) and upper bound poverty line (R753).

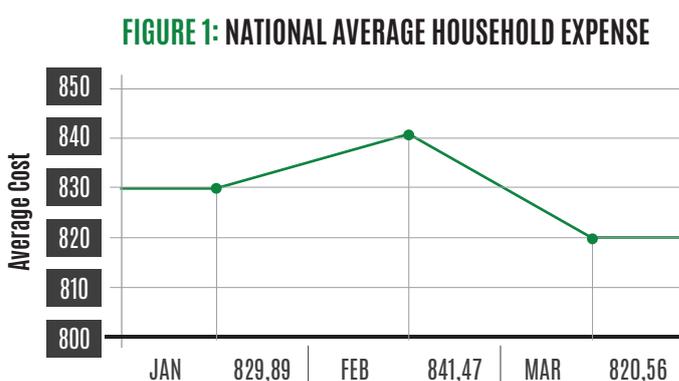


Table 1-3 below illustrates the average cost of food and non-food items for each province. It is evident that prices for each item vary substantially across the different provinces. The data below illustrates that Mpumalanga again in April, had the highest average cost of both food and non-food items for a household in the province at R919.24, whilst Western Cape recorded the lowest average cost for a household at R732.29. In May, the highest average cost for a household was recorded in Mpumalanga at R945.57, with the lowest average cost in Limpopo being R678.40. In June, similar to March, the highest average household cost of R899.14 was in Mpumalanga, and the lowest average household cost of R659.45 in Limpopo.

¹ South African Early Childhood Review (2016). Children's Institute, Department of Planning, Monitoring & Evaluation, Ilifa Labantwana. Accessed online: <http://ilifalabantwana.co.za/wp-content/uploads/2016/05/SA-ECD-Review-2016-low-res-for-web.pdf>

² Statistics South Africa (2014). Poverty Trends in South Africa: An examination of absolute poverty between 2006 and 2011. Accessed online: <http://www.statssa.gov.za/publications/Report-03-10-06/Report-03-10-06March2014.pdf>

APRIL

| | | GP | NC | WC | MP | EC | LP | FS | KZN | NW | National |
|---|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| FOOD ITEMS | | | | | | | | | | | |
| Brown Bread  | 700g | 12.64 | 9.7 | 10.32 | 10.65 | 10.25 | 9.90 | 9.59 | 8.87 | 10.54 | 10.27 |
| Poultry Products  | 2kg | 49.49 | 48.20 | 35.24 | 48.47 | 49.97 | 48 | 46.74 | 38.87 | 49.47 | 46.05 |
| White Bread  | 700g | 12.29 | 10.7 | 9.74 | 12.36 | 11.45 | 11.25 | 10.49 | 9.87 | 12.76 | 11.21 |
| Maize Meal  | 1kg | 37.49 | 44.7 | 30.92 | 45.10 | 53.97 | 39.50 | 40.96 | 32.12 | 38.18 | 40.33 |
| Beef & Veal  | 1kg | 51.74 | 19.70 | 44.49 | 43.08 | 47.47 | 49.99 | 37.99 | 62.49 | 18.99 | 41.79 |
| Cabbage Fresh  | 1 head | 15.49 | 13.50 | 14.99 | 16.97 | 16.47 | 11.50 | 13.99 | 12.99 | 16.50 | 14.71 |
| Fresh Full Cream Milk  | 1 litre | 14.99 | 14.20 | 9.74 | 21.97 | 12.97 | 14.75 | 14.24 | 19.99 | 21.64 | 16.05 |
| Potatoes  | 1kg | 15.49 | 11.95 | 10.24 | 19.47 | 19.97 | 12.00 | 14.49 | 19.99 | 16.00 | 15.51 |
| Maas  | 2 litre | 27.39 | 25.80 | 19.49 | 24.97 | 26.97 | 22.50 | 20.99 | 20.99 | 26.99 | 24.01 |
| Cooking Oil  | 2 litre | 37.99 | 36.95 | 36.97 | 43.47 | 40.97 | 39.25 | 39.99 | 30.62 | 42.07 | 38.70 |
| Rice  | 2kg | 25.99 | 19.40 | 22.19 | 24.30 | 25.97 | 24.50 | 21.77 | 36.37 | 26.74 | 25.25 |
| White Sugar  | 2.5kg | 30.99 | 33.2 | 25.88 | 34.23 | 32.22 | 29.25 | 26.99 | 43.37 | 27.07 | 31.47 |
| Large Eggs  | 6 Eggs | 10.56 | 8.95 | 9.99 | 11.00 | 10.47 | 9.00 | 13.49 | 13.24 | 14.51 | 11.25 |
| Canned Pilchards  | 400g | 15.74 | 16.45 | 15.39 | 16.06 | 17.47 | 17.50 | 15.94 | 11.87 | 17.79 | 16.02 |
| Onions  | 1 kg | 12.99 | 10.45 | 10.74 | 18.97 | 14.47 | 9.97 | 12.99 | 19.49 | 11.00 | 13.45 |
| Tagless Teabags  | 100g | 22.49 | 23.95 | 19.99 | 27.15 | 28.22 | 29.95 | 24.62 | 20.99 | 21.29 | 24.29 |
| Apples  | 1.5kg | 21.99 | 17.95 | 18.49 | 19.97 | 17.47 | 20.47 | 23.99 | 19.99 | 19.49 | 19.98 |
| Baked Beans  | 410g | 8.89 | 9.20 | 8.59 | 8.42 | 8.72 | 9.00 | 8.19 | 9.87 | 9.72 | 8.95 |
| Mayonnaise  | 750g | 23.49 | 21.45 | 19.46 | 21.97 | 22.47 | 26.50 | 23.24 | 19.49 | 21.22 | 22.14 |
| Margarine  | 500g | 20.49 | 26.945 | 19.97 | 19.72 | 17.16 | 20.50 | 17.49 | 8.24 | 19.96 | 18.94 |
| Bread Flour  | 10kg | 92.99 | 89.2 | 96.23 | 97.95 | 94.87 | 106.00 | 49.16 | 37.49 | 67.64 | 81.28 |
| Instant Yeast  | 200g | 3.89 | 3.70 | 3.40 | 3.87 | 3.47 | 3.00 | 2.77 | 5.99 | 8.64 | 4.30 |
| Sugar Beans  | 500g | 17.99 | 22.00 | 13.97 | 32.47 | 13.97 | 10.18 | 12.49 | 36.49 | 19.39 | 19.88 |
| Mealie-Samp  | 2.5kg | 19.49 | 14.20 | 13.97 | 25.47 | 10.47 | 14.25 | 10.99 | 26.49 | 21.39 | 17.41 |
| Coffee  | 250g | 32.49 | 38.70 | 28.73 | 32.85 | 32.22 | 25.15 | 23.41 | 33.49 | 27.65 | 30.52 |
| Juice  | 2 Litre | 27.99 | 17.90 | 21.49 | 23.72 | 20.97 | 18.00 | 16.07 | 22.16 | 27.99 | 21.81 |
| COST | | 663.46 | 609.04 | 570.61 | 704.60 | 661.06 | 631.79 | 553.05 | 621.78 | 614.61 | 625.55 |

