**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:** **3965 [NW4933E]**

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**3965. Dr D T George (DA) to ask the Minister of** **Finance:**

Whether the National Treasury and the Department of Social Development have agreed on a comprehensive social relief package to address the growing levels of food insecurity in the Republic; if not, why not; if so, what are the relevant details? NW4933E

**REPLY**

The two departments are still engaging on this very complex policy framework given the challenges faced fiscally and the need for better economic growth. As Minister of Finance stated in the MTBPS, “*Discussions on the future of the grant are on-going and involve very difficult trade-offs and financing decisions. Despite the provision made in this budget, I want to reiterate that any permanent extension or replacement will require permanent increases in revenue, reductions in spending elsewhere, or a combination of the two*.”

Ongoing discussions on social relief responses involve the Department of Social Development, Presidency, Department of Employment and Labour, Department of Public Works and Infrastructure, and are exploring various options taking into account affordability, efficacy in addressing poverty, and possibilities of enabling developmental and long-term economic inclusion outcomes as opposed to focusing only on short term food provision.

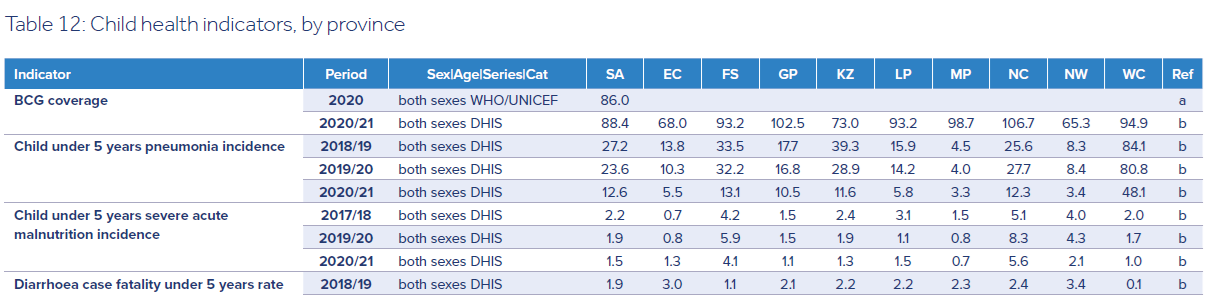
DPME is coordinating some of the work assessing performance against the National Food and Nutrition Security Plan, 2018 - 2023. Assuming that 70% of social grant expenditure is spent on food, we estimated that approximately R182.1 billion was spent on food related interventions in 2021/22, as shown in Table 1 below. This includes spending on the school nutrition programme, feeding in ECD centres, clinic based nutritional support and other areas. In our view, the major problem pertaining to access to food is due to demand side factors, such as low household incomes, as opposed to supply side factors.

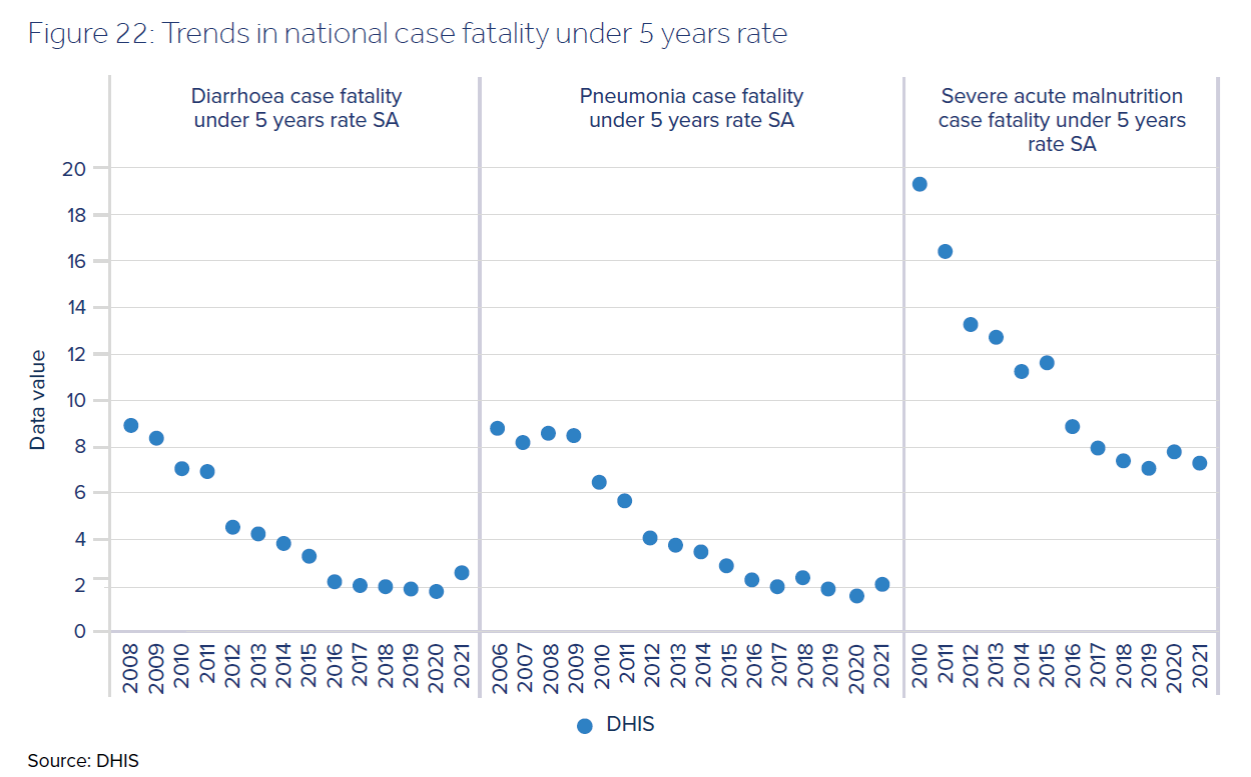
**Table 1. Summary of food and nutrition spending**

There is some evidence that child malnutrition and fatality rates from malnutrition have declined over the years (see table 12 and Figures 22 inserted in Annexure 1). There is also some indication that the substantial increase in social grants and UIF during COVID-19 gave some protection against hunger (see Figure 5).

Nevertheless, we acknowledge the pressures on households arising from substantially higher inflation. This is partly why the MTBPS indicates that the SRD 350 grant will be extended by a further year and why temporary support was given to cushion the fuel price increase. The MTBPS suggests that total non-interest expenditure will increase by R52.4 billion in 2023/24 (as compared to Budget 2022 projections). Extension of the SRD 350 grant will be by far the biggest item within this and this reflects prioritisation given to this area.

**ANNEXURE 1**





Chart, bar chart

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