



PIETERMARITZBURG AGENCY FOR COMMUNITY SOCIAL ACTION



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## Media Statement

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### **“We are on the precipice of a new age of hunger riots and food protests”**

The **2014 PACSA Food Price Barometer** shows that a basket of 32 foods which form the basic foods in the shopping trolleys of poor working class households in Pietermaritzburg increased from R1509.34 to R1640.05 in September 2014, an increase of 8.66% year-on-year. Since we started tracking food prices in 2006 we are noticing that food prices continue to rise. We are seeing that households with 7 members or more are spending between R600 and R1000 a month on food which means they cannot afford to buy a basic basket of food every month with substantial negative implications for dignity, health and well-being. This situation undermines any prospect for workers being more productive in their work-place.

The increase on PACSA's food basket of 8.66% mirrors the rising trends in high food price inflation (9.4%) which are driving the inflation on Statistics South Africa's Consumer Price Index (CPI). However PACSA's report argues that poorer households carry a greater inflation burden than that indicated in CPI because poor households spend a larger proportion of their income on food. For example, a household earning R4 000 a month would be spending 41% of their income on the food basket. The CPI is skewed by South Africa's extreme levels of inequality and therefore tracks the impact of food price inflation on the middle class. PACSA's barometer tracks specifically the food price inflation on the working class poor.

*The working class poor are under extreme levels of pressure because wage increases and increases in social grants are not keeping track with the rising food price inflation. This affordability crisis is being compounded by significant increases of electricity tariffs, high transport costs, and spiraling household debt. NERSA's permission to grant Eskom a further 12.7% increase next year will mean less food on the table for most poor families.*

*Food is not the first expense which households pay but typically one of the last because food is one of the few expenses which households are able to control. The 2014 PACSA Food Price Barometer has shown that as economic pressures increase on households and certain foods became unaffordable, households substitute those foods for cheaper products. These cheaper products have now become unaffordable leaving households with no further choices but hunger (maize meal increased by 6.98%, brown bread by 8.51%, cake flour by 13.88%, potatoes by 29.42%, chicken by 17.45%, cabbage by 19.25%, fresh milk by 21.64%). The protests that are mushrooming across the country and the increasingly protracted and violent wage strikes are indicative of the situation in which workers can no longer afford to feed their families on their low wages. Unless wages can increase and food prices and the costs of electricity, transport and household debt come down the working class poor will fast approach its tipping point and we will enter a new age of hunger riots and food protests.*

#### **Structure of the pages following this statement:**

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**Food price inflation in the 2014 PACSA food basket compared with the 2013 PACSA food basket.**