Table 1: April Average Cost of Essential Food and Non-Food Items

NON-FOOD ITEMS

| | | | | | | | | | | | |
|---|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Washing Powder  | 2kg | 50.99 | 41.45 | 39.32 | 51.79 | 43.48 | 47.45 | 48.32 | 42.37 | 48.21 | 45.93 |
| Toothpaste  | 100g | 9.99 | 9.95 | 7.74 | 10.01 | 9.72 | 10.50 | 11.82 | 8.62 | 10.37 | 9.86 |
| Toilet Paper  | 9 Rolls | 50.99 | 45.23 | 25.99 | 50.47 | 47.72 | 38.25 | 41.49 | 29.99 | 56.00 | 42.90 |
| Body Cream / Gel  | 100g | 32.49 | 25.70 | 20.99 | 29.99 | 29.47 | 28.75 | 21.49 | 39.99 | 26.89 | 28.42 |
| Body Soap  | 200g | 9.84 | 9.95 | 11.01 | 11.05 | 12.22 | 9.645 | 10.99 | 10.24 | 11.60 | 10.73 |
| Deodorant  | 50ml | 17.99 | 18.20 | 10.99 | 14.97 | 15.47 | 17.25 | 12.99 | 16.49 | 17.90 | 15.80 |
| Sanitary Towels & Tampons  | 10's | 16.74 | 26.43 | 14.99 | 17.60 | 17.98 | 22.99 | 14.66 | 12.24 | 17.89 | 17.95 |
| Matches  | 1 Pack | 5.64 | 5.45 | 3.17 | 3.73 | 5.72 | 5.25 | 5.99 | 0.65 | 14.50 | 5.57 |
| Paraffin  | 1 Litre | 14.25 | 17.00 | 18.54 | 15.98 | 8.48 | 13.25 | 15.00 | 18.49 | 14.50 | 15.05 |
| Candles  | 1 Pack | 15.39 | 18.45 | 8.94 | 9.06 | 10.74 | 9.12 | 9.12 | 11.00 | 17.45 | 12.14 |
| <i>COST</i> | | 224.31 | 217.81 | 161.68 | 214.64 | 200.99 | 202.43 | 191.87 | 190.07 | 235.28 | 204.34 |
| TOTAL COST | | 887.77 | 826.85 | 732.29 | 919.24 | 862.05 | 834.22 | 744.92 | 811.85 | 849.89 | 829.89 |

