FOOD PRICE TRENDS DURING LOCKDOWN

For further information
Please contact:

Khetho Lomahoza
Email: KethoL@Joburg.org.za

Image: https://sciencing.com/benitmers-6973506.htm

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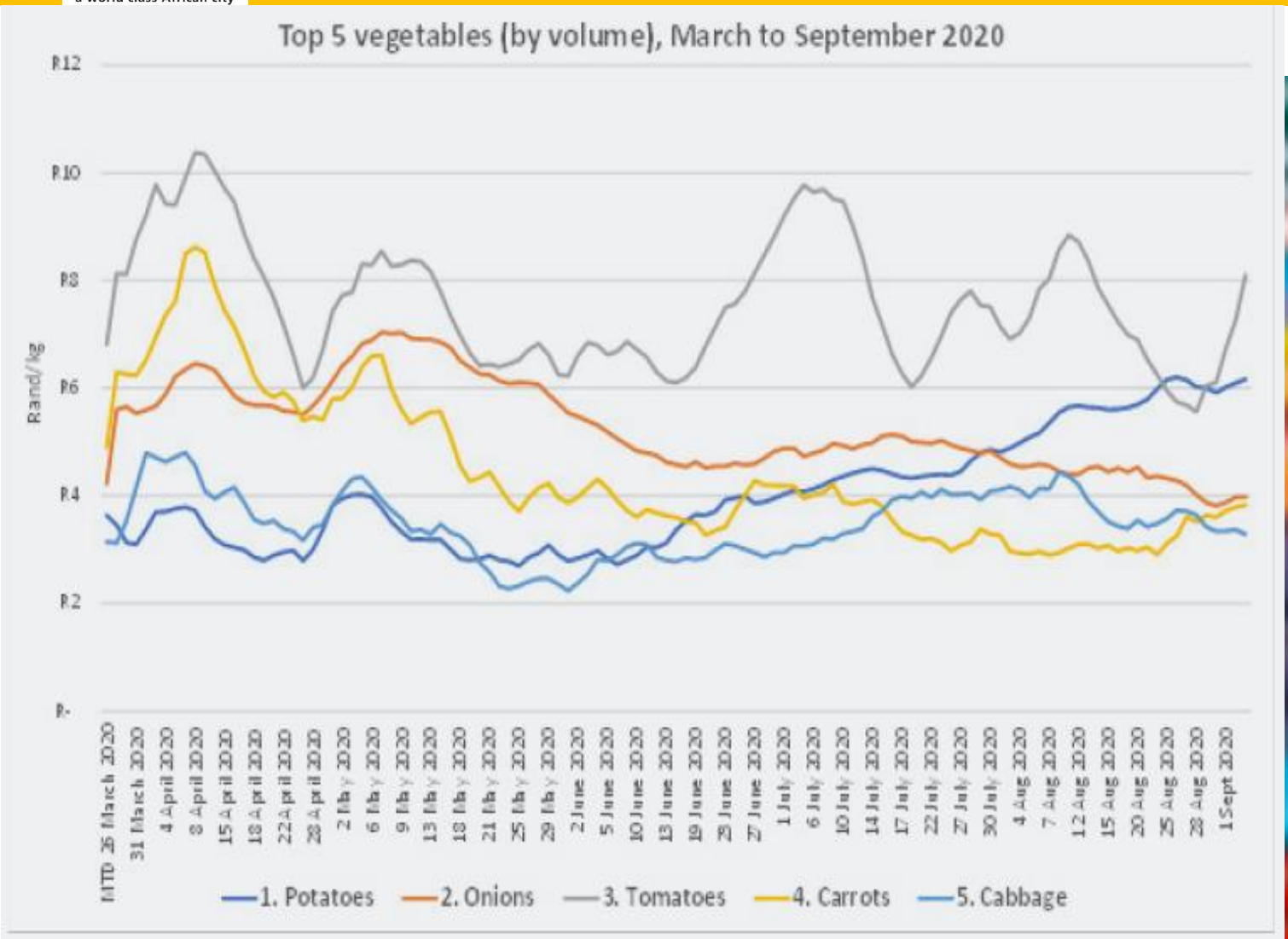
Data source: Competition Commission and the Pietermaritzburg Economic Justice & Dignity Group (PMBEJD) unless specified otherwise

BACKGROUND AND CONTEXT

- The COVID-19 pandemic has resulted in a corresponding economic and food crisis, with lockdown measures which came into effect in March 2020 resulting in declining levels of economic activity in the country.
- According to the Competition Commission's 2020 report on food monitoring, many food items experienced price inflation in part due to the weakening of the rand, and in some cases due to export restrictions being introduced in other markets.
- The **average cost of a Household Food Basket in SA increased** from **R3 221 in March 2020** to **R4 018 in November 2020.**
- The Household Food Basket comprises 44 food items which women from low-income households in different cities try and secure each month for their families given affordability constraints.
- Over the **first six months of lockdown**, the **cost of the basket increased by 7,2% or R233.** There was a slight **decrease** experienced between **August 2020** and **September 2020 of -0.5% or -R17.36,** but **increased** again by **R161,89 (4,2%) from September 2020 to November 2020.**
- The average cost of the **Joburg Household Food Basket of R4 055 in November 2020** was well above the National Minimum Wage of **R3 487.68**. In addition, households have additional unavoidable expenses such as electricity and transport. According to the PMBEJD, the estimated cost of transport to work and back and electricity take up more than half of the National Minimum Wage, leaving only about R1 500 for all other expenses, including food.
- This means that households who rely on a worker earning the National Minimum Wage, or households with a worker in an even more precarious job, or households that rely on social grants or people who are unemployed will not be able to afford even the basic food that they need to survive.