<b>Foods</b>	<b>Quantity</b>	<b>Sept_2013</b>	<b>Sept_2014</b>	<b>Food price inflation (R)</b>	<b>Food price inflation (%)</b>
Potatoes	10kg	R 41.24	R 53.37	R 12.13	29.42%
Canned beans	410g (3 cans)	R 19.10	R 23.54	R 4.44	23.24%
Tomatoes	8kg	R 81.84	R 99.76	R 17.92	21.90%
Fresh Milk	2L	R 20.96	R 25.49	R 4.54	21.64%
Beef	3kg	R 132.72	R 159.69	R 26.97	20.32%
Cabbage	3 pieces	R 20.61	R 24.58	R 3.97	19.25%
Powder Milk	1kg	R 29.74	R 34.99	R 5.25	17.65%
Chicken	8kg	R 148.96	R 174.96	R 26.00	17.45%
Cake Flour	10kg	R 73.49	R 83.69	R 10.20	13.88%
Tea Bags	250g	R 13.82	R 15.48	R 1.66	12.03%
Maas	2L	R 23.73	R 26.00	R 2.27	9.54%
Soup	400g	R 13.24	R 14.49	R 1.25	9.46%
Brown bread	12 Loaves	R 107.88	R 117.06	R 9.18	8.51%
Macaroni (Pasta)	1kg	R 18.48	R 19.99	R 1.51	8.16%
Curry Powder	200g	R 18.24	R 19.53	R 1.29	7.07%
Mealie meal	15kg	R 97.91	R 104.74	R 6.83	6.98%
Eggs	42 eggs	R 50.48	R 53.70	R 3.23	6.39%
Onions	2kg	R 14.73	R 15.64	R 0.91	6.16%
Sugar Beans	5kg	R 103.62	R 109.49	R 5.88	5.67%
Spinach	1 bunch	R 5.06	R 5.25	R 0.19	3.71%
Coffee	750g	R 64.49	R 66.49	R 2.00	3.10%
Carrots	1kg	R 6.62	R 6.77	R 0.16	2.34%
Canned fish	400g (2 cans)	R 27.73	R 28.21	R 0.48	1.73%
Stock	240g	R 14.67	R 14.73	R 0.07	0.44%
Cooking Oil	4L	R 65.48	R 64.94	R -0.54	-0.82%
Samp	5kg	R 34.49	R 34.19	R -0.30	-0.87%
Salt	500g	R 11.12	R 10.99	R -0.13	-1.12%
Brown sugar	4kg	R 44.01	R 42.48	R -1.52	-3.46%
Cheese	1kg	R 95.20	R 91.21	R -3.99	-4.19%
Yeast	70g	R 18.50	R 17.62	R -0.88	-4.73%
Rice	10kg	R 74.24	R 68.74	R -5.50	-7.41%
Margarine	500g	R 16.98	R 12.24	R -4.74	-27.90%
<b>Total food basket</b>		<b>R 1 509.34</b>	<b>R 1 640.05</b>	<b>R 130.72</b>	<b>8.66%</b>

## The 2014 PACSA Food Price Barometer report at a quick glance

- South Africans are net buyers of food. Supermarkets are the main source of food for the majority of South African households. We have enough food. The problem is food price affordability. We do not have enough money to buy the food we need.
- Food price unaffordability exacerbate cycles of hunger, poverty and low-productivity in the workplace, schools and in homes; which find negative expression back into society and the economy. Our findings suggest that households are not eating enough food and the food which they are able to afford is extremely deficient in nutrients. This is having a serious impact on health and well-being and is exacerbating poverty and inequality and resulting in poor education, health, economic and productivity outcomes.
- The period of relative dietary diversity – where households are able to eat a relatively balanced meal – has declined from three weeks last year to two weeks this year. This means that for every two out of four weeks; households are eating an extremely limited diet – mostly of starches, salt, sugar and fat.
- Poor households are responding to high food prices by dropping certain foods off the plate or eating less of these particular foods:

<b>Foods that are off the plate</b>	<b>Foods which much less are eaten of</b>
Red meat	Sugar beans
Fresh milk	Tomatoes
Maas	Cabbage
Cheese	Potatoes
	Bread (for adults)

- The entire dairy products category which includes fresh milk, maas and cheese is off the plate. This has substantial health implications and may constitute a health crisis going forward. Sugar beans an important alternative protein is under serious pressure. The high price on vegetables means that households eat an extremely limited variety which has implications for fiber intake and the micronutrients.
- High inflation on bread - a loaf of brown bread has increased by 8.51% and now retails at an average R9.75 – a full 76 cents more than it did in September 2013; has meant that adults rarely eat it and it is purchased mostly for children. The high cost of maize meal, which now retails at slightly more than rice, is putting enormous pressures on households because maize meal is the staple starch. Households have told us that they also switch more regularly to rice. Rice is not fortified and therefore the high cost of maize may act to subvert the progress of Government's successful fortification programme.
- This year we are starting to see that the numbers of foods which are 'most' affordable have decreased implicating even greater pressures to ensure that the remaining foods are affordable. We believe that any significant inflation on these particular foods will result in both major negative health implications and high levels of anger which may lead to civil protest. These foods are the following: **maize meal and flour; chicken** (the volume of brining should also be watched here as it is reducing the quantity of protein eaten); **onions and spinach**; and **sugar, salt, oil and cremora**.
- Food price spikes continue and are becoming increasingly unpredictable. The drivers of high rates of inflation on food lie with the depreciation of the rand, high exposure to international market volatility, high commodity prices and increases in fuel prices. Collusion, consolidation and rampant profiteering across certain sectors in the value chain means that prices at the farm gate bear little resemblance to prices on supermarket shelves.
- The affordability of foods directly impact on health and nutrition. If we want our economy to grow in the future than we have to make sure our children eat properly now. The Rand value of the Child Support Grant (R320) falls R180 short of the money needed to provide a young child with proper nutrition throughout the month. For 6 months of every year National Treasury provides deflationary grants to our most vulnerable citizens by splitting the increases on the CSG by 3.3% in April and another 3.3% in October. Currently 24.1% of our children under the age of 5 are stunted (HSRC, 2014: 211).<sup>1</sup> We are basically removing one quarter of our future adults from contributing to the economy. We are structuring our economy to be poor.