MAY

| | | GP | NC | WC | MP | EC | LP | FS | KZN | NW | National |
|---|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| FOOD ITEMS | | | | | | | | | | | |
| Brown Bread  | 700g | 12.64 | 9.7 | 9.73 | 10.36 | 10.35 | 10.15 | 9.66 | 10.12 | 10.54 | 10.36 |
| Poultry Products  | 2kg | 50.49 | 48.20 | 36.28 | 49.47 | 53.47 | ND | 46.49 | 40.24 | 49.48 | 46.77 |
| White Bread  | 700g | 14.64 | 10.7 | 11.25 | 10.70 | 11.13 | 10.32 | 10.49 | 10.24 | 12.76 | 11.36 |
| Maize Meal  | 1kg | 37.49 | 42.07 | 31.85 | 51.48 | 54.22 | 40.45 | 47.69 | 36.80 | 48.83 | 43.43 |
| Beef & Veal  | 1kg | 46.41 | 20.70 | 46.24 | 62.93 | 58.97 | ND | 40.99 | 63.49 | 18.89 | 44.83 |
| Cabbage Fresh  | 1 head | 13.99 | 13.50 | 15.50 | 16.00 | 11.97 | 12.50 | 14.99 | 13.99 | 15.00 | 14.16 |
| Fresh Full Cream Milk  | 1 litre | 14.99 | 14.20 | 11.07 | 17.47 | 12.97 | 14.75 | 15.99 | 21.99 | 17.14 | 15.62 |
| Potatoes  | 1kg | 14.49 | 11.95 | 9.27 | 17.47 | 14.97 | 12.00 | 15.99 | 19.99 | 16.00 | 14.68 |
| Maas  | 2 litre | 27.39 | 28.30 | 21.24 | 26.47 | 27.47 | 21.75 | 21.24 | 21.99 | 26.99 | 24.76 |
| Cooking Oil  | 2 litre | 37.49 | 35.90 | 35.73 | 42.44 | 43.47 | 39.25 | 39.74 | 31.87 | 41.94 | 38.65 |
| Rice  | 2kg | 23.24 | 19.40 | 23.24 | 23.98 | 23.97 | 20.50 | 22.89 | 36.99 | 25.99 | 24.47 |
| White Sugar  | 2.5kg | 33.99 | 33.2 | 28.72 | 30.80 | 32.97 | 27.75 | 26.99 | 32.37 | 23.94 | 30.08 |
| Large Eggs  | 6 Eggs | 12.49 | 8.90 | 9.345 | 10.50 | 10.47 | 9.00 | 12.99 | 8.49 | 14.53 | 10.75 |
| Canned Pilchards  | 400g | 16.74 | 16.45 | 15.12 | 16.22 | 17.22 | ND | 16.09 | 12.99 | 17.79 | 16.08 |
| Onions  | 1 kg | 14.99 | 10.45 | 13.49 | 20.97 | 13.97 | ND | 11.74 | 19.99 | 11.00 | 14.57 |
| Tagless Teabags  | 100g | 27.49 | 23.95 | 32.25 | 27.90 | 25.73 | 32.00 | 25.12 | 20.49 | 21.29 | 26.25 |
| Apples  | 1.5kg | 21.49 | 17.95 | 16.49 | 19.97 | 15.97 | ND | 22.99 | 19.99 | 20.99 | 19.48 |
| Baked Beans  | 410g | 8.64 | 9.70 | 10.59 | 7.97 | 8.47 | 9.00 | 8.57 | 10.12 | 9.72 | 9.20 |
| Mayonnaise  | 750g | 23.49 | 21.45 | 23.52 | 22.48 | 22.97 | 24.00 | 22.49 | 19.49 | 21.95 | 22.42 |
| Margarine  | 500g | 20.49 | 26.95 | 19.51 | 20.64 | 23.10 | 20.50 | 18.49 | 8.62 | 19.96 | 19.80 |
| Bread Flour  | 10kg | 94.99 | 89.20 | 67.79 | 104.28 | 87.97 | 117.00 | 50.99 | 57.15 | 67.64 | 81.9 |
| Instant Yeast  | 200g | 4.29 | 3.95 | 3.35 | 3.80 | 2.97 | 3.30 | 3.14 | 5.99 | 6.14 | 4.10 |
| Sugar Beans  | 500g | 14.49 | 22.00 | 14.52 | 35.47 | 10.47 | ND | 13.49 | 37.49 | 14.39 | 20.29 |
| Mealie-Samp  | 2.5kg | 11.89 | 20.70 | 13.49 | 19.37 | 16.47 | 7.75 | 11.49 | 26.99 | 21.39 | 16.61 |
| Coffee  | 250g | 32.49 | 38.70 | 32.56 | 29.60 | 36.72 | 39.02 | 24.41 | 34.16 | 27.65 | 32.81 |
| Juice  | 2 Litre | 27.99 | 17.90 | 22.44 | 24.97 | 24.22 | 21.00 | 16.66 | 22.82 | 27.99 | 22.89 |
| COST | | 659.21 | 616.06 | 574.55 | 723.66 | 672.64 | 491.93 | 571.79 | 644.84 | 609.91 | 636.29 |

Table 2: May Average Cost of Essential Food and Non-Food Items

NON-FOOD ITEMS

| | | | | | | | | | | | |
|---|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Washing Powder  | 2kg | 49.99 | 42.95 | 30.36 | 49.72 | 43.64 | 49.00 | 47.07 | 43.24 | 48.21 | 44.91 |
| Toothpaste  | 100g | 9.99 | 9.95 | 11.94 | 9.55 | 10.14 | 11.00 | 11.07 | 9.37 | 10.37 | 10.37 |
| Toilet Paper  | 9 Rolls | 50.99 | 46.90 | 32.35 | 46.80 | 47.72 | 45.00 | 43.16 | 30.82 | 56.00 | 44.41 |
| Body Cream / Gel  | 100g | 20.99 | 25.70 | 31.79 | 34.47 | 24.47 | 27.75 | 22.24 | 39.99 | 26.89 | 28.25 |
| Body Soap  | 200g | 7.99 | 9.95 | 10.25 | 10.32 | 11.97 | 9.50 | 11.99 | 9.66 | 11.22 | 10.31 |
| Deodorant  | 50ml | 17.99 | 18.20 | 15.64 | 14.97 | 15.47 | 15.50 | 13.99 | 16.99 | 17.90 | 16.29 |
| Sanitary Towels & Tampons  | 10's | 16.74 | 25.43 | 14.81 | 21.14 | 17.30 | ND | 15.16 | 13.12 | 17.88 | 17.69 |
| Matches  | 1 Pack | 5.99 | 5.45 | 5.92 | 3.75 | 5.72 | 5.50 | 6.24 | 7.75 | 7.35 | 5.96 |
| Paraffin  | 1 Litre | 16.00 | 17.00 | 20.84 | 15.98 | 8.48 | 13.25 | 15.24 | 19.49 | 14.50 | 15.64 |
| Candles  | 1 Pack | 15.39 | 18.45 | 15.11 | 18.97 | 18.72 | 15.50 | 16.49 | 19.49 | 17.45 | 17.28 |
| <i>COST</i> | | 206.07 | 214.53 | 183.09 | 221.92 | 197.90 | 186.47 | 196.41 | 202.16 | 220.39 | 205.18 |
| TOTAL COST | | 865.28 | 830.59 | 757.64 | 945.57 | 870.54 | 678.40 | 768.21 | 847.00 | 830.30 | 841.47 |