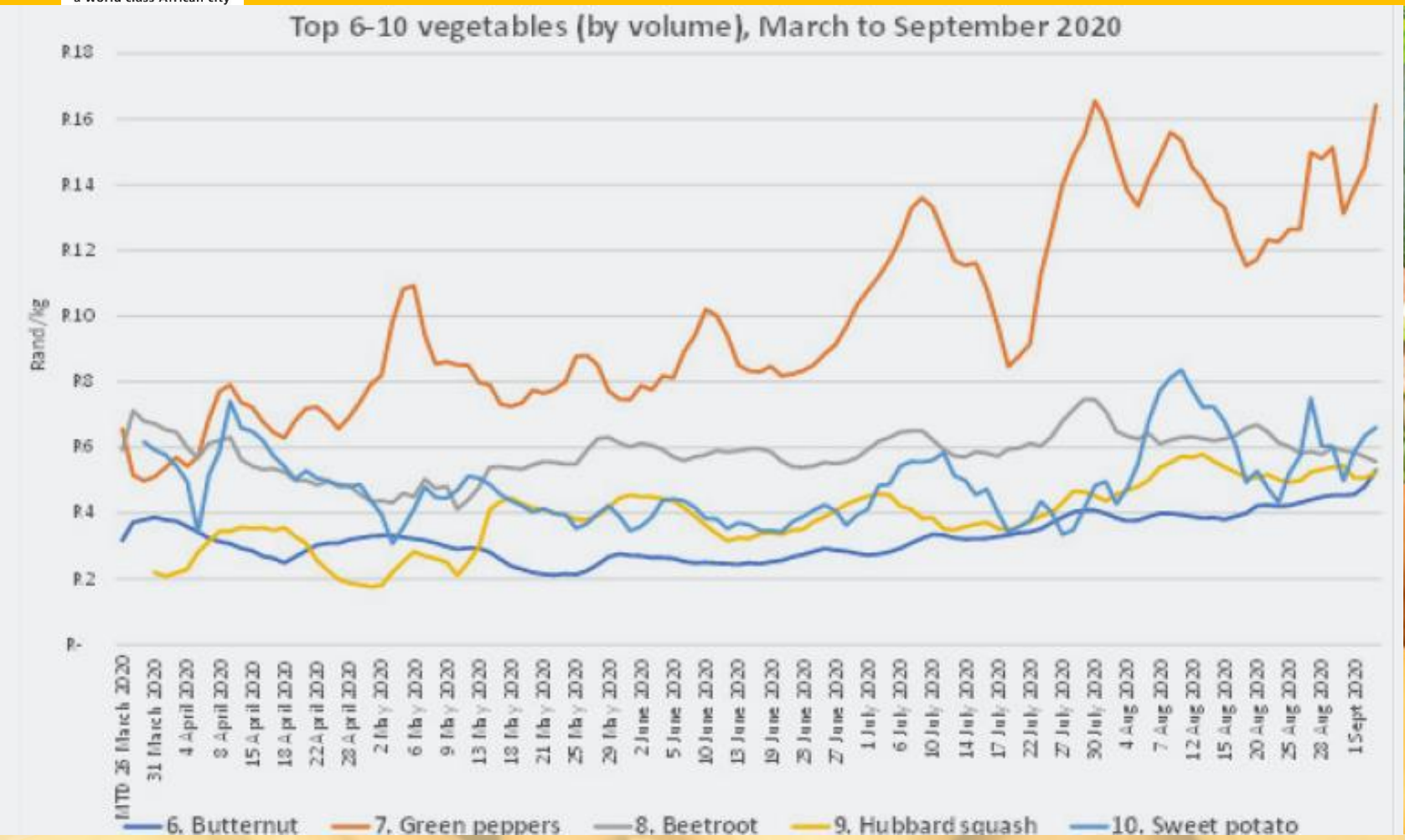
JOBURG FRESH PRODUCE MARKET PRICES (MARCH 2020-SEPT 2020)



- According to data from Joburg Market, the largest fresh produce Market in SA, **tomatoes, carrots, onions** and **cabbage** increased substantially over the initial period of lockdown and then **decreased in May 2020**.
- **Tomatoes** have shown the **greatest fluctuations** in prices during this period starting **from R7/kg in March, R10/kg in April, R9.90/kg in July and around RR8/kg in September 2020**
- The only vegetable that saw **price increases** over the initial lockdown period but has continued to rise is potatoes which **initially fell to the R3/kg mark in May but has since increased significantly to the R6/kg mark**.

Source: CompComm
Image: Thinkstock

JOBURG FRESH PRODUCE MARKET PRICES (MARCH 2020-SEPT 2020)

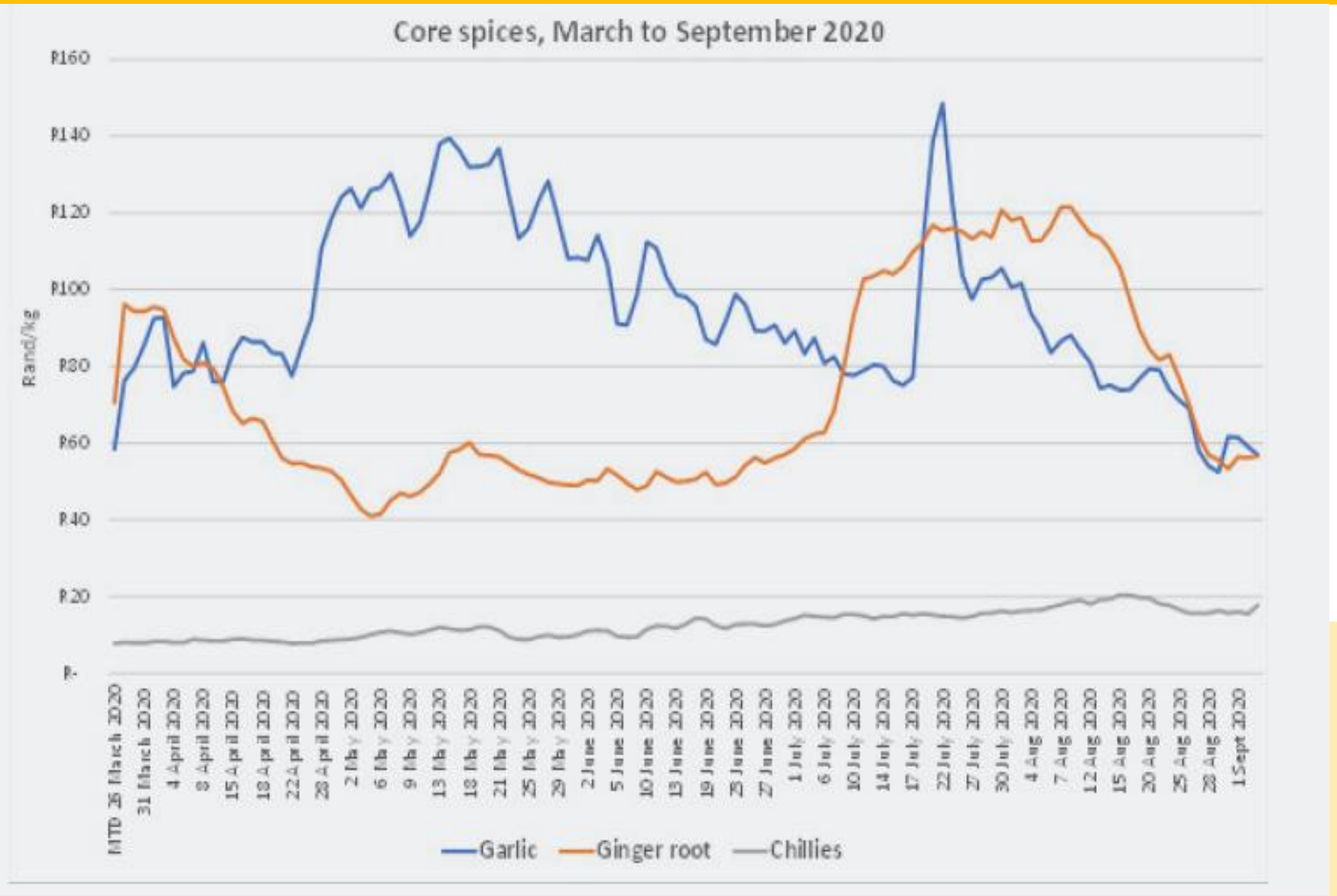


- The largest increase in the top 6-10 vegetables was in the price of green pepper which has remained marginally high despite significant fluctuations during this period. **In March 2020, a kg of green pepper cost R6.50/kg**. This **increased by about R10 to R16.40/kg in September 2020.**
- The price of butternut, hubbard squash, green peppers was higher in September than at the start of lockdown.

