

Food Security Workshop

Presentation by

HSRC

Introduction

The purpose of the discussion is to share with you the findings of a study in food security among low income households

Topics of Discussion

- **Brief background of a study**
- **Findings**
 - **Short term livelihoods trends and coping strategies.**
 - **Stresses that have impacted on livelihood strategies and their contribution to food insecurity.**

Background of study

- **National Department of Agriculture (NDA) requested IRRD (HSRC) to undertake a pilot study that would develop a system of monitoring the impact of food price volatility on household level food security.**
- **The study had to identify and develop methods for conducting an assessment of the impact of food price changes, and to recommend alternative strategies for how such an assessment could be undertaken on a regular basis**

- **Attempted to devise approach that was easy to administer and would provide insight into trends.**
- **It was done in 6 sites, 2 urban areas and 4 rural areas. (Kwa Zulu-Natal, North West and Gauteng Provinces).**
- **Data was collected by household surveys, focus group and shopkeeper interviews.**
- **Sample of 30 households.**

FINDINGS

- **Table 1: Mielie meal price changes**
- **Table 2: Percentage price increases of mielie meal, Kwa Zulu-Natal**
- **Table 3: Average increase in partial food budget**
- **Table 4: Average food diversity counts**

Coping strategies

- **Food insecurity has forced households into adopting coping strategies like**
 - **Consuming low quality food (cheaper brands)**
 - **Decreasing number of meals per day**
 - **Buying food on credit**
 - **Resorting to non payment of school fees**
 - **Depending on neighbours' assistance**

Stresses contributing to food insecurity

- **Increased food prices-** Soaring prices of basic food stuffs had an adverse effects on poor households
- **Unemployment-**Households with little or no income find it difficult to mobilize savings
- **Drought-**Hinders subsistence farming that reduces food expenditure
- **Lack of agricultural inputs-**Expensive seeds and lack of implements.

Conclusions

Narrative - words: 591

Cycle of credit holds low-income households at ransom for food purchases

Many low-income households in South Africa are highly dependent for their survival on government grants, of which the old-age grant and the child support grant are the most important. Because so much of poor households' total expenditure is on food – according to a Stats SA study from 1997, the poorest households spend more than half of their money on food – this essentially means that a large fraction of government grants goes directly to the food purchases of poor households. In some cases this has perverse effects.

The National Department of Agriculture commissioned the HSRC to develop and pilot a survey methodology to monitor the impact of food price volatility on household-level food security, in particular for low-income households. In the course of the project, interviews were conducted with households and shopkeepers in six different communities across KwaZulu-Natal, Northwest and Gauteng. Almost one third of the households interviewed received an old-age grant, but they were over-represented among the 30% of households that regularly bought food on credit.

Shopkeepers confirmed this impression. Shopkeepers are unwilling to grant credit for food purchases unless the person requesting credit has a regular job, *or* if the person or someone in the household receives a grant. Grant recipients are considered eligible for credit on condition that they promise to repay the debt immediately on payout day.

Many pensioners who buy food at local shops are regular customers, indeed they are often the best customers these local shops have. Whereas those with relatively well-paying jobs tend to purchase major food items for cash at supermarkets in larger towns, poorer households are much more likely to purchase from local shops. Pensioner households are the best customers among these, because although poor, at least they have a regular income. However, their margin is such that they may find themselves compelled to ask for credit, and this can easily become more the rule than the exception. Indeed, some pensioner households even rely on the shopkeeper to transport bulk items to their homes.

While shopkeepers do indeed provide a real service to these pensioners, the combination of credit and transport has the consequence of rendering many pensioners ever more dependent on a particular shopkeeper, who in effect extracts a share of the monthly old-age grant by virtue of this relationship. Although the sample is small and these figures are preliminary, on the basis of the household survey it appears that those buying an 80 kg bag of mielie meal on credit pay 16% more than those that buy it without credit, accounting for about 5% of the monthly old-age grant.

In defence of shopkeepers, it must be pointed out that they are constantly approached with requests for credit that they cannot honour lest they quickly find themselves out of business. Shopkeepers have themselves been badly hit by the recent food price hikes, losing business from customers who either must simply curtail consumption (about 28% of respondents report having to skip meals at least once per week, and almost half having to cut back meal sizes), or to the growing cadre of illegal food

dealers who allegedly sell mielie meal but who do not have proper premises and who do not pay tax.

As for other ways to access food, low-income households in rural areas state that small-scale production for own consumption is hugely important to them, but that they often struggle because of the high price of seeds, poor weather, etc. Urban dwellers rather point to the expense of using water from the municipality, as well as the problem of theft.