JUNE

| | | GP | NC | WC | MP | EC | LP | FS | KZN | NW | National |
|---|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| FOOD ITEMS | | | | | | | | | | | |
| Brown Bread  | 700g | 11.66 | 9.7 | 10.97 | 9.65 | 10.35 | 9.90 | 10.03 | 9.24 | 10.97 | 10.27 |
| Poultry Products  | 2kg | 50.00 | 48.20 | 41.08 | 49.47 | 49.97 | 48 | 46.24 | 40.24 | 49.75 | 46.99 |
| White Bread  | 700g | 14.64 | 10.7 | 12.82 | 10.76 | 11.38 | 11.15 | 11.09 | 10.49 | 12.76 | 11.75 |
| Maize Meal  | 1kg | 40.99 | 46.7 | 32.84 | 49.22 | 52.97 | ND | 48.14 | 33.87 | 48.66 | 44.17 |
| Beef & Veal  | 1kg | 51.74 | 40.45 | 44.90 | 62.93 | 57.47 | ND | 44.99 | 64.49 | 18.89 | 48.23 |
| Cabbage Fresh  | 1 head | 12.49 | 14.50 | 16.99 | 15.97 | 9.48 | 11.50 | 12.99 | 13.49 | 16.50 | 13.77 |
| Fresh Full Cream Milk  | 1 litre | ND | 14.45 | 11.60 | 14.97 | 12.47 | 12.50 | 14.64 | 19.99 | 21.64 | 15.28 |
| Potatoes  | 1kg | 14.49 | 12.95 | 12.95 | 13.97 | 12.47 | ND | 12.49 | 12.49 | 16.00 | 13.48 |
| Maas  | 2 litre | 24.99 | 25.95 | 30.20 | 24.97 | 28.47 | 22.50 | 21.99 | 20.99 | 26.99 | 25.23 |
| Cooking Oil  | 2 litre | 39.44 | 36.95 | 33.97 | 44.47 | 42.97 | 39.25 | 44.49 | 32.99 | 41.94 | 39.61 |
| Rice  | 2kg | 23.74 | 17.20 | 24.36 | 24.14 | 26.22 | 24.50 | 22.12 | 34.99 | 25.99 | 24.81 |
| White Sugar  | 2.5kg | 30.99 | 33.7 | 32.33 | 31.73 | 31.64 | 29.25 | 27.74 | 32.87 | 26.37 | 30.73 |
| Large Eggs  | 6 Eggs | 14.99 | 9.45 | 10.82 | 10.97 | 10.37 | 9 | 13.72 | 8.87 | 14.50 | 11.41 |
| Canned Pilchards  | 400g | 15.99 | 16.70 | 18.35 | 16.22 | 16.97 | 17.50 | 17.73 | 13.62 | 17.79 | 16.76 |
| Onions  | 1 kg | 12.99 | 10.45 | 10.29 | 16.47 | 13.97 | ND | 13.49 | 7.49 | 12.00 | 12.14 |
| Tagless Teabags  | 100g | 23.49 | 18.20 | 13.99 | 19.97 | 17.47 | ND | 19.49 | 19.99 | 20.99 | 19.20 |
| Apples  | 1.5kg | 8.64 | 9.95 | 7.84 | 7.65 | 8.47 | 9.00 | 10.04 | 8.49 | 9.72 | 8.87 |
| Baked Beans  | 410g | 21.74 | 21.45 | 21.86 | 21.97 | 23.72 | 26.50 | 21.98 | 18.99 | 20.72 | 22.10 |
| Mayonnaise  | 750g | 19.99 | 27.445 | 18.24 | 24.14 | 25.10 | 20.50 | 17.99 | 7.99 | 19.96 | 20.15 |
| Margarine  | 500g | 94.99 | 91.20 | 68.33 | 105.80 | 80.37 | 105.00 | 99.32 | 89.99 | 63.35 | 88.70 |
| Bread Flour  | 10kg | 3.99 | 4.45 | 2.68 | 3.30 | 2.97 | 3.00 | 3.50 | 7.99 | 8.64 | 4.50 |
| Instant Yeast  | 200g | 12.99 | 23.00 | 27.99 | 15.99 | 10.47 | 12.87 | 14.99 | 21.99 | 19.39 | 17.74 |
| Sugar Beans  | 500g | 11.99 | 21.70 | 19.19 | 13.38 | 11.47 | 19.50 | 15.49 | 24.99 | 21.39 | 17.68 |
| Mealie-Samp  | 2.5kg | 32.24 | 38.70 | 33.34 | 30.85 | 41.97 | 34.40 | 32.26 | 23.82 | 27.65 | 32.80 |
| Coffee  | 250g | 29.49 | 19.57 | 25.36 | 27.47 | 25.47 | 20.995 | 21.82 | 24.99 | 26.99 | 24.68 |
| Juice  | 2 Litre | 618.69 | 623.70 | 583.24 | 666.41 | 634.63 | 486.76 | 618.77 | 605.33 | 599.54 | 621.06 |
| COST | | 618.69 | 623.70 | 583.24 | 666.41 | 634.63 | 486.76 | 618.77 | 605.33 | 599.54 | 621.06 |