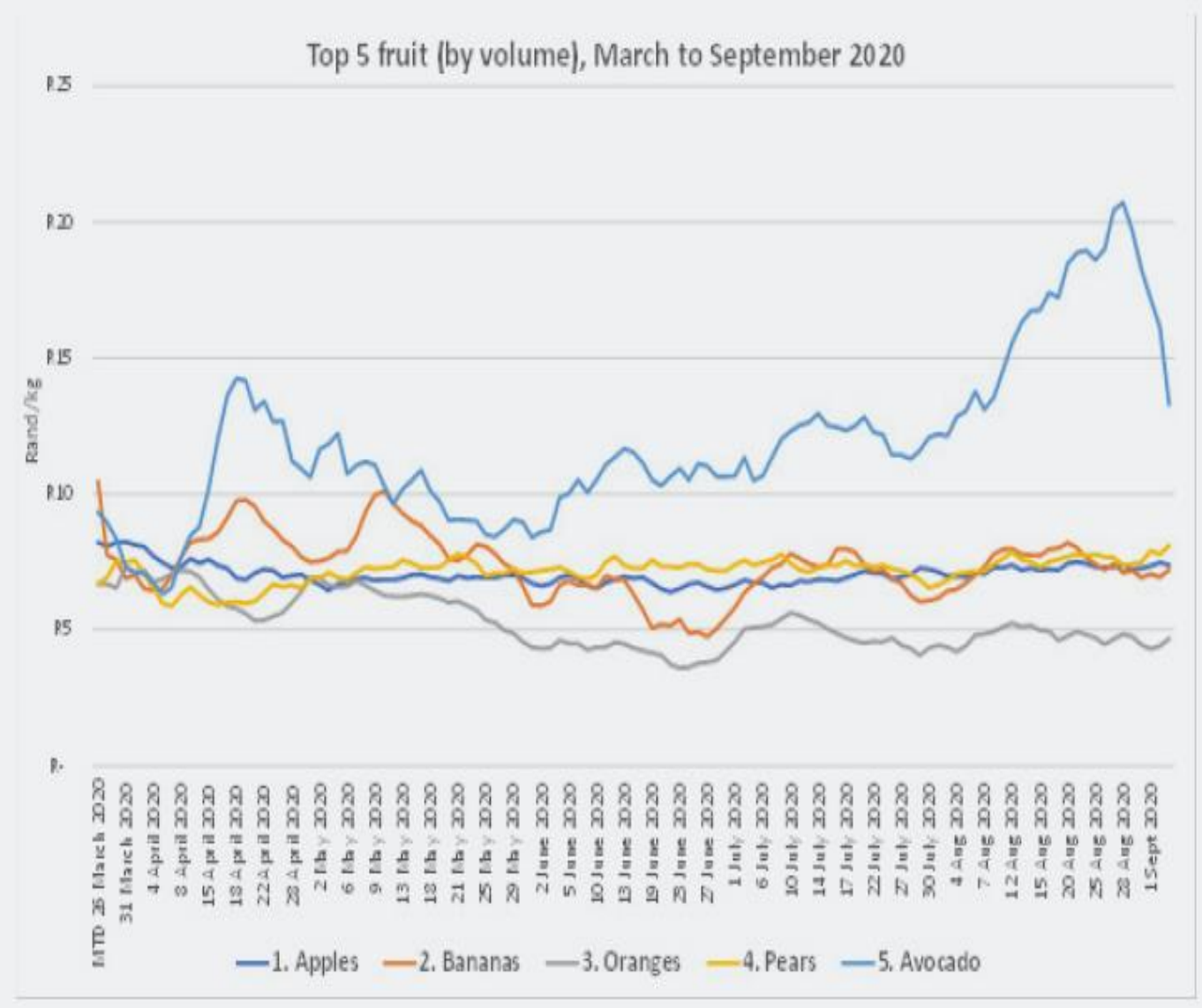
Image:hobby farms
Source: CompComm

JOBURG FRESH PRODUCE MARKET PRICES (MARCH 2020-SEPT 2020)

- Of the three core spices, **garlic had the largest increase** up until mid-May where prices started to **decrease slightly, spiking again in late July 2020 to about R148/kg.** The price of garlic has, however lowered to pre-crisis levels, possibly revealing seasonal variations.
- **Ginger** has shown a similar **seasonal-like pattern** with the latest prices at pre-crisis levels
- **Chillies** have **increased steadily** over the period with prices having started at the **R8/kg level and reaching R18/kg at the beginning of September 2020.**



JOBURG FRESH PRODUCE MARKET PRICES (MARCH 2020-SEPT 2020)



- The prices of **bananas and pears** were relatively **stable** over between March and September 2020.
- The price of **oranges** on the other hand has **decreased** while the price of **avocados** has been rising slowly, with a sharp spike in August 2020 where a kilogram cost around R22. Since then, **the price of avocados has decreased to R13/kg**
- Given the lack of impact on pricing of the pandemic and initial lockdown effects, subsequent price movements are more likely the result of seasonality or other supply and/or demand factors rather than the pandemic itself.

Source: CompComm

COMPARISON OF HOUSEHOLD FOOD BASKETS ACROSS SELECTED MUNICIPALITIES, SEPT-NOV 2020

Cost of Household Food Basket in September 2020	
Average cost of Household Food Basket (all areas).	**R3 783,16**
Cost of *Joburg* Household Food Basket	R3 808,26
Cost of *Durban* Household Food Basket	R3 731,40
Cost of *Cape Town* Household Food Basket	R3 834,10
Cost of *Springbok* Household Food Basket	R3 989,84
Cost of *Maritzburg* Household Food Basket	R3 601,38

Cost of Household Food Basket in October 2020	
Cost of *Joburg* Household Food Basket	R3 969,41
Cost of *Durban* Household Food Basket	R3 907,62
Cost of *Cape Town* Household Food Basket	R3 920,86
Cost of *Springbok* Household Food Basket	R4 034,53
Cost of *Maritzburg* Household Food Basket	R3 709,92
Average cost of Household Food Basket (all	**R3 916,72**

Cost of Household Food Basket in November 2020	
Cost of *Joburg* Household Food Basket	R4 054,94
Cost of *Durban* Household Food Basket	R4 022,78
Cost of *Cape Town* Household Food Basket	R3 975,28
Cost of *Springbok* Household Food Basket	R4 425,03
Cost of *Maritzburg* Household Food Basket	R3 742,34
Average cost of Household Food Basket (all areas).	**R4 018,22**