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<sup>1</sup> Human Sciences Research Council (2014). South African National Health and Nutrition Examination Survey (SANHANES-1), 2013. 2014 Edition. The Health and Nutritional Status of the Nation. HSRC Press. Cape Town, South Africa.

**Addressing poverty and inequality begins on the plate. The PACSA 2014 Food Barometer Report recommends that national government focus on the following public policy areas. These are:**

- addressing the land question: the history of dispossession and accumulation is the reason why today the majority of our people are hungry. Land must be redistributed and activities on the land supported and financed.
- ensuring that staple foods are affordable;
- regulating the food value chain: the acute consolidation of the commercial farming, seed, agro-chemical, milling, baking, processing, packaging and retail sector in the hands of a few means food is planted for profits and not for the plate. Sign the proclamation for the implementation of the Competition Amendment Act.
- overcoming income poverty through greater employment;
- linking annual wage and social grant increases to CPI-Food and NAB and raising the CPI-Food and NAB component in the CPI to better reflect the high proportional food expenditures and inflationary burdens of poor households;
- linking the value of the Child Support Grant to the monthly cost of ensuring a young child's nutritional requirements are secured (our calculations put this figure at R500.30 per month for a child between the ages of 3-9 years). Thereafter increase the value of the grant in alignment with the gender and age of the child because as children grow their energy and nutritional needs increase.
- poverty and inequality begins in the womb: introduce a grant for pregnant and lactating mothers to account for their increased energy and nutritional needs to ensure their babies have the best possible start (our calculations put this figure at R644.47 per month).
- facilitating immediate interventions for households that sometimes or always go hungry
- increasing support for the creation of an affordable food system which includes small scale farmers to increase agricultural production that provides nutritious and healthy food that is affordable and is grown close to the table; and
- immediately reverse the permission given to Eskom to increase its electricity tariffs by 12.7%. If Eskom goes ahead with its 12.7% increase in the absence of any affordability mechanisms low-income households will be unable to cope with the increased costs. Implications for food intake will be severe. People across the country will go to the street.

**The following quotes are from what women in Pietermaritzburg are saying food price unaffordability**

(Which foods women have noticed have increased?)

"Chicken pieces, maize meal, beef, potatoes, bread, fresh milk and cremora. Rice is okay. And they're becoming clever with the cremora, now they open up the box - the box has 2 packets, now they selling the packets out of the box, one by one" (Crossing, Imbali, 17 July 2014).

"Look we can't talk about high food prices without talking about transport and electricity - it is killing us" (Crossing, Imbali, 17 July 2014).

"We still have to buy certain foods whether the price goes up or not and if we can afford the foods or not. Maize meal is one of those foods" (Mpumuza, 20 June 2014).

(Responses to food price increases)

"We have changed the size of our pots. We have switched from bigger pots to smaller pots. Food in the smaller pots looks more." (Haniville, 22 July 2014).

"We don't buy beef. Beef is too expensive" (Mpumuza, 20 June 2014).