Table 3: June Average Cost of Essential Food and Non-Food Items

| NON-FOOD ITEMS | | | | | | | | | | | | |
|---------------------------|---|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Washing Powder |  | 2kg | 43.39 | 46.70 | 30.05 | 49.35 | 37.97 | 47.45 | 47.64 | 35.49 | 48.21 | 42.92 |
| Toothpaste |  | 100g | 10.37 | 10.36 | 11.05 | 11.05 | 10.64 | 10.50 | 11.14 | 7.87 | 10.37 | 10.37 |
| Toilet Paper |  | 9 Rolls | 43.49 | 44.57 | 26.395 | 47.80 | 49.97 | 31.50 | 43.45 | 34.32 | 56.00 | 41.94 |
| Body Cream / Gel |  | 100g | 20.99 | 25.70 | 19.42 | 38.50 | 24.47 | 28.75 | 14.45 | ND | 26.89 | 24.89 |
| Body Soap |  | 200g | 8.59 | 9.95 | 10.43 | 10.80 | 10.97 | 9.65 | 12.12 | 10.99 | 11.60 | 10.57 |
| Deodorant |  | 50ml | 15.49 | 18.70 | 17.47 | 15.97 | 18.97 | 17.25 | 14.95 | 13.49 | 17.90 | 16.69 |
| Sanitary Towels & Tampons |  | 10's | 18.49 | 26.43 | 15.11 | 21.30 | 18.30 | ND | 15.47 | 12.74 | 17.89 | 18.22 |
| Matches |  | 1 Pack | 6.49 | 5.45 | 3.52 | 8.73 | 5.72 | 5.25 | 2.75 | 8.00 | 10.50 | 6.27 |
| Paraffin |  | 1 Litre | 16.00 | 17.00 | 19.32 | 18.50 | 8.95 | 13.25 | 15.00 | 18.49 | 14.50 | 15.67 |
| Candles |  | 1 Pack | 15.89 | 18.45 | 10.78 | 10.74 | 10.86 | 9.12 | 10.24 | 11.75 | 9.97 | 11.98 |
| COST | | | 199.18 | 223.30 | 163.54 | 232.73 | 196.82 | 172.69 | 187.18 | 153.13 | 223.80 | 199.50 |
| TOTAL COST | | | 817.87 | 847.00 | 746.79 | 899.14 | 831.45 | 659.45 | 805.95 | 758.47 | 823.34 | 820.56 |

Figure 2 below illustrates the average total household expenditure on basic necessities for each province. Over the second quarter, the average cost of food and non-food items in North West and Free State increased by R39.86 for North West and R99.08 for Free State. Similar to the first quarter of 2016, Limpopo on the other hand demonstrated a decrease of R124.78 over the three-month period. Figure 5 below illustrates the national average household expense, depicting an increase of R53.34 from April to May, with a marginal decrease of R20.91 in June. Evidence shows that although the economy in South Africa is depicting little progress, the overall average price inflation for the second quarter is R74.25 compared to the first quarter which stood at R34.84.