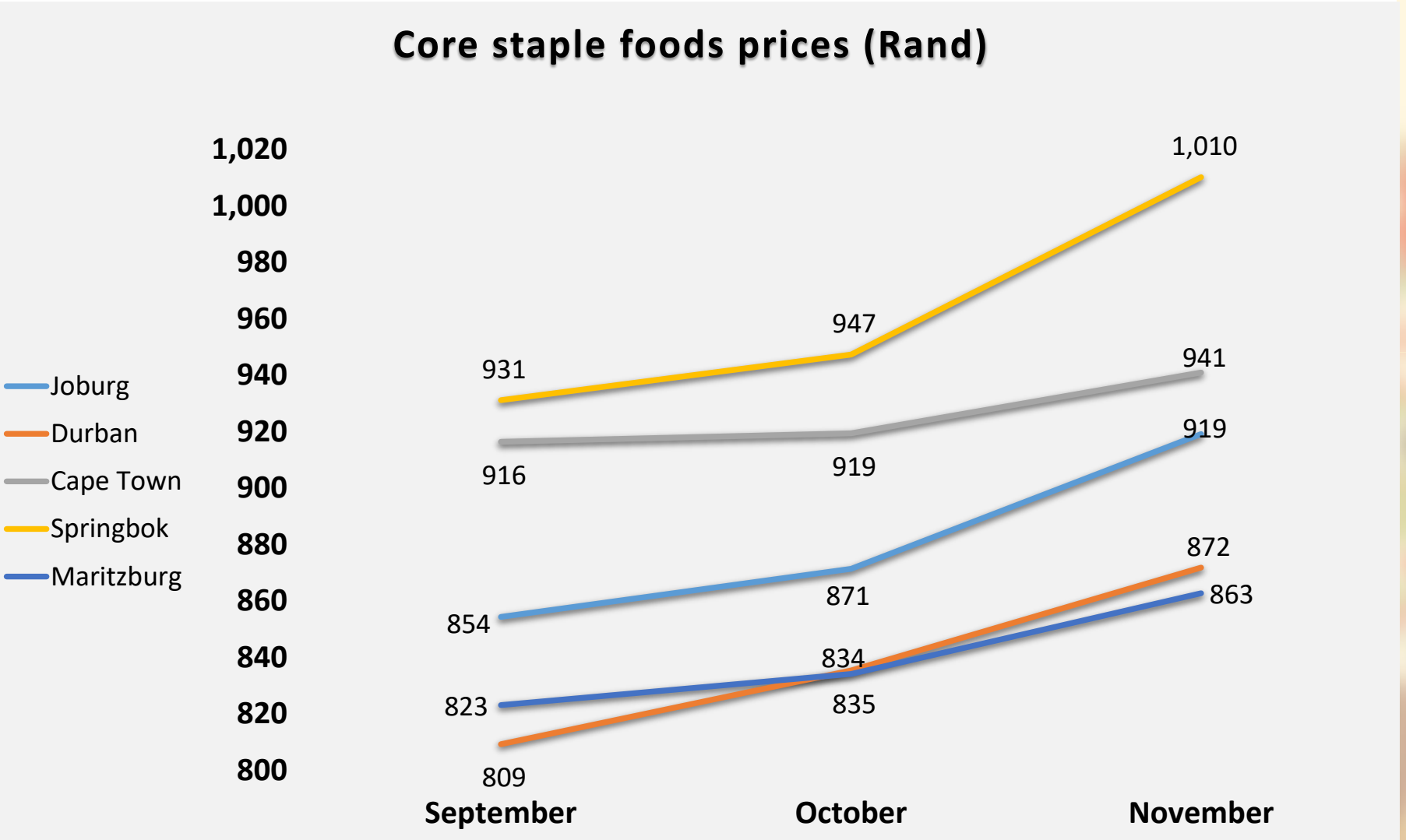
- The cost of a Joburg household food basket was above the average cost of a SA household food basket in all 3 months.
- In September, October and November**, a household food basket in Joburg cost R3 808, R3 969 and R4 055** respectively.
- In **September**, the cost of food was **highest in Springbok, followed by Cape Town and then Joburg.** In October and November however, Joburg was the second highest followed closely by Cape Town in October and Durban in November
- The cost of a household food basket was cheapest in Maritzburg in all 3 months meaning that on average, food was cheaper in Maritzburg than in the other cities

Source: PMBEJD

Image: Kempton express

COMPARISON OF HOUSEHOLD FOOD BASKETS ACROSS SELECTED MUNICIPALITIES, SEPT-NOV 2020

Core staple foods



- The core staple foods and quantities tracked are:
  - 30kg Maize meal
  - 10kg Rice
  - 10kg Flour
  - 10kg White sugar
  - 5kg Sugar beans
  - 5kg Samp
  - 5L Cooking oil

- The cost of purchasing core staple foods is **highest in Springbok** where a typical **household spends an average of R962 per month** on these food items
- On average, **households in Joburg spent around R840 per month** on core staple foods between **September and November 2020**

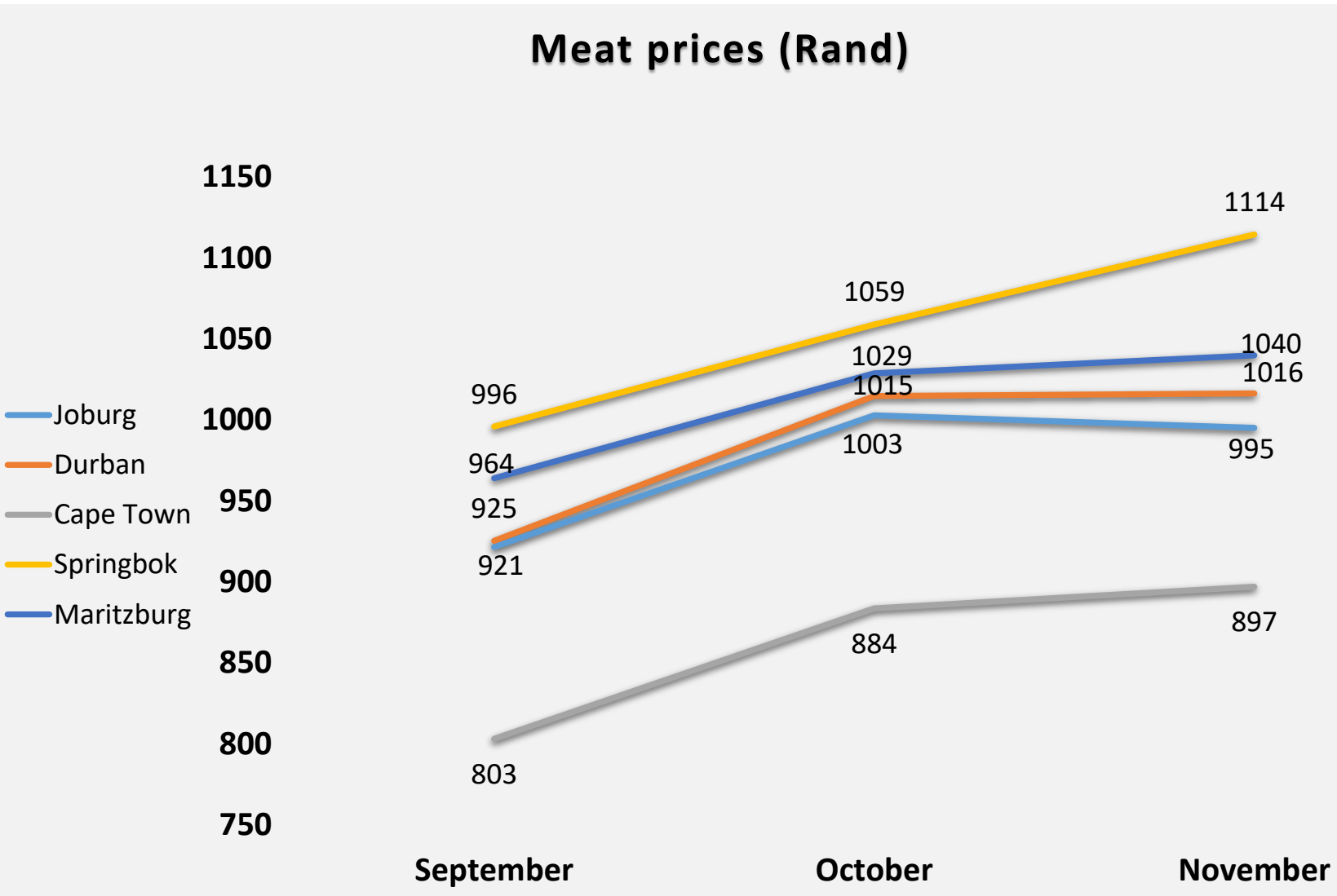
Source: PMBEJD

COMPARISON OF HOUSEHOLD FOOD BASKETS ACROSS SELECTED MUNICIPALITIES, SEPT-NOV 2020

Meat

- Meat and quantities tracked are:
  - 10kg Frozen chicken portions; 2kg Chicken feet; 2kg Gizzards; 2kg Chicken livers; 2kg Beef livers; 2kg Beef; 2kg Wors; 2kg Inyama yangaphakathi; 2kg Fish