"It is true, we eat more chicken but some of us eat a lot more chicken feet 'cause even chicken portions are too expensive" (Crossing, Imbali, 17 July 2014).

"We only buy bread if we have money; but others buy bread because they must buy it. Particularly for the children. They must have bread with rama" (Haniville, 22 July 2014).

"We use soups and knorrox because we can't afford red meat and our pots have smaller amounts of chicken and very little or no potato" (Mpumuza, 20 June 2014).

"You know that knorrox ad? The one where the woman goes to buy meat and the butcher guy says 'I'm sorry the price of meat has gone up again.' And the woman says 'Don't worry I know what to do' and goes and buys some knorrox and then goes home and we see her family loving the knorrox meat-flavoured meatless stew? As much as I hate to say it. It is true. We are that woman. We are tricksters. Fraudsters. Cheats. We find ways to trick our families' everyday" (Mpumuza, 20 June 2014).

"If I have maize meal and salt in the house than it is okay, everything else is gone but I must have maize meal." (Haniville, 22 July 2014).

"We don't eat to be healthy; we eat so we are not hungry - we just eat to get full" (Mpumuza, 20 June 2014).

"Really we are like pigs now! Whatever is available to eat; we eat" (Mpumuza, 20 June 2014).

(Comments on the supermarkets)

"They trick you! You can't relax at the supermarket! You have to be so sharp, checking, reading, sorting ... everything!" (Mpumuza, 20 June 2014).

"And all this nonsense about 'buy one get one free' and competitions to win a car or airtime or something and the so-called 'specials' when they selling us old meat and 'Checkers has saved their customers 1 billion Rand last year!' Nonsense! If Checkers saved us 1 billion Rand last year then they were overcharging us - they stole the money from us to give it back to us! Instead of all the advertising and tricks and 'saving us money' why don't they actually just save us money. No the supermarkets are crooking" (Mpumuza, 20 June 2014).

"The chicken has water in it. It is not meat anymore. You pay for chicken but you get water and chicken" (Haniville, 22 July 2014).

"10kg pocket of potatoes are now 7kg pockets." "And even if you are not tricked by the kgs than very often the 7kg pocket is not full" (Mpumuza, 20 June 2014).

(Comments on what households do when they get money)

"My pension must pay for school things, school fees, the funeral insurance, the stokvel, then what is left over I use for the important food and everything else. Sometimes the kids take a lunch box to school and sometimes they don't. That is how it is" (Crossing, Imbali, 17 July 2014).

"I get R2000. From that I pay R270 for burial insurance, if I like it or not. I first pay them. That's already R300 gone. R30 is the transport. That leaves me with R1700. I buy maize meal, sugar, oil, rice, flour and salt. After that I buy bar soap and washing powder - I must have those in my house. I then buy electricity. Then I buy the vegetables, soups and salts. I am okay for meat because I sell meat bones and work with the butchers. I then buy glycerine and roll-on deodorant. Then Vaseline and toothpaste, I don't buy toilet paper; I then buy shoe polish for my kids' school shoes and Handi Andi. We don't buy toilet cleaner" (Crossing, Imbali, 17 July 2014).

"I get my pension [R1350]. I have to pay R320 for the burial insurance and the kitchen so that there will be a meal for people at the funeral. They are two charges. I then must make the repayment on the chairs and table that is R300. That is R620. The money that is left must go to food and transport to get the food and also for my grandchildren's schooling and for me to go to church" (Haniville, 22 July 2014).

The full 2014 PACSA Food Price Barometer can be accessed off the PACSA website at [www.pacsa.org.za](http://www.pacsa.org.za)

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### **About PACSA**

The Pietermaritzburg Agency for Community Social Action (PACSA) is a social justice and development NGO that has been in operation since 1979. PACSA's work focusses on socio-economic rights, gender justice, youth development, livelihoods and HIV & Aids. Our work and our practice seek to enhance human dignity. We are convinced that those who carry the brunt of the problem must be a part of the solution – at the heart of PACSA's core strategy is the notion "nothing about us without us."

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