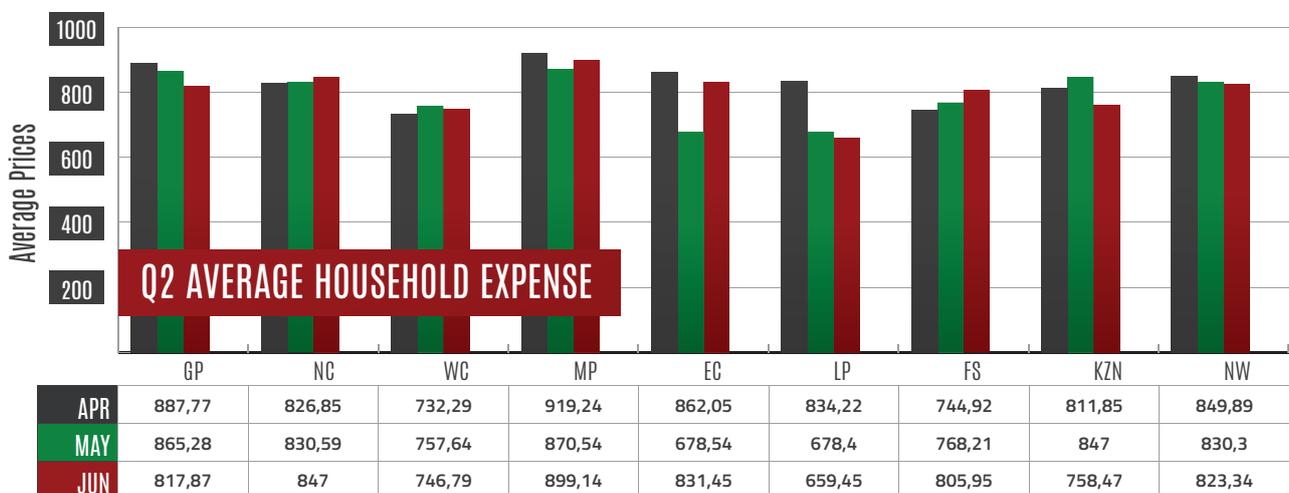


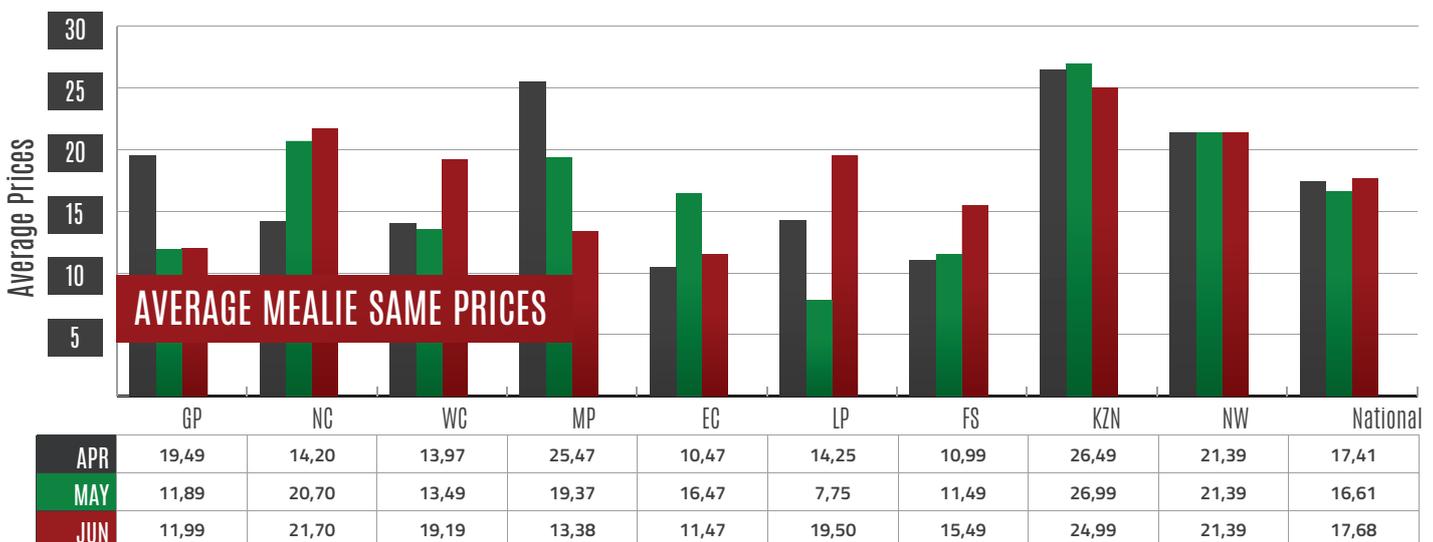
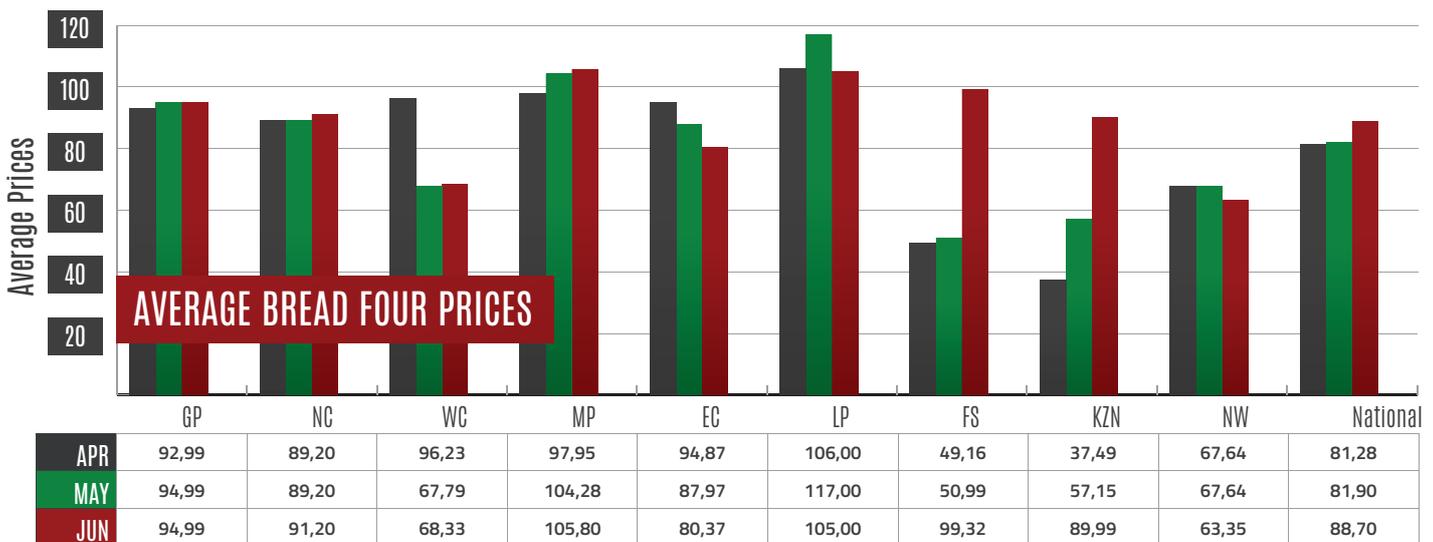
Figure 2: Second Quarter Provincial Average Household Expense

A TREND ANALYSIS OF ESSENTIAL FOOD AND NON-FOOD BASKET ITEMS

1. FOOD ITEMS

During the second quarter of the year 2016, the national average cost of bread flour increased from R81.28 in April to R88.70 in June. With the increasing price of bread as a result of the 30% increase in the wheat tariff, the majority of South Africans seek alternative ways of reducing their household expenditure on bread. Many families in the Eastern Cape and Limpopo make their own bread. However, the increasing price of bread flour makes it difficult for households to

afford it. The average price of baked beans has remained constant in provinces such as Limpopo throughout the second quarter. As demonstrated by the graphs below, the cost of living continues to rise while employment opportunities and household incomes show little prospects for many poor South Africans as the income inequality gap widens.