- The cost of meat in Joburg is not as high as that of the other municipalities.
- Meat prices soared during lockdown reaching as high as **R1 003 per household meat basket in Joburg in October**, from R921 in the preceding month
- Although still quite high, the cost of this food basket in Joburg **declined in November**

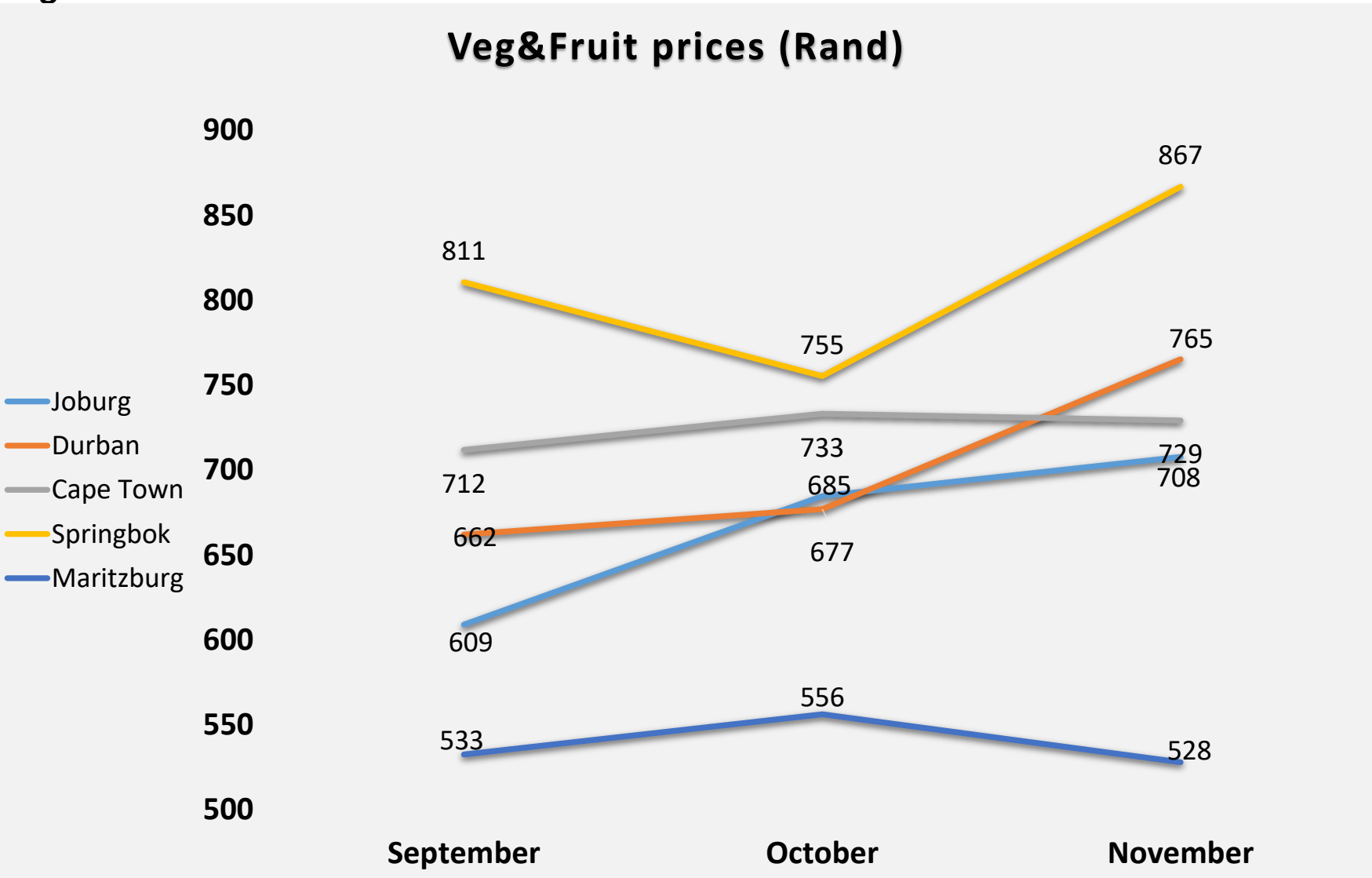


Source: PMBEJD

Image: irishtimes.com

COMPARISON OF HOUSEHOLD FOOD BASKETS ACROSS SELECTED MUNICIPALITIES, SEPT-NOV 2020

Vegetables and fruit



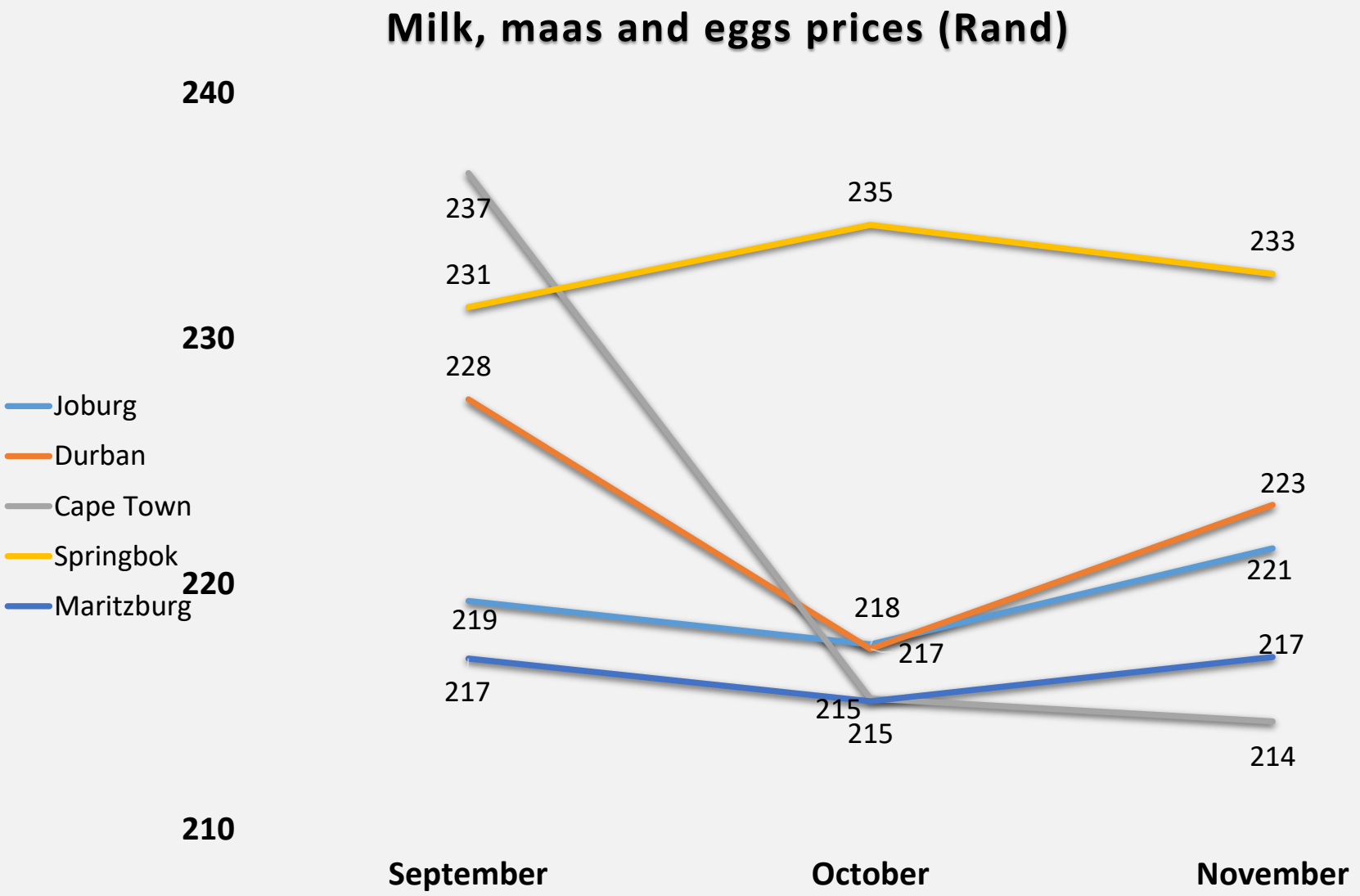
Source: PMBEJD

- Vegetables and fruit and quantities tracked are:
  - 10kg Potatoes; 10kg Onions; 6kg Tomatoes; 5kg Carrots; 10kg Butternut; Spinach x 8 bunches; Cabbage x 2 heads; 2kg Green pepper; 4kg Bananas; 3kg Apples; 7kg Oranges
- The prices for vegetables and fruits **increased by almost R100** in Joburg during the lockdown months (**R609 in September vs R708 in November**).
- **Joburg's veg and fruit household basket** was the **fourth most expensive out of the 5 cities**
- The **cheapest** vegetable and fruit basket was found in **Maritzburg**

Image: vita-grown.com

COMPARISON OF HOUSEHOLD FOOD BASKETS ACROSS SELECTED MUNICIPALITIES, SEPT-NOV 2020.