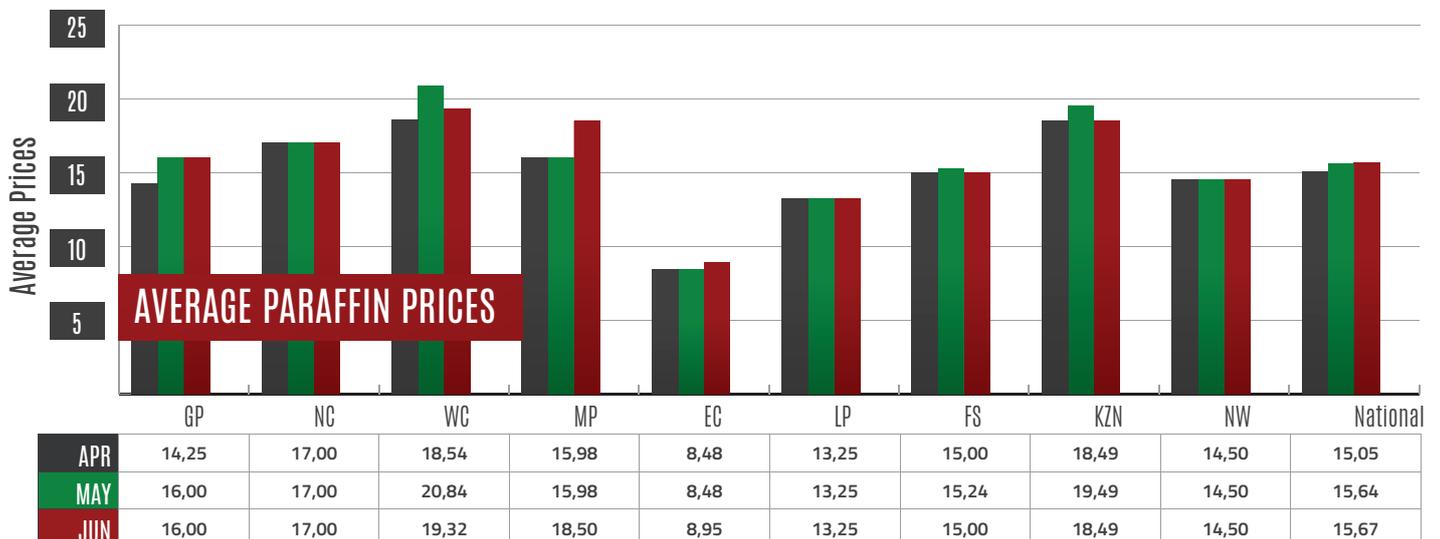


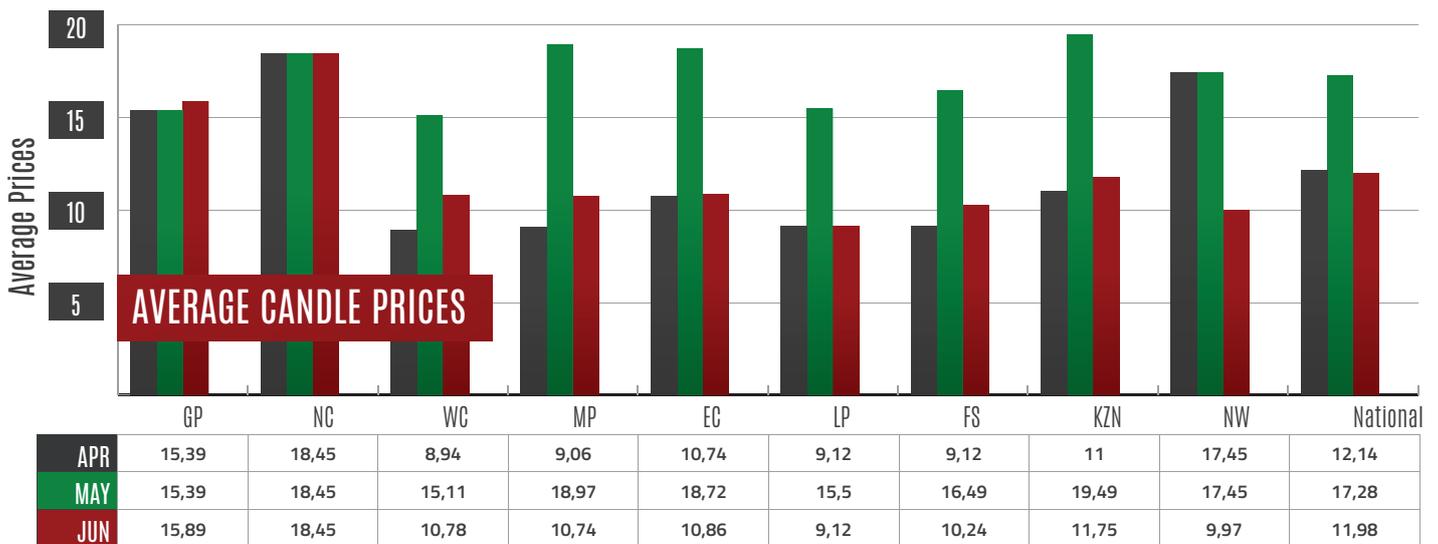
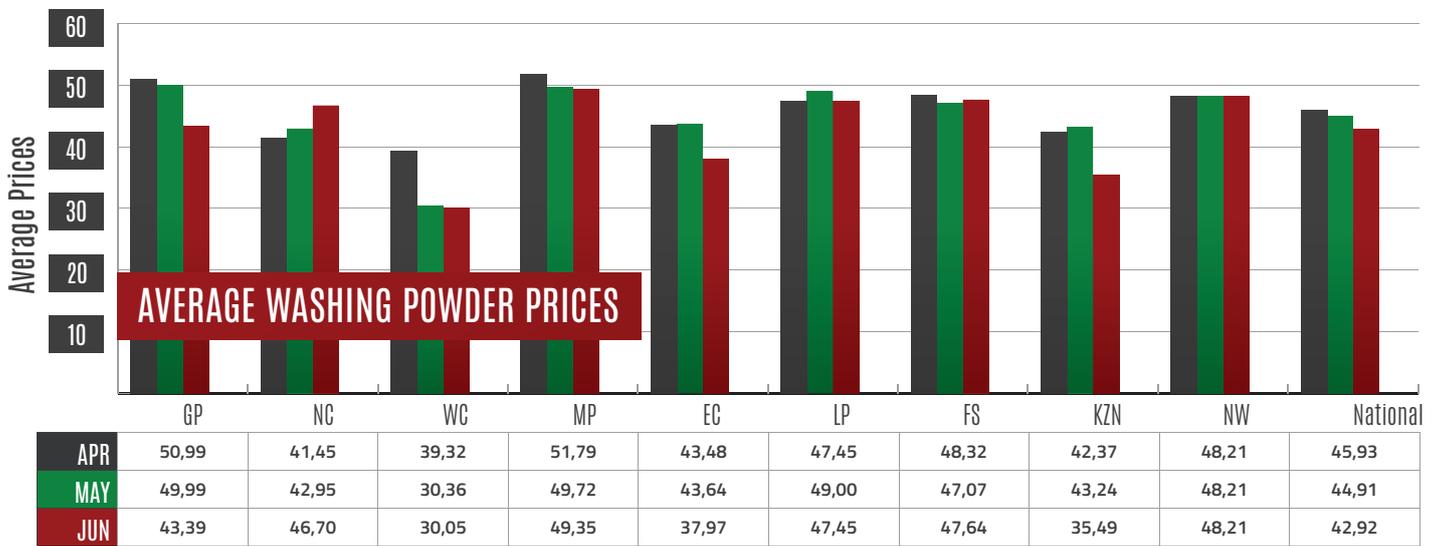
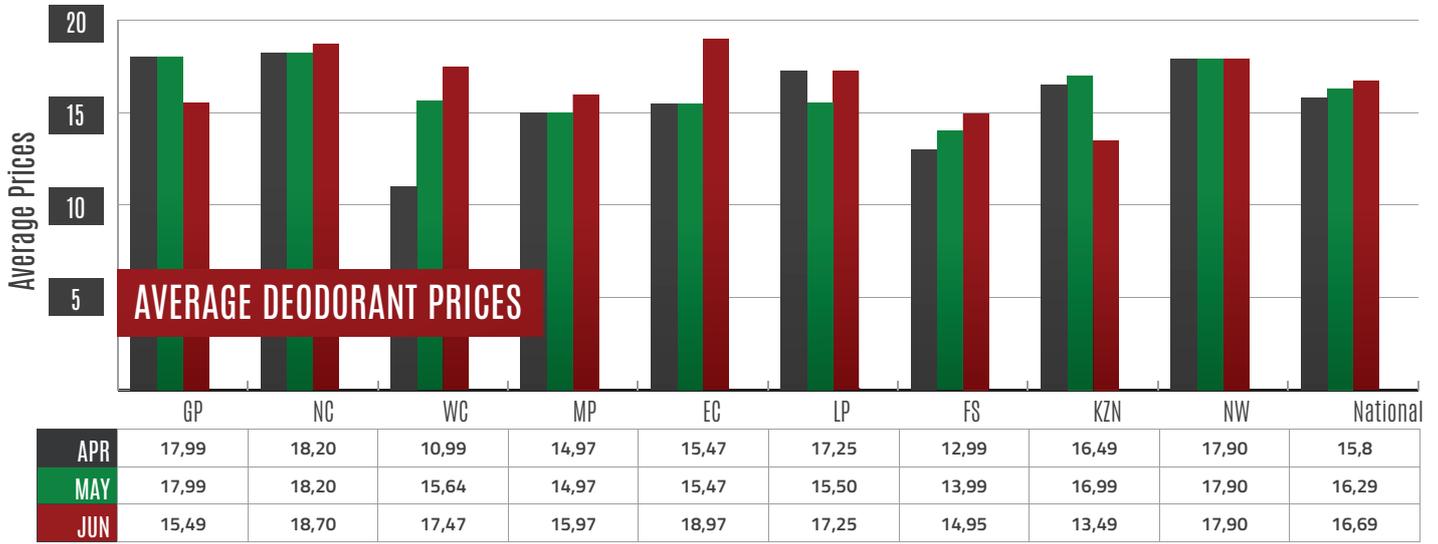