Milk, maas and egg



Source: PMBEJD

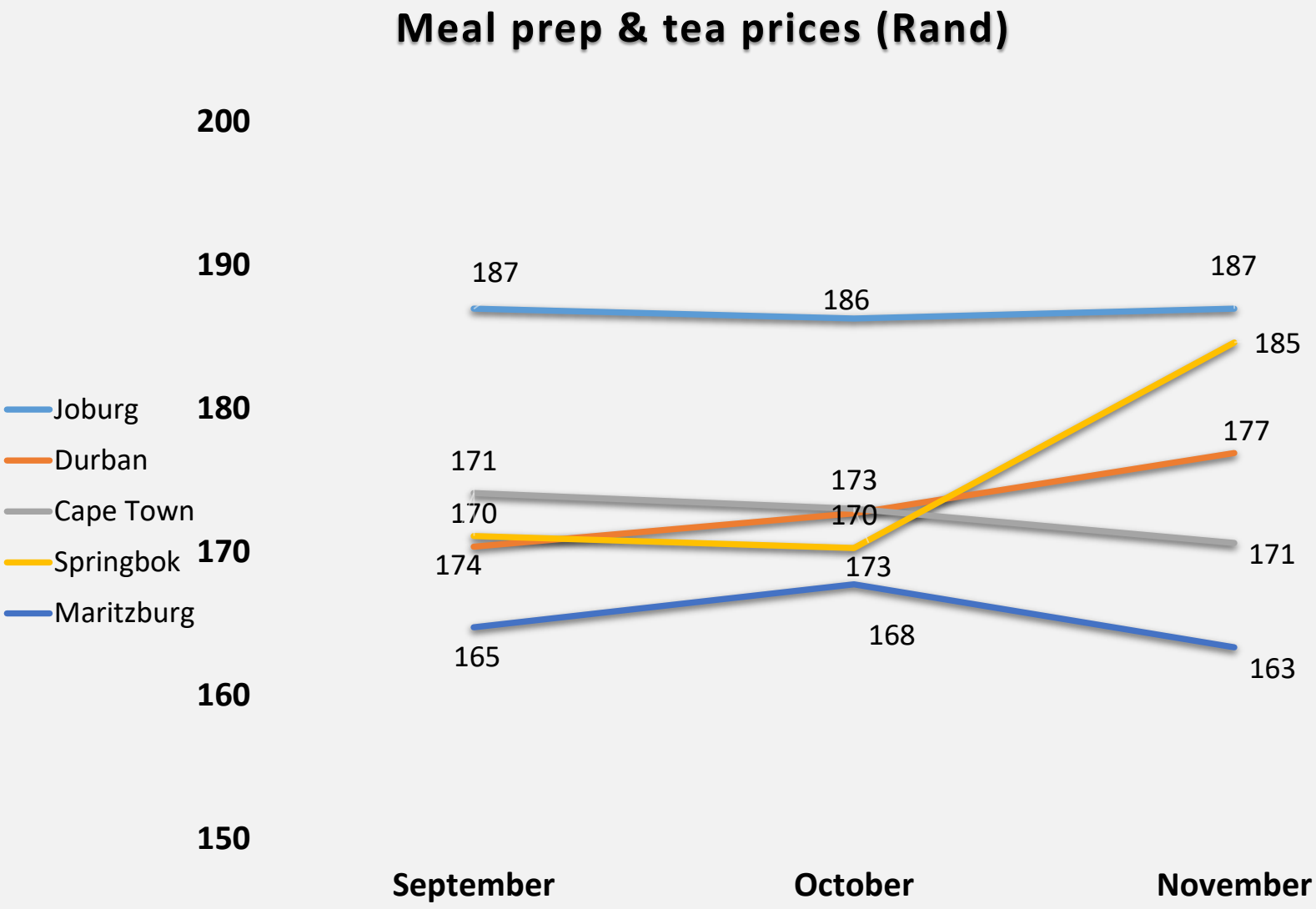
- Milk, maas and egg quantities tracked are:
  - 6L Full cream milk
  - 4L Maas
  - 60 eggs

- The cost of this food basket in Joburg **declined from R219 in September to R217 in October**, but increased again in **November to R221**
- On average over this period, the cost of Joburg's milk, maas and eggs household basket ranked 4th out of the 5 Cities surveyed
- Cape Town saw a considerable decline in the price of milk, maas and eggs in October. The cost of these items continued to decrease in CPT in November

Image: offthegridnews.com

COMPARISON OF HOUSEHOLD FOOD BASKETS ACROSS SELECTED MUNICIPALITIES, SEPT-NOV 2020

Meal preparation & tea



- Meal preparation & tea constitutes:
  - 1kg Salt
  - 200g Curry powder
  - 24 cubes x2 Stock cubes
  - 400g x2 Soup
  - 250g Tea
  - 800g Cremora

- Between September-November 2020, the **cost** of this household food basket was **highest in Joburg, averaging** an estimated **R186 per month during this period**
- The meal prep and tea household food basket was **cheapest** in **Maritzburg** costing an average of **R165 per month during September-November 2020**

Source: PMBEJD

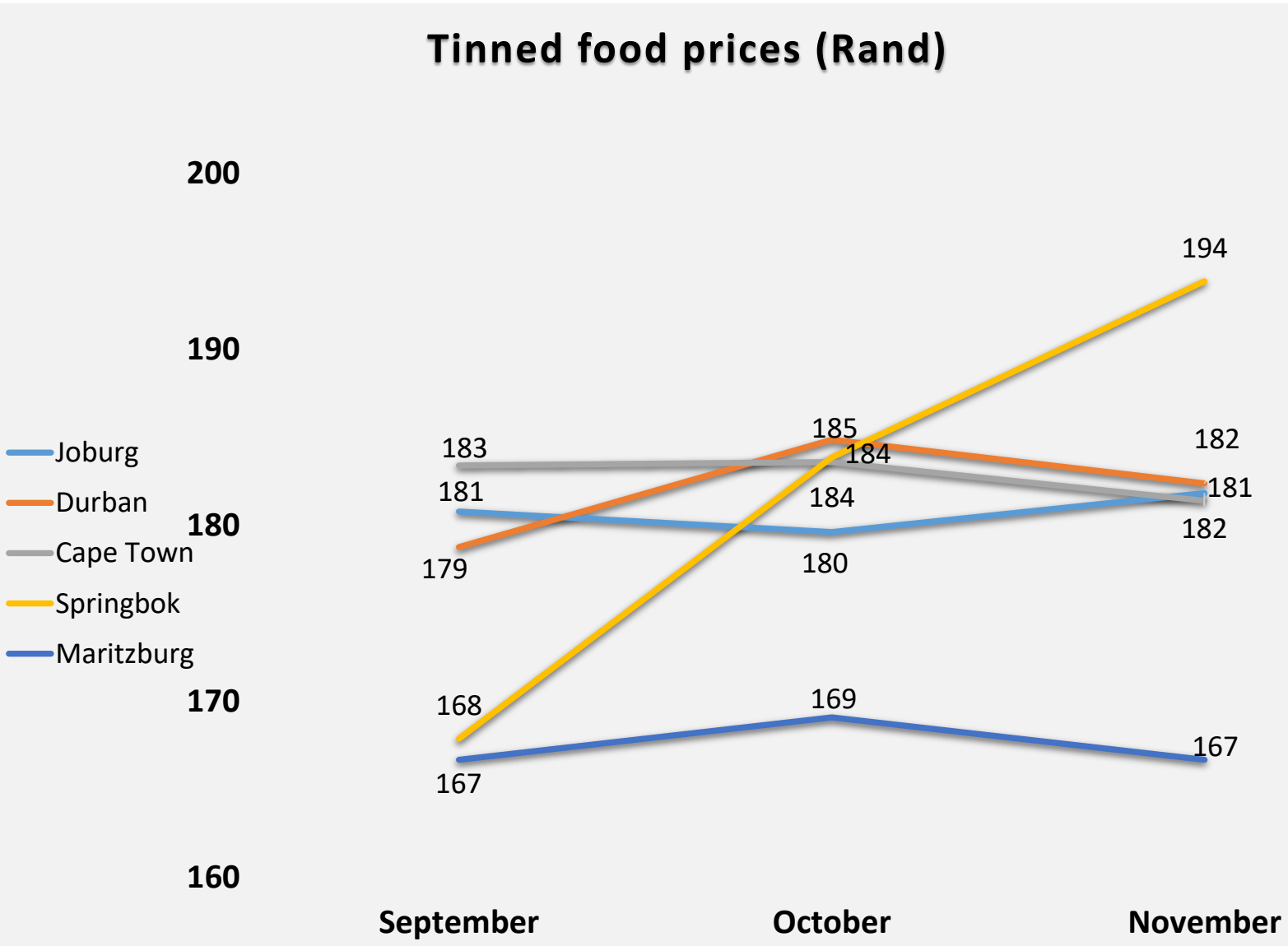
Image: calimebetty.com

COMPARISON OF HOUSEHOLD FOOD BASKETS ACROSS SELECTED MUNICIPALITIES, SEPT-NOV 2020

Tinned foods

- Tinned foods tacked include:
  - 400g x6 Tinned pilchards
  - 410g x6 Canned beans

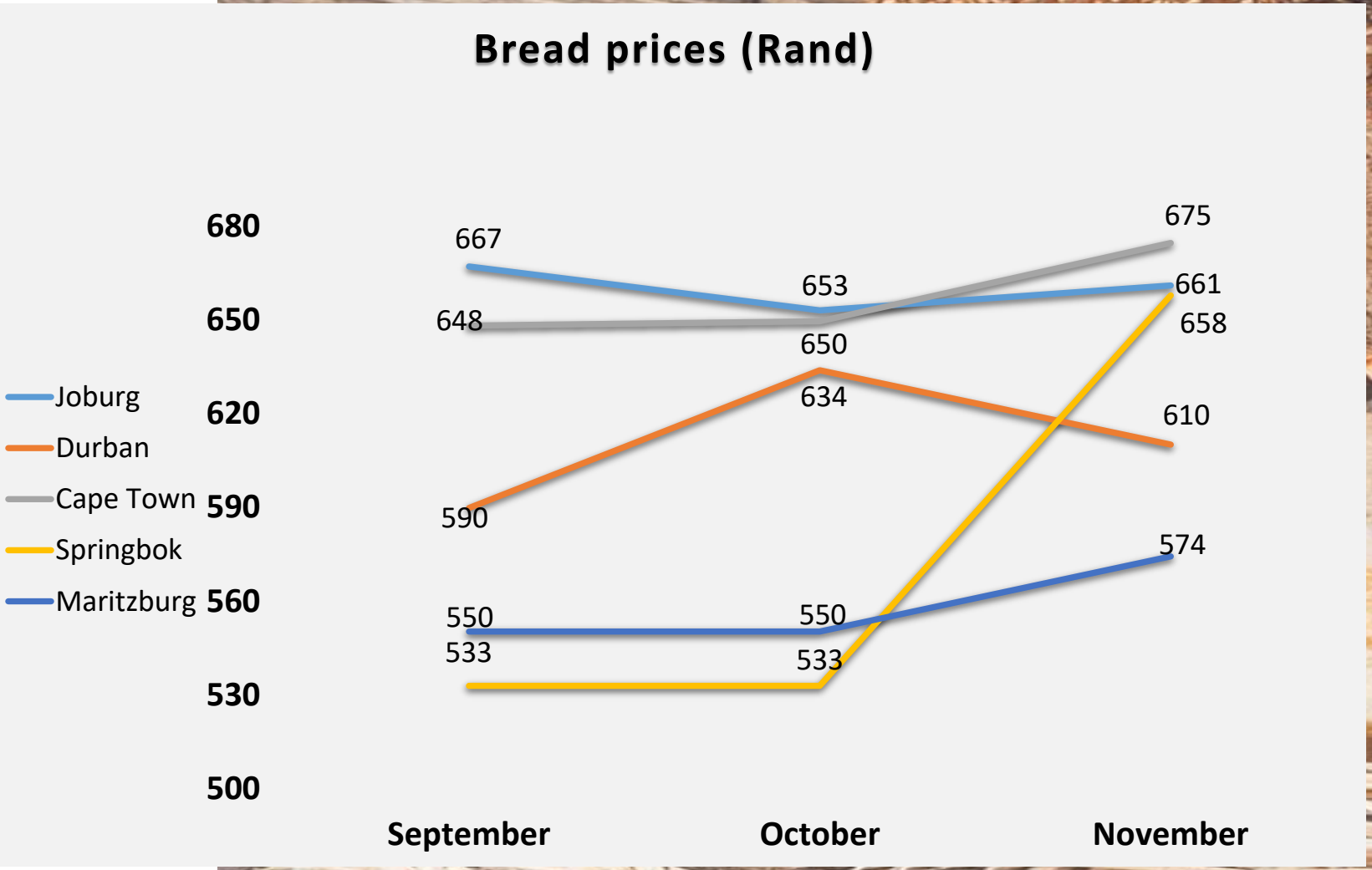
- **Joburg's** prices for tinned foods during **September and November** were among the **cheapest** out of the 5 cities (**R181 per month on average**). The **cost** of this basket is **lowest in Maritzburg** where a typical households spends **R167 per month** on average
- In **Springbok**, the price of tinned foods **increased to R194 in November from just R167 in September 2020**. This was the largest increase when compared to the other cities