2. NON-FOOD ITEMS

Many South Africans resort to using gas stoves, many of which require paraffin and candles to use. The graphs provided below show that the average cost of paraffin per litre continues to rise. In May, the average price of a pack of 6 candles demonstrated a hike, peaking at R19.49 in KwaZulu-Natal. The cost of non-food items that promote

hygiene such as washing powder and deodorant also continue to be on the rise, with the lowest average price for deodorant being R10.99 in April in Western Cape, and the highest being R18.97 in June in Eastern Cape. Washing powder stood at its highest at R51.79 in Mpumalanga in April, dropping to R49.35 in June.





RECOMMENDATIONS

- The Department of Trade and Industry (DTI) should extend value added tax (VAT) exemptions for more basic goods and services
- The government, together with the Department of Social Development (DSD) should provide food parcels for those hit by the growing drought
- The government should ensure that the cost of social grants is indexed by the cost of basic goods and services
- There is a need for government to review indigence policies at a local government level
- The government should ensure that an adequate national minimum wage is introduced to enable households to graduate from living below the poverty line, and afford their basic necessities to lift out of poverty the large number of South Africans.

CONCLUSION

The data provided in this report represents the average cost of food and non-food items that any household would deem as basic necessities. However, it is evident that the impact of food and non-food price inflation hits the poorest families the hardest. Moreover, South Africa's economic growth path leaves many households struggling to meet their basic needs whose price continues to go beyond their pockets. The Department of Trade and Industry needs to pay closer attention to South Africa's economic market, and also measure closely the patterns of trade competition to ensure that suppliers do not continue to inflate the prices of items, especially those falling within the basic needs basket, at a rate that is higher than what is affordable to consumers.

The data collected for this project is collected by volunteer field workers from ACAOSA. Please be informed that where the data cells are empty, there is no recorded data (ND).