Source: PMBEJD

COMPARISON OF HOUSEHOLD FOOD BASKETS ACROSS SELECTED MUNICIPALITIES, SEPT-NOV 2020

Bread



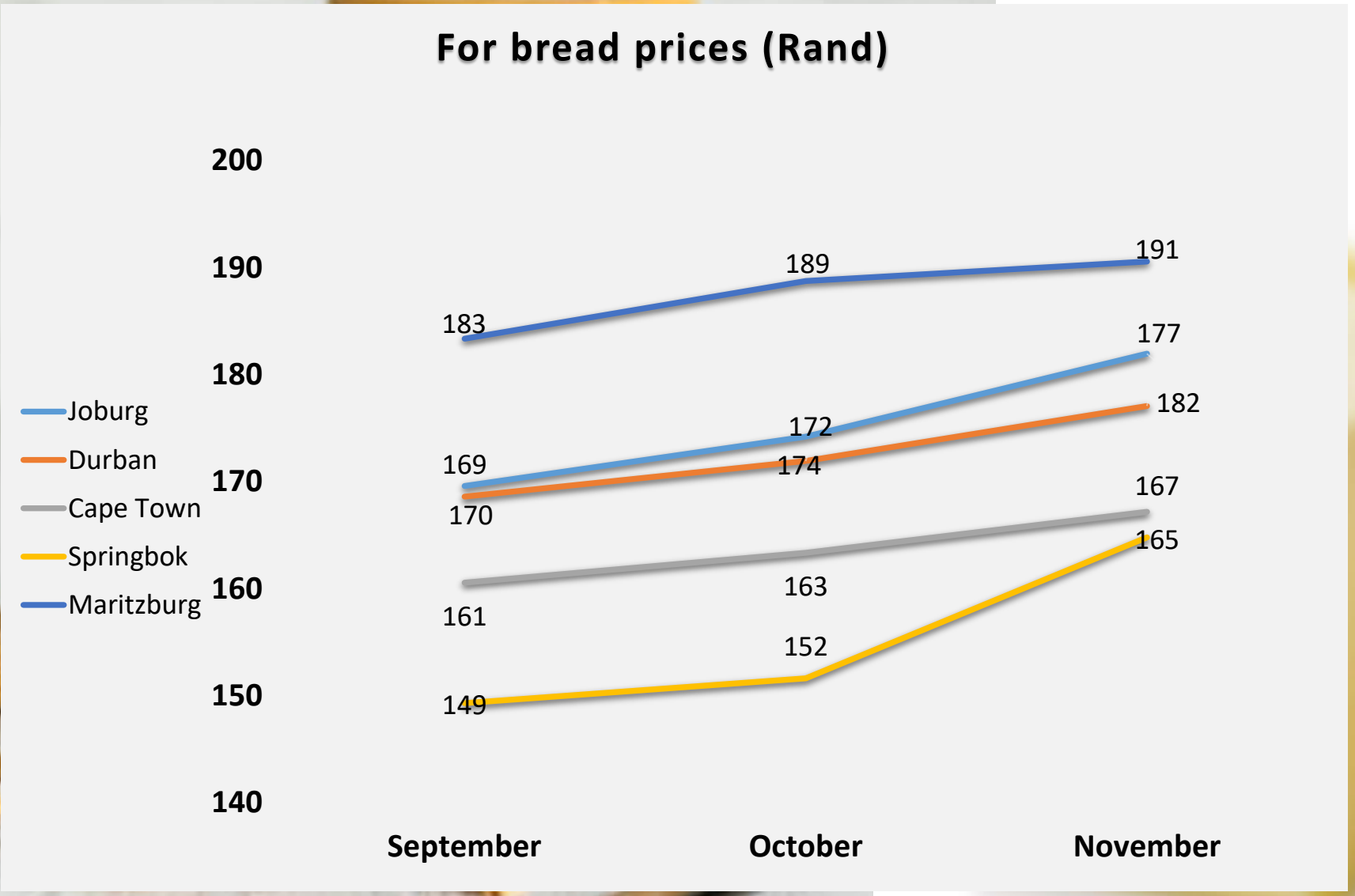
- Bread and quantities tracked:
  - 25 loaves white bread
  - 25 loaves brown bread

- A typical household in Joburg paid an estimated **R661** per month for **bread purchases in November 2020**. This was R6 cheaper than in **September 2020** where **a household bread basket cost R667**
- Between September-November 2020, **the average cost of the bread basket** was most expensive in **Joburg (R660)** and cheapest in **Springbok (R558)**

Source: PMBEJD

Image: parenting.firstcry.com

COMPARISON OF HOUSEHOLD FOOD BASKETS ACROSS SELECTED MUNICIPALITIES, SEPT-NOV 2020



- For bread:
  - 1kg Margarine
  - 400g Peanut butter
  - 2.5kg Polony
  - 900g Apricot jam

- On average, the basket for food items used in bread preparation during September-November 2020 was **highest in Maritzburg (R188) and lowest in Springbok (R156).**
- During the same period, a bread preparation food basket cost a typical **household in Joburg an average of R174 per month**
- The **cost** of this food basket **increased in all** the selected **municipalities** during September-November 2020

Source: PMBEJD

SUMMARY

1. The evidence presented in this analysis suggests that while the commencement of lockdown as a result of the Covid-19 pandemic came with some short-term pricing effects particularly on essential food products at Joburg's fresh produce market, most products where a pricing spike can be observed also showed an easing of prices after the first few month of lockdown:
   - The most expensive vegetables at Joburg Market during March – September 2020 were ginger and garlic, tomatoes, onions, green peppers and avocados.
   - Food products that showed less variation in prices are butternut, chillies and oranges
2. Households usually buy core foods first to ensure that they always have something they can cook in order not to go hungry. When the prices of core foods increase, there is less money to purchase mostly nutritious foods, which are essential for good health and well-being.
   - In Joburg, core foods contributed ±22% of the total cost of the Joburg Household Food Basket between September-November 2020
3. As expected, the most expensive household food basket in SA is Meat. In general food is more expensive in Springbok (with the exception of bread) than in the other cities surveyed in this analysis
   - In Joburg, Meat costs a typical household around R973 per month i.e., ±25 of the total cost of the Joburg Household Food Basket during the survey period
   - On average, vegetable and fruit made up ±17% of the total cost of the Joburg Household Food Basket during September and November 2020
   - The Joburg household basket for vegetables and fruit as well as tinned foods is among the lowest in comparison with the 5 cities that were surveyed during September-November 